REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT 2010

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ACCOR

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Registration Document and Annual Financial Report 2010

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

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1 Corporate Presentation

1.1. Corporate Profile

Accor, the world's leading hotel operator and market leader in Europe, is present in 90 countries with 4,200 hotels and more than 500,000 rooms. Its broad portfolio of hotel brands – Sofitel, Pullman, MGallery, Novotel, Suite Novotel, Mercure, Adagio, ibis, All seasons, Etap Hotel, HotelF1 and Motel 6, and related activities, Thalassa Sea & Spa and Lenôtre – provide an extensive offering, from luxury to budget.

With 145,000 employees worldwide, the Group offers its clients and partners nearly 45 years of know-how and expertise.

1.2. Core businesses

1.2.1. HOTELS

Present in every segment, from budget accommodations to luxury hotels, Accor is uniquely positioned in the global hospitality market.

A portfolio structured to meet demand, from luxury to budget

Luxury and upscale	
SOFITEL LUXURY HOTELS	Sofitel creates luxury hotels that blend French elegance, savoir-faire and sophisticated hospitality with the very best of each country's local culture. In the world's most desirable destinations and capital cities, Sofitel offers guests seeking quality, sophistication and excellence an unforgettable immersion in the French art de vivre. Network: 116 hotels, 29,987 rooms in 38 countries Guests: 61% business – 39% leisure
pullman HOTELS AND RESORTS	Pullman offers upscale contemporary hotels designed to meet the emerging needs of travelers and event organizers. Each hotel is a unique, comfortable, hospitable living environment whose lobby, restaurants and bars encourage meetings, discussions and friendly conversation. In addition, a broad range of services, innovative technologies and personalized meeting possibilities position Pullman as an international benchmark. Network: 49 hotels, 13,924 rooms in 17 countries. Guests: 70% business – 30% leisure
M Gallery	Launched in 2008, MGallery is a collection of upscale hotels, each with their own character and identity, derived from their distinctive design, remarkable history or outstanding location. In downtown or prime tourist locations, their inimitable personality offers a memorable experience for travelers looking for hotels with that extra "little touch of soul." Network: 33 hotels, 3,632 rooms in 18 countries Guests: 51% business – 49% leisure

Midscale

Novotel helps both business and leisure travellers relax and recharge on five continents. Innovative and guest-friendly, its hotels offer consistently high quality accommodations with just the right blend of freedom and efficiency customers expect. Its spacious, stylish rooms, healthy food services available 24/7 and wide range of service solutions make it the natural choice for business meetings, with Meeting@Novotel, or for family outings, with Family&Novotel. Deeply committed to sustainable development, Novotel plans to have its entire network EarthCheck certified by the end of 2012.

Network: 395 hotels, 72,805 rooms in 59 countries

Guests: 61% business – 39% leisure

Introduced in 2010, Suite Novotel is a Novotel label that invites guests to experience a new way of hotel living. Targeting medium-stay customers, these innovative, offbeat hotels address emerging usage patterns with effective, yet highly original solutions. They offer modular suites, a reworked interface between public and private spaces and services that make a real difference, like the Suite Box (for Internet, local calls and free, unlimited VOD), free massages on Thursday nights and the loan of a Smart car for stays of more than four days.

Network: 28 hotels, 3,477 rooms in six countries

Guests: 70% business – 30% leisure

Mercure offers business and leisure travellers a compelling alternative to chain or independent hotels. It is the only midscale hospitality brand to combine the power of an international network of 700 hotels, all meeting the same consistent quality standards, and the authentic experience of individually unique hotels rooted in their local community and run by owners passionate about their business.

Network: 674 hotels, 83,428 rooms in 50 countries

Guests: 63% business – 37% leisure

Adagio offers a range of apartments, from studio to two-bedroom, for travelers who want to live “just like at home” and at their own pace when they’re in a new city. Created in partnership with the Pierre & Vacances Center Parcs Group, Adagio City Aparthotel provides comfortable accommodations for stays from four nights to several months in the heart of Europe’s leading cities. The roomy, ready-to-live-in apartments come with an array of optional services to make life easier and declining rates for longer stays.

Network: 32 apartment hotels, 4,060 rooms in six countries

Guests: 60% business – 40% leisure

Economy

The global benchmark in economy lodging, ibis is totally dedicated to taking care of its guests, everywhere around the world. That why each of the 900 ibis hotels welcomes guests in the brand’s inimitable style, shaped by the spirit of simplicity, accessibility and hospitality. ibis also offers the assurance of modern accommodations and a wide range of services, with a comfortable room, 27/7 snacks and drinks, breakfast served from 4:00 am to noon, a variety of dining options and a Web corner – all delivering the finest quality and service for the money. The brand has also demonstrated its commitment to quality and the environment by earning worldwide ISO 9001 and ISO 14001 accreditation.

Network: 900 hotels, 107,735 rooms in 45 countries

Guests: 59% business – 41% leisure

Created in 2007, all seasons is an economy brand being developed through franchising in mature markets. It serves a full range of guests, from business to leisure and from individuals to families. Its “all-inclusive” package includes the room, broadband Internet access, buffet breakfast and a host of extra amenities. The network’s mid-sized, non-standardized hotels feature an innovative, colorful design and contemporary styling, with locations in city-centers and business districts.

Network: 115 hotels, 10,267 rooms in 10 countries

Guests: 60% business – 40% leisure

Budget

Etap Hotel offers highly affordable, comfortable accommodations with shower and selected services, such as a buffet breakfast, Wi-Fi access, parking and snack vending machines. The brand is rated among the most innovative in its category, thanks in particular to its new stylish, restful “cocoon” room concept. The European leader in budget lodging, Etap Hotel is also a major player in the Southern Hemisphere with the Hotel Formule 1 brand.

Etap Hotel network: 480 hotels, 42,892 rooms in 15 countries

Of which 59 Formule 1 hotels with 7,169 rooms outside Europe

Guests: 60% business – 40% leisure

When it was created in 1984, Formule1 radically transformed the hotel industry, making lodging widely affordable with comfortable rooms for one to three people at less than 100 francs (around 15 euros). In 2007, following a top-to-bottom renovation of its hotels, Formule1 changed its name to hotelF1 in France. More dynamic than ever, the brand now offers the attractively designed Duo and Trio rooms, along with all-new reception and breakfast areas.

Network: 252 hotelF1 units, totaling 18,827 rooms

Guests: 65% business – 35% leisure

motel 6	North America's leading chain of Economy motels, Motel 6 is known for its comfortable, hospitable rooms at the lowest price in the market. Network: 1 028 hotels, 100,763 rooms in the United States and Canada Guests: 70% business – 30% leisure
studio 6 extended stay	Studio 6 is positioned as the right choice in the North American long-stay budget segment. Network: 62 hotels, 6,883 rooms in the United States and Canada Customers: 65% business – 25% leisure – 15% residents

A global presence in every market segment

Accor operates on five continents with a unique portfolio of 4,229 hotels and a presence in every market segment.

Hotel portfolio by region and brand at December 31, 2010

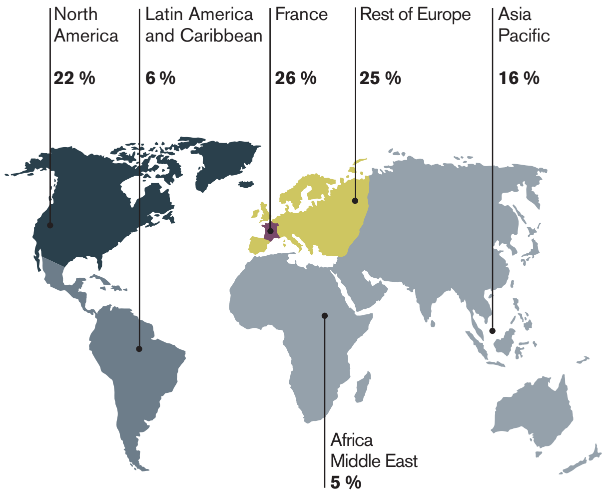
	France		Rest of Europe		North America		Latin America and Caribbean		Africa/Middle East		Asia-Pacific		Total	
Brand	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**
Sofitel	12	1,597	21	5,017	9	2,893	9	1,623	22	5,160	43	13,697	116 (*)	29,987
Pullman	13	3,384	12	2,816	-	-	1	188	5	1,355	18	6,181	49	13,924
Novotel	121	16,050	140	26,658	8	2,105	19	3,129	22	4,359	85	20,504	395	72,805
Mercure	241	22,695	245	32,858	-	-	74	9,605	32	5,016	115	16,886	707	87,060
Adagio	26	3,411	6	649	-	-	-	-	-	-	-	-	32	4,060
Suite Novotel	19	2,144	7	1,041	-	-	-	-	2	292	-	-	28	3,477
Coralia Club	-	-	-	-	-	-	1	385	3	677	-	-	4	1,062
Other brands	2	118	16	2,810	-	-	-	-	1	112	14	2,526	33	5,566
Luxury, upscale and midscale	**434**	**49,399**	**447**	**71,849**	**17**	**4,998**	**104**	**14,930**	**87**	**16,971**	**275**	**59,794**	**1,364**	**217,941**
All seasons	62	4,695	14	1,107	-	-	-	-	-	-	39	4,465	115	10,267
ibis	378	33,173	322	40,977	-	-	72	10,579	36	5,970	92	17,036	900	107,735
Etap Hotel	298	22,947	123	12,776	-	-	-	-	-	-	-	-	421	35,723
Formule 1	252	18,827	28	1,998	-	-	11	3,125	24	1,696	24	2,348	339	27,994
Economy	**990**	**79,642**	**487**	**56,858**	**-**	**-**	**83**	**13,704**	**60**	**7,666**	**155**	**23,849**	**1,775**	**181,719**
Motel 6	-	-	-	-	1,028	100,763	-	-	-	-	-	-	1,028	100,763
Studio 6	-	-	-	-	62	6,883	-	-	-	-	-	-	62	6,883
Economy – US	**-**	**-**	**-**	**-**	**1,090**	**107,646**	**-**	**-**	**-**	**-**	**-**	**-**	**1,090**	**107,646**
TOTAL	**1,424**	**129,041**	**934**	**128,707**	**1,107**	**112,644**	**187**	**28,634**	**147**	**24,637**	**430**	**83,643**	**4,229**	**507,306**

(*) 116 units in the MEGA hotel base and 121 hotels marketed through the TARS reservation system.

Accor is the largest hotel group in **Europe,** with a network of 2,358 hotels and 257,748 rooms accounting for 51% of its room base at December 31, 2010. In other regions, our expertise is deployed through 1,107 hotels (22% of the room base) in **North America,** 187 hotels (6%) in **Latin America** and the **Caribbean,** 147 hotels (5%) in **Africa** and the **Middle East,** and 430 hotels (16%) in **Asia** and the **Pacific region.**

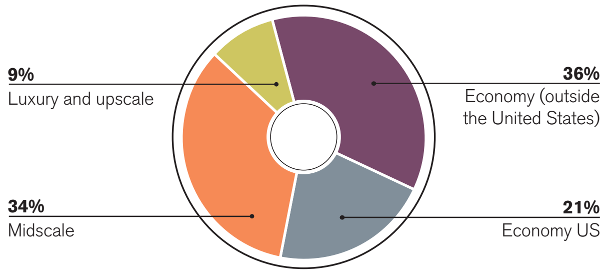
Hotel portfolio by region at December 31, 2010

(% based on number of rooms)



Hotel portfolio by segment at December 31, 2010

(% based on number of rooms)



Differentiated ownership structures

In developing new hotels, Accor's strategy is to align their ownership structure with:

- their positioning (luxury and upscale, midscale or economy);
- the size of the country and type of economy (developed or emerging);
- their location (large, mid-size or small city);
- their return on capital employed;
- their earnings volatility.

In mature markets, Accor prefers asset-light ownership structures based on:

- management contracts in the luxury segment;
- management contracts and franchise agreements in the upscale segment;
- variable leases, management contracts or franchise agreements in the midscale;
- variable leases and franchise agreements in the European economy segment and franchise agreements in the US economy segment.

In emerging markets, we focus on:

- management contracts in the luxury and upscale segments;
- joint ventures with local partners in some countries, like India, and management contracts in the midscale segment;
- all types of ownership structures in the economy segments, depending on the brand and the location.

As of year-end 2010, 64% of the room base was operated under arrangements that limited earnings volatility, such as variable leases, management contracts and franchise agreements.

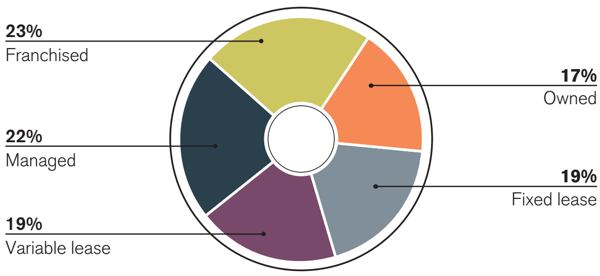
Hotel portfolio by ownership structure and brand at December 31, 2010

	Owned		Fixed lease		Variable lease		Managed		Franchised		Total	
Brand	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**
Sofitel	18	2,731	5	1,509	7	1,173	80	22,609	6	1,965	116 (*)	29,987
Pullman	9	2,309	8	2,220	7	1,544	21	6,819	4	1,032	49	13,924
Novotel	53	9,925	59	11,448	124	20,512	102	23,572	57	7,348	395	72,805
Mercure	49	6,201	90	14,279	88	13,159	204	29,859	276	23,562	707	87,060
Adagio City Aparthotel	2	207	6	697	1	133	22	2,912	1	111	32	4,060
Suite Novotel	7	985	8	1,239	1	100	4	488	8	665	28	3,477
Coralia Club	-	-	-	-	-	-	4	1,062	-	-	4	1,062
Other brands	14	2,677	2	154	-	-	13	2,312	4	423	33	5,566
Luxury, upscale and midscale	**152**	**25,035**	**178**	**31,546**	**228**	**36,621**	**450**	**89,633**	**356**	**35,106**	**1,364**	**217,941**
All seasons	3	330	11	820	5	909	12	1,989	84	6,219	115	10,267
ibis	121	16,560	126	16,593	236	32,245	96	17,314	321	25,023	900	107,735
Etap Hotel	34	2,982	60	6,420	103	9,595	8	1,014	216	15,712	421	35,723
Formule 1	86	6,246	14	1,135	168	15,390	10	1,176	61	4,047	339	27,994
Economy	**244**	**26,118**	**211**	**24,968**	**512**	**58,139**	**126**	**21,493**	**682**	**51,001**	**1,775**	**181,719**
Motel 6	291	33,421	317	35,308	1	72	-	-	419	31,962	1,028	100,763
Studio 6	12	1,363	28	3,757	-	-	-	-	22	1,763	62	6,883
Economy United States	**303**	**34,784**	**345**	**39,065**	**1**	**72**	**-**	**-**	**441**	**33,725**	**1,090**	**107,646**
TOTAL	**699**	**85,937**	**734**	**95,579**	**741**	**94,832**	**576**	**111,126**	**1,479**	**119,832**	**4,229**	**507,306**

(*) 116 units in the MEGA hotel base and 121 hotels marketed through the TARS reservation system.

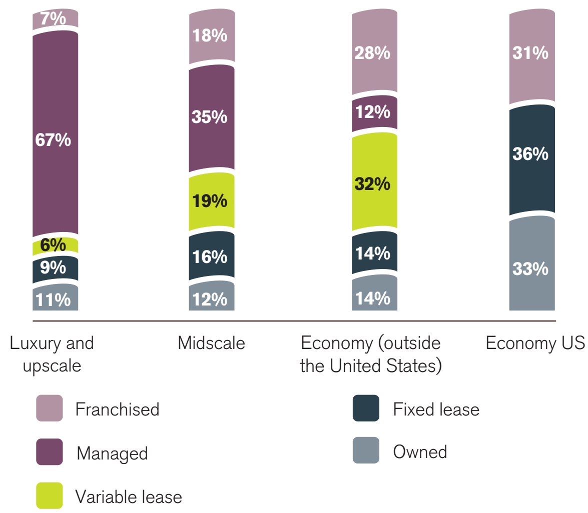
Hotel portfolio by ownership structure at December 31, 2010

(% based on number of rooms)



Hotel portfolio by segment and ownership structure at December 31, 2010

(% based on number of rooms)

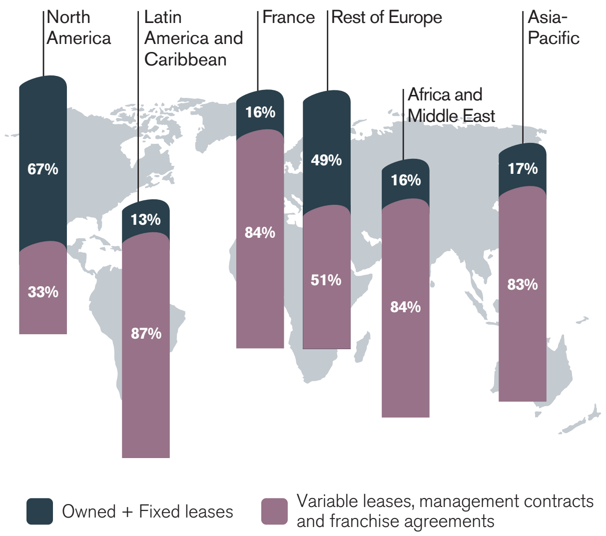


Hotel portfolio by ownership structure and region at December 31, 2010

	Owned		Fixed lease		Variable lease		Managed		Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
France	147	14,557	51	6,034	426	46,815	51	6,304	749	55,331	1,424	129,041
Rest of Europe	151	21,913	281	41,825	247	35,031	84	12,426	171	17,512	934	128,707
North America	307	35,969	345	39,065	1	72	12	3,664	442	33,874	1,107	112,644
Latin America and Caribbean	21	2,856	6	936	45	8,830	91	13,158	24	2,854	187	28,634
Africa/Middle East	33	3,634	2	412	10	1,678	91	17,736	11	1,177	147	24,637
Asia-Pacific	40	7,008	49	7,307	12	2,406	247	57,838	82	9,084	430	83,643
TOTAL	**699**	**85,937**	**734**	**95,579**	**741**	**94,832**	**576**	**111,126**	**1,479**	**119,832**	**4,229**	**507,306**

Hotel portfolio by ownership structure and region

(% based on number of rooms)



The above breakdown of the hotel portfolio shows the number of rooms, the type of ownership structure and the location of the hotels at December 31, 2010. Occupancy rates, average room rates and Revenue Per Available Room (RevPAR) are described in the analysis of consolidated results on page 109.

Hotel projects currently underway are presented in note 2 to the consolidated financial statements on page 146.

Environmental issues are described in the Environmental Report on page 36.

Markets and competition

Accor ranks fifth in the global hotel industry, based on the number of rooms.

Hotel companies ranked by number of rooms worldwide at December 31, 2010

Rank	Group	Number of hotels	Number of rooms
1	InterContinental	4,437	647,161
2	Marriott	3,545	618,104
3	Wyndham	7,120	612,700
4	Hilton	3,600	600,000
5	**Accor**	**4,229**	**507,306**

Source: Accor, companies websites.

The above competitors share two characteristics: they are all well established in the United States and they mainly operate through franchise agreements.

Property

Property, plant and equipment recognized in the consolidated balance sheet primarily corresponds to hotel assets that are either owned outright or held under finance leases. The cost value of consolidated property, plant and equipment stood at €6,507 million at December 31, 2010. The carrying amount was €3,682 million, representing 42.4% of total consolidated assets at that date (see note 20 to the consolidated financial statements, page 180).

European hospitality companies by number of rooms at December 31, 2010 (27-country European Union)

Rank	Group	Number of hotels	Number of rooms
1	**Accor**	**2,358**	**257,748**
2	Best Western	1,309	89,092
3	IHG	552	86,082
4	Groupe du Louvre	942	66,705
5	NH Hoteles	354	51,121

Sources: MKG Hospitality database – March 2011, Accor.

Four Accor brands rank among the top ten, in number of rooms, in the 27-country European Union.

European integrated hotel chains by number of rooms at December 31, 2010 (27-country European Union)

Rank	Chain	Number of hotels	Number of rooms
1	Best Western	1,309	89,092
2	**ibis**	**700**	**74,150**
3	**Mercure**	**486**	**55,553**
4	NH Hoteles	310	44,877
5	Holiday Inn	276	42,876
6	**Novotel**	**261**	**42,708**
7	Premier Inn	588	40,975
8	**Etap Hotel**	**421**	**35,723**
9	Hilton International	138	35,155
10	Travelodge	453	29,916

Sources: MKG Hospitality database – March 2011, Accor.

1.2.2. OTHER BUSINESSES

As part as its strategic refocusing on its core business, Accor has sold Compagnie des Wagons-Lits's onboard rail catering operations in France, Italy, Austria and Portugal to Newrest on July 7, 2010 through a joint venture owned 60% by Newrest and 40% by Accor. On March 4, 2011, Accor announced that it had completed the sale of its 49% stake in Groupe Lucien Barrière. Following the transaction, Accor no longer holds any Groupe Lucien Barrière shares.

Restaurants

LENÔTRE PARIS

Accor is active in every segment of the gourmet food industry through its Lenôtre subsidiary.

As the Group's prestige catering brand, Lenôtre acts as an ambassador of French gourmet cooking around the world, with boutiques offering fine pastries, traiteur dishes, chocolates and candies. It also organizes special events and operates a number of restaurants. It currently has 44 locations in 10 countries – France, Germany, Spain, Morocco, Kuwait, Qatar, Saudi Arabia, China, Thailand and Jordan – and plans to open an outlet in Bahrain in 2011.

In France, Lenôtre manages a network of 15 gourmet boutiques (13 in Paris, one in Cannes and one in Nice), the Pré Catelan with its prestigious restaurant (three stars in the Michelin Guide) and reception rooms, the Café Lenôtre Avenue de France at the Accor headquarters in Paris, the Panoramique restaurant at the Stade de France® sports stadium, the Pavillon Élysée Lenôtre in Paris (which includes a cooking school for amateurs, a Café Lenôtre, reception rooms and a culinary design boutique), the Café Lenôtre in Cannes and the Le Park Lenôtre reception venue in Mougins.

Every year, Lenôtre trains nearly 3,000 foodservice professionals at its school in Plaisir, which will celebrate its 40th anniversary in 2011. The Company currently boasts nine employees awarded Meilleur Ouvrier de France status, a wine steward elected the World's Best Sommelier and a portfolio of more than 30,000 recipes.

Synergies between Lenôtre and Accor's hotel restaurants are being actively developed, particularly in the areas of training and technical assistance with the Lenôtre Savoir-Faire business.

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 consolidated financial statements at December 31, 2010.

Consolidated financial highlights

(in millions of euros)	2009 (*)	2010
Consolidated revenue	5,490	5,948
EBITDAR	1,518	1,814
EBIT	235	446
Operating profit before tax and non-recurring items	108	334
Net profit/(loss)	(265)	3,610
Net profit/(loss) attributable to shareholders	(282)	3,600

Per share data

(in euros)	2009 (*)	2010
Earnings per share	(1.27)	15.94
Diluted earnings per share	(1.26)	15.87
Ordinary dividend per share	1.05	0.62 (1)
Special dividend per share	-	-

(1) Submitted for approval at the Annual Shareholders' Meeting to be held on May 30, 2011.

Total assets

(in millions of euros)	2009	2010
Total non-current assets	7,290	5,555
Total current assets	4,312	2,310
Assets held for sale	144	813
Total assets	11,746	8,678

Equity and net debt

(in millions of euros)	2009	2010
Equity attributable to shareholders	2,997	3,650
Equity attributable to minority interests	257	299
Equity	3,254	3,949
Net debt	1,624	730

(*) In accordance with IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations", the 2009 consolidated income statement has been adjusted to exclude operations discontinued in 2010 (see note 17 to the consolidated financial statements).

1.4. Milestones

1967

- Paul Dubrule and Gérard Pélisson create SIEH.
- First Novotel hotel opens in Lille.

1974

- First ibis hotel opens in Bordeaux.
- Acquisition of Courtepaille.

1975

- Acquisition of Mercure.
- 1976 Hotel operations are launched in Brazil.
- *Ticket Restaurant®* meal vouchers introduced in Brazil, Italy, Germany, Belgium and Spain.

1980

- Acquisition of Sofitel (43 hotels and two seawater spas).

1981

- Initial public offering of SIEH shares on the Paris Bourse.
- Start-up of Services operations in Mexico.

1982

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

1983

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

1985

- Creation of Formule 1, a new hotel concept based on particularly innovative construction and management techniques.
- Creation of Académie Accor, France's first corporate university for service activities.
- Acquisition of Lenôtre, which owns and manages deluxe caterer boutiques, gourmet restaurants and a cooking school.

1988

- 100 new hotels and 250 restaurants are opened during the year, for an average of one opening a day.
- Start-up of Services operations in Argentina.

1989

- Formule 1 expands outside France, with two properties in Belgium.
- Alliance formed with Groupe Lucien Barrière SAS to develop hotel-casino complexes.

1990

- Acquisition of the Motel 6 chain in the United States, comprising 550 properties. With its global brands, Accor becomes the world's leading hotel group, in terms of hotels directly owned or managed (excluding franchises).
- Ticket Restaurant® business launched in Venezuela.

1991

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

1992

- Ticket Restaurant® business launched in Turkey.

1993

- Accor Asia Pacific Corp. is created by the merger of Accor's Asia-Pacific businesses with Quality Pacific Corp.
- Interest acquired in the Pannonia chain (24 hotels), as part of Hungary's privatization program.
- Services business starts up operations in Czech Republic, Austria and Luxembourg.

1994

- Partnership between Carlson and Wagonlit Travel in business travel services.
- *Ticket Restaurant®* introduced in Slovakia, Uruguay and Hungary.

1995

- Eurest is sold to Compass, making Accor the largest shareholder in the world's leading food services Company.
- The Accor service vouchers market doubles in three years to 10 million users a day.
- Disposal of 80% of the concession restaurants business.
- Introduction of an extensive training and communication program to improve environmental protection.

1996

- Accor becomes the market leader in the Asia-Pacific region, with 144 hotels in 16 countries and 56 projects under construction.
- management of the ibis, Etap Hotel and Formule 1 chains is consolidated within Sphere International.
- Launch of the Compliment Card in partnership with American Express.
- *Ticket Restaurant®* introduced in Greece.

1997

- Accor changes its corporate governance system. Paul Dubrule and Gérard Pélisson become Co-Chairmen of the Supervisory Board, while Jean-Marc Espalioux is appointed Chairman of the Management Board.
- The "Accor 2000" project is launched in a commitment to revitalizing growth and deploying breakthrough technology.
- Carlson and Wagonlit Travel merge to form Carlson Wagonlit Travel, owned equally by Accor and Carlson Companies.
- Public offer made for all outstanding shares of Accor Asia Pacific Corp.
- Acquisition of a majority interest in SPIC, renamed Accor Casinos.

1998

- Introduction of the Corporate Card in partnership with Air France, American Express and Crédit Lyonnais.
- Development of new partnerships, with Air France, French National Railways SNCF, American Express, Crédit Lyonnais, Danone, France Telecom and others.
- Services business enters Romania and Chile.

1999

- The hotel portfolio grows by 22% with 639 new properties, led by the acquisition of Red Roof Inn in the United States.
- Deployment of the Internet strategy.
- The 50% interest in Europcar International is sold.

2000

- Accor, official partner of France's National Olympics Committee, is present at the Olympic Games in Sydney.
- 254 new hotels, including 12 Sofitel, are opened during the year.
- Launch of accorhotels.com.
- Brand logos are redesigned to highlight the Accor name, raising international visibility and public awareness.
- The Meal Service Card is introduced in China.
- 38.5% interest in Go Voyages acquired.
- 80% interest in Courtepaille sold.

2001

- Faster development of global brand awareness and visibility through the launch of an advertising campaign based on a consistent visual identity and advertising architecture.
- Broader presence in the Chinese hotel market in partnership with Zenith Hotel International and Beijing Tourism Group.
- Sustained development of the Services business in the fast growing market for employee assistance programs, with the acquisition of Employee Advisory Resource Ltd. in the UK.
- Suitehotel launched in Europe.

2002

- 14 Sofitel properties are opened in some of the world's largest cities.
- Acquisition of a 30% interest in German hotel group Dorint AG (87 hotels, 15,257 rooms).
- Accor Services continues to expand in the global market for employee assistance services with the acquisition of Davidson Trahaire, Australia's leading provider of human resources consulting and assistance services.
- Accor Casinos is now equally-owned with the Colony Capital investment fund, with Accor continuing to manage the Company.
- Stake in Go Voyages is raised to 60%.
- Accor is present at the Winter Olympics in Salt Lake City.

2003

- Stake in Orbis is raised to 35.58% by purchasing an 8.41% interest held by minority shareholders.
- Stake in Go Voyages raised to 70% following the acquisition of an additional 10% interest.
- All the Dorint hotels are cobranded as Dorint Sofitel, Dorint Novotel and Dorint Mercure.

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, Société des Hôtels et Casino de Deauville, Accor Casinos and their respective subsidiaries. Accor owns 34% of the new combination.
- Acquisition of a 28.9% interest in Club Méditerranée.
- Stake in Go Voyages is raised from 70% to 100%.

2005

- Colony Capital invests €1 billion in Accor in exchange for €500 million in ORA equity notes and €500 million in convertible bonds, enabling Accor to strengthen its equity base and step up the pace of expansion.
- Accor implements a new property management strategy and signs an initial agreement with French real estate company Foncière des Murs to transform fixed-rent leases on 128 hotels in France into variable leases.
- Accor Services acquires a majority interest in Hungastro, the fourth largest issuer of service vouchers in Romania.

2006

- Accor changes its corporate governance system from a Supervisory Board and Management Board to a Board of Directors, with Serge Weinberg as Chairman and Gilles Pélisson as Chief Executive Officer.
- As part of the non-strategic asset disposal process, Accor sells its 1.42% stake in Compass Group PLC and its 50% interest in Carlson Wagonlit Travel, as well as most of its investment in Club Méditerranée (22.9% out of a total 28.9% stake).
- As part of the ongoing shift in the Hotels business model, Accor carries out a second transaction with Foncière des Murs, involving 59 hotels and five seawater spas in France, as well 12 hotels in Belgium. Accor will continue to operate the hotels under 12-year leases with variable rents and no guaranteed minimum, renewable four times per hotel at Accor's option.
- Accor sells six US Sofitel hotels to a joint venture comprised of GEM Realty Capital, Whitehall Street Global Real Estate Limited Partnership 2005 and Accor. Accor remains a 25% shareholder in the joint venture and continues to manage the hotels under the Sofitel brand through a 25-year contract.
- Accor strengthens its presence around the world with the opening of 21,600 rooms during the year.
- Accor strengthens its operations in Brazil by becoming Ticket Serviços' sole shareholder.
- Accor Services pursues its expansion and acquires Serial in Italy, RID in India and Calicado in Germany.
- Compagnie des Wagons-Lits wins a tender from French National Railways SNCF for onboard foodservices on the TGV Est Européen high-speed train line.

2007

- Accor sells two other US Sofitel units in New York and Philadelphia to a joint venture comprised of GEM Realty Capital, Whitehall Street Global Real Estate Limited Partnership and Accor. Accor remains a 25% shareholder in the venture and continues to manage the hotels under the Sofitel brand through a 25-year contract.
- As part of the ongoing shift in the Hotels business model, Accor sells 47 hotel properties in France and 10 in Switzerland to a real estate consortium comprising two investment funds managed by AXA Real Estate Investment Managers and Caisse des Dépôts et Consignations. Accor will continue to operate the hotels under 12-year leases with variable rents and no guaranteed minimum, renewable six times per hotel at Accor's option.
- Also as part of the sustained implementation of the Hotels strategy, Accor sells 30 hotels in the United Kingdom to Land Securities and leases them back under 12-year leases with variable rents and no guaranteed minimum, renewable six times.
- In addition, a memorandum of understanding is signed with Moor Park Real Estate for the sale of 72 hotels in Germany and 19 in the Netherlands. Accor will continue to operate the units under similar leaseback conditions.
- Accor Services acquires Kadeos, the leader in the French gift card and voucher market; Prepay Technologies, the UK market leader in prepaid cards; and Surf Gold, Asia's leading provider of marketing services. Accor Services starts up operations in Morocco.
- Red Roof Inn is sold to Citigroup Inc.'s Global Special Situations Group and Westbridge Hospitality Fund II, LP.
- The Italian foodservices business is sold to Barclays Private Equity.
- 28,400 new rooms opened during the year.

2008

- Accor Services acquires 80% of Quasar, a German loyalty and incentive program operator.
- As part of its strategy of refocusing on its two core businesses, Services and Hotels, Accor sells its remaining 50% stake in the Brazilian foodservices business to Compass Group.
- Pursuing its asset-right strategy, Accor sells the Sofitel The Grand hotel in Amsterdam under a sale and management-back arrangement for an enterprise value of €92 million.
- In line with its commitment to expanding the Hotels business in Central Europe, Accor raises its interest in the Poland-based Orbis hotel group to 50% by acquiring an additional 4.53% stake in the Company.
- Accor launches A|Club, a free cross-brand loyalty program that earns points in more than 2,000 hotels and 90 countries worldwide.
- Accor continues to expand worldwide with the opening of 28,000 new rooms.

2009

- Gilles Pélisson, Chief Executive Officer, appointed Chairman of the Board of Directors.
- Stake in Groupe Lucien Barrière raised to 49%.
- In late August, the Board of Directors approves Gilles Pélisson's recommendation to conduct a review of the potential benefits of demerging the Hotels and Prepaid Services businesses into two self-managing companies, each with its own strategy and resources for growth. The findings demonstrate the sustainable, profitable nature of each business, as well as their ability to meet the challenges of their future growth and development. At year-end, the Board of Directors therefore approves the potential benefits of demerging the two businesses.
- In line with its ongoing asset-right strategy, Accor announces a major real estate transaction in the Budget segment in France, with the sale of 158 HotelF1 properties, representing a total of 12,300 rooms.
- 27,300 new rooms are opened during the year.

1.5. Strategic Vision and Outlook

In 2009, Accor embarked on a major strategic project: the demerger of its two businesses, Hotels and Prepaid Services. The demerger of the two businesses, called "Demerger" in the Registration Document was approved by shareholders at the Combined Ordinary and Extraordinary Meeting on June 29, 2010 and became effective on July 2 following the initial stock market listing of Edenred, the new company formed from the Services business.

1.5.1. THE STRENGTHS OF A GROUP REFOCUSED ON ITS CORE BUSINESS

Refocused on its core business as a hotel operator, Accor is now ready to step up implementation of its strategy by leveraging four competitive strengths:

A comprehensive brand portfolio aligned with our strategic vision

Backed by a portfolio of brands ranging from budget to luxury, Accor is currently the only hotel group operating in every market segment. This broad range of products enables us to respond to demand for segmentation from both customers and hotel owners looking for multi-brand, multi-segment solutions.

Unique expertise as the world's leading hotel operator

Accor is deeply committed to satisfying its guests and employees, by deploying expertise acquired over more than 40 years. Today, we manage more than 387,000 rooms in hotels that are owned, leased or operated under management contracts, which together account for nearly 80% of the total network. This ranking as the world's far and away largest hotel operator gives us extensive credibility in partnering hotel owners and franchisees.

Leadership positions on four continents

Accor is the market leader in Europe, Africa and the Middle East, Latin America and the Asia-Pacific region, in either the number of hotels or the number of rooms. Our dense global coverage is a major strategic advantage in moving into new markets, particularly in the emerging economies.

A business model built on solid fundamentals

In 2010, Accor exceeded the financial objectives set before the demerger:

- €74 million in **free cash flow** after capital expenditure and before disposals;
- **support costs reduced** by €132 million in 2009-2010 (of which €45 million in 2010), versus a targeted €125 million;
- **capital expenditure held** to 4.7% of revenue, versus a targeted 5%;
- an increase in the **number of rooms under asset-light structures,** with 78% of new openings in hotels under management or franchise contracts;
- **faster deployment of the asset management program,** with 30% of the 2010-2013 plan already completed in 2010. This had a €630-million impact on adjusted net debt;
- **the disposal of non-strategic businesses,** with the sale of the on-broad train services operations in July and the divestment of Groupe Lucien Barrière, announced in January 2011 and completed in March.

Backed by powerful competitive strengths, including a portfolio of strong brands, a broad international footprint and recognized expertise, Accor is now ready to step up execution of its strategy.

1.5.2. THE STRATEGIC PRIORITIES

When Accor's 2010 results were released on February 23, 2011, Denis Hennequin, Chairman and Chief Executive Officer, noted that: *"Accor's performance in 2010 attests to the effectiveness of its business model and has laid a firm foundation for the future. Strengthened by a new Executive Committee and a robust financial position, our objective will be to accelerate the execution of our strategy, with* ***three priorities: to be more ambitious for our brands, to promote our services and expertise more effectively,*** *and* ***to step up implementation of our expansion plan*** *in both mature economies and emerging markets. This strategy will be supported by our dynamic asset management strategy which will give us additional flexibility to fulfill our ambitions."*

The brand vision

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.

	Standardized	Non-standardized	Long stay
Luxury		Sofitel Luxury Hotels	
Upscale		Pullman Hotels and Resorts; MGallery	Grand Mercure Apartments (3)
Midscale	Novotel Hotels; Suite Novotel	Mercure	adagio (4)
Economy	ibis Hotel	all seasons Hotels	
Budget	Etap Hotel; Hotel Formule 1; hotelF1 (2); Motel 6 (1)		Studio 6 extended stay (1)

(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

Novotel + Suite Hotel = Suite Novotel

In as much as Novotel and Suitehotel serve the same customer segment and share the same values (1), the Suite Novotel brand was created to meld Novotel's reputation with the Suitehotel concept.

In clarifying the definition of each brand's product and related services, our challenge is to **differentiate them from the competition,** a process that supports the asset-light growth strategy by playing an especially critical role in **forging and sustaining partnerships** with hotel owners and franchisees.

Our business strategy is brand-centric, because we believe that each brand has its own value, based on its reputation, roots and history, power of differentiation and its emotional bond with guests. As the foundation of customer preference, loyalty and affinity, the **"brand contract"** has to be nurtured and strengthened to ensure that guests always choose an Accor hotel.

(1) Standardization, Internet access, family-friendliness, well-being.

Promoting services and expertise

In addition to its robust brand portfolio, Accor is supported by expertise and capabilities in two business-critical areas:

As the world's leading hotel operator, we have developed a range of highly effective, end-to-end services, aligned with hotelier challenges and delivered with compelling proficiency.

A dynamic marketing and distribution strategy

Our centralized, multi-channel **TARS** booking system links travel agencies, tour operators, call centers and online booking sites.

Our **Internet portal** (www.accorhotels.com) and the brand sites were visited by 183 million people in 2010. Accessible in 25 national versions and 10 languages, accorhotels.com is now France's leading hotel room booking site.

Introduced in September 2007, the **A|Club loyalty program** today has more than **six million users**. Cardholders tend to deliver longer average stays and higher average spend than other guests.

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.

In response to the recession, Accor successfully adjusted its organization and reduced support costs, with €45 million saved in 2010.

The new business 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 our 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, 2010, **36% of the rooms in the hotel base were either owned or held under fixed leases, compared with 40% a year earlier.**

In 2010, the economic environment supported a recovery in the **property markets,** enabling **171 hotels** representing more than 18,000 rooms to be refinanced, leading to a **€630 million** reduction in adjusted net debt and a cash impact of €541 million.

Proceeds from asset disposals in 2010	hotels	rooms	Impacts cash/dette: Cash (€m)	Impacts cash/dette: Adjusted net debt(1) (m€)
Sales & Variable Lease Back	53	7,298	323	356
Sales & Management Back	3	303	23	23
Sales & Franchise Back	85	7,544	128	162
Outrigh Sales	30	3,178	67	89
Total	**171**	**18,323**	**541**	**630**

(1) Net debt adjusted for NPV of minimum lease payments discounted at 8% (Standard & Poor's methodology).

These hotels were part of the multi-year program to dispose of 450 properties, which is designed to reduce adjusted net debt by €2 billion. This means that one-third of the program had already been completed by year-end 2010.

Given the active deployment of the asset management program and the renewed appeal of the Group's assets to real-estate investors, Accor has announced plans to **step up the asset disposal program in 2011 and 2012,** with the goal of having a **€1.2 billion impact on adjusted net debt over the two years**. This faster implementation will enable us to extend the disposal program beyond the 450 hotels included in the initial plan.

Accor will continue to restructure the portfolio of more than 1,100 properties owned or operated under fixed leases, plus the new hotels developed over the period. **This process should continue to reduce adjusted net debt by around €200-300 million a year. At the same time, expansion capital expenditure should come to €200 million a year.**

		2005-2009	2010-2013	2014 and beyond
Asset Management	Hotels restructured	841	450	Pursued Asset Right policy ▪ Continued Asset Right restructuring of significant remaining capital intensive portfolio (>1,000 owned and fixed lease at YE 2013) an newly developed hotels.
Asset Management	Total cash proceeds	€2,3bn	€1,6bn	
Asset Management	Total adj. net debt impact	€4,4bn	€2,0bn	▪ €200m - €300m
Annual investment in owned hotels		€500m	€200m	Poursued targeted development ▪ **€200m(1) annual investment plan** ▪ Acquire and develop new hotels

(1) Of wich €50m for repositioning.

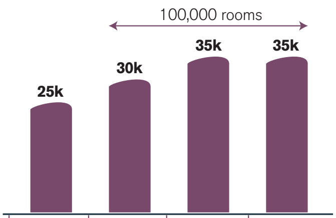
The asset-right strategy will provide the financial resources to step up an ambitious expansion plan, funded at €200 million a year. In addition, another €50 million a year has been allocated to major renovation and refurbishment programs.

As a result, starting in 2012, the Group expects to open 35,000 rooms a year at cruising speed.

Expansion capital expenditure is being 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 hotel properties acquired outright or integrated under fixed leases (20% of new rooms), in prime cities and mainly in the ibis and Etap brands (which represent 90% of the budget allocated to developing hotels held under capital-intensive structures);
3. three brands, ibis, Etap and Novotel, which account for 85% of the capital expenditure pipeline.

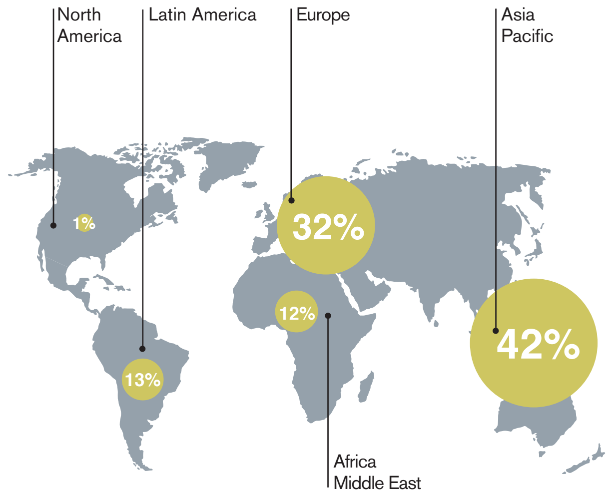
Annual capital expenditure program, in number of rooms



	2010	2011e	2012e	2013e
Related Capex Investment for Dvpt	€340m	€250m	€200m	€200m
Related Capex Inv. for Hotels Repositioning	€50m	€50m	€50m	€50m

By the end of 2013, the annual €200-million expansion capital expenditure plan is expected to have driven the opening of **100,000 rooms** primarily in Europe and Asia and mainly under management contracts and franchise agreements. In addition, projects in pipeline concern 620 hotels, or 101,000 rooms, located as follow :

Projects in pipeline at end 2010 by region, in % of total rooms



74% (1) in Asia-Pacific & Europe

76% (1) under management & franchise contracts

(1) In number of rooms.

1.5.3. OUTLOOK

2011 Trends and Outlook

Sustained improvement in January, in line with fourth-quarter 2010 trends

In January 2011, the cycle continued to recover in almost every market and in every segment. RevPAR in the Upscale & Midscale and Economy Hotels outside the United States segments was up 10.4% and 8.1% respectively, led by rising occupancy rates. Average daily rates rose in the Upscale & Midscale segment and gradually stabilized in the Economy segment. Business in the emerging markets, particularly in Asia and Latin America, is continuing to experience very strong growth.

Outlook for 2011

Although a few markets remain uncertain, the upturn observed in 2010 is expected to continue in 2011, led by improving demand and, to a lesser extent, by the gradual recovery in room rates.

1.6. Human resources

Accor's human resources policies, which are intrinsically linked to its strategic vision and growth challenges, are guided by the key concepts of professionalism, mobility, diversity and recognition.

Professionalism is crucial for face-to-face service jobs in an increasingly competitive marketplace, where demanding customers require a constant focus on adapting to their needs. This is why our employees are regularly trained, effectively motivated and offered opportunities for professional growth.

Mobility, both geographic and occupational, is an important process at Accor and a source of both skills enrichment and career development.

The **diversity** of our human resources is a major strength in fostering team alignment, attracting and retaining talent and nurturing the ability to innovate and to embrace change.

Recognition is fundamental to an employee's motivation and sense of belonging to our corporate community. At Accor, it is expressed through compensation policies, empowerment, attentiveness, meaningful social dialogue and engaged, hands-on management.

While extremely diverse, Accor employees are all united by a set of shared values and management principles:

- *innovation,* which takes us off the beaten path and plays a critical role in keeping us ahead of the pack;
- *a spirit of conquest,* because growth is impossible without boldness and a willingness to take risks;
- *performance,* or the ability to meet, as effectively as possible, our self-assigned objectives, both individually and as a company;
- *respect,* which stems from our belief that it is the very diversity of our employees, customers and partners around the world that stimulates us and keeps us moving forward;
- *trust,* without which initiative would not be possible.

1.6.1. KEY FIGURES

Developed in 2009, a new human resources reporting system was deployed in the first half of 2010 to collect, process and consolidate our human resources indicators. More than 30 sessions were organized to train more than 100 people in over 80 countries to use the system and to define the indicators.

The revamp also offered an opportunity to review all of our human resources indicators and their definitions.

Workforce indicators continue to be based on the average number of employees for the year. The scope of reporting is still full-scope, which now covers:

- all full and part-time employees, irrespective of the number of hours spent on site (excludes contingent workers, interns and temporary workers);
- 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. Franchised hotels are not included.

As of December 31, 2010, Accor employed 143,939 people compared with 144,421 a year earlier.

Workforce by business and region at December 31, 2010

	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Total 2010	Total 2009
Hotels	**18,621**	**27,332**	**18,343**	**9,902**	**67,406**	**141,604**	**139,717**
Upscale and Midscale Hotels	12,021	20,974	3,492	7,368	60,508	104,363	108,282
Economy Hotels	6,600	6,358	-	2,534	6,898	22,390	20,310
US Economy Hotels	-	-	14,851	-	-	14,851	11,125
Other businesses	**2,335**					**2,335**	**4,704**
Restaurants	1,200	-	-	-	-	1,200	1,544
Onboard train services	-	-	-	-	-	-	1,957
Other	1,135	-	-	-	-	1,135	1,203
TOTAL	**20,956**	**27,332**	**18,343**	**9,902**	**67,406**	**143,939**	**144,421**

NB: All figures are based on the new method for calculating the workforce.

The number of employees declined slightly in 2010, reflecting the disposal of Compagnie de Wagons-Lits' onboard train services business. The impact was offset by an increase in the **Hotels** business, led by the solid upturn in demand during the year and the change in the method of calculating the workforce, as described above.

Human resources data at December 31, 2010

	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Total 2010	Total 2009
Number of employees	**20,956**	**27,332**	**18,343**	**9,902**	**67,406**	**143,939**	**144,421**
% women	57%	56%	70%	50%	40%	50%	49%
% men	43%	44%	30%	50%	60%	50%	51%
% under permanent contract	86%	80%	100%	94%	67%	78%	85%
% women	56%	56%	70%	51%	40%	51%	49%
% men	44%	44%	30%	49%	60%	49%	51%
Employees by age							
Under 25	17%	20%	19%	22%	21%	20%	20%
25 to 34 years	*33%*	*35%*	*27%*	*42%*	*41%*	*37%*	*36%*
35 to 44 years	*26%*	*22%*	*23%*	*24%*	*24%*	*24%*	*24%*
45 to 54 years	*18%*	*17%*	*20%*	*10%*	*11%*	*14%*	*15%*
Over 55	*6%*	*6%*	*11%*	*2%*	*3%*	*5%*	*5%*
Employees by seniority							
Under 6 months	*14%*	*10%*	*29%*	*18%*	*19%*	*18%*	*15%*
6 months to 2 years	*13%*	*21%*	*26%*	*29%*	*29%*	*25%*	*28%*
2 to 5 years	*23%*	*28%*	*22%*	*29%*	*27%*	*26%*	*24%*
5 to 10 years	*24%*	*18%*	*13%*	*16%*	*11%*	*15%*	*33%*
Over 10	*26%*	*23%*	*10%*	*8%*	*14%*	*16%*	
Management							
% of total workforce (1)	24%	17%	7%	11%	20%	18%	16%
% women	47%	48%	53%	47%	38%	43%	43%
% men	53%	52%	47%	53%	62%	57%	57%

	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Total 2010	Total 2009
Managers by age							
Under 25	*2%*	*3%*	*3%*	*4%*	*6%*	*5%*	*4%*
25 to 34 years	*33%*	*35%*	*25%*	*46%*	*41%*	*38%*	*34%*
35 to 44 years	*36%*	*34%*	*29%*	*30%*	*34%*	*34%*	*35%*
45 to 54 years	*23%*	*20%*	*29%*	*16%*	*15%*	*18%*	*20%*
Over 55	*6%*	*8%*	*14%*	*4%*	*4%*	*5%*	*7%*
Training							
Training expenditure as a % of total payroll	2.0%	2.1%	1.1%	3.2%	1.9%	1.9%	2.4%
Number of days of training	28,826	39,636	13,700	31,278	227,864	341,304	311,070
Number of days of training for managers	*12,734*	*12,104*	*7,995*	*5,586*	*58,692*	*97,111*	-
Number of days of training for non-managers	*16,092*	*27,532*	*5,705*	*25,692*	*169,172*	*244,193*	-
Number of employees having attended at least one training course	10,327	18,094	4,630	10,207	66,925	110,183	131,075
Number of managers having attended at least one training course	3,498	4,025	1,447	1,265	14,368	24,603	22,962
Number of non-managers having attended at least one training course	6,829	14,069	3,183	8,942	52,557	85,580	108,113
AVERAGE NUMBER OF DAYS OF TRAINING (2)	**1.4**	**1.5**	**0.7**	**3.2**	**3.4**	**2.4**	**2.2**
Occupational accidents							
Lost-time incident frequency rate (LTIF) (3)	-	-	-	-	-	13.6	18.2
Number of fatal accidents in the workplace	-	-	-	-	2	2	3
Number of fatal accidents commuting	-	-	-	1	6	7	2

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

(2) Total number of days of training divided by the total workforce.

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

Accor emphasizes promoting from within, offering employees career development opportunities. In 2010, 57% of employees were under 35, as were 43% of Group managers.

Training remained a core focus of our human resources policies in 2010, when the average number of training days per employee rose to 2.4 from 2.2 in 2009. The increase reflected the growing number of courses taught at Accor Academies around the world and *via* e-learning systems, which can reach more employees at less cost.

1.6.2. HUMAN RESOURCES INDICATORS

In an industry that is highly sensitive to the economy, our main human resources challenges are to recruit talented employees, develop their skills, offer them competitive, fair compensation, maintain a safe working environment and nurture meaningful social dialogue with stakeholders.

Recruiting talent and developing skills

Hiring and retaining the right skills is an ongoing objective of our human resources policy.

Attracting new talent

Recruitment tools and resources

To promote our jobs and enhance our image among candidates as a good place to work, a wide range of **human resources marketing** tools have been developed for our country organizations. A good example is the **Recruitment Communication Guide** available on the Group Intranet, which gives managers around the world access to all the recruitment resources they need, including print advertising templates, webpage banners and animated buttons, and booths, kakemonos and brochures for job fairs. The guide was updated in early January 2011, with new first-hand accounts from a diverse array of employees who embody the recruitment campaign's key message: **"Your smile, your future"**. In addition, a film with testimonials from employees around the world was produced to present Accor's career opportunities to students.

To broaden our recruitment reach, we are constantly introducing **new media**, such as the videocasts available on accor.com with testimonials from employees talking about their successful careers with the Group. In the website's Recruitment & Careers section, there is also a quiz that applicants can use to discover which jobs are right for them and a comprehensive guide that presents each profession in detail. A dedicated blog (in French only) gives applicants a view of jobs requiring expert skills and an opportunity to ask questions about the advantages of working at Accor.

The **AccorJobs** job vacancies site, which is celebrating its tenth anniversary, received 3.7 million visits in 2010 and offered more than 17,000 jobs or internships during the year. Available in 12 languages, the site is now completely adaptable to each national market.

Two distinct recruitment challenges

In mature countries, Accor needs to enhance its appeal as an employer, by using a wide variety of innovative recruitment methods and offering motivating career opportunities to attract and retain the best talent.

In emerging markets, we need to find the qualified employees required to support our expansion. In certain fast-growing regions, it is difficult to hire enough qualified hotel managers and employees to deliver the superior services and guest experience customers deserve and to transfer their expertise to locally-hired teams.

Partnering with educational systems

Accor maintains close relationships with educational systems, as well as with a large number of trade and business schools. We also actively participate in job fairs.

The **Hotel Management School Relations Department** deploys a variety of outreach programs in our host countries. In particular, partnerships have been developed with ten schools in France and abroad with the goal of giving a large number of students the opportunity to participate in internships and find jobs in Accor hotels and support functions. In 2010, contacts were made with some 2,700 Bachelor's and Master's students at conferences and international trade fairs, helping to raise Accor's profile and expand the applicants database accessible by the hotels. In addition, specific partnerships have been formed with a number of schools.

A close relationship has been forged with Institut Paul Bocuse, with research on changes in the spa market conducted with Sofitel and Thalassa & Spa and a luxury industry chair sponsored by Sofitel, which has analyzed the use of language in customer relations. We also work with the Institut's RM Partner School, which offers revenue management training, by participating in classes, providing internships and hiring graduates. Lastly, students have the opportunity to get hands-on experience in developing menus at the Institut's working hotel school in Lyon, Le Royal, which is part of Accor's MGallery collection of upscale hotels.

Accor has always built its success on the diverse educational backgrounds of its management teams. Today, a dedicated outreach strategy for recent graduates is in place to attract, onboard and develop talent from universities and professional schools. Its core components include:

- **work-study programs**, to offer a consistent framework and support the outreach strategy through apprenticeship contracts, internships or gap years with the Group;
- **onboarding programs**, to give new hires an overall vision of the Group through the "keys to success" seminar and a systematic training period of at least one week in a front-line position for headquarters and support staff;
- **compensation policies**, to define common reference points for starting salaries, wage scales and raises, all in line with market practices;

- **career management systems**, with the objective of making two career steps in the first five years, with at least one change in job-track, country or business.

In France, a vocational and adult training agreement was signed in 1999 with the National Education Ministry with the goal of **integrating changing hotel job skills into training and certification programs**. In 2010, for example, an advanced hotel management degree was created with a focus on revenue management and performance in international hotel accommodations. The agreement also comprises hands-on programs to deepen cooperation with universities and provide students with better information to help them choose careers in the hospitality and foodservices industry. In 2010, nearly 3,800 trainees were hired in France as part of vocational or technological work/study programs.

Accor is also encouraging the wider use in France of role-playing techniques in the hiring process as a means of assessing the potential of people with few or unrelated professional skills. The new system, which was created to fill F1 Etap multi-task jobs, was used to screen 70 applicants in 2010, 15 of whom were hired.

Partnerships have also been formed in other host countries.

In Vietnam, for example, a partnership agreement has been signed with Vietnam National University Hanoi and the University of Toulouse as part of VNU's Master of Hospitality Management program. Five students were given six-month internships in local hotels and received tuition support from the Group. In the program's recently graduated first class, the five Accor-sponsored students received the highest grades and were hired by Group hotels in Vietnam.

Accor in Morocco has signed a partnership agreement with Université Internationale de Casablanca (UIC), which is responding to the country's socio-economic needs by training future managers for the tourism and hospitality management industries. Under the agreement, Accor hires UIC students and UIC provides adult training for Accor employees.

In New Zealand, a partnership with the Ministry of Social Development has made it possible to offer the Building Futures project for the second year in a row. Managed by the local Accor Academy, the project is designed to help disadvantaged young people to find their first job. Over 12 months, participants have access to on-site training, classes outside working hours, e-learning resources and job performance reviews. Successful completion of the program opens the door to a nationally recognized diploma and good career prospects. In 2010, the project had 25 participants.

Apprenticeship programs

In France, **Accor has signed the Labor Ministry's Apprenticeship Charter** and the national framework agreement initiated by the Labor Minister to create a professional-skills contract to facilitate the school-to-work transition. In 2010, **800 people** were involved in work/study programs at our hotels in France, of which two-thirds under apprenticeship contracts.

Lenôtre is doing its part to prepare young people for the workplace, offering 109 students the opportunity to learn a trade under work/study contracts. This corresponds to nearly 10% of Lenôtre's total workforce.

Also in **France**, a special label is awarded to Mercure hotels that make a commitment to providing quality training and support for apprentices. Open to all interested Mercure hotels, the program enables work/study participants to gradually move into the workplace and the hotels to attract, train and retain young people while developing their in-house mentoring skills. The Mercure brand itself benefits by creating a reservoir of trained employees. Since the program began, 80 hotels have earned the "M'App" label, more than 300 mentors have been trained and recognized for their teaching skills and more than 400 apprentices have been enrolled.

In Singapore, we are partnering with Nanyang Polytechnic to help develop the professional skills of students in the Hospitality and Resort Management program. So far, 15 students who apprenticed in a Group hotel in the region have graduated.

For the past eight years, **Accor Hotels EMEA** (Europe, Middle East, Africa) has organized the annual "Professions Challenge", which celebrates the achievements of young professionals working in Accor hotels in four key areas: reception, kitchen, dining room and, for the first time in 2010, bar. After a pre-selection from among 1,000 candidates from 16 countries, 53 finalists participated in the 2010 Challenge, with eight winning an award.

Enhancing employee capabilities and supporting career growth

In 2010, more than 110,000 employees received a total of more than 340,000 days of training, funded at 1.9% of total payroll.

Accor Academies

For 40 years, employee training and skills development have been at the core of our human resources policies, helping all of our teams to grow every day in all our businesses. To build employee expertise and loyalty and to meet the very high standards of our customers, we have made training one of our top priorities and are committed to ensuring that every employee attends at least one training session a year.

In line with this focus, Paul Dubrule and Gérard Pélisson created the first corporate university in the services industry in Europe. Opened in 1985, the pioneering Accor Academy helps to instill an entrepreneurial, service-oriented culture among employees from a wide range of backgrounds, while nurturing and promoting our cultural identity. From the start, the Academy wanted to be not only the symbol of Accor's unique training culture, but also a showcase for the innovative concepts deployed across the organization and an effective forum for discussion and sharing our corporate culture.

The Academy offers training in the full range of hospitality skills and expertise for all of our hotel employees, regardless of job family, level of training, position or seniority.

To ensure consistent course content in all of the **17 Academies** worldwide, a collaborative process is used to design training methods and resources. In addition, the broad geographic base of the Academy network gives each one access to local training resources that reflect its region's specific practices and culture.

To fulfill its mission of helping employees advance and grow professionally by acquiring new skills, the Academy is guided by three fundamental teaching goals:

- to ensure that all programs, regardless of subject, relate to Accor and to its culture, operating methods and management principles;
- to continuously **support our brands** by designing, producing and leading all of their dedicated training programs;
- **to stay attuned** to social trends, by offering innovative teaching resources, such as **e-learning**, that reflect changes in the marketplace.

Indeed, the way the Academy operates has always been innovation-driven. Distance learning, through e-learning programs custom tailored to each student, allows employees to test their knowledge in real-world situations, practice their skills in an enjoyable environment and acquire best practices in their profession and business.

Innovations in the brands' human resources policies

The brands have developed a wide variety of projects to enhance their brand value. **In 2010**, for example, **Novotel** launched "Move Up," a **new global human resources policy** designed to increase Novotel's attractiveness and employee retention through six programs:

- Welcome, a six-month onboarding program for all new employees;
- Itineraries, a skills qualification course that employees can complete at their own pace;
- Globe Trotter, a two-year track towards a position as department manager, with one year spent in another country on the same continent;
- GM Pass, a 12-month program for department managers interested in moving up to a hotel General Manager position.
- Visa, an opportunity for top performers to work for a month in another country;
- Novotel Service Attitudes, a program defining the brand's service style and spirit.

The **Pullman** brand's **"Get Closer"** customer promise is designed to foster a new mindset, by emphasizing the concepts of friendliness and contact between employees and guests, so as to transform the atmosphere traditionally found in luxury hotels. As part of this process, the OPTEAM managerial support kit, comprising a guided, step-by-step working method and related resources for each step, has been deployed to help hotels qualitatively analyze their needs and identify the best configuration for delivering the promise. OPTEAM has been distributed in Brazil, China, Dubai and a number of other countries.

In France, to support a group of nine hotel managers in earning degrees under the country's Validation of Acquired Experience system, Etap/Formule 1 set up a program designed to acknowledge their achievements, develop their employability and gain recognition for the quality of their team members. The managers, most of whom are self-taught, earned three-year post-secondary equivalency degrees from École Supérieure de Rouen after a panel of professors, professionals and alumni validated their experience. The program is also being offered to employees to help them earn Professional Qualification Contracts in housekeeping and reception skills.

Assessing performance and providing effective guidance

Each year, employees have an annual review with their manager, during which they mutually discuss performance over the past year and set objectives for the next. The review also gives employees an opportunity to express their career goals so that the Company can propose an appropriate development plan.

International mobility

Mobility is an integral part of Accor's human resources vision, enabling employees to grow within the organization by developing their professional capabilities, moving into new job tracks and discovering new environments. Our presence in 90 countries offers a broad range of career opportunities.

An **international mobility process** has been implemented at Group level to support employees who want to take postings outside their home country.

- Group-wide international mobility policies have been defined, covering, for example, moving costs, temporary lodging on arrival and other issues;
- an international mobility and expatriation section has been created within the Group Human Resources Department to:
  - help managers and local human resources teams to identify and recruit the right people for their needs,
  - support employees not only before and during their international assignment, but also after their experience in our global operations, by defining mobility projects, identifying the different steps and providing the necessary administrative support and expertise on labor, tax and other issues;
- a dedicated International Mobility Intranet site provides all employees with such useful information as travel and visa formalities, checklists and country guides. Entirely revamped and updated in 2010, the site reflects the Group's ever-changing needs with testimonials and news on business development and regions looking to recruit. In this way, it serves as an effective resource, aligned with both our operating requirements and the mobility aspirations of our employees.

In all, there were 767 expatriates in 2010.

Career development resources

At Group level, Accor managers can now take charge of their own job mobility and careers *via* the **Success** online application, which was deployed to 2,000 hotel General Managers in 2009 and was extended to all the headquarters managers in first-half 2010. Thanks to **Success**, more than 4,000 Group managers are able, at any time, to check job vacancies, submit applications to open positions and, most importantly, access a single platform to share their résumés, job aspirations, annual performance reviews and other career-related information with their direct managers and human resources managers.

Specific resources have also been deployed in the host countries to promote career development. **In Germany**, for example, a new system created in 2010 enabled the organization of career guidance seminars. The system makes it easy to quickly evaluate participants' skills and assign them to working groups in their respective areas. Employees may then attend a career guidance seminar and receive recommendations to help them to pursue their career paths.

The Challenges of Diversity

Because of the diverse locations of its hotels, Accor enjoys a naturally diverse workforce. We are committed to leveraging this intrinsic diversity, ensuring that it is encouraged and visible across the organization.

For Accor, the challenges of diversity cover four main areas:

- **corporate social responsibility**. As a fair and sustainable employer, Accor is responsible for respecting and reflecting the diversity of its host communities;
- **being perceived as a good place to work**. A diverse company is a company in tune with the times;
- **sales and marketing**. Integrating diversity helps us to understand the diversity of our guests and to devise solutions that resonate with each customer;
- **reputation**. Accor must fight against all forms of discrimination.

The International Diversity Charter

In 2010, Accor introduced its International Diversity Charter, signed by Chairman and Chief Executive Officer Denis Hennequin. It is based on seven key commitments:

- **give every employee the opportunity to succeed** by taking their capabilities into account at each stage in their careers;
- **fight against all forms of discrimination** on the basis of ethnic, social or cultural origin, gender, age, physical characteristics, disabilities, religion, language, marital status, union membership, sexual orientation or other characteristics;
- **conduct diversity surveys** in every host country;
- **offer every manager diversity training or a sensitivity course**, based on the local situation and available training resources;
- **explain our policy to all of our employees and partners**;
- **act as diversity ambassadors** to our customers, suppliers, hotel owners, investors and other partners, with the goal of fostering a shared ethical commitment;
- **report to the Executive Committee** once a year on diversity programs underway across the Group, to obtain the Committee's guidance and recommendations for pathways to improvement.

Prepared with an international working group and available in 13 languages, the Charter serves as the foundation for our international diversity policies.

Four priority areas have been defined for the next five years:

- diversity of origins;
- gender equality in the workplace;
- integration of people with disabilities;
- age diversity.

These priorities are being pursued at every stage in an employee's professional journey, from hiring and career development to training and compensation.

Employees are kept regularly informed about our commitment to promoting diversity and fighting against discrimination through the **diversity website**, which opened on the Group Intranet in January 2011. Featuring the International Diversity Charter in 13 languages, the site helps to raise employee awareness of preconceived ideas and presents news on the leading campaigns and best practices deployed in the host countries.

In 2011, the International Diversity Charter and the related priorities will be distributed to the operations teams with support from human resources managers.

This commitment to diversity, which engages the highest levels of the organization, led Accor France to become one of the first companies to sign France's **Diversity Charter** in 2004 and to sign a Group Diversity Charter with employee representatives in 2007.

The main measures taken in 2010 concerned the following issues:

Providing opportunities to the disadvantaged

Accor is committed to **supporting equal opportunity in education** and hiring for people from underprivileged backgrounds.

In France, to enable everyone to access our job offers, an agreement was signed and implemented in November 2009 to automatically transfer open positions listed on the AccorJobs site to the national employment office's website.

Since mid-2008, we have been involved in a French government program to create jobs for people from disadvantaged neighborhoods in the Paris suburbs, with a commitment to hiring 500 persons a year. In 18 months, more than 900 people were hired as part of the program, under either permanent contracts or fixed-term contracts exceeding six months.

Accor is particularly active in developing programs that familiarize middle-school teachers and students with jobs and opportunities in the hospitality and foodservice industry. **In France**, for example, ten "School in the Hotel" days were organized to allow hotel school students and teachers to run a hotel or be mentored by one of our hotel managers.

Accor is a founding member of the **Second Chance School in Paris**, part of a network created in French cities in association with the **European Social Fund** to encourage the workplace integration of young adults, 18 to 26, without any qualifications or degrees and who have been out of the educational system for at least two years. The schools offer their students a chance to re-enter the workforce and provide support until they find a job. Accor informs them about hospitality jobs and the vocational degrees and certifications they require and provides support and advice in writing résumés, preparing for job interviews and other critical job-seeking skills. We are currently working with every Second Chance School in France. Furthermore, a national partnership agreement has been signed with EPIDE, a Ministry of Defense-sponsored organization that assists young people with workforce reintegration. In 2010, seven presentations were made at EPIDE centers, informing 100 young people about hospitality and foodservice industry jobs; 25 were taken on for immersion internships.

A large number of programs addressing local issues are also being deployed in our other host countries.

In Australia, Accor hotels in Perth joined with Polytechnic West to support our jobs program for aborigines. Thanks to their involvement, a group of 20 aborigines was able to participate in a four-week job training program and learn about different hospitality skill-sets. Three of the participants now work for Accor.

In Portugal, Accor is partnering a government program called New Opportunities designed to build employee skills and to identify both individuals in difficulty and those with potential. Depending on the assessment, specific training is offered to help participants earn academic or professional certification. To date, 73 employees have taken part in the program.

Gender equality in the workplace

Accor has 71,555 women employees worldwide, accounting for 50% of the total workforce and 43% of managerial staff.

In the second half of 2010, a survey was conducted to determine the percentage of women in management positions at the hotel General Manager, Operations Director and country Executive Committee levels, as well as in head offices, notably among senior executives. The different head office and country organizations will be able to use the country-by-country findings to develop a gender equality action plan.

Three women now sitting on the Executive Committee representing 43% of its membership in 2011.

Measures are also being taken at the local level to promote gender equality in the workplace.

In the **United States**, several paths are being explored to bring more women into management:

- each brand has a Diversity Council to address diversity issues;
- a working group of women managers meets once a month to generate ideas for developing women leaders so that more women are appointed to the Executive Committees.

In 2010, the percentage of women in senior management positions rose from 12% to 25%. In addition, 55% of Motel 6 hotel managers are women.

Integration of people with disabilities

Following renewal of the Group-wide agreement with all of the employee representatives in 2009, the Integrating the Disabled Project (MIPH) is a vital part of the diversity action plan **in France.**

Under the agreement, the MIPH team carried out the following actions in 2010:

- 50 people were hired in Accor France operations, mostly under permanent contracts;
- 49 training and awareness-building sessions were conducted in our hotels, in particular through partnerships with schools. These sessions are sometimes a first step to integration, with nine participants being offered job contracts;
- 20 people were hired and trained in kitchen skills under partnerships with the National Association for Adult Vocation Training (AFPA) and the Inter-federal National Association of the Private-Sector Medical and Social Institutions and Organizations (URIOPSS);
- 52 employees were able to keep their jobs thanks to support from Mission Handicap, which i) helped to analyze their workstation ergonomics, leading to improvements in design and equipment; ii) provided financial support for the purchase of hearing aids, eyeglasses or special medical equipment for their business car; or iii) conducted skills reviews;
- 35 disabled people working in sheltered workshops were employed under a Group partnership program.

In France, a total of 362 disabled persons were employed at December 31, 2010, representing 3.79% of the workforce for the year.

Lenôtre has hired five disabled people under skills acquisition contracts for retail sales personnel.

Programs to promote the inclusion of disabled employees are underway in a large number of host countries.

In China, the Novotel Shanghai Atlantis set up a six-month training program in 2003 to help disabled students learn hotel industry basics and enhance their employability. Mentored by an experienced hotel employee throughout the program, participants are either hired upon completion or assisted in finding a job elsewhere. In all, 203 disabled youth have been trained in several hotel departments since 2003.

In Australia, Accor is partnering with the Australian Network on Disability (AND) to develop a strategy and set targets for promoting the employment of disabled workers in 2011. AND will help Accor to devise its policy, along with a procedure for promoting employment and preventing discrimination.

Age diversity

In France, both the Hotels business and Lenôtre have signed a jobs agreement for employees over 55.

In addition, on November 2, 2009, the Accor SA parent company signed an action plan to promote jobs for people over 55 for a three-year period ending on December 31, 2012. It is designed to keep the percentage of these employees in the workforce steady over the period at 5% (percentage as of the date of signature) through the implementation of measures in six areas:

- encouraging the hiring of people over 55 by developing the anonymous résumé and creating a training module for managers and HR staff on non-discriminatory hiring practices;
- offering all employees over 45 a second-half career interview;
- improving and guaranteeing access to training for employees over 45;
- expanding information on retirement systems and introducing part-time working solutions.
- developing mentoring programs to transfer knowledge and skills;
- improving working conditions and avoiding physically and mentally exhausting situations.

Fighting discrimination

Defined by the Accor Academy for front-line employees in all of our local brands in **Brazil**, the innovative "Naturally Different" training program teaches people how to provide respectful, attentive service to every guest, regardless of origin, age, gender or other characteristics and needs. In all, 7,600 employees enrolled in the program in 2010.

In France, managers involved in hiring, training and career management were trained in 2009 to address the challenges of non-discrimination and diversity. In 2010, a 2 hours e-learning module for department managers (around 2,000 recruiters) was created for deployment in 2011. It is designed to foster a consistent, uniform approach and the sharing of knowledge among the different managers and their teams so that our operating unit managers can effectively relay our diversity and non-discrimination commitment.

The anonymous résumé on the AccorJobs website

The use of anonymous résumés was one of the measures in the Group-wide agreement on diversity in France signed with all of the employee representatives in January 2007.

This solution helps to ensure **equal treatment from the outset of the hiring process**, since candidates are short-listed solely on the basis of their training, experience and skills. Names, birth dates, gender, addresses and email addresses are hidden so as to preclude even subconscious discrimination due to age, gender or origin.

The system's nationwide roll-out on the AccorJobs site in July 2009 was supported by sensitivity training for all of the hotel General Managers in France, covering non-discrimination, diversity and the use of anonymous résumés.

Locally defined discrimination alert plans

Fighting discrimination is an important component of our human resources policy. For this reason, discrimination alert plans have been deployed locally to help victims quickly identify the right person to contact for assistance.

In Brazil, for example, an annual employee satisfaction survey provides valuable feedback on the working environment, and discrimination issues in particular. When significant fluctuations are noted for a department or site, a roundtable is organized to get a better understanding of the situation and an action plan is deployed.

In New Zealand, an alert procedure has been implemented in accordance with local legislation. Sensitivity training is offered and a clearly identified complaints officer has been appointed in each hotel.

In India, all of our hotels have set up a harassment Committee for employees or guests. Roundtables are also regularly organized so that employees can talk about these issues.

In North America, the procedure to follow in the event of harassment or discrimination is posted in every hotel's employee lounge. To report cases of discrimination anonymously, employees can also call a toll-free number, which is managed by an external provider to protect their privacy. All complaints are systematically investigated.

Compensation and benefits

To effectively fulfill employee aspirations around the world, Accor has defined a global compensation strategy tailored to the needs of employees and consistent with local practices in each country.

Compensation and benefits policies are shaped by four principles:

- offer **compensation that is competitive** in each market and country;
- ensure that employee compensation **is determined fairly**;
- encourage **employee savings** and stock ownership;
- strengthen employee **healthcare coverage** and other benefits.

Compensation policy

Aware of the value of its employees, Accor is committed to offering attractive compensation packages, in line with the **principles of fairness and equal opportunity.** We therefore carefully ensure that decisions concerning every aspect of compensation are made without any discrimination with regard to age, gender, nationality or any other personal criteria.

We are also committed to compensating every employee in line with market practices, which are identified and tracked through regular surveys conducted by specialized firms.

Managers receive a base salary and an incentive bonus reflecting their performance in meeting personal and team objectives and their contribution to the Group's success.

To track implementation of compensation policies and their alignment with market practices, compensation studies are regularly conducted for each job track, business or region. This was the case in 2010, with surveys in France, Spain, Portugal, the Middle East, Egypt and Switzerland, as well as reviews of Executive Committees in the United Kingdom, of the regional multi-brand support functions in Singapore and of Sofitel worldwide.

In France, total gross payroll amounted to €574 million and employer payroll taxes came to €233 million in 2010, compared with respectively €581 million and €237 million in 2009.

Employee savings and stock ownership

Every year since 1985, employees in France have had the opportunity to invest in a Corporate Savings Plan, which has constantly evolved and now offers two investment possibilities.

One is a conventional system, under which Accor contributes matching funds each time an employee invests in one of the plan's mutual funds. In 2010, 3,422 employees paid into this type of plan. In addition, 3,455 employees participated in the Tesorus supplemental plan, which was introduced to support employees with little capital available for savings. It offers a booklet of vouchers that employees can use whenever they want to pay into the plan during the year, with Accor again contributing matching funds.

Details on these two systems are available on the Accor Intranet site in France, on a dedicated Internet site, and in a comprehensive brochure given to each employee.

Employees also receive profit-shares under a corporate agreement covering 111 companies in 2009. Non-discretionary profit-shares earned in 2009 and paid in 2010 amounted to an aggregate €5.8 million for 27,862 employees, or an average net amount of €209 per person.

In compliance with French Act of December 3, 2008 in favor of working income, 12,203 employees requested the immediate payment of all or part of their profit-shares, without investing them in the Corporate Savings Plan.

Discretionary profit-sharing agreements based on Company performance and financial results are generally signed for each subsidiary or hotel in order to better reflect the unit's actual business performance.

In 2010, an aggregate €16 million in discretionary profit-shares earned in 2009 was paid to 18,804 employees, representing an average net amount of €896 per person for the year.

Employees in France and the rest of the world are regularly offered the opportunity to purchase new Accor shares on preferential terms and conditions, as part of employee share issues. At the end of 2010, 19,242 employees owned shares in their company (for more details, please refer to page 277).

Insurance coverage

In France, employee insurance benefits were upgraded in 2010, in particular to offer more favorable reimbursement of healthcare costs. New guarantees were also added, with partial reimbursement of osteopathy, hospital accommodation for caregivers and contraceptive pills and patches not reimbursed by French national health insurance.

To help employees understand the details of their coverage, brochures describing the applicable insurance and healthcare benefits and explaining how they are implemented were updated and distributed individually to each person.

In the rest of the world, Accor is pursuing its review of existing coverage and extending healthcare and other coverage, depending on local needs. Benefits include both insurance and healthcare coverage for routine care, hospitalization, maternity benefits, eye care and other expenses.

Retirement benefits

The Group Retirement Benefits Committee set up in 2007 continued its activities in 2010. Designed to encourage dialogue and consensual management, the Committee is comprised of representatives from the corporate Human Resources, Consolidation, Treasury and Financing, and Administrative Services Departments, as well as the Group's consulting actuary.

In 2010, the following issues were addressed:

- actuarial assumptions, changes in accounting standards following application of IAS 19 and their impact on employee benefits;
- tracking the financial management of outsourced pension plan assets;
- an opportunity study for the introduction of a corporate retirement savings plan in France;
- an analysis of how the French pension reform legislation voted on November 9, 2010 will impact the Group's employee benefits in France.

Working Conditions

Workweek organization

In the French Hotels business, the workweek has been set at 39 hours for non-managerial employees. However, in compliance with amendment 2 to the Hotels, Cafés and Restaurant industry agreement, time worked from the 36th to the 39th hour is paid 10% overtime. In owned and leased hotels, overtime from the 36th to the 39th hour is paid at the normal rate, with the 10% overtime taken in the form of additional time off.

Most managers are paid a fixed annual salary for 218 days worked per year.

At headquarters, the workweek for non-managerial staff is 35 hours, with managers expected to work a set 218 days a year.

Worldwide, 78% of employees have permanent work contracts. Their working hours comply with local legislation and collective bargaining agreements.

Work-life balance

Because hospitality jobs are demanding, Accor has decided to promote local programs to enhance work-life balance as the most effective way to meet culturally-specific expectations and needs in the different host countries.

In France, the Strasbourg Sofitel has been testing a new program since September 2010 that plans work schedules so that food service employees are not assigned to two shifts in the same day, thereby enhancing work-life balance.

The **ibis** chain has deployed a hotline and support system for employees in all its **French subsidiaries** to prevent workplace distress. The system is designed to detect and remedy abusive situations confidentially so that action is taken quickly to limit their impact.

In Brazil, a program for expecting mothers offers headquarters employees a number of advantages, including:

- mother's helpers for babies age 6-11 months;
- full coverage of prenatal medical visits and examinations;
- full coverage of the baby's healthcare expenses for the first year. Some of these benefits are also available to hotel employees.

In Portugal, employees are offered courses on healthy living and stress management. In addition, partnership agreements have been signed with a local university to prepare a workplace stress survey, with a specialized firm to provide stress counseling and with a gym to offer special rates for employees.

Health and safety

Workplace health and safety agreements

In France, Accor SA signed a framework agreement on addressing psychosocial risks in the workplace in 2010. Designed to reduce workplace stress and deploy preventive action plans, the agreement has led to the introduction of such measurable indicators as absenteeism and turnover, as well as more qualitative tools like the questionnaire administered during occupational health appointments. A steering Committee made up of managers, human resources managers, risk management specialists, occupational physicians, members of the health, safety and working conditions Committee and members of the Works Council has been created and will meet twice a year to prepare action plans to reduce stress. A training module for managers was also rolled out in partnership with the Accor Academy.

Creation of Health and Safety Committees

In Brazil, an internal commission on preventing workplace accidents has been set up in each unit with more than 50 employees. Comprising both employee and employer representatives, the commission focuses on preventing accidents and occupational illnesses.

In Australia, a national Health and Safety Committee has been established to develop and manage different strategies for preventing injuries and occupational illnesses. Specific guidelines for hotels were published in 2010, supported by an Accor Academy training program for General Managers and department managers in owned, leased and managed hotels in the country.

In Benin, the Cotonou Novotel set up a Health and Safety Committee in 2010, comprised of the hotel General Manager, the Technical Services Director, two employee representatives and the occupational physician. Its responsibilities and meeting procedures are the same as those of Committees in France. Each member is granted 15 hours of work time to perform his or her Committee duties.

Training programs deployed by the brands

In France, **Mercure** has introduced across its network a housekeeping staff training program designed to i) earn and retain service certification in the hotels; ii) help teams prepare for sanitation inspections and enhance their professionalism through effective work practices; and iii) prevent risks by promoting safe postures and procedures. The course, which lasts 11 hours in all, is supported by a training kit with four modules: a presentation of program goals, sanitation rules, recommendations for avoiding back injuries and a working method.

The fight against epidemics

Since 2002, Accor has been demonstrating a wide-ranging commitment to fighting against epidemics, particularly of HIV/AIDS and malaria. This commitment is based on three pillars: protecting our employees, raising awareness among our guests and getting the tourist industry involved.Employee-focused actions are structured by ACT-HIV, the front-line program introduced in 2007 to improve HIV/AIDS awareness among hotel General Managers with a six-step action plan. It incorporates our commitment's three core principles: confidentiality, non-discrimination and equal access to treatment.

ACT-HIV can be adapted to each local situation, depending on whether the country is already involved in a prevention program. It is now being deployed worldwide with the support of country human resources managers, who are each responsible for implementing an action plan to apply the program in his or her country, in association with a non-governmental organization and, wherever possible, local occupational physicians (as is currently the case in France). By the end of 2010, awareness building and prevention plans were already being implemented in 32 countries, versus 25 in 2009, and 40,000 employees were able to attend sensitivity training and other courses.

On World AIDS Day, Accor teams in some 30 countries organized awareness and prevention campaigns targeted to both employees and guests.

Changes in the scope of reporting

As part of our asset-right strategy, human resources teams are supporting employees when their hotel changes operating structure.

In France, for example, an agreement on the principles and procedures for managing and supporting the transfer of employees during hotel divestments was signed in 2009 and amended in December 2010. Its provisions cover:

- procedures for informing employee representatives;
- procedures for informing employees;
- individual support and the right for employees to apply for positions and maintain their seniority if the hotels are leased back;
- the impact of divestment on the status of employees as a group and the retention of individual benefits.

While several hotels were removed from the scope of reporting during the year, many others were added. A large number of hotels were opened in Asia, particularly in Cambodia, China, Thailand, Indonesia, as well as in Africa and the Middle East, with new units in Saudi Arabia, the United Arab Emirates and other countries.

Social dialogue

All of Accor's human resources policies are shaped by a focus on maintaining constructive social dialogue with employee representatives, in a commitment to fostering a high-quality working environment.

Employee surveys

Regular surveys are conducted to gauge employee perceptions on workplace relations, training, personal development and other job-related issues. Employees are generally expected to reply to an opinion survey once every other year. To obtain comparable data across all units, a set of core questions defined at corporate level is integrated into each local survey, which may also include questions on more specific local issues. The results allow us to define and deploy action plans and measure their long-term effectiveness.

In October 2010, for example, two different surveys were administered to Sofitel hotel General Managers and employees. More than 25,000 people were asked to complete the questionnaires, available in 17 languages. The results showed that 94% of General Managers and 82% of employees were satisfied in their jobs. The data collected will be reviewed and used to develop action plans that will be deployed in 2011.

Employee relations

In 1995, a worldwide agreement was signed with the International Union of Food Workers (IUF) concerning application of ILO conventions 87, 98 and 135 on employees' freedom of association and right to unionize. The agreement ensures the effective application of these conventions in all of our establishments. In France, union news and information have been communicated *via* a dedicated union Intranet since 2002.

Collective agreements

A large number of collective agreements have been signed in France, mainly concerning salaries, equal opportunity and discretionary profit-sharing.

A Group Diversity Agreement applicable to French subsidiaries was signed on January 10, 2007 with all of the employee representatives.

In 2008, a Group agreement on insurance and supplementary health coverage was signed in France, consolidating in a single text all of the previous plans that had been in place for many years. The provisions provide all employees in France with coverage for such major risks as death and disability, as well as for a wide range of healthcare expenses, including prescription drugs, doctor's visits, hospitalization, eyewear and dental care. An amendment was signed in 2010 with all of the unions to reflect changes in legislation and regulations, reduce the deductibles for certain items and add new areas of coverage.

Employee representative organizations

Group Works Council

The Group Works Council supports dialogue and the sharing of business information with employee representatives in France. Created by the October 12, 1984 framework agreement, the Council comprises 35 employee representatives chosen from among the elected members of the 90 subsidiary Works Councils in all of our businesses in France. Chaired by the Chairman and Chief Executive Officer or his representative, it meets twice a year and has access to all of the Group's business data.

Social Council

Another collective body that promotes constructive social dialogue is the Social Council, which meets on a regular basis and provides an informal forum for ongoing relations with union representatives. The meetings address important topics that concern the Group as a whole, as well as certain strategic issues.

European Works Council

The European Works Council is co-chaired by the Chairman and Chief Executive Officer and an IUF representative. It meets at least once a year to examine the Group's organization, strategy and results, as well as cross-border issues. The full-session meetings are held at the International Labour Organisation's head office in Geneva, where a local office provides ongoing liaison.

Outsourcing

Hotel cleaning services account for most of the Group's outsourcing costs.

In 2003, Accor management in France met with union representatives to define the process of outsourcing room cleaning to subcontractors in Group hotels. The resulting protocol agreement on guidelines and conditions for using subcontractors requires strict compliance with labor laws and regulations and defines such aspects as working hours, the calculation of paid hours, and training. Enforcement is regularly monitored in collaboration with employee representatives. Every year, the Human Resources Department verifies outsourcing contracts for compliance with our employee relations standards.

In 2010, a survey of our subcontractors' employee relations practices was prepared for pilot testing, which is now underway in France, Germany, Australia, Spain and Italy.

To share our standards with suppliers, a Sustainable Development Purchasing Charter was introduced in 2002. It requires certified suppliers to comply with carefully defined criteria in the areas of employee working conditions and environmental protection, in line with the International Labour Organisation's fundamental conventions.

The Charter was updated in 2010 to reflect new regulations and to strengthen compliance requirements. In particular, suppliers are expected to:

- comply with the Sustainable Development Purchasing Charter;
- ensure that their own suppliers and subcontractors meet the same criteria;
- participate in Accor's sustainable development assessment procedure;
- authorize Accor and/or representatives selected by Accor to conduct a sustainable development audit and agree to implement the necessary action plans.

1.6.3. SUMMARY TABLES OF EMPLOYEE DATA – FRANCE

Consolidated Corporate Report – France

In compliance with French legislation, this report consolidates data from the 2010 corporate reports prepared by French subsidiaries that are at least 50%-owned and that have at least 300 employees.

In all, the Consolidated Corporate Report now covers 77% of Accor employees in France.

This same scope has been used for most of the indicators shown below.

The report concerns 16,044 employees in service at December 31, 2010, irrespective of the type of employment contract.

Number of employees	12/31/2010	12/31/2009
Total number of employees (1)	16,044	17,197
Percentage of women	56.4%	54.7%
Percentage of men	43.6%	45.3%
Average monthly number of employees	16,911	18,300
Number of full-time employees under permanent contracts	9,764	13,560
Number of part-time employees under permanent contracts	4,654	3,637
Number of employees under fixed-term contracts	1,626	1,590
Number of non-French employees working in France (2)	2,032	2,373
As a % of total employees	*12.7%*	*13.8%*

(1) All employees on the payroll at December 31, regardless off the type of employment contract.
(2) Employees of foreign nationality working in France.

Hiring	12/31/2010	12/31/2009
Number of persons hired under permanent contracts	3,001	2,056
Percentage of women	49.6%	46.7%
Percentage of men	50.4%	53.3%
Number of persons hired under fixed-term contracts	8,936	7,393
Number of people under 25 hired	5,974	4,946

Absenteesm rate [1] - by reasons	12/31/2010	12/31/2009
Sick leave	6.2%	6.5%
Workplace and commuting accidents	1.4%	1.5%
Maternity, paternity and adoption leave	0.3%	0.3%
Paid leave for family reasons	0.4%	0.4%
Unpaid leave (unpaid vacation, parental leave)	3.2%	3.6%
TOTAL	**11.5%**	**12.2%**

(1) Number of days of absence divided by number of theoretical working days.

Compensation	12/31/2010	12/31/2009
2009 discretionary profit-shares paid in 2010		
Number of beneficiaries [1]	18,804	23,008
Average gross amount per beneficiary *(in euros)*	896	685
2009 non-discretionary profit-shares paid in 2010		
Special employee profit sharing reserve, net *(in millions of euros)*	6	17
Number of beneficiairies [1]	27,862	30,037
Average net amount per beneficiary *(in euros)*	209	571

(1) Among employees who worked at least three months in the year.

Health and Safety Conditions	12/31/2010	12/31/2009
Number of meetings of Health, Safety and Working Conditions Committees	567	687
Number of employees receiving onsite safety training	5,179	5,714

Employee Relations	31/12/2010	12/31/2009
Collective agreements signed in 2010	28	30
Total hours used for employee delegate activities	80,738	91,873
Number of meetings with employee representatives	1,683	1,984

Employee Benefits	12/31/2010	12/31/2009
Solidarity Fund	In 1994, a solidarity fund was set up in France to provide administrative or financial assistance to employees faced with major financial or family-related difficulties that they cannot overcome alone.	
Works Council benefits budget *(in millions of euros)*	2	2

1.7. Environmental report

INTRODUCTION

In 2006, Accor introduced its Earth Guest sustainable development program. It comprises eight priorities, of which four relate to the environment: energy, water, waste and biodiversity (1). As part of the program, a number of environmental objectives to be attained at year-end 2010 were set. A full review of these commitments can be found in the 2010 Annual Report, which includes a progress update for each objective at the end of the year.

Following this review, Accor launched an internal process to reassess its sustainable development strategy and set new environmental objectives for 2011-2015. These objectives will be released in 2011, notably on the accor.com website. They will be defined according to the findings of a number of studies, especially a quantified analysis of the main environmental impact of Accor's operations.

Most of the detailed findings below were collected using OPEN, the Group's environmental management application. OPEN is used by hotel managers to record monthly water and energy use. It is also used to monitor application of the 65 actions in the Accor Hotel Environment Charter.

The Group is pursuing two objectives:

- **improving hotel environmental performance**. Initiatives include: regular audits to optimize water and energy use, deployment of environmentally friendly cleaning products (for hotel rooms in particular) selected by the Purchasing Department, help from Technical Services in choosing the most energy-efficient equipment, and setting up regional Committees to lead the environmental agenda and monitor objectives;
- **improving performance monitoring**. Efforts are focused on developing reporting tools, in particular OPEN, as well as enhancing the reliability of data reported by hotels. In 2010, use of the OPEN application was extended to Brazil and Italy. Monitoring of reported data has also been improved: eight actions in the Hotel Environment Charter have been included in internal quality controls for the past two years and respect of reporting processes about water and energy use have been revised by Ernst & Young since 2009. The E&Y assurance statement is posted on the Accor website.

ENVIRONMENTAL POLICY

Internal organization

Accor's environmental policy is defined by the Sustainable Development Department, which reports to the Executive Vice President, Global Human Resources.

The department coordinates initiatives with the brands and the support services concerned, such as human resources, purchasing, marketing, legal affairs and technical services. The policy is then deployed in the countries *via* a network of approximately 100 sustainable development coordinators.

Environmental expenditure

The Sustainable Development Department's environmental budget, excluding operating costs, amounted to €278,000 in 2010. Outlays were primarily committed to the fourth Earth Guest day (an employee day devoted to sustainable development), the Plant for the Planet reforestation project, development of the OPEN environmental management application, an analysis of the Group's environmental impact, and studies of waste and renewable energies. The budget did not include any costs incurred by the hotel brands or support functions, which are not consolidated.

(1) The other four priorities relate to societal issues: protection of children, the fight against epidemics, local development and balanced nutrition.

Assessment tools

OPEN

Accor's environmental policy is assessed using OPEN, an environmental management application available *via* the Group Intranet since 2005. OPEN enables hotels to monitor:

- application of the Hotel Environment Charter;
- water and energy use;
- bath linen use for hotels taking part in Plant for the Planet. The program encourages guests to keep their towels for more than one day, with half of the savings on laundry budgets donated to reforestation projects. More than 1,000 hotels are currently taking part in the program;
- waste management. Hotel managers can monitor the amount of waste produced in their units, its recovery or disposal (landfilled, incinerated, recycled, etc.) and related waste management costs. The application was gradually rolled out across the hotel network beginning in mid-2010.

The Hotel Environment Charter

The Hotel Environment Charter recommends 65 actions – such as recycling glass, recovering rainwater and using eco-labeled products – that enable hotels to effectively reduce their negative impact on the environment. Every year, hotels indicate the actions they have implemented for purposes of comparison with their own prior-year performance and with that of other hotels in their region. Since 2008, Accor has included eight of the actions in its internal quality controls to enhance the reliability of reported data. The Charter can be consulted on the Accor website.

Data are then consolidated and analyzed at Group level. In the following tables, indicators corresponding to Hotel Environment Charter actions are marked with a ●.Unless otherwise specified, these indicators concern all Accor hotels worldwide, with the exception of Adagio City Aparthotel units and Lenôtre facilities. Thalassa Sea & Spa facilities apply the same Charter actions as the hotels to which they are attached and their data are consolidated along with those of the hotel. Results are expressed as a percentage comparing the number of hotels implementing a given action to the total number of hotels applying the Charter. Some action points apply only to hotels equipped with special facilities, such as a restaurant or laundry. In this case, the percentage of hotels having implemented these actions is calculated based solely on the total number of hotels concerned.

In 2010, data on Hotel Environment Charter actions were reported by 3,705 hotels, corresponding to 90% [(1)] of the Accor network and representing an increase of 187 units compared with 2009. The Charter is now applied by **all owned and leased hotels** – the Group's deployment goal for 2010 – and by 74% of franchised hotels, a significant 12% increase over 2009 based on the same scope of reporting.

Percentage of Group hotels applying the Environment Charter	2009	2010	Change at comparable scope of reporting [(*)]
Owned/Leased	97%	100%	**+3%**
Managed	90%	96%	**+6%**
Franchised	65%	73%	**+12%**
TOTAL	**86%**	**90%**	**+5%**

(*) Hotels reporting data in both years.

Charter action points applied in 2010	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Total 2010	Change 2009-2010
Average number of actions deployed	**37**	**43**	**43**	**40**	**36**	**40**	**+1 action**

(1) Hotels divested in early 2011 are not included in the scope of reporting.

Monitoring water and energy use

Water and energy consumption is tracked mainly using OPEN. Data can be accessed at all operational and functional levels, enabling several kinds of comparison, such as year on year or between hotels, countries, brands, etc. Unless otherwise indicated, consumption ratios are expressed in liters of water per room night and in kWh per room.

Indicators for water, energy and greenhouse gas emissions are marked with a ✱ and, unless otherwise specified, concern:

- Hotels in Europe, North America, Latin America & the Caribbean, and the rest of the world (43 countries in Africa and the Middle East, and in Asia-Pacific);
- Lenôtre's operations, in particular the Plaisir production facility as well as other shops, restaurants, etc. in France.

Franchised hotels, Adagio City Aparthotel units and Thalassa Sea & Spa facilities are not included in the scope of reporting. In all, 2,717 hotels reported water, energy and greenhouse gas indicators. Data were audited when reported by Ernst & Young.

Percentage of hotels reporting water and energy use and greenhouse gas emissions	2009	2010	Change at comparable scope of reporting (*)
Owned/Leased	100%	100%	-
Managed	97%	100%	**+3%**
TOTAL	**99%**	**100%**	**+1%**

(*) Hotels reporting data in both years.

Environmental certification

ISO 14001certification

353 hotels are certified ISO 14001, an increase of 22 units over 2009.

		Year-on-year increase
ibis	326 ibis hotels in 16 countries: 164 in France, 48 in Brazil, 19 in Germany, 18 in Switzerland, 17 in Portugal, 16 in Spain, 11 in the Netherlands, 8 in Belgium, 8 in Austria, 6 in Hungary, 3 in Italy, 3 in Morocco, 2 in Argentina, 1 in India, 1 in Slovakia and 1 in Luxembourg	**+40 hotels**
Thalassa	23 Thalassa Sea & Spa facilities on 9 sites in France	-
Sofitel	1 Sofitel: Athens Airport in Greece	-
Novotel	2 Novotel units: London West in the United Kingdom and Homebush Bay in Australia	-
Lenôtre	1 facility: the Pré Catelan restaurant in France	-

EarthCheck

EarthCheck is the new name for Green Globe certification awarded by EC3, the environmental management and certification company. In all, 84 hotels have received EarthCheck certification, an increase of 29 over 2009. In addition, 105 Novotel units are in the process of being certified.

		Year-on-year increase
Novotel	78 Novotel units in 18 countries: 15 in the United Kingdom, 10 in Australia, 9 in Indonesia, 5 in China, 5 in New Zealand, 5 in Thailand, 5 in Switzerland, 4 in Italy, 3 in Brazil, 3 in Egypt, 3 in Hong Kong, 3 in South Korea, 2 in Fiji, 2 in India, 1 in France, 1 in Singapore, 1 in Vietnam and 1 in Côte d'Ivoire	**+23 hotels**
Mercure	3 Mercure hotels in 2 countries: 2 in Egypt and 1 in Fiji	-
Pullman	1 Pullman in Egypt	-

Green Key Eco-Rating

58 hotels worldwide have received Green Key Eco-Rating certification from the Hotel Association of Canada, an increase of 45 over 2009.

Motel 6	43 Motel 6 units in 2 countries: 27 in the United States and 16 in Canada
Sofitel	9 Sofitel hotels in 2 countries: 8 in the United States and 1 in Canada
Novotel	6 Novotel units in Canada

Raising employee awareness

On April 22, 2010, Accor held its fourth Earth Guest day to build awareness of sustainable development issues among employees in 71 participating countries. During the day, hotel teams were involved in an array of local operations that ranged from cleaning beaches and public parks to providing instruction in eco-friendly attitudes and behaviors.

Programs to raise awareness of environmental issues are also deployed on a more daily basis, in particular by the sustainable development Committees. Created in 2006 and comprised of people from both the support functions and the operating Divisions, these Committees define local priorities and develop best practices in hotels.

Environmental training modules for employees are offered by the Accor Academies. In 2009, for example, a sustainable development training program was introduced for Novotel employees as part of the EarthCheck certification process. Available in 11 languages, the program provides 25,000 team members with online training on appropriate environmentally-friendly actions in all parts of the hotel, including guest rooms, the restaurant and the kitchen.

Raising employee awareness	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting 2009	Scope of reporting 2010	Change at comparable scope of reporting
Number of hotels	**1,265**	**881**	**859**	**165**	**535**	**3,519**	**3,705**	**3,315 (*)**
Raise environmental awareness among employees	90%	93%	88%	88%	85%	89%	90%	**+7%**
Integrate environmental protection into all job categories	86%	94%	95%	90%	87%	86%	90%	**+11%**

(*) Hotels reporting data in both years.

Raising customer awareness

In 2008, Accor launched the Plant for the Planet project in partnership with the UN Environmental Program's One Billion Trees campaign. This innovative approach invites hotel customers to reuse their towels, with the promise that half of the savings on laundry bills will be invested in reforestation projects in seven regions around the world.

In addition to its environmental aspect, the program also strongly supports the economic and social development of local communities. In Senegal, for example, the reforestation program carried out with SOS Sahel supports the economic development of 30,000 farmers in the Louga and Thiès regions. Accor's goal is to finance the planting of three million trees by year-end 2012. As of December 31, 2010, a total of 1,105 hotels were taking part in the project, nearly twice as many as the 580 hotels participating one year earlier.

Raising customer awareness	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting 2009	Scope of reporting 2010	Change at comparable scope of reporting
Number of hotels	**1,265**	**881**	**859**	**165**	**535**	**3,519**	**3,705**	**3,315 (*)**
Raise environmental awareness among customers	74%	87%	97%	92%	88%	79%	86%	**+8%**
Provide customers with environmentally friendly transportation alternatives	54%	76%	67%	32%	60%	64%	62%	**-5%**

(*) Hotels reporting data in both years.

ENERGY

Energy use

The table below shows the total amount of energy used worldwide and by region. Of the 2010 data, 79% were reported by hotels and 21% were estimates when measurements were unavailable or unreliable.

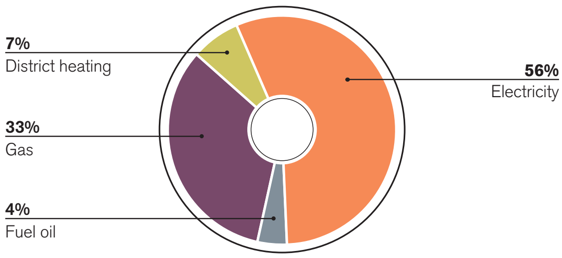
The indicator used to track energy use is kWh per available room. In 2006, when the performance indicators were introduced, Accor pledged to reduce energy consumption per available room by 10%. The objective was not met within the four-year period mainly because of the strong upswing in business in 2010, which resulted in additional energy use.

New objectives and a stronger policy will be introduced in 2011 for the period extending through 2015. In addition, all indicators will be reviewed and improved to more effectively take into account impact related to operations and the climate.

*	France		Rest of Europe		North America		Latin America & Caribbean		Rest of the world		Scope of reporting		Change at comparable scope of reporting
Energy use	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	2009	2010	
Number of hotels	**634**	**32**	**676**	**81**	**653**	**12**	**72**	**91**	**146**	**338**	**2,845**	**2,735**	**2,540 (*)**
Energy use *(in MWh)*	682,663	53,591	1,139,490	223,463	578,387	110,379	100,881	137,115	288,186	1,879,063	4,943,820	5,193,218	**+6%**
Average per hotel *(in MWh)*	1,077	1,675	1,686	2,759	886	9,198	1,401	1,507	1,974	5,559	1,738	1,899	**+6%**

(*) Hotels reporting data in both years.

Energy used by type in 2010



Energy efficiency

Implementation of energy efficiency programs or technological solutions in the hotels is accurately tracked by the indicators in place since 2006.

In 2010, all of the energy management and monitoring indicators improved. In 2009, a water and energy saving project was introduced to:

- extend deployment of the OPEN application to monitor water and energy use on a monthly basis;
- systematically install energy-efficient lamps and flow regulators;
- conduct energy audits in hotels where the most substantial savings could be made.

Accor's goal for 2010 was to install energy-efficiency lamps for areas that stay lit around the clock in all owned and leased hotels. As of year-end 2010, 85% of these hotels were equipped.

Managing energy use	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting 2009	Scope of reporting 2010	Change at comparable scope of reporting
Number of hotels	**1,265**	**881**	**859**	**165**	**535**	**3,519**	**3,705**	**3,315 (*)**
Set objectives for reducing use	77%	85%	93%	91%	79%	81%	83%	**+10%**
Monitor and analyze monthly use	88%	96%	89%	96%	92%	91%	91%	**+6%**
List potential technical improvements	41%	67%	97%	75%	78%	64%	67%	**+11%**
Organize preventive maintenance	84%	93%	92%	93%	93%	89%	90%	**+7%**
Use compact fluorescent lamps for round-the-clock lighting	73%	84%	98%	84%	75%	79%	82%	**+10%**
Used compact fluorescent light bulbs in rooms	67%	71%	97%	81%	72%	71%	76%	**+12%**
Insulate pipes carrying hot/cold fluids	78%	89%	83%	87%	83%	80%	83%	**+9%**
Use energy-efficient boilers	41%	62%	59%	67%	51%	49%	53%	**+13%**
Use energy-efficient air-conditioning systems	33%	43%	69%	48%	47%	45%	48%	**+12%**

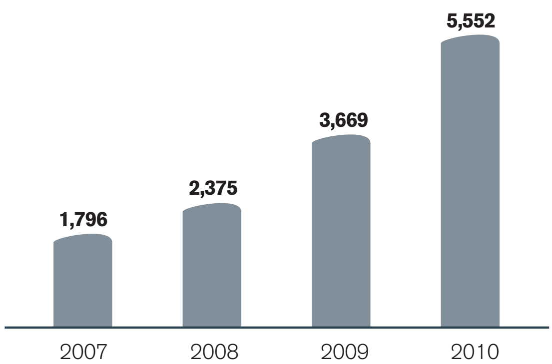
(*) Hotels reporting data in both years.

Encouraging the use of renewable energies

In line with its commitment to promoting renewable energies, Accor hotels are continuing to install solar panels to produce domestic hot water. At December 31, 2010, solar panels had been installed in **116** hotels worldwide, representing a total surface area of 10,612 square meters and annual output of 5.5 GWh.

In France, solar energy installations are being developed in partnership with the Agency for Environment and Energy Management (ADEME) as part of an agreement signed in 2007. France alone accounts for more than half of solar energy installations, with 59 units. These installations produced approximately 1.9 GWh of energy in 2010.

Solar power used to produce domestic water
(in MWh)



WATER

Water use

The table below shows the total amount of water used worldwide and by region. Total water use declined in 2010 compared with 2009. Of the 2010 data, 79% were reported by hotels and 21% were estimates when measurements were unavailable or unreliable.

The indicator used to track water use is liter per occupied room. In 2010, water use in owned and leased hotels was down 12% compared with 2006 – the year the performance indictors were introduced – based on a comparable scope of reporting (1,072 hotels). **As a result, Accor exceeded its 10% reduction target set for 2010 by 2 points.** In 2011, new performance objectives will be defined and announced for the period extending through 2015.

* Water use	France		Rest of Europe		North America		Latin America & Caribbean		Rest of the world		Scope of reporting		Change at comparable scope of reporting
	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	2009	2010	
Number of hotels	**634**	**32**	**676**	**81**	**653**	**12**	**72**	**91**	**146**	**338**	**2,845**	**2,735**	**2,540 (*)**
Water use *(thousands of cu.m)*	4,027	287	5,999	1,046	9,226	682	1,021	1,934	3,060	19,581	44,035	46,868	**(1)%**
Average per hotel *(thousands of cu.m)*	6.35	8.97	8.87	12.91	14.13	16.54	14.18	21.25	20.96	57.93	16.54	17.14	**(1)%**

(*) Hotels reporting data in both years.

Reducing water use

Water use indicators in place since 2006 enable Accor to accurately track programs or technological solutions in the hotels that respond to the environmental challenge of resource depletion.

In 2010, water management and monitoring indicators improved considerably. Special attention was paid to installing flow regulators. During the year, regulators were installed on faucets in 355 additional hotels and on showers in 263 additional hotels.

Accor's goal for 2010 was to have flow regulators installed in all owned and leased hotels. At year-end 2010, 93% of owned and leased hotels had installed flow regulators on showers or faucets.

● Managing water use	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting 2009	Scope of reporting 2010	Change at comparable scope of reporting
Number of hotels	**1,265**	**881**	**859**	**165**	**535**	**3,519**	**3,705**	**3,315 (*)**
Set objectives for reducing use	70%	78%	98%	87%	71%	77%	79%	**+10%**
Monitor and analyze monthly use	88%	97%	90%	93%	90%	91%	91%	**+6%**
Use flow regulators on faucets	79%	89%	95%	82%	78%	79%	85%	**+13%**
Use flow regulators on showers	73%	89%	90%	78%	77%	78%	82%	**+10%**
Use water-efficient toilets	63%	75%	69%	72%	74%	67%	69%	**+8%**
Suggest to customers that they reuse towels	82%	90%	96%	89%	87%	87%	88%	**+8%**
Suggest to customers that they reuse sheets	62%	71%	97%	67%	83%	76%	75%	**+6%**

(*) Hotels reporting data in both years.

OTHER RAW MATERIALS

As a hotel group, Accord does not have any manufacturing operations and is not a direct user of raw materials other than water and energy. To ensure effective management of the supply chain, subcontractors outside France are asked to sign the Accor Sustainable Purchasing Charter. Signees authorize Accor to conduct audits if appropriate.

EMISSIONS INTO THE NATURAL ENVIRONMENT

Atmospheric emissions

Greenhouse gas emissions

Greenhouse gas emissions are calculated from the energy use data above:

- direct emissions correspond to gas and fuel oil burned in hotel boilers;
- indirect emissions concern electricity used by the hotels, as well as the heat and air conditioning supplied by urban heating and cooling networks.

*	France		Rest of Europe		North America		Latin America & Caribbean		Rest of the world		Scope of reporting		Change at comparable scope of reporting
Greenhouse gas emissions	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	2009	2010	
Number of hotels	**634**	**32**	**676**	**81**	**653**	**12**	**72**	**91**	**146**	**338**	**2,845**	**2,735**	**2,540 (*)**
Direct emissions *(tonnes of CO_2 equivalent)*	44,850	4,081	80,555	20,681	51,407	9,373	5,396	9,050	21,471	146,096	324,313	390,960	**(6%)**
Indirect emissions *(tonnes of CO_2 equivalent)*	37,710	2,895	330,373	47,717	195,111	33,776	16,763	20,061	123,625	840,554	1,608,689	1,648,585	**3%**
Total emissions *(tonnes of CO_2 equivalent)*	82,560	6,976	410,928	68,398	246,518	43,149	22,159	29,111	145,096	984,650	1,933,002	2,039,545	**1%**
Average per hotel *(tonnes of CO_2 equivalent)*	130	218	608	844	378	3,596	308	320	994	2,913	679	746	**1%**

Greenhouse gas emissions for both power generation and fuel use are calculated on the basis of Greenhouse Gas Protocol initiative coefficients (www.ghgprotocol.org). In late 2010, to more accurately identify emissions from its operations, the Group conducted a detailed environmental impact study based on multi-criteria life cycle analysis methodology. Accor was the first hotel group to take such a step. The findings will be released in 2011 and will help define the Group's strategy for the period extending through 2015.

Ozone-depleting cooling liquids

Cooling fluids present only a small risk of coolant emissions in normal use. However, there can be a risk of coolant evaporation during maintenance operations or as a result of an accident.

To limit this risk, cooling systems are regularly maintained by qualified companies. Since 2006, two coolant use indicators have been included in the environmental reporting process.

Protecting the ozone layer	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting 2009	Scope of reporting 2010	Change at comparable scope of reporting
Number of hotels	**1,265**	**881**	**859**	**165**	**535**	**3,519**	**3,705**	**3,315 (*)**
Eliminate installations containing CFCs	44%	70%	91%	59%	57%	61%	64%	**+10%**
Verify that equipment containing CFCs, HCFCs and HFCs is leak-proof	53%	82%	92%	78%	76%	75%	73%	**+4%**

(*) Hotels reporting data in both years.

Wastewater

Accor's activities generate wastewater whose content is similar to that of household wastewater. The hotels, most of which are located in cities, are generally connected to municipal sewage systems.

Of the hotels included in the Environment Charter scope of reporting, 46% have a restaurant, which accounts for a considerable portion of wastewater effluent. Systems to recover cooking oils and fats have been installed in Group hotels to control and manage these releases and avoid overloading wastewater treatment plants.

Wastewater	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting 2009	Scope of reporting 2010	Change at comparable scope of reporting
Number of hotels	**1,265**	**881**	**859**	**165**	**535**	**3,519**	**3,705**	**3,315 (*)**
Collect cooking oil	95%	93%	65%	85%	72%	92%	87%	**(0,3)%**
Collect fats	95%	91%	65%	87%	83%	92%	90%	**+3%**

(*) Hotels reporting data in both years.

Soil Contamination

A study carried out in 2010 with PriceWaterhouseCoopers to identify the Group's main environmental impact confirmed that Accor's hotel operations create a negligible amount of soil contamination or none at all.

WASTE

Reducing waste volumes at the source

Accor makes a special effort to reduce waste volumes at the source. This requires a commitment by suppliers upstream to identify ways to limit packaging when goods are being prepared for delivery. In 2009, ibis and Novotel introduced their new lines of eco-designed complimentary items, which have been awarded the European Union's Ecolabel.

The results of these initiatives have been recognized outside the Group. In France, for example, the ibis Paris Berthier was cited by the Agency for Environment and Energy Management (ADEME) as a model in reducing waste volumes at the source, thanks to its soap distributors and its large jars for breakfast foods instead of individually packaged portions.

Reducing waste upstream	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting 2009	Scope of reporting 2010	Change at comparable scope of reporting
Number of hotels	**1,265**	**881**	**859**	**165**	**535**	**3,519**	**3,705**	**3,315 (*)**
Limit the use of disposable packaging for hotel supplies	43%	59%	19%	52%	59%	37%	44%	**+23%**
Limit individual packaging for hygiene products	45%	50%	99%	38%	35%	50%	57%	**+20%**

(*) Hotels reporting data in both years.

Types of waste

Monitoring waste production is a complex process in which Accor is making progress every year. In 2010, data were compiled from waste collection companies in France, Germany, Brazil, Belgium and Spain. The number of hotels corresponds to the hotels for which data were available. Improvement targets will be set in 2011 to expand the database available in this area.

Waste production	Number of hotels	Amount *(in tonnes)*	Amount per hotel *(in tonnes)*
Production of non-hazardous process waste			
Unsorted	217	4,009	18.5
Biodegradable	12	139	11.6
Paper/cardboard	133	974	7.3
Plastic	30	37	1.2
Glass	57	132	2.3
Oil and fats	436	409	0.9
Production of hazardous waste			
Electrical and electronics	6	0.5	0.08
Batteries	30	0.3	0.01
Fluorescent tubes	40	0.6	0.01
Hazardous waste	10	1.0	0.10

Recycled waste in Brazil

Reporting of sorted waste continued to expand in Brazil, with 159 participating hotels recycling 479 tonnes of waste in 2010, compared with 93 hotels and 400 tonnes in 2009.

	Number of hotels		Amount *(in tonnes)*		Amount per hotel *(in tonnes)*	
	2009	2010	2009	2010	2009	2010
Paper	82	69	57.7	55.6	0.70	0.80
Magazines	71	58	36.6	34.9	0.52	0.60
Cardboard	89	71	141.8	185.5	1.59	2.61
Plastic	81	71	52.7	53.4	0.65	0.75
Tetrapacks	23	18	2.9	2.9	0.13	0.16
PVC	13	13	3.2	0.7	0.25	0.05
PET	51	36	7.6	8.5	0.15	0.24
Aluminum	86	67	19.9	25.6	0.23	0.38
Other metals	52	44	9.7	21.1	0.19	0.48
Glass	54	46	58.0	59.3	1.07	1.29
Oil and fats	43	39	19.6	25.6	0.46	0.66
Light bulbs	33	21	4.1	3.5	0.12	0.17
Batteries	26	21	3.9	3.1	0.15	0.15

Waste resource recovery

For 2010, Accor set a goal of 70% of owned and leased hotels recovering paper, cardboard and glass and 95% of owned and leased hotels processing batteries and compact fluorescent light bulbs and tubes. The results achieved were, respectively 53% and 88%.

The shortfall was due to a number of circumstances that slowed the deployment of overall policies. Waste recovery remains a priority for Accor. In 2010, the number of collection service providers was reduced in several countries to standardize recycling practices.

Waste resource recovery	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting 2009	Scope of reporting 2010	Change at comparable scope of reporting
Number of hotels	**1,265**	**881**	**859**	**165**	**535**	**3,519**	**3,705**	**3,315 (*)**
Recycle paper/cardboard packaging	75%	92%	44%	83%	77%	69%	72%	**+9%**
Recycle paper, newspapers and magazines	64%	94%	40%	90%	80%	63%	69%	**+14%**
Recycle glass packaging	69%	93%	34%	83%	73%	65%	68%	**+10%**
Recycle plastic packaging	40%	76%	38%	87%	71%	49%	55%	**+16%**
Recycle metal packaging	35%	71%	48%	85%	64%	49%	53%	**+14%**
Recycle organic waste from restaurants	9%	55%	26%	26%	40%	34%	34%	**+4%**
Recycle green waste from lawns and gardens	67%	70%	26%	34%	48%	48%	51%	**+12%**
Organize waste sorting in hotel rooms	14%	20%	24%	68%	44%	22%	24%	**+17%**

(*) Hotels reporting data in both years.

Eliminating hazardous waste

Hazardous industrial waste produced by hotels is mainly comprised of empty contaminated packaging, disposable and rechargeable batteries, electrical and electronic equipment, light bulbs and compact fluorescent tubes, toner cartridges and aerosols. Hotels managers have introduced dedicated collection systems to manage the most toxic forms of this waste after verifying their traceability and compliance with treatment processes. Treatment of hazardous waste improved overall in 2010. In addition, a variety of initiatives to raise customer awareness were introduced. The Etap Hotel chain in France partners with Screlec, an environmental organization, to recover used batteries from customers through "battery trees" set up in reception areas.

Management of hazardous industrial waste	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting 2009	Scope of reporting 2010	Change at comparable scope of reporting
Number of hotels	**1,265**	**881**	**859**	**165**	**535**	**3,519**	**3,705**	**3,315(*)**
Dispose of hotel batteries safely	92%	94%	93%	83%	60%	87%	88%	**+7%**
Dispose of customer batteries safely	73%	67%	74%	75%	33%	60%	66%	**+17%**
Recycle electrical and electronic appliances	66%	87%	15%	57%	45%	51%	56%	**+15%**
Recycle toner cartridges	96%	99%	90%	86%	78%	92%	92%	**+6%**
Dispose of compact fluorescent tubes and light bulbs safely	82%	94%	93%	71%	60%	80%	83%	**+11%**

(*) Hotels reporting data in both years.

BIODIVERSITY AND LOCAL IMPACT

The vast majority of Accor hotels are located in downtown and suburban areas, where their environmental impact is reduced because of local treatment services, especially for water and waste. For building and renovation projects in environmentally sensitive areas, Accor conducts in-depth studies to anticipate and minimize the hotel's negative impact on its surroundings.

To provide a responsible food services offering, Accor has launched several initiatives that are intended to protect biodiversity. In China, more than 50 hotels have pledged not to serve shark fin soup; in Italy, Accor has partnered with the Slow Food association to promote local products; and in Togo and Senegal, hotels are working with the Oceanium Dakar association to remove endangered species of fish from restaurant menus.

As a leader in sustainable development, Accor wants to share its expertise with other industry players. That's why in 2008 the Group joined forces with the International Union for Conservation of Nature to produce the *Biodiversity: My Hotel in Action* handbook. The guide presents in detail the different ways hotels can help to protect diversity through, for example, the choice of materials used in construction and decoration and food products served in restaurants.

Accor also made advances in the implementation of biodiversity actions included in the Hotel Environment Charter. For year-end 2010, the goal was for all owned and leased hotels to be involved in environmental-protection and tree-planting initiatives, with 76% of them achieving that objective. Accor will now focus on redefining its biodiversity action plan in order to make it more relevant and ensure fuller involvement on the part of hotels.

Biodiversity	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting 2009	Scope of reporting 2010	Change at comparable scope of reporting
Number of hotels	**1,265**	**881**	**859**	**165**	**535**	**3,519**	**3,705**	**3,315 (*)**
Reduce the use of insecticides	52%	71%	71%	73%	67%	59%	65%	**+13%**
Reduce the use of herbicides	44%	65%	70%	68%	59%	54%	59%	**+13%**
Reduce the use of fungicides	32%	61%	66%	66%	53%	49%	52%	**+11%**
Use organic fertilizers	55%	63%	47%	78%	62%	55%	57%	**+7%**
Choose plants suitable to the local environment	65%	75%	82%	89%	80%	67%	75%	**+17%**
Plant at least one tree a year	53%	60%	88%	80%	75%	68%	67%	**+5%**
Support a local environmental initiative	27%	51%	49%	73%	72%	46%	46%	**+7%**

(*) Hotels reporting data in both years.

NOISE POLLUTION AND ODORS

As Accor's activities generate very little noise pollution or odors, no related measures have been taken.

PREVENTION AND REMEDIES

Compliance

In 2009, Accor introduced an application to measure compliance with safety, environmental and technical regulations. Known as SET, this proprietary software program presents regulations applicable to hotels organized by topics like "equipment", "installations" and "waste" that are easily recognizable by hotel managers and technical teams. These topics are listed in a section entitled "what concerns me" with related operating procedures explained in another section entitled "what I should do". SET enables managers to:

- stay informed of the latest regulations;
- identify compliance shortfalls;
- manage action plans to remedy non-compliance.

Launched in 2009, SET is currently deployed in France (excluding Etap Hotel and HotelF1), Morocco, Portugal, Belgium, Luxembourg and Egypt, as well as in ibis hotels in Germany.

Organization created to respond to accidental pollution

The risk of accidental pollution whose consequences extend beyond Accor's hotels is very low in light of their operations, which involve very few toxic or hazardous products. In seawater spas, however, procedures have been introduced to alert public authorities in the event of non-compliant wastewater analyses.

Environmental provisions and guarantees

No material provisions have been set aside for environmental risks.

Penalties paid following a court ruling on environmental claims

Accor has not been the subject of a court ruling in connection with any environmental claims.

2 Corporate Governance

2.1. Administrative, management and supervisory bodies

2.1.1. PRESENTATION

2.1.1.1. Directors and corporate officers

Board of Directors

Jean-Paul Bailly – Independent director (1)

- Jean-Paul Bailly has been a director since May 13, 2009 and his current term of office expires at the close of the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2011. To the Company's knowledge, Jean-Paul Bailly owns 600 Accor shares.
- Chairman of the La Poste Group.
- 64 years old, of French nationality.
- After graduating from *École Polytechnique* and the Massachusetts Institute of Technology, Jean-Paul Bailly begin his career with the Paris Transit Authority (RATP). He then took over the running of French technical cooperation programs in Mexico before moving back to RATP where he held the posts of Departmental Director, Bus Rolling Stock, Director of the Paris Metro and RER suburban rail system, Personnel Director and Deputy Managing Director. He was then appointed Chairman and CEO of RATP in 1994. Since 2006, Mr. Bailly has also been Chairman of the Supervisory Board of La Banque Postale.

Thomas J. Barrack

- Thomas J. Barrack has been a director since January 9, 2006 and his current term of office expires at the close of the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2012. He was previously a member of Accor's Supervisory Board, from May 3, 2005. To the Company's knowledge, Thomas J. Barrack owns 500 Accor shares.
- 63 years old, of US nationality.
- Thomas J. Barrack is Founder, Chairman and Chief Executive Officer of Colony Capital LLC. He was previously Chief Executive Officer of Robert M. Bass Group Inc. and also served in the Reagan administration as Deputy Undersecretary of the Department of the Interior.

Sébastien Bazin

- Sébastien Bazin has been a director since January 9, 2006 and his current term of office expires at the close of the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2010. He was previously a member of Accor's Supervisory Board, from May 3, 2005. To the Company's knowledge, Sébastien Bazin owns 1,000 Accor shares.
- Chief Executive Officer of Colony Capital Europe.
- 49 years old, of French nationality.
- Sébastien Bazin holds a Master of Science in Management from the Sorbonne University of Paris. Before joining Colony Capital in 1997 he served as Vice President of PaineWebber's mergers and acquisitions unit in London and New York, a director of Hottinguer Rivaud Finances and Chief Executive Officer of Immobilière Hôtelière.

Philippe Citerne – Independent director (1)

- Philippe Citerne has been a director since January 9, 2006 and a director and Vice Chairman of the Board since May 13, 2009. His term of office expires at the close of the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2011. Société Générale, represented by Philippe Citerne, had previously been a member of Accor's Supervisory Board, from June 28, 1983. To the Company's knowledge, Mr. Citerne owns 500 Accor shares.
- 62 years old, of French nationality.
- After graduating from *École Centrale de Paris* and holding a number of positions in the French Finance Ministry, Philippe Citerne joined Société Générale in 1979, where he served as Vice President of Economic Research, Vice President Finance and Vice President Human Relations, prior to becoming a director, Deputy Chief Executive Officer and Chief Operating Officer from 1997 to April 2009.

Mercedes Erra – Independent director (1)

- Mercedes Erra has been a director since February 22, 2011. Shareholders will be asked to ratify her appointment to the Board at the Annual Shareholders' Meeting to be held on May 30, 2011. Her term as a director will expire at the close of the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2011. To the Company's knowledge Mercedes Erra owns 500 Accor shares.
- Executive President of Euro RSCG Worldwide.
- 56 years old, of French nationality.

(1) Based on the independence criteria set out in the AFEP/MEDEF Corporate Governance Code.

- A graduate of HEC business school and Sorbonne University of Paris, Mercedes Erra began her career with Saatchi & Saatchi where she successively held the posts of Head of Advertising, and Vice President, Customer Relations, before being appointed as Deputy Chief Executive Officer and then Chief Executive Officer. In 1995 she founded BETC Euro RSCG, France's leading advertising agency of which she is currently President. Ms. Erra is also Managing Director of Havas, and in January 2010 was appointed Chairman of the Board of Directors of *Cité Nationale de l'histoire de l'Immigration*.

Sophie Gasperment – Independent director (1)

- Sophie Gasperment has been a director since June 29, 2010 and her current term of office expires at the close of the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2012. To the Company's knowledge, Sophie Gasperment owns 500 Accor shares.
- Chief Executive Officer of The Body Shop International.
- 46 years old, of French nationality.
- A graduate of ESSEC business school, Sophie Gasperment began her career in marketing at L'Oréal, where she held both operational and brand development positions before being appointed Managing Director and then Chief Executive Officer of L'Oréal UK. Ms. Gasperment was also appointed as a French Foreign Trade Advisor in 2005.

Gabriele Galateri di Genola – Independent director (1)

- Gabriele Galateri di Genola was a director from January 9, 2006 to June 29, 2010 and was a member of Accor's Supervisory Board from July 2, 2003.
- Chairman of Telecom Italia.
- 64 years old, of Italian nationality.
- Gabriele Galateri di Genola, who has an MBA from Columbia University, held various positions at Saint-Gobain, then at Fiat, beginning in 1977. He was appointed Managing Director of IFIL in 1986 and Chief Executive Officer in 1993. He was Chairman of Mediobanca until June 2007.

Denis Hennequin – Independent director (1) (until December 1, 2010)

- Denis Hennequin joined Accor as a director on May 13, 2009. He became Chief Executive Officer on December 1, 2010 and then Chairman and Chief Executive Officer on January 15, 2011. His term of office as a director expires at the close of the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2010. To the Company's knowledge, Denis Hennequin owns 500 Accor shares.
- 52 years old, of French nationality.
- Denis Hennequin holds a bachelor's degree in economics and a master's degree in corporate and tax law. He began his career at McDonald's as an Assistant Restaurant Manager. He then held the positions of Restaurant Manager, Field Service Consultant, Director of Franchising, Director of Operations and Regional Manager for Paris and the surrounding suburbs before being appointed Vice President of Operations, Human Resources, Development and Regional Coordination. He was named Managing Director of McDonald's France in 1996 and then Chairman and CEO of McDonald's Europe in 2005.

Bertrand Meheut – Independent director (1)

- Bertrand Meheut has been a director since May 13, 2009 and his current term of office expires at the close of the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2011. To the Company's knowledge, Bertrand Meheut owns 500 Accor shares.
- Chairman of the Groupe Canal+ Management Board.
- 59 years old, of French nationality.
- A graduate of *École des Mines de Paris* with a degree in civil engineering, Bertrand Meheut spent most of his career with Rhone-Poulenc, serving first as Deputy Chief Operating Officer, Europe, in charge of corporate services for the Agro Division and then successively as Chief Executive Officer of the German subsidiary, Deputy Chief Executive Officer of Rhône-Poulenc Agro and Executive Vice President and Chief Operating Officer Europe. Following the formation of Aventis in late 1999, Mr. Meheut was appointed Chief Executive Officer and then Chairman and Chief Executive Officer.

Virginie Morgon

- Virginie Morgon has been a director since May 13, 2009 and her current term of office expires at the close of the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2010. To the Company's knowledge, Virginie Morgon owns 500 Accor shares.
- Member of the Executive Board of Eurazeo.
- 41 years old, of French nationality.
- Virginie Morgon graduated from Institut d'Etudes Politiques de Paris and holds a master's degree in Economics and Management (MIEM) from the University of Bocconi (Milan). She co-leads the Eurazeo investment team and has been a member of the Executive Board since January 2008. After working as an investment banker in New York and London, Ms. Morgon joined Lazard in 1994. She became a senior partner at Lazard in 2001 and was responsible for the European Food, Retail and Consumer Goods sector.

Gilles Pélisson

- Gilles Pélisson was a director and Chief Executive Officer of Accor from January 9, 2006 and subsequently Chairman and Chief Executive Officer from February 24, 2009 to December 1, 2010 and Chairman of the Board of Directors until January 15, 2011.
- 53 years old, of French nationality.
- A graduate of France's ESSEC business school and the Harvard Business School (MBA), Gilles Pélisson began his career with Accor in 1983, first in the United States and then in the Asia-Pacific region. In particular, he served as Co-Chairman of the Novotel hotel chain. He was appointed Chief Executive Officer

(1) Based on the independence criteria set out in the AFEP/MEDEF Corporate Governance Code.

of Euro Disney in 1995 and Chairman and Chief Executive Officer in 1997. In 2000, he joined Suez, then Bouygues Telecom, serving as Chief Executive Officer and then Chairman and Chief Executive Officer (from February 2004 to October 2005).

Alain Quinet

- Alain Quinet was a director from August 27, 2008 to May 5, 2010.
- Chief Financial Officer and member of the Executive Committee of Caisse des Dépôts et Consignations.
- 49 years old, of French nationality.
- A graduate of *Institut d'Etudes Politiques de Paris* and *École Nationale d'Administration*, Alain Quinet is an *Inspecteur Général des Finances*. He held various positions in the French government, notably Deputy Director of Economic Affairs in the office of the Prime Minister, before joining Caisse des Dépôts et Consignations in April 2008. From 2008 to 2010 he held the post of Vice President, Finance, Strategy and Sustainable Development at Caisse des Dépôts and was subsequently named Chief Financial Officer. He is also Chairman of the Board of Directors of CDC Infrastructure and is Chairman of Egis.

Franck Riboud – Independent Director [1]

- Franck Riboud has been a director since January 9, 2006 and his current term of office expires at the close of the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2010. He was previously a member of the Accor Supervisory Board, from July 3, 2001. To the Company's knowledge, Franck Riboud owns 523 Accor shares.
- Chairman and Chief Executive Officer of Danone.
- 55 years old, of French nationality.
- Franck Riboud, who has an engineering degree from École Polytechnique Fédérale in Lausanne, Switzerland, has spent his entire career with the Danone Group, holding positions in finance, marketing and development. He has served as Chairman and Chief Executive Officer of Danone since 1996.

Patrick Sayer

- Patrick Sayer has been a director since August 27, 2008 and his current term of office expires at the close of the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2012. To the Company's knowledge, Patrick Sayer owns 500 Accor shares.
- Chairman of the Executive Board of Eurazeo.
- 53 years old, of French nationality.
- A graduate of École Polytechnique, École des Mines de Paris, and the Centre de Formation des Analystes Financiers, Patrick Sayer was a managing partner at Lazard Frères et Cie in Paris and Managing Director of Lazard Frères & Co. in New York. He has been Chairman of Eurazeo's Executive Board since May 2002 and is a member of France Investissement's Steering Committee.

Deputy Chief Executive Officers

Jacques Stern

- Deputy Chief Executive Officer from March 12, 2009 to June 29, 2010.
- 46 years old, of French nationality.
- Chairman and CEO of Edenred.
- A graduate of *École Supérieure de Commerce de Lille*, Jacques Stern began his career with Pricewaterhouse as an auditor. He joined Accor in 1992 where he successively held the posts of Vice President, Consolidation, Vice President, Financial Planning, and Vice President, Investment Control, before becoming Chief Financial Officer of the Accor Group in 2003. In 2009 he was appointed Senior Executive Vice President and Chief Financial Officer in charge of Finance, Strategy, Hotel Business Development and IT and in December of that year became Deputy Chief Executive Officer in charge of Accor Services and Finance.

Yann Caillère

- Deputy Chief Executive Officer since August 25, 2010.
- 57 years old, of French nationality.
- Yann Caillère is a graduate of École Hôtelière de Thonon-les-Bains and began his career with Pullman. In 1995 he joined Disneyland Resort Paris, as Executive Vice President, Luxury Hotels and Conventions, before becoming Senior Vice President of the Hotels Division, COO and President. In 2004 he was appointed Chairman of the Louvre Hôtels Group. He joined Accor in 2006 as Chief Operating Officer, in charge of Europe, Middle East, Africa, Sofitel Worldwide and Design and Construction. In August 2010, he was named Deputy Chief Executive Officer, responsible for worldwide operations and hotel design and construction.

Founding Co-Chairmen

Paul Dubrule

Born on July 6, 1934 in Tourcoing, France, Paul Dubrule graduated from Institut des Hautes Études Commerciales at the University of Geneva. In 1963, he and Gérard Pélisson co-founded the Novotel hotel chain. After serving as co-Chairman of the Novotel SIEH Group between 1971 and 1983, he co-founded Accor, serving as its co-Chairman from 1983 to 1997. Mr. Dubrule is also Chairman of Entreprise et Progrès and co-founder of the World Travel and Tourism Council (WTTC). In 2002, INSEAD established the Paul Dubrule Chair for Sustainable Development. On his own initiative, Mr. Dubrule opened a hotel and tourism school in Siem Reap, Cambodia. He has been Chairman of Maison de la France since March 24, 2005.

(1) Based on the independence criteria set out in the AFEP/MEDEF Corporate Governance Code.

Gérard Pélisson

Born on February 9, 1932 in Lyon, France, Gérard Pélisson holds an engineering degree from *École Centrale des Arts et Manufactures de Paris* and a Master of Science in industrial management from the Massachusetts Institute of Technology. In 1963, he and Paul Dubrule co-founded the Novotel hotel chain. After serving as co-Chairman of the Novotel SIEH Group between 1971 and 1983, he co-founded Accor, serving as its co-Chairmanfrom 1983 to 1997. He is Chairman of the Overseas French Association (UFE), President of *Institut Paul Bocuse*, co-founder and Vice Chairman of the World Travel and Tourism Council (WTTC) and was President of *École Superieure de Commerce de Lyon* from 1990 to 1996.

Secretary to the Board of Directors

Pascal Quint

To the best of the Company's knowledge, in the last five years no director or officer has (i) been convicted of any fraudulent offence; (ii) been a member of the administrative, management or supervisory body of a company that has been declared bankrupt, or placed in liquidation or receivership; (iii) been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities; or (iv) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer. No director or officer has any service contract with Accor SA or any of its subsidiaries, providing for benefits upon termination of said contract.

Executive Committee

Members of the Executive Committee in 2010

Gilles Pélisson (until December 2010)

Chairman and Chief Executive Officer.

Denis Hennequin (in December 2010)

Chief Executive Officer.

Yann Caillère

Deputy Chief Executive Officer (effective August 25, 2010) in charge of Europe/Middle East/Africa Sofitel Worldwide, Design and Construction.

Anne-Marie Cambourieu (effective September 2010)

Executive Vice President, Global Human Resources.

Jean-Luc Chrétien

Executive Vice President, Marketing and Distribution.

Michael Flaxman

Chief Operating Officer, Americas.

Sophie Goldblum-Flak (effective April 2010)

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

Michael Issenberg

Chief Operating Officer, Asia-Pacific.

Patrick Ollivier (until July 2010)

Executive Vice President, Global Human Resources.

Olivier Poirot (until April 2010)

Chief Financial Officer.

In charge of Motel 6/Studio 6 and Procurement.

Pascal Quint

Corporate Secretary and Secretary to the Board of Directors.

Sophie Stabile (effective May 2010)

Global Chief Financial Officer.

Marc Vieilledent (effective May 2010)

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

Members of the Executive Committee in 2011

Denis Hennequin

Chairman and Chief Executive Officer.

Yann Caillère

President and Chief Operating Officer.

Grégoire Champetier

Global Chief Marketing Officer, responsible for Brand Strategy, Design Strategy, Marketing and Distribution.

Anne-Marie Cambourieu

Global Chief Human Resources Officer, responsible for Group Organization, Transformation and Sustainable Development.

Dominique Esnault

Global Chief Operations Support Officer, in charge of Development, Franchising, Procurement, Technical Services & Design Management.

Pascal Quint

Corporate Secretary, in charge of Legal Affairs, Insurance, Risk Management and the Audit Department.

Sophie Stabile

Global Chief Financial Officer, responsible for Group Information Systems.

Marc Vieilledent

Global Executive Vice President Asset Management, responsible for Asset Management & Strategy and Mergers & Acquisitions.

2.1.1.2. Directorships and positions held by the members of the Board of Directors

According to information they submitted to the Company, the directors and corporate officers held the following directorships, offices and other positions.

Jean-Paul Bailly – Independent director

Chairman and Chief Executive Officer of La Poste.

Other positions held at December 31, 2010 with companies controlled (*) by the La Poste Group

Chairman of the Supervisory Board of La Banque Postale.

Permanent representative of La Poste as a director of GeoPost, Sofipost, Poste Immo and Xelian.

Director of Sopassure.

Member of the Supervisory Board of La Banque Postale Asset Management.

Other positions held at December 31, 2010 with other companies (*)

In France:

Director of CNP Assurances and Edenred.

Director of GDF Suez, representing the French State.

Former positions held in the past five years

In France:

Legal Manager of Financière Systra.

Permanent representative of La Poste as Chairman of SF 12.

Director of Systar.

Permanent representative of La Poste as a director of SF 2 and the Groupement des Commercants du Grand Var intercompany partnership.

Thomas J. Barrack – Director

Chairman and Chief Executive Officer of Colony Capital, LLC.

Other positions held at December 31, 2010

Director of Colony Financial, Inc.

Outside France:

United States:

Director of First Republic Bank.

Former positions held in the past five years

In France:

Member of the Supervisory Board of Accor.

Outside France:

Australia:

Director of Challenger Financial Services Group Limited.

United States:

Director of Continental Airlines, Inc.

Philippines:

Director of Megaworld Corporation.

Sébastien Bazin - Director

Principal, Managing Director Europe and Chief Executive Officer of Colony Capital SAS.

Other positions held at December 31, 2010

Chairman of Colwine SAS, Colfilm SAS, Bazeo Europe SAS and Colony Capital SAS.

Chairman and Chief Executive Officer of Société d'Exploitation Sports & Événements and Holding Sports & Événements.

Chairman of the Supervisory Board of Paris Saint Germain Football.

Representative of Colony Capital SAS as Chairman of ColSpa SAS.

Chief Executive Officer of ColSpa SAS.

Legal Manager of CC Europe Invest (SARL).

Managing Partner of Nina (SCI).

Member of the Supervisory Board of ANF (Les Ateliers du Nord de la France).

Chief Executive Officer of Toulouse Canceropole.

Director of Edenred, Moonscoop IP and Carrefour.

Outside France:

Belgium:

Chairman of RSI SA.

Luxembourg:

Managing Director of Sisters SA.

United Kingdom :

Director and Chief Executive Officer of CIM-Colyseo Investment Management Ltd.

Switzerland:

Legal Manager of La Tour SARL.

Director of La Tour Réseau de Soins SA and Permanence de la Clinique de Carouge.

(*) Within the meaning of Article L.233-16 of the French Commercial Code.

Former positions held in the past five years

In France:

Chairman and Chief Executive Officer of Lucia.

Member of the Supervisory Board of Accor.

Chairman of the Board of Directors of Chateau Lascombes and Paris Saint German Football.

Chairman of Colbison SAS, SAIP, SAS Spazio, Front de Seine Participations, Coladria SAS, Financière Baltimore SAS, SAS Baltimore, Financière Le Parc SAS, SAS Le Parc, SAS ABC Hôtels, SAS Défense CB3, SHAF (SAS), ColEven SAS and Lucia Investissement SAS.

Vice-Chairman of the Supervisory Board of Buffalo Grill and member of the Supervisory Board of Groupe Lucien Barrière.

Legal Manager of Colony Santa Maria EURL, Colony Pinta SNC, Immobilière Lucia et Compagnie, Lucia 92 et Compagnie, Colony Santa Maria SNC, Colony Le Châlet EURL, Immobiloisir Serre Chevalier and Colmassy SARL.

Yann Caillère – President and Chief Operating Officer of Accor

Other positions held at December 31, 2010 with companies controlled (*) by Accor

In France:

Legal Manager of SoLuxury HMC.

Director of Groupe Lucien Barrière and Adagio SAS.

Permanent representative of Sodetis on the Board of Directors of Devimco.

Outside France:

Germany:

Member of the Supervisory Board of Accor Hospitality Germany.

Austria:

Member of the Supervisory Board of Accor Austria and Accor Hotelbetriebsges mgH.

Belgium:

Director of Accor Hotels Belgium.

Egypt:

Director of El Gezirah.

Italy:

Director of Accor Hospitality Italia Srl, Accor Partecipazioni Italia Srl and Sofitel Italia Srl.

Luxembourg:

Director of Holpa.

Morocco:

Member of the Supervisory Board of Société Marocaine d'Hôtellerie Économique and Risma.

Netherlands:

Member of the Supervisory Board of Accor Hospitality Nederland BV.

Poland:

Member of the Supervisory Board of Orbis.

United Kingdom:

Director of Accor UK.

Switzerland:

Director of Accor Suisse.

Former positions held in the past five years

In France:

Chairman of Serena, Société Commerciale des Hôtels Économiques and Société d'Exploitation d'Hôtels Suite.

Member of the Supervisory Board of Groupe Lucien Barrière.

Representative of Société Commerciale des Hôtels Économiques as Chairman of Société Hôtelière Vélizienne.

Permanent representative of Accor on the Board of Directors of Accor Afrique.

Outside France:

Italy:

Director of Sofitel Gestioni Alberthiere Italia Srl.

Portugal:

Director of Accor-Hoteis e Serviços SGPS, Portis, Goldtur and Portotel.

Philippe Citerne – Independent director and Vice-Chairman of the Board of Directors

Other positions held at December 31, 2010 with other companies

In France:

Chairman of Telecom & Management SudParis.

Chairman of Systèmes Technologiques d'Échanges et de Traitement (STET).

Director of Sopra Group, Rexecode and Edenred.

(*) Within the meaning of Article L.233-16 of the French Commercial Code.

Former positions held in the past five years

In France:

Chief Operating Officer of Société Générale.

Director of Grosvenor Continental Europe.

Member of the Supervisory Board of Sopra Group.

Permanent representative of Société Générale on the Supervisory Board of Accor.

Outside France:

United States:

Director of TCW.

United Kingdom:

Director of SG Hambros Bank Ltd Management.

Russia:

Director of Rosbank.

Gabriele Galateri di Genola – Independent director until June 29, 2010

Chairman of Telecom Italia SpA.

Other positions held at December 31, 2010 with companies controlled (*) by Telecom Italia

Outside France:

Brazil:

Director of Tim Participações SA.

Chairman of TIM Brazil Serviços e Participaçoes SA.

Other positions held at December 31, 2010 with other companies (*)

In France:

Director of Edenred.

Outside France:

Italy:

Chairman of the Board of Directors of Istituto Italiano di Tecnologia.

Director of Accor Hospitality Italia (formerly Sifalberghi) Srl, Fiera Di Genova SpA, Banca Esperia SpA, Banca Carige, Italmobiliare SpA, Banca Cassa di Risparmio di Savigliano, UTET SpA, Azimut-Benetti SpA, Istituto Europeo di Oncologia and Accademia Nazionale di Santa Cecilia.

Former positions held in the past five years

In France:

Director of Worms & Cie.

Member of the Supervisory Board and subsequently a director of Accor.

Outside France:

Germany:

Member of the Central Advisory Board of Commerzbank.

Brazil:

Chairman of Tim Participacões SA.

Italy:

Chairman of Mediobanca SpA, Business Solution SpA, Ciao Web Srl, Emittente Titoli SpA and Fiat Auto SpA.

Vice-Chairman and Managing Director of Egidio Galbani SpA.

Director of Alpitour Italia SpA, Atlanet SpA, Birra Peroni Industrial SpA, IFI SpA, La Rinascente SpA, Siemens Italia and Toro Assicurazioni SpA.

Managing Director of Fiat SpA and Ifil SpA.

Director and member of the Executive Committee of SanPaolo IMI SpA.

Consigliere Accomandatario of Giovanni Agnelli & C. Sapaz.

Mediobanca representative in the Patto di Sindicato of Gemina SpA and GIM SpA.

Chairman of the Centro Cardiologico Monzino and Istituto Europeo di Oncologia.

Director of Pirelli & C. SpA.

Member of the Patto di Sindacato of Pirelli & C. SpA.

Vice-Chairman of RCS Mediagroup and Assicurazioni Generali SpA.

Luxembourg:

Director of SanPaolo IMI Investments.

Director of Exor Group.

Managing Director of Eurofind SA.

Netherlands:

Chairman of Fiat Auto Holding BV and Iveco NV.

Director of CNH Global NV and New Holding For Turism BV.

Director of Ferrari SpA.

United Kingdom:

Director of Arjo Wiggins Appleton.

Member of the International Advisory Board of Morgan Stanley.

Switzerland:

Vice-Chairman of IHF Internationale Holding Fiat SA.

Director of San Faustin NV.

(*) Within the meaning of Article L.233-16 of the French Commercial Code.

Sophie Gasperment – Independent director

Chief Executive Officer of The Body Shop International plc.

Other positions held at December 31, 2010 with companies controlled (*) by The Body Shop International

Outside France:

United Kingdom:

Director of The Body Shop International plc and Soapworks Limited.

United States:

Director of Buth-na-Bodhaige Inc., BSI USA, Inc. and Skin & Hair Care Preparations Inc.

Former positions held in the past five years

Outside France:

Germany:

Director of The Body Shop Beteiligungs GmbH and The Body Shop Germany GmhH.

United States:

Director of The Millennium Administration Company Limited, The Body Shop Retail Properties Limited and The Body Shop On-Line II Limited.

United Kingdom:

Director of L'Oréal (UK) Limited, L'Oréal Golden Limited and L'Oréal Manufacturing Limited.

Denis Hennequin – Chairman and Chief Executive Officer of Accor

Other positions held at December 31, 2010 with companies controlled (*) by Accor

In France:

Chairman of Adagio SAS.

Permanent representative of Accor on the Supervisory Board of Lenôtre.

Outside France:

Italy:

Director of Accor Hospitality Italia Srl, Accor Partecipazioni Italia Srl and Sofitel Italia Srl.

Former positions held in the past five years

In France:

Director of McDonald's France SA and Golden Arches of France.

Legal Manager of MCD France, McDonald's Development Company Paris-Europe and McDonald's France Services SARL.

Outside France:

Germany:

Director of McDonald's Franchise GmbH.

Belgium:

Director of McDonald's Belgium NV and McDonald's Restaurants Belgium N.V.

Denmark:

Member of the Supervisory Board of McDonald's Danmark AS.

Spain:

Director of Restaurantes McDonald's SA.

United States:

Chairman of McDonald's Europe and McDonald's Deutschland, Inc.

Vice-Chairman of Golden Arches UK, LLC.

Director and Chairman of Global Restaurant Services Inc., Grab & Goa Co, Mc Donald's Europe, Inc., McDonald's Productions, Inc., McDonald's System of Bulgaria, Inc., McDonald's System of Romania, Inc., and McDonald's System of Czech Republic, Inc.

Director and Vice-Chairman of MCD Properties Inc., McDonald's Development Company-Central Europe, McDonald's Development Italy, Inc., McDonald's Sistemas de España, Inc. and McDonald's System of Belarus, Inc.

Director of McDonald's Belgium, Inc.. and McDonald's Deutschland, Inc.

Finland:

Director of McDonald's Oy.

Hungary:

Member of the Supervisory Board of McDonald's Hungary Restaurant Chain, LLC.

Ireland:

Director of Golden Arches Finance of Ireland and McDonald's Restaurants of Ireland Limited.

Poland:

Member of the Supervisory Board of McDonald's Polska Sp.zo.o.

Portugal:

Director of Sistemas McDonald's Portugal Limitada.

(*) Within the meaning of Article L.233-16 of the French Commercial Code.

United Kingdom:

Chairman and Chief Executive Officer and a director of McDonald's Restaurants Limited.

Director of MCD Europe Limited and McDonald's Europe Limited.

Serbia:

Director of McDonald's Restorani d.o.o, Beograd.

Sweden:

Director of Swenska McDonald's AB and Swenska McDonald's Development AB.

Bertrand Meheut – Independent director

Member of the Management Board of Vivendi and Chairman of the Groupe Canal+ Management Board.

Other positions held at December 31, 2010 with companies controlled (*) by Groupe Canal+

Chairman of the Management Board of Canal+ France.

Chairman of the Board of Directors of Canal+.

Chairman of the Supervisory Board of StudioCanal.

Chairman of Canal+ Régie.

Member of the Management Board of Canal+ Overseas.

Representative of Canal+ France as Managing Partner of Kiosque.

Representative of Groupe Canal+ as Co-managing Partner of Canal+ Éditions.

Permanent representative of Groupe Canal+ as a director of Sport+.

Other positions held at December 31, 2010 with other companies (*)

In France:

Director of Edenred, Aquarelle and Cinémathèque.

Former positions held in the past five years

In France:

Chairman and Chief Executive Officer of Canal+.

Chairman of the Board of Directors of Canal+ Distribution, StudioCanal, Holding Sports & Événements and Canal+ International Development.

Chairman of Kiosque Sport and Canal+ Active.

Director of Multithématiques, PSG Football, CanalSatellite and SFR.

Chairman of the Management Board of Canal+ Régie.

Representative of Canal+ and Legal Manager of NPA Production.

Representative of Canal+ as Legal Manager of Société d'Exploitation d'un Service d'Exploitation (S.E.S.I).

Permanent representative of Canal+ as a director of Canal+ Finance.

Virginie Morgon - Director

Member of the Executive Board of Eurazeo.

Other positions held at December 31, 2010 with companies controlled (*) by Eurazeo

In France:

Chief Executive Officer of LH APCOA.

Outside France:

Germany:

Chairman of the Supervisory Board of APCOA Parking AG.

Chairman of the Supervisory Board of APCOA Parking Holdings GmbH.

Managing Director of APCOA Group GmbH.

Italy:

Chairman of the Board of Directors of Broletto 1 Srl.

Legal Manager of Euraleo.

Other positions held at December 31, 2010 with other companies (*)

In France:

Director of Edenred.

Permanent representative of Eurazeo on the Board of Directors of LT Participations.

Member of the Board of Directors of the Women's Forum (WEFCOS).

Outside France:

Italy:

Legal Manager of Intercos SpA.

Former positions held in the past five years

In France:

Chairman of the Supervisory Board of the B&B Hotels Group.

Member of the Board of Directors of Club L-Femmes Forum.

Managing Partner of Lazard Frères et Cie.

Outside France:

Germany:

Vice-Chairman of the Supervisory Board of APCOA Parking Holdings GmbH.

(*) Within the meaning of Article L.233-16 of the French Commercial Code.

Gilles Pélisson – Chairman and Chief Executive Officer of Accor until December 1, 2010 and Chairman of the Board of Directors of Accor until January 15, 2011

Other positions held at December 31, 2010 with other companies (*)

In France:

Director of BIC SA and TF1.

Director of Groupe Lucien Barrière.

Chairman of the Accor Foundation.

Outside France:

United States:

Member of the Board of Directors of the Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria.

Former positions held in the past five years

In France:

Chief Executive Officer and a director of Accor, and subsequently Chairman and Chief Executive Officer.

Vice-Chairman of the Supervisory Board of Groupe Lucien Barrière S.A.S.

Permanent representative of Accor on the Supervisory Board of Lenôtre.

Chairman of the Supervisory Board of ESSEC.

Director of Club Méditerranée.

Permanent representative of Accor on the Board of Directors of ASM.

Outside France:

Italy:

Director of Accor Partecipazioni Italia Srl (formerly Accor Services Italia Srl), Sofitel Italia Srl (formerly Sagar), Accor Hospitality Italia Srl (formerly Sifalberghi Srl) and Scapa Italia Srl.

Alain Quinet – Independent director until May 5, 2010

Chief Financial Officer and member of the Executive Committee of Caisse des Dépôts et Consignations.

Other positions held at December 31, 2010 with other companies controlled (*) by Caisse des Dépôts et Consignations

In France:

Chief Operating Officer of Réseau Ferré de France.

Director of CNP Assurances and Icade.

Former positions held in the past five years

In France:

Finance, Strategy and Sustainable Development Director of the CDC Group.

Chairman and Chief Executive Officer of Financière Transdev and CDC Entreprises Capital Investissement.

Chairman of the Board of Directors of Egis and CDC Infrastructure.

Director of Réseau Ferré de France, Dexia Crédit Local, Accor, Eiffage, Société Forestière de la CDC and Compagnie des Alpes.

Member of the Supervisory Board of Électricité Réseau Distribution France.

Permanent representative of CDC on the Board of Directors of CDC International and Fonds Stratégique d'Investissement.

Permanent representative of CDC on the Supervisory Board of Compagnie Nationale du Rhône.

Permanent representative of Financière Transdev on the Board of Directors of Transdev.

Outside France:

Belgium:

Director of Dexia.

Franck Riboud – Independent director

Chairman and Chief Executive Officer and Chairman of the Executive Committee of Danone.

Other positions held at December 31, 2010

Outside France:

Spain:

Director of Bagley Latinoamerica SA and Danone SA.

(*) Within the meaning of Article L.233-16 of the French Commercial Code.

Other positions held at December 31, 2010 with other companies

In France:

Director of Renault SA.

Director of Lacoste France and Renault SAS.

Groupe Danone representative on the Conseil National du Développement Durable (not-for-profit organization).

Member of the Supervisory Board of the ELA Foundation.

Director of the Association Nationale des Industries Agro-alimentaires (ANIA) and the HEC International Advisory Board.

Chairman of the Steering Committee of the Danone Ecosystem Fund.

Chairman of the Board of Directors of danone.communities mutual fund (SICAV).

Outside France:

Switzerland:

Director of Rolex SA and Rolex Holding SA.

Former positions held in the past five years

In France:

Chairman of the Board of Directors of Compagnie Gervais Danone and Générale Biscuit.

Member of the Supervisory Board of Accor.

Director of L'Oréal.

Outside France:

Belgium:

Director of Sofina.

United States:

Director of Quiksilver.

India:

Director of Wadia BSN India Ltd.

Morocco:

Director of Omnium Nord Africain (ONA).

Singapore:

Chairman and Chief Executive Officer of Danone Asia Pte, Ltd.

Switzerland:

Director of the Global Alliance for Improved Nutrition (GAIN) Foundation.

Patrick Sayer – Director

Chairman of the Executive Board of Eurazeo.

Other positions held at December 31, 2010 with companies controlled (*) by Eurazeo

Chief Executive Officer of Legendre Holding 19, Immobilière Bingen and Legendre Holding 8.

Chairman of the Board of Directors of Europcar Group.

Chairman of Eurazeo Capital Investissement (formerly Eurazeo Partners SAS).

Vice-Chairman of the Supervisory Board of ANF Immobilier.

Legal Manager of Investco 3d Bingen (non-trading company).

Director of Holdelis

Outside France:

Germany:

Chairman of the Supervisory Board of APCOA Parking Holdings GmbH.

Other positions held at December 31, 2010 with other companies (*)

In France:

Vice-Chairman of the Supervisory Board of Rexel SA.

Member of the Supervisory Board of SASP Paris Saint Germain Football.

Director of Edenred.

Outside France:

United Kingdom:

Director of Colyzeo Investment Advisors.

Italy:

Director of Gruppo Banca Leonardo.

Former positions held in the past five years

In France:

Chief Executive Officer of Legendre Holding 11.

Chairman and Vice-Chairman of the Supervisory Board of the B&B Hotels Group.

Chairman of the Board of Directors of Legendre Holding 18.

Chairman of the Supervisory Board of Fraikin Groupe.

Director of Rexel Distribution SA, Eutelsat SA, Eutelsat Communications, Ipsos, Rexel SA (formerly Ray Holding SAS), Ray Acquisitions (SAS) and SASP Paris Saint Germain Football.

(*) Within the meaning of Article L.233-16 of the French Commercial Code.

Member of the Supervisory Board of Presses Universitaires de France.

Permanent representative of ColAce SARL on the Supervisory Board of Groupe Lucien Barrière.

Chairman of Association Française des Investisseurs en Capital (AFIC).

Managing Partner of Partena.

Legal Manager of Investco 1 Bingen (non-trading company).

Outside France:

Germany:

Chairman of the Supervisory Board of APCOA Parking Holdings GmbH (formerly Perpetuum Beteiligungsgesellschaft GmbH).

Chairman of the Supervisory Board of APCOA Parking AG (formerly AE Holding AG).

United States:

Member of the Board of Lazard LLC.

Italy:

Legal Manager of Euraleo Srl.

Luxembourg:

Chairman of the Board of Directors of BlueBirds Participations SA.

Director of RedBirds Participations SA.

Jacques Stern – Deputy Chief Executive Officer of Accor until June 29, 2010

Chairman and Chief Executive Officer of Edenred.

Other positions held at December 31, 2010 with other companies (*)

In France:

Member of the Supervisory Board of Lyeurope SAS.

Outside France:

Italy:

Director of Edenred Italia Srl.

Former positions held in the past five years

In France:

Deputy Chief Executive Officer of Accor.

Chairman and Chief Executive Officer of ASM.

Chairman of Edenred Participations and IBL.

Representative of Accor as Chairman of ASH.

Legal Manager of Sodetis.

Member of Accor's Management Board.

Director of Club Méditerranée.

Permanent representative of Accor on the Supervisory Board of Groupe Lucien Barrière, then Supervisory Board member.

Permanent representative of Accor on the Board of Directors of Accor.com, Société Française de Participations et d'Investissements Européens and Devimco.

Permanent representative of IBL on the Board of Directors of Société de Participation et d'Investissements de Motels.

Permanent representative of Saminvest on the Board of Directors of Accor.com.

Permanent representative of Soparac on the Board of Directors of Go Voyages.

Permanent representative of Spif on the Board of Directors of Sogepar.

Outside France:

Austria:

Member of the Supervisory Board of Accor Austria AG.

Belgium:

Director of Accor Hotels Belgium.

Managing Director of Accordination.

Representative of Soparac on the Board of Directors of Edenred Belgium.

Brazil:

Director of Hotelaria Accor Brasil and Ticket Servicos.

United States:

Chairman of IBL, LLC.

Director of Carousel Hotel Corporation, Red Roof Inn, Accor Lodging North America Inc. and Accor North America Inc.

Italy:

Director of Accor Hospitality Italia Srl, Scapa Italia Srl and Accor Partepazioni Italia Srl.

Switzerland:

Chairman of Sodenos.

(*) Within the meaning of Article L.233-16 of the French Commercial Code.

2.1.2. CORPORATE GOVERNANCE

2.1.2.1. GOVERNANCE STRUCTURES

On January 9, 2006, Accor changed its governance structure to a Board of Directors, replacing the Supervisory Board and Management Board system in place since 1997.

In February 2009, to make the Group's administrative and management processes more responsive, the Board decided to combine the functions of Chairman of the Board and Chief Executive Officer. As a result, the Board also decided to appoint an independent director as Vice-Chairman of the Board of Directors, to serve as senior independent director and the preferred contact for shareholders not represented on the Board. In particular, the Vice Chairman is responsible for organizing, at least once a year, a meeting only of the independent directors.

On August 25, 2010, the Board also appointed a Deputy Chief Executive Officer, who is also in charge of operations in Europe, Africa and the Middle East, Sofitel Worldwide and Hotel Construction. Since January 25, 2011, the President and Chief Operating Officer's responsibilities have covered all of the Group's worldwide operations.

In accordance with the law and the Company's Bylaws, the Chairman and Chief Executive Officer chairs Board meetings, organizes and leads the work of the Board and its meetings, ensures that the Company's corporate governance structures function effectively, and obtains assurance that directors are in a position to fulfill their responsibilities.

Moreover, the Chairman and Chief Executive Officer and the President and Chief Operating Officer represent the Company in its dealings with third parties and have the broadest powers to act on behalf of the Company in all circumstances. The situations where the exercise of the powers of the Chairman and Chief Executive Officer and President and Chief Operating Officer is subject to the prior approval of the Board of Directors are detailed in the report of the Chairman of the Board of Directors prepared pursuant to Article L.225-37 of the French Commercial Code.

The Company is governed by a Board of Directors, which determines the Company's strategy, oversees its implementation, examines any and all issues concerning the efficient running of the business, and makes decisions on all matters concerning the Company.

The Bylaws stipulate that each Board member is required to hold at least 500 Accor shares. To promote high attendance rates at Board meetings, 50% of the total fees awarded to members of the Board of Directors are allocated based on their attendance record.

Accor complies with the AFEP/MEDEF Corporate Governance Code for listed companies as amended in December 2008, except with regard to the matters described on page 78 and 83 of this document.

The Board of Directors assesses the independence of its members. For the purpose of this assessment, the Board applies the criteria set out in the above-mentioned AFEP/MEDEF Corporate Governance Code which state that a member of the Board of Directors of a corporation cannot be qualified as independent if he or she:

- is—or has been at any time in the last five years—an employee or a corporate officer of the corporation, or an employee or director of its parent or a company that it consolidates;
- is a corporate officer in a company in which the corporation directly or indirectly holds a directorship, or in which an employee appointed as such or a corporate officer of the corporation (current or in the past five years) holds a directorship;
- is a customer, supplier, investment banker or commercial banker:
  - that is material for the corporation or its group, or
  - for which the corporation or its group represents a material proportion of the entity's activity;
- has close family ties to a corporate officer;
- has been an auditor of the corporation in the last five years;
- has been a director of the corporation for more than twelve years.

The AFEP/MEDEF Corporate Governance Code also states that directors who represent major shareholders of a corporation or its parent may be considered as independent provided that they do not participate in the control of the corporation. If the shareholder owns 10% or more of the Company's capital or voting rights, the Board of Directors should systematically review whether that shareholder's representative may be qualified as independent, based on a report issued by the Compensation, Appointments and Corporate Governance Committee and taking into account the Company's capital structure and any potential conflicts of interest.

In accordance with the Company and Directors Bylaws, Paul Dubrule and Gérard Pélisson, Co-Chairmen and Co-Founders, attend Board Meetings in a consultative capacity, and may be invited to attend meetings of the Board Committees.

Since February 2009, the Board of Directors has been assisted in preparing its decisions by the following three Board Committees:

- **the Audit and Risks Committee**, comprising from now on three members, including two independent members: Philippe Citerne (Committee Chairman), Virginie Morgon and Jean Paul Bailly. In addition, Alain Quinet and Denis Hennequin were also members until the former resigned on May 5, 2010 and the latter was appointed Chief Executive Officer on December 1, 2010;
- **the Commitments Committee**, comprising five members, including three independent members: Sébastien Bazin (Committee Chairman), Sophie Gasperment, Mercedes Erra, Philippe Citerne and Patrick Sayer. In addition, Gabriele Galateri di Genola and Denis Hennequin were also members until the former resigned on June 29, 2010 and the latter was appointed Chief Executive Officer on December 1, 2010;
- the **Compensation, Appointments and Corporate Governance** Committee, comprising five members, including three independent members: Bertrand Meheut (Committee Chairman), Jean Paul Bailly, Thomas Barrack, Franck Riboud and Patrick Sayer.

In addition, as part of the project to demerge the Group's two core businesses, the Board of Directors had formed a temporary Oversight Committee to support senior management in leading the project. Comprised of Gilles Pélisson (Chairman), Virginie Morgon, Sébastien Bazin, Philippe Citerne and Bertrand Meheut, the Committee completed its work with the approval of the Demerger on June 29, 2010.

The organizational and operational framework applicable to the Board of Directors and the Board Committees is described in the Company's Bylaws and in the Directors Bylaws, which are presented below.

In addition, members of the Board adhere to the Directors Code of Conduct (also presented below), which defines the scope of the directors' duty of diligence, discretion and confidentiality, and sets out the rules applicable to trading in the Company's securities.

Lastly, with a view to preventing any potential conflict of interests, members of the Board are required to complete a statement every year disclosing any and all direct or indirect ties they have with the Company.

The procedures for organizing and preparing the work of the Board during 2010 are described in the report of the Chairman of the Board of Directors prepared pursuant to Article L.225-37 of the French Commercial Code, on page 94 below.

In 2007, the Board of Directors formally assessed its own performance with the support of a specialized consulting firm. The results of this process, which involved one-on-one meetings with each director, were presented to the Board of Directors, which discussed the matter at two Board meetings. In light of the substantial changes in its composition and organization in 2009 and 2010, the Board felt that a new assessment would not be timely and decided to postpone the process until early 2011.

2.1.2.2. Board of Directors Bylaws

The members of the Board of Directors of Accor (hereinafter the Company) abide by the following rules of procedure, which constitute the Bylaws of the Board of Directors.

These Bylaws are based on market recommendations aimed at ensuring compliance with the fundamental principles of corporate governance.

Intended for internal use only, these Bylaws are designed to supplement the Company Bylaws by specifying the Board of Directors' organizational and operating procedures. They may not be used by shareholders or third parties as a basis for any claims against the directors, the Company or any company of the Accor Group (hereinafter the Group). They apply, where appropriate, to the non-voting directors appointed by the Board of Directors as well as to the Founding Co-Chairmen designated in Article 21 of the Company's Bylaws.

The existence and main provisions of these Bylaws shall be disclosed to the shareholders and to the public.

1. Presentation

At least half of the directors on the Board of Directors must be independent within the meaning of the criteria set forth in the AFEP/MEDEF Corporate Governance Code for listed companies as amended in December 2008.

Every year, the Board of Directors shall determine which of the directors are independent according to the above-mentioned criteria. The conclusions of said assessment shall be disclosed to the shareholders and to the public in the Annual Report.

2. Meetings

As a rule, the Board of Directors shall hold at least eight meetings per year, of which one dedicated to reviewing the budget and one dedicated to a strategic review of the Group's operations. The proposed dates of each year's meetings shall be sent to the directors no later than November 30 of the previous year. Notices of Meeting shall be sent by mail, e-mail or fax or given verbally by the Board Secretary.

The draft minutes of each meeting shall be sent to the directors within 30 days after said meeting. They shall be approved at the following meeting and the final minutes shall be forwarded together with the notice of the next meeting.

Part of at least one meeting a year shall be devoted to assessing the Board's efficiency and effectiveness, in order to identify possible areas for improvement. In addition, the Board of Directors shall conduct a formal self-assessment at least every two years.

For the purpose of calculating the quorum and majority, directors who take part in meetings by any means making it possible to identify them and enabling their actual participation pursuant to current statutes and regulations shall be deemed to be in attendance.

3. Provision of information to the Board of Directors

The directors shall be provided with all the information necessary for them to carry out their duties.

Except when compliance with confidentiality or physical obstacles make it impossible, an information package pertaining to the items on the agenda that require prior study shall be sent to the directors in a timely manner prior to the meetings.

In addition, the directors shall be kept periodically informed between meetings of all significant events and transactions in the life of the Group. To this end, they shall be provided with all the press releases issued by the Company and a periodic summary of financial analysts' research reports on the Group and, when necessary, the actual reports.

At least once a year, the Board shall be informed of the Group's strategy and main policies in the areas of human resources, organization and information systems and shall discuss them periodically.

The directors shall be entitled to require the provision of any document necessary for the proceedings of the Board that has not been submitted to them. Any such requests shall be sent to the Chairman and Chief Executive Officer who may submit it to the Board for a decision.

The directors shall have the right to meet with the Group's main executives, including without the presence of the executive directors. To do so, they must first file a request with the Chairman and Chief Executive Officer.

4. Powers of the Board of Directors

The Board of Directors deals with all matters falling within the powers vested in it under the applicable laws and regulations.

In addition, the Board of Directors shall:

a) approve the annual budget, including the annual financing plan, as well as the business plan presented by the Chairman and Chief Executive Officer;

b) review and approve the Group's overall strategy, at least once a year, in accordance with Article 2 of these Bylaws;

c) authorize the following decisions of the Chairman and Chief Executive Officer prior to their implementation:

- any and all immediate or deferred financial commitments representing more than €100 million per transaction. "Financial commitments" are defined as:
  - any and all acquisitions or disposals of assets and majority or minority interests in other companies; in the latter case, the amount of the commitment is considered as being equal to the entity's enterprise value,
  - any and all direct investments, for example for the creation of a business, the construction, refurbishment or extension of a hotel property, or expenditure on technological developments,
  - rental investments, measured on the basis of the market value of the leased asset,
  - hotel management contracts with a guaranteed minimum fee,
  - any and all loans to entities in which the Company or one of its subsidiaries does not hold the majority of the shares and voting rights, and any and all commitments to participate in share issues by such entities.

  In the case of financing transactions, however, the Chairman and Chief Executive Officer is authorized to make any and all financial commitments of up to €1 billion without obtaining prior approval from the Board of Directors, provided that such commitment is consistent and undertaken in accordance with the annual Group financing policy as previously approved by the Board of Directors. In this case, the Chairman and Chief Executive Officer shall inform the Board of Directors of the transactions after they have been completed. It is noted as well that the Board's prior approval is not required for borrowings due in less than one year, whatever the amount borrowed,
- any and all transactions that have a material impact on the Group's strategy or lead to a material change in the Group's business base (mainly entry in a new business or withdrawal from an existing business), whatever the amount of the commitment,
- any and all transactions involving the Company's shares carried out in application of Article L.225-209 of the French Commercial Code, which exceed one million shares per transaction and a cumulative two million shares per year;

d) authorize the Chief Executive Officer to issue guarantees, bonds and endorsements in the Company's name, up to a cumulative amount of €1 billion per year. In accordance with the Company's Bylaws, any such authorizations may be given for a period of one year. The Chief Executive Officer is required to report to the Board of Directors each year on the amount and nature of guarantees, bonds and endorsements issued under the authorization;

e) discuss and decide on any proposed changes to the Group's management structure and review information about the main organizational changes.

5. Vice-Chairman of the Board of Directors

In accordance with Article 14 of the Company's Bylaws, the Board of Directors shall appoint one of its independent members to act as Vice-Chairman for the duration of his or her term as director.

In addition to the role vested in him or her by the Company Bylaws, the Vice-Chairman shall act as the preferred contact for the other independent directors. Whenever necessary and at least once a year, he or she shall organize and lead a meeting reserved exclusively for independent directors to allow them to discuss certain issues outside full Board meetings.

The Vice-Chairman shall ensure that requests from shareholders not represented on the Board are answered, and shall make him or herself available to hear their comments and suggestions and, where necessary, answer their questions. The Vice-Chairman shall inform the Board of Directors about such contact with the shareholders.

6. Board Committees

Board discussions and decisions in certain areas shall be prepared by specialist Board Committees made up of directors appointed by the Board for the duration of their term. These Committees shall examine matters falling within their terms of reference, as well as any matters referred to them for consideration by the Chairman and Chief Executive Officer. They shall report regularly to the Board on their work, and provide the Board with their observations, opinions, proposals or recommendations.

To assist them in their work, the Board Committees may commission technical reports from management or from external consultants, at the Company's expense. In both cases, the Chairman and Chief Executive Officer shall be notified in advance. The Committees may also arrange meetings with members of company management responsible for the areas under review, without any executive directors being present. In this case also, the Chairman and Chief Executive Officer shall be informed in advance.

There are three standing Board Committees:

- the Audit and Risks Committee;
- the Commitments Committee;
- the Compensation, Appointments and Corporate Governance Committee.

The Board may also set up one or several special committees.

Each Committee shall be chaired by one of its members, appointed by the Board on the recommendation of the Chairman and Chief Executive Officer or, if appropriate, the Vice-Chairman.

The Chairman and Chief Executive Officer may attend any and all Board Committee meetings, except for the part of the Compensation, Appointments and Corporate Governance Committee meetings during which agenda items concerning him personally are discussed.

The Committee Chairman shall appoint a person who need not be a Committee member to act as secretary.

The Chairman of each Committee may ask for the Committee to be consulted on any matters falling within its terms of reference that have not been referred to it.

Each Committee shall periodically review its rules of procedure and propose to the Board any changes that are considered necessary.

The Board Committees shall not have any decision-making authority.

6.1 The Audit and Risks Committee

The Audit and Risks Committee shall be responsible for ensuring that the accounting policies applied for the preparation of the financial statements of the Company and the Group are appropriate and applied consistently from one period to the next. Its terms of reference also include checking that internal reporting and control procedures provide adequate assurance concerning the reliability and completeness of financial information and the control of Group risk exposure. To this end, it carries out the following tasks:

- it reviews the interim and annual consolidated financial statements and the financial statements of the Company, prior to their examination by the Board of Directors. This includes reviewing draft results press releases and announcements to be issued by the Company;
- it reviews the scope of consolidation and the reasons for excluding any entities;
- it reviews the Group's risk management policy and ensures that adequate systems are in place;
- it assesses the Group's material risk exposure and off-balance sheet commitments, and receives a copy of the Chief Financial Officer's detailed report on these matters;
- it obtains assurance concerning the effectiveness of the Group's system of internal control, by reviewing the methods used to identify risks and the organizational principles and procedures of the internal audit department. It is also informed of the internal audit program and of the results of the internal audits carried out since the last presentation;
- it reviews the Statutory Auditors' audit plan and the results of their audits. It receives a copy of the Statutory Auditors' post-audit letter setting out the main issues identified during their audit and describing the main accounting options selected;
- when the Statutory Auditors' appointment is due to expire, it oversees the Auditor selection procedure and reviews the proposals submitted by the various candidates, expresses an opinion on the proposed fee budgets for statutory audit work and makes recommendations to the Board of Directors on the choice of candidate;
- it validates the categories of additional audit-related work that the Statutory Auditors and the members of their networks may be asked to perform in accordance with the applicable laws and regulations;
- at the end of each year, it is informed of the fees paid by Group companies to the Statutory Auditors and the members of their networks during the year, including a detailed breakdown by type of engagement, and reports to the Board of Directors on these fees, as well as on its assessment of the Statutory Auditors' level of independence.

The Audit and Risks Committee is comprised of three to five members possessing the necessary technical knowledge to fulfill the Committee's duties. At least two-thirds of the members, including the Committee Chairman, must be independent directors.

The Audit and Risks Committee holds at least three meetings per year. One meeting – attended by the head of Internal Audit – is devoted to reviewing the effectiveness of the system of internal control.

The Audit and Risks Committee may make enquiries of the Statutory Auditors without the executive directors and/or the Chief Financial Officer being present, after first notifying the Chairman and Chief Executive Officer.

Calls to meeting shall be issued by the Committee Chairman and include the meeting agenda. Meetings to review the interim and annual financial statements shall be held at least three days prior to the Board meeting called to approve the financial statements. The members of the Audit and Risks Committee must receive all necessary documents on a timely basis. When members are first appointed to the Committee, they are given detailed information about accounting, financial and operational issues that are specific to the Group. The Chairman and Chief Executive Officer, the Chief Financial Officer and the Statutory Auditors shall attend Audit Committee meetings as needed.

6.2 The Commitments Committee

The Commitments Committee is comprised of no more than five members. Meetings of the Committee may be called at any time, in writing or verbally, by the Committee Chairman or the Chairman and Chief Executive Officer.

The Commitments Committee's recommendations are adopted by a simple majority and must then be discussed by the Board of Directors before the commitments can be implemented by the Group. The Commitments Committee is therefore responsible for preparing Board meetings and making recommendations to the Board on the following matters:

- any and all transactions that will have a material impact on the Group's business base;
- any mergers, demergers or asset transfers;
- any amendments to the Company's corporate purpose;
- any and all immediate or deferred financial commitments representing more than €100 million per transaction. "Financial commitments" are defined as:
  - any and all acquisitions or disposals of assets and majority or minority interests in other companies; in the latter case, the amount of the commitment is considered as being equal to the entity's enterprise value,
  - any and all direct investments, for example for the creation of a business, the construction, refurbishment or extension of a hotel property, or expenditure on technological developments,
  - rental investments, measured on the basis of the market value of the leased asset,
  - hotel management contracts with a guaranteed minimum fee,
  - any and all loans to entities in which the Company or one of its subsidiaries does not hold the majority of the shares and voting rights, and any and all commitments to participate in share issues by such entities.

In the case of financing transactions, however, the Chairman and Chief Executive Officer is authorized to make any and all financial commitments of up to €1 billion without a prior recommendation from the Commitments Committee, provided that such commitment is consistent and undertaken in accordance with the annual Group financing policy as previously approved by the Board of Directors. In this case, the Chairman and Chief Executive Officer shall inform the Board of Directors of the transactions after they have been completed. It is noted as well that the Board's prior approval is not required for borrowings due in less than one year, whatever the amount borrowed.

6.3 The Compensation, Appointments and Corporate Governance Committee

The Compensation, Appointments and Corporate Governance Committee's role is to prepare the Board of Directors' decisions pertaining to the compensation of executive directors and the policy for granting options to purchase new or existing shares of Company stock (as well as the policy for granting stock without consideration), to prepare changes in the composition of the Company's management bodies, and to ensure that the principles of good corporate governance are properly applied.

To this end, it carries out the following tasks:

Appointments

- it prepares recommendations, in liaison with the Chairman and Chief Executive Officer, regarding the succession of the executive directors and the selection of new directors. In selecting possible directors, the Committee shall take into consideration the desirable balance in the Board's composition, take special care that each candidate has the required capabilities and availability and ensure that the directors have the array of experience and skills necessary to enable the Board of Directors to carry out its duties effectively with the required objectivity and independence vis-à-vis both senior management and a given shareholder or group of shareholders;
- it shall be informed of the succession plan concerning members of the Group's Executive Committee.

Compensation

- it studies and prepares recommendations regarding both the salary and bonus portions of the executive directors' short-term compensation, the granting of medium and long-term incentives such as performance-based shares and stock options, all the provisions regarding their retirement plans and all other in-kind benefits;

- it defines and implements the rules for setting the bonus portion of the executive directors' compensation while ensuring that said rules are consistent with the annual appraisal of executive directors' performance and with the Group's medium-term strategy;
- it gives the Board an opinion regarding the general policy for granting stock options and the plans proposed by the Chairman and Chief Executive Officer;
- it is kept informed of and gives an opinion on the compensation policy for members of the Group Executive Committee and reviews the consistency of such policy;
- it issues a recommendation to the Board on the overall amount of directors' fees, which is submitted to shareholders for approval. It proposes to the Board the distribution of said directors' fees and the individual amounts of the payments to be made as fees to the directors based on their attendance at Board and Committee meetings pursuant to Article 7 of these Bylaws;
- it reviews the policy and the projects proposed by the Chairman and Chief Executive Officer regarding employee share issues;
- it reviews the insurance coverage taken out by the Company regarding the civil liability of executive directors;
- it approves the information provided to shareholders in the Annual Report regarding (i) executive director compensation; (ii) the principles and procedures used to set such compensation; and (iii) the grant of stock options to executive directors and the exercise of such options.

Corporate Governance

- it is tasked, in liaison with the Chairman and Chief Executive Officer, with issuing recommendations on implementing best corporate governance practices and preparing the assessment of the Board's work;
- it periodically reviews whether the directors meet the independence criteria defined by the Board and makes recommendations if it appears necessary to review the independent status of directors;
- it continuously monitors changes in the Company's ownership structure and determines how the Company's awareness of such changes could be improved, particularly through legal procedures;
- it reviews all cases where there is a conflict of interest concerning one or more shareholders and (i) the interests of the Company or (ii) the interests of the shareholders as a whole.
- it reviews the measures implemented within the Group concerning business ethics as well as any cases of conflict of interest concerning directors or members of the Executive Committee.
- it reviews and issues recommendations on best corporate governance practices, particularly concerning the membership structure of the Board of Directors;
- it prepares all matters for discussion between the Company and its shareholders relating to (i) changes in their equity interests; (ii) their representation in the Company's corporate governance structures; and (iii) any contractual commitments between them and the Company.

The Compensation, Appointments and Corporate Governance Committee is comprised of three to five members. A majority of these members, including the Committee Chairman, must be independent directors.

The Compensation, Appointments and Corporate Governance Committee shall hold at least three meetings per year. Calls to meetings are issued by the Committee Chairman and include the meeting agenda.

7. Secretary to the Board of Directors

Pursuant to the Company's Bylaws, the Board of Directors shall name a Secretary who need not be a director.

The Board Secretary's role is to call members to meetings of the Board of Directors when requested to do so by the Chairman and Chief Executive Officer and to prepare the draft minutes of the meetings of the Board of Directors, which are then submitted to the Board for approval. He or she is tasked with sending the working documents to the directors according to the procedure set forth in Article 3 of these Bylaws and in general responds to any request from directors for information pertaining to their rights and obligations, the Board's operation or the life of the Company.

His or her duties also include maintaining and updating the statements designed to prevent conflicts of interest, as provided for in Article 3 of the Directors Code of Conduct.

Lastly, the Board Secretary shall attend the meetings of the Board Committees as needed at the request of the Chairman and Chief Executive Officer or the Committee Chairmen. He or she may also be tasked with sending the working documents to the Committee members.

8. Directors' fees

Upon a motion by the Compensation, Appointments and Corporate Governance Committee, the Board of Directors shall distribute the annual amount of directors' fees allocated by the Annual Meeting based in particular on the actual attendance of each director at Board meetings and meetings of any Committee of which he or she is a member.

Distribution is based on the following principles:

- the duties of Vice-Chairman of the Board of Directors shall be compensated with a fixed portion of a flat amount defined by the Board of Directors;
- the duties of Committee Chairman shall be compensated with a fixed portion of a flat amount defined by the Board of Directors for each Committee;

- the duties of a Committee member shall be compensated with a fixed portion of a flat amount defined by the Board of Directors and with a variable portion based on attendance at meetings, which shall not exceed the amount of the fixed portion;
- half of the available balance of the directors' fees shall be distributed in equal shares to each of the directors. The other half shall be distributed based on the number of Board meetings that the directors attended during the previous fiscal year;
- directors who also hold the position of Chairman of the Board, Chairman and Chief Executive Officer, Chief Executive Officer or Chief Operating Officer shall not receive directors' fees;
- directors' fees shall be paid no later than three months following the end of the previous fiscal year.

2.1.2.3. Board of Directors Code of Conduct

The Board of Directors collectively represents all the shareholders and acts in the Company's interest. Each director, regardless of the reasons for his appointment and his qualification by the Board of Directors as regards the independence criteria set forth in the December 2008 AFEP/MEDEF Corporate Governance Code, represents all the shareholders and as such adheres to the principles of conduct defined in this Code of Conduct.

The non-voting directors appointed by the Board of Directors and the Founding Co-Chairmen referred to in Article 21 of the Company's Bylaws shall be governed by all of the provisions of this Code of Conduct that are applicable to them.

Duty of due care

Directors shall carry out their duties as they see fit in the best interest of the Company. They shall strive at all times to improve their knowledge of the Group and its business lines and agree to be bound by a duty of vigilance and warning. They shall devote the necessary time and attention to their directorship in particular by attending the meetings of the Committees to which they belong, the meetings of the Board of Directors and the Shareholders' Meetings.

In addition to complying with the applicable statutes and regulations on the holding of several directorships, it is the responsibility of each director to ascertain whether his/her duties as a director of the Company are compatible with the directorships or positions that he/she holds in other companies in particular as regards the workload. Each director shall disclose periodically to the Company the directorships that he/she holds in any other company in order to enable the Company to comply with its statutory disclosure obligations in this regard.

Information

Directors have the duty to request the information that they deem necessary to carry out their duties from the Company's management *via* the Chairman and Chief Executive Officer or, where applicable, the Board Secretary. They shall have the right to meet with the Company's principal executives, whether or not in the presence of the Chairman and Chief Executive Officer, after having requested such a meeting from the Chairman and Chief Executive Officer.

When a new director takes up office, the Board Secretary shall provide him/her with an information package containing the Company's Bylaws, the Directors Bylaws, the Directors Code of Conduct as well as the principal statutes and regulations regarding directors' liability.

Directors may consult the Board Secretary at any time regarding the scope of said statutes and regulations and the rights and obligations incumbent on him/her.

Transparency and preventing conflicts of interests

Directors strive to remain independent in all circumstance as regards their analysis, judgment, decisions and actions.

Directors agree not to seek out or accept any benefit likely to call into question their independence.

Any director that is directly or indirectly in a position of a conflict of interests – even potentially – with respect to the interest of the company because of the positions that he/she holds, and/or any interests that he/she has elsewhere, shall inform the Chairman and Chief Executive Officer or any individual designated by the Chairman and Chief Executive Officer. He/she shall abstain from the debates and decision-making on the matters concerned and may have to leave a Board meeting during the debate, and, where applicable, the vote.

When he/she takes up office, and subsequently every year no later than January 31, each director shall fill in a statement according to the template attached to this Code of Conduct in which he/she discloses any relationships of any kind with Group companies, their managers, suppliers, customers, partners or competitors. He/she shall send this statement to the Chairman and Chief Executive Officer and a copy thereof to the Board Secretary.

Directors shall refrain from participating, directly or indirectly, in any transaction of any amount with a Group company involving the sale by said company of more or several hotel assets.

The Board of Directors shall deliberate on the rates granted to directors when staying in a non-official capacity in Group hotels.

Trading in Company securities by the directors

Directors have access to insider information. Such information, if made public, could impact the price of the Company's shares or any other securities issued by the Company.

Pursuant to the applicable statutes and regulations, they shall be required:

- to refrain from using insider information to trade such securities either directly or *via* an intermediary;
- not to knowingly allow a third party to carry out such trading;
- not to disclose such information to third parties even through carelessness.

In addition, without prejudice to the statutes and regulations on insider trading, periods known as “negative windows” shall be determined each year. During such periods, directors shall refrain from trading the Company’s shares or any other securities issued by the Company (including exercising stock options), either directly or *via* an intermediary, even *via* the trading of derivatives. Such periods shall be comprised of (i) 30 calendar days prior to the date of publication of the annual and interim consolidated financial statements, as well as the day of these publications and the following day, and (ii) 15 calendar days prior to the date of publication of quarterly revenue figures, as well as the day of these publications and the following day.

The exact dates of the “negative windows” shall be disclosed each year to the directors by the Board Secretary. If specific “negative windows” are set up in connection with financial or strategic transactions, the directors shall be informed immediately thereof by the Board Secretary.

Directors may not hedge the risks of losses on the Company shares or stock options they own.

Each director shall be responsible for reporting to the French securities regulator (*Autorité des Marchés Financiers*) and to the Company (to the attention of the Board Secretary) any trading involving the Company’s shares or any other securities issued by the Company and carried out by him/her or individuals that are closely related to him/her, pursuant to applicable statutes and regulations.

Directors may consult the Board Secretary at any time regarding the scope of the “negative windows” system and on the conditions of its application to any specific case.

Duty of discretion and confidentiality

Pursuant to Article 15 of the Company’s Bylaws, directors shall be bound by a duty of discretion and confidentiality in the interest of the Company. To that end, they undertake that they shall be responsible for maintaining the professional secrecy of all the confidential information to which they have access, the resolutions and the operation of the Board of Directors and of any Committees to which they may belong, as well as the content of the opinions issued or votes cast during Board or Committee meetings.

When requested by the Chairman and Chief Executive Officer, each director agrees to return or destroy immediately any document in his/her possession containing confidential information.

In addition, directors shall be required to consult with the Chairman and Chief Executive Officer prior to any personal disclosure that they may make in the media on matters involving or likely to affect the Group, the Company and/or its governing bodies. This provision shall not apply to directors who concurrently hold the position of Chief Executive Officer or Deputy Executive and who may have to make disclosures in that capacity in the name of the Company.

Shares owned privately

Pursuant to the Company’s Bylaws, directors must own 500 shares in the Company. Such shares and any shares acquired in excess of that number must be registered shares.

The permanent representatives of legal entities that are directors shall be subject to the same obligation.

The number of Company shares owned by each director (and each permanent representative of any legal entity that is a director) shall be publicly disclosed by the Company.

2.2. Interests and compensation

2.2.1. DIRECTORS' AND OFFICERS' COMPENSATION

Compensation policy for Executive Officers

Compensation payable to the Chairman and Chief Executive Officer, Deputy Chief Executive Officer and President and Chief Operating Officer

Accor's compensation policy for its executive officers complies with the AFEP/MEDEF Corporate Governance Code for listed companies.

The compensation paid to executive officers is determined by the Board of Directors based on recommendations put forward by the Compensation, Appointments and Corporate Governance Committee, and is benchmarked to compensation practices among large French companies.

Compensation paid to Gilles Pélisson

- the gross basic compensation paid to Gilles Pélisson in his capacity as Chairman and Chief Executive Officer from January 1 through November 30, 2010 and then as Chairman of the Board from December 1 through December 31, 2010 totaled €1,000,000. At its November 2, 2010 meeting, the Board decided to keep this basic compensation at the same level (but calculated on a pro rata basis) for the period from January 1 through January 15, 2011, the date on which Mr. Pélisson's duties were effectively terminated;
- Gilles Pélisson's gross incentive bonus for 2010 amounted to €1,500,000 in view of the fact that the Group exceeded its performance targets set by the Board on the recommendation of the Compensation, Appointments and Corporate Governance Committee. These targets mainly concerned (i) growth in consolidated EBIT, (ii) implementation of the cost reduction plan, (iii) below- or on-budget renovation and maintenance expenditure, (iv) implementation of the hotel property disposal plan, and (v) completion of the Demerger;
- in line with the principles established by the Board of Directors, Gilles Pélisson was not paid any directors' fees by Accor SA during 2010.

Compensation paid to Denis Hennequin

- as decided by the Board, the gross basic compensation paid to Denis Hennequin in his capacity as Chief Executive Officer for the period from December 1 through December 31, 2010 totaled €62,500. His gross basic compensation for 2011 has been set by the Board at €750,000;
- the principles applicable for determining Mr. Hennequin's incentive bonus for 2011 were established by the Board of Directors at its meetings on November 2, 2010, December 15, 2010 and February 22, 2011, based on recommendations put forward by the Compensation, Appointments and Corporate Governance Committee. The amount of this incentive bonus will be determined based on qualitative objectives, including how successfully he takes on his duties as Chairman and Chief Executive Officer, and quantitative objectives concerning the rise in growth revenue and EBIT, and the implementation of the hotel property disposal plan. The total of his incentive bonus will range from 0% to 150% of a gross reference amount of €1,250,000;
- in line with the principles established by the Board that executive directors do not receive directors' fees, Denis Hennequin has not been eligible to receive these fees since he took on the position of Chief Executive Officer on December 1, 2010.

Compensation paid to Jacques Stern

- at its October 14, 2009 meeting, the Board set the basic annual compensation of Jacques Stern (Deputy Chief Executive Officer until June 29, 2010) at a gross amount of €600,000, and at its meeting on February 23, 2010, decided to maintain this level of compensation for 2010. Consequently Jacques Stern received gross basic compensation of €300,000 for the period between January 1, 2010 and June 29, 2010 when he left the Company;
- as Mr. Stern left the Company on the completion of the Demerger, he did not receive any incentive bonus for 2010. However, at its June 29, 2010 meeting the Board decided to award him an exceptional bonus of €300,000 (gross) in view of the Demerger's successful completion.

Compensation paid to Yann Caillère

- Yann Caillère – who was appointed Deputy Chief Executive Officer on August 25, 2010 – received gross basic compensation of €575,000 for full-year 2010. The Board has set his annual basic compensation for 2011 in his capacity as President and Chief Operating Officer at a gross amount of €600,000.
- Mr. Caillère's gross incentive bonus for 2010 amounted to €700,000 based on achievement of the objectives set for the year.
- In line with the recommendation of the Compensation, Appointments and Corporate Governance Committee, the Board has decided that the incentive bonus to be paid to Yann Caillère in respect of 2011 will be based on the achievement on both qualitative and quantitative objectives, including the rise in growth revenue, the flow-through ratio for the Group's hotel operations, consolidated EBIT and expansion of the hotels portfolio. The incentive bonus will range from 0% to 150% of Mr. Caillère's basic compensation, representing 100% of his annual basic compensation if all of the objectives are met.

Pension and termination benefits

Supplementary pension benefits

Like several dozen other senior executives, in 2010 the Chairman and Chief Executive Officer (1) and the Deputy Chief Executive Officer (2) participated in a top-hat pension plan comprising a defined contribution plan (Article 83 plan) and a defined benefit plan (Article 39 plan).

- except in specific cases provided for by law, if a plan participant leaves the Group before the date of retirement, he or she retains only the rights accrued under the defined contribution plan (based on annual employer contributions of up to 5% of five times the annual cap on the basis for calculating social security contributions – "PASS") (3) and forfeit the rights accrued under the defined benefit plan;
- pension benefits payable to executive officers under the defined benefit plan – provided that they continue to be employed by the Group until they retire – correspond to a percentage of their reference compensation (4) capped at 60 times the "PASS". The percentage is determined on a reverse graduated basis and averages 2% or less than 2% of compensation, depending on the year; plan participants who leave the Group on retirement are entitled to a pension under the defined benefit plan only if they have participated in the plan for at least five years or have served with the Accor Group for at least fifteen years. The pension shall be reduced by the amount of the pension payable under the defined contribution plan referred to above;
- the replacement rate represented by pension benefits payable to executive officers under government-sponsored plans and Accor supplementary pension plans is capped at 35% of the average of their compensation (basic plus bonus) for their three best years in the ten years prior to retirement.

As Gilles Pélisson has left Accor he no longer fulfills the requirement of being employed by the Group until retirement and his potential pension benefit entitlement under the defined benefit plan has therefore been canceled.

Termination benefits

Compensation paid to Gilles Pélisson for loss of office as Chairman and Chief Executive Officer

At its meeting on December 16, 2008, in accordance with the recommendations of the AFEP/MEDEF Corporate Governance Code, the Board of Directors decided that the Chairman and Chief Executive Officer's compensation for loss of office would be equal to 24 months' basic compensation and bonus, determined based on the amounts paid to him for the fiscal year preceding that of the loss of office, except in the event of gross or willful misconduct. Following the completion of the Demerger, at its meeting on October 13, 2010 the Board set the following new performance criteria to be applied when determining Mr. Pélisson's compensation for loss of office:

- consolidated return on capital employed for the previous three years must have exceeded the Group's cost of capital as published in the Registration Documents for those years;
- hotels operations must have reported positive operating free cash flow in at least two of the previous three years;
- like-for-like EBITDAR margin must have exceeded 25% in at least two of the previous three years.

These performance criteria would be applied as follows to determine the compensation payable:

- if all three criteria were met, the compensation would be payable in full;
- if two of the three criteria were met, half of the compensation would be payable;
- if none or only one of the three criteria were met, no compensation would be due.

(1) Gilles Pélisson was Chairman and Chief Executive Officer until December 1, 2010 and then non-executive Chairman of the Board of Directors until January 15, 2011.

(2) Yann Caillère was appointed Deputy Chief Executive Officer on August 25, 2010 and President and Chief Operating Officer in January 2011.

(3) For the defined contribution plan, annual contributions paid by Accor on behalf of executive officers (Gilles Pélisson and Yann Caillère) amounted to €15,967 in 2010.

(4) The reference compensation is defined as the gross basic annual salary plus the incentive bonus and any exceptional bonus paid during the reference year.

Acting on an authorization granted by the Board of Directors, the Compensation, Appointments and Corporate Governance Committee placed on record that the three performance criteria had been met and even exceeded. Consequently, the Committee also placed on record the effective implementation of the decision taken by the Board on December 15, 2010, which was to pay to Gilles Pélisson compensation for loss of office as Chairman and Chief Executive Officer in an amount equal to 24 months of his total 2010 basic compensation and bonus. The Compensation, Appointments and Corporate Governance Committee therefore approved the payment to Gilles Pélisson of a total gross amount of €5,000,000 as compensation for his loss of office as Chairman and Chief Executive Officer.

As authorized by the Board of Directors, the Company terminated the employment contract held by Gilles Pélisson that had been suspended since he was appointed Chief Executive Officer in 2006. After receiving the prior authorization of the Board, the Company then entered into a settlement agreement with Mr. Pélisson following Mr. Pélisson's claim that he had been unfairly dismissed. The gross compensation paid by the Company under this settlement agreement amounted to €1,000,000 plus an additional gross sum of €110,000 corresponding to Mr. Pélisson's contractual notice payment and accrued vacation pay. The total paid to Gilles Pélisson pursuant to this settlement agreement was then deducted from the above-described compensation for loss of office so that the total gross amount paid by the Company to Mr. Pélisson on his departure was €5,000,000.

Compensation payable to Denis Hennequin in the event of loss of office as Chairman and Chief Executive Officer

At its meetings on November 2 and December 15, 2010 the Board of Directors decided that the compensation payable to Denis Hennequin for loss of office would be equal to 24 months' basic compensation and bonus, determined based on the amounts paid to him for the fiscal year preceding that of the loss of office. This compensation would be payable if Mr. Hennequin's term of office as Chairman and Chief Executive Officer is either terminated or not renewed (except in the event of gross or willful misconduct) and would be subject to the following performance criteria being met:

- consolidated return on capital employed for the previous three years must have exceeded the Group's cost of capital as published in the Registration Documents for those years;
- hotel operations must have reported positive operating free cash flow in at least two of the three previous years;
- like-for-like EBITDAR margin must have exceeded 25% in at least two of the previous three years.

These performance criteria would be applied as follows to determine the compensation payable:

- if all three criteria were met, the compensation would be payable in full;
- if at least two of the three criteria were met, half of the compensation would be payable;
- if none or only one of the three criteria were met, no compensation would be due.

Termination benefit payable to Yann Caillère

At its meeting on October 13, 2010, the Board of Directors decided that the termination benefit that would be payable to Yann Caillère – equal to 24 months' basic compensation and bonus determined based on the amounts paid to him for the fiscal year preceding that in which his employment contract is terminated (except in the event of gross or willful misconduct) – would be subject to the following performance criteria:

- consolidated return on capital employed for the previous three years must have exceeded the Group's cost of capital as published in the Registration Documents for those years;
- hotels operations must have reported positive operating free cash flow in at least two of the three previous years;
- like-for-like EBITDAR margin must have exceeded 25% in at least two of the previous three years.

These performance criteria would be applied as follows to determine the termination benefit payable:

- if all three criteria were met, the termination benefit would be payable in full;
- if at least two of the three criteria were met, half of the termination benefit would be payable;
- if none or only one of the three criteria were met, no termination benefit would be due.

Yann Caillère would not be entitled to any compensation for loss of office.

The methods of determining the compensation for loss of office payable to Denis Hennequin and the termination benefit payable to Yann Caillère as described above will be submitted to shareholders for approval at the forthcoming Annual Shareholders' Meeting.

Unemployment insurance

A private insurance plan has been set up with *Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise* (GSC) to provide the Chairman and Chief Executive Officer with unemployment benefits should the need arise. This insurance coverage will take effect after an unbroken 12 months of participation in the plan, i.e. as from December 1, 2011. Unemployment benefits would be payable for a period of 12 months (extended to 24 months after the first full year of participation in the plan) as from the 31st unbroken day of unemployment. The benefits would be based on the participant's net taxable professional-source income for the previous year, capped at €110,784 per year for 2011.

Analysis of directors' and officers' compensation

Analysis of compensation paid to executive officers

The following tables provide a summary of the total gross compensation and benefits paid by Accor SA to the Chairman and Chief Executive Officer, the Chief Executive Officer and the Deputy Chief Executive Officers in 2009 and 2010 as well as the stock options and performance shares granted to these executive officers in those years.

Table 1: Compensation, stock options and performance shares granted to each executive officer in 2009 and 2010

Gilles Pélisson **Chairman and Chief Executive Officer until December 1, 2010, then non-executive Chairman of the Board of Directors until January 15, 2011**	**2009**	**2010**
Compensation for the year (see Table 2 for details)	1,939,744	2,546,101
Value of stock options granted during the year (see Table 6 for details) (1)	361,250	1,258,750
Value of performance shares granted during the year (see Table 9 for details) (2)	379,063	N/A
TOTAL	**2,680,057**	**3,804,851**

Denis Hennequin **Chief Executive Officer from December 1, 2010**	**2009**	**2010**
Compensation for the year (see Table 2 for details)	N/A	99,687
Value of stock options granted during the year (see Table 6 for details) (1)	N/A	N/A
Value of performance shares granted during the year (see Table 9 for details) (2)	N/A	N/A
TOTAL	**N/A**	**99,687**

Jacques Stern **Deputy Chief Executive Officer until June 29, 2010**	**2009**	**2010**
Compensation for the year (see Table 2 for details)	1,207,446	612,490
Value of stock options granted during the year (see Table 6 for details) (1)	144,500	– (3)
Value of performance shares granted during the year (see Table 9 for details) (2)	151,625	N/A
TOTAL	**1,503,571**	**612,490**

Yann Caillère **Appointed Deputy Chief Executive Officer on August 25, 2010**	**2009**	**2010**
Compensation for the year (see Table 2 for details)	N/A	1,306,668
Value of stock options granted during the year (see Table 6 for details) (1)	N/A	604,200
Value of performance shares granted during the year (see Table 9 for details) (2)	N/A	N/A
TOTAL	**N/A**	**1,910,868**

(1) *Stock options may be exercised only if the beneficiary is still a member of the Group on the exercise date and, in some cases, if the applicable performance conditions are met. In accordance with AFEP/MEDEF guidelines set out in the Corporate Governance Code for listed companies, stock options are measured at their theoretical value at the grant date, rather than at the value of the compensation received. This value was determined using the Black & Scholes option pricing model for options granted under the March 31, 2009 and April 2, 2010 plans and the Monte-Carlo option pricing model (model used for valuing options with vesting conditions that are external market conditions) for the performance stock options granted under the April 2, 2010 plan.*

(2) *Performance shares are measured at fair value, corresponding to the average of the prices quoted for Accor shares over the twenty trading days preceding the grant date, in accordance with the AFEP/MEDEF Corporate Governance Code, rather than at the value of the compensation received. Performance shares are forfeited if the grantee leaves the Group before the shares vest or if the performance conditions are not met. At December 31, 2010, only some of the applicable performance conditions had been met but this is not reflected in the figures above. Further details on performance share plans and the applicable vesting dates are provided in Table 8, page 84.*

(3) *The options granted under the April 2, 2010 plan to Jacques Stern – Accor's Deputy Chief Executive Officer until June 29, 2010 when he left the Group – have been forfeited, as Mr. Stern no longer meets the applicable requirement of being a member of the Group.*

Table 2: Compensation and benefits paid to each executive officer in 2009 and 2010

	Due for the year		Paid during the year	
	2009	**2010**	**2009**	**2010**
Gilles Pélisson Chairman and Chief Executive Officer until December 1, 2010, then non-executive Chairman of the Board of Directors until January 15, 2011				
◗ Basic compensation (1)	1,000,000	1,000,000	1,000,000	1,000,000
◗ Incentive bonus (2)	700,000	1,500,000	750,000	700,000
◗ Exceptional bonus (3)	200,000	–	–	200,000
◗ Directors' fees (4)	24,934	21,733	14,695	24,934
◗ Benefits-in-kind (5)	14,810	24,368	14,810	24,368
TOTAL	**1,939,744**	**2,546,101**	**1,779,505**	**1,949,302**
Denis Hennequin Chief Executive Officer from December 1, 2010				
◗ Basic compensation (1)	N/A	62,500	N/A	62,500
◗ Incentive bonus (2)	N/A	N/A	N/A	N/A
◗ Exceptional bonus	N/A	N/A	N/A	N/A
◗ Directors' fees (4)	N/A	35,953	N/A	22,846
◗ Benefits-in-kind (5)	N/A	1,234	N/A	1,234
TOTAL	**N/A**	**99,687**	**N/A**	**86,580**
Jacques Stern Deputy Chief Executive Officer until June 29, 2010				
◗ Basic compensation (1)	580,303	300,000	580,303	300,000
◗ Incentive bonus (2)	400,007	N/A	400,007	400,047
◗ Exceptional bonus (3)	200,000	300,000	–	500,000
◗ Directors' fees (4)	19,218	8,902	17,811	19,218
◗ Benefits-in-kind (5)	7,176	3,588	7,176	3,588
◗ Discretionary profit-sharing (6)	–	N/D	1,009	–
◗ Statutory profit-sharing (7)	741	N/D	2,020	741
TOTAL	**1,207,446**	**612,490**	**1,008,325**	**1,223,594**
Yann Caillère Appointed Deputy Chief Executive Officer on August 25, 2010				
◗ Basic compensation (1)	N/A	575,000	N/A	575,000
◗ Incentive bonus (2)	N/A	700,000	N/A	300,005
◗ Exceptional bonus	N/A	–	N/A	–
◗ Directors' fees (4)	N/A	24,492	N/A	25,369
◗ Benefits-in-kind (5)	N/A	7,176	N/A	7,176
◗ Discretionary profit-sharing (6)	N/A	–	N/A	–
◗ Statutory profit-sharing (7)	N/A	N/D	N/A	741
TOTAL	**N/A**	**1,306,668**	**N/A**	**908,291**

The above amounts are presented in euros on a gross pre-tax basis.

(1) Basic compensation is paid in the year in which it is earned.

(2) Incentive bonuses are set and paid at the beginning of the following year. The criteria applied to determine the 2010 bonuses of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers are presented on page 72.

(3) On February 23, 2010, the Board of Directors awarded Gilles Pélisson and Jacques Stern an exceptional bonus of €200,000 each, in recognition of their work in assessing the potential benefits of demerging the Group's two businesses. In addition, the Board granted Jacques Stern an exceptional bonus of €300,000 on June 29, 2010 due to the successful completion of the Demerger.

(4) In 2010, Gilles Pélisson was paid fees for 2009 amounting to (i) €22,634 in his capacity as a member of the Supervisory Board of Groupe Lucien Barrière and (ii) €2,300 in his capacity as permanent representative of Accor on the Supervisory Board of Lenôtre.

In 2011 Gilles Pélisson was paid fees for 2010 amounting to (i) €19,433 in his capacity as member of the Supervisory Board and subsequently a director of Groupe Lucien Barrière and (ii) €2,300 in his capacity as permanent representative of Accor on the Supervisory Board of Lenôtre.

In 2011 Denis Hennequin was paid €35,953 in directors' fees for 2010 in his capacity as a director of Accor until November 30, 2010.

In 2010 Jacques Stern was paid fees for 2009 amounting to €19,218 in his capacity as a member of the Supervisory Board of Groupe Lucien Barrière.

In 2011 Jacques Stern was paid fees for 2010 amounting to €8,903 in his capacity as a member of the Supervisory Board and subsequently a director of Groupe Lucien Barrière.

In 2011 Yann Caillère was paid fees for 2010 amounting to €10,998 in his capacity as a member of the Supervisory Board and subsequently a director of Groupe Lucien Barrière.

In 2010 Yann Caillère was paid fees for 2010 amounting to €13,494 in his capacity as a member of the Supervisory Board of Orbis.

(5) Company cars for Gilles Pélisson, Denis Hennequin, Jacques Stern and Yann Caillère, and Company-financed unemployment insurance for Gilles Pélisson and Denis Hennequin (see page 74).

(6) Discretionary profit-sharing is paid the following year.

(7) Statutory profit-sharing is paid the following year.

Table 3: Commitments given to executive officers

Executive officer	Employment contract	Supplementary pension benefits (1)	Compensation or benefits payable in the case of appointment to a new position, termination/removal from office or transfer (2)	Non-compete indemnity
Gilles Pélisson **Chairman and Chief Executive Officer (3)**	Yes (suspended since January 2006)	Yes	Yes	No
Denis Hennequin **Chief Executive Officer (4)**	No	Yes	Yes	No
Jacques Stern **Deputy Chief Executive Officer (5)**	Yes	Yes	Yes	No
Yann Caillère **Deputy Chief Executive Officer (6)**	Yes	Yes	Yes	No

(1) See page 73 for details of the related supplementary pension plans.

(2) See page 73 for details concerning this type of compensation and benefits payable to the Chairman and Chief Executive Officer, Chief Executive Officer, Deputy Chief Executive Officers.

(3) Gilles Pélisson was Chairman and Chief Executive Officer until December 1, 2010 and then non-executive Chairman of the Board of Directors until January 15, 2011.

(4) Denis Hennequin has been Chief Executive Officer since December 1, 2010.

(5) Jacques Stern was Deputy Chief Executive Officer from March 1, 2009 through June 29, 2010.

(6) Yann Caillère was appointed Deputy Chief Executive Officer on August 25, 2010.

The Company entered into an employment contract with Gilles Pélisson in October 2005, which was suspended when he was appointed as Chief Executive Officer and a member of the Board in January 2006. Mr. Pélisson was subsequently named Chairman and Chief Executive Officer and at its meeting on February 24, 2009, the Board of Directors decided that if Mr. Pélisson was re-elected to the Board and his appointment as Chairman and Chief Executive Officer renewed, his employment contract should remain in force in order to avoid the risk of him having to forfeit, for legal reasons, his rights under the "Article 39" defined benefit pension plan described on page 73. The contract was, however, amended to remove all clauses giving Mr. Pélisson rights above and beyond those granted by law and the relevant collective bargaining agreement. The amended contract stated, in particular, that if the employment contract were terminated within six months of Mr. Pélisson being removed from office, his statutory severance pay would be deducted from any compensation for loss of office. The amended contract was signed on March 9, 2009 by Jérôme Seydoux on behalf of the Board of Directors and was ratified by the shareholders at the Annual Meeting of May 13, 2009.

The Board reached its decision on this issue after determining that based on the applicable regulations and related official guidance, it appeared unlikely that an executive director without an employment contract (*mandataire social non salarié*) would be entitled to supplementary pension benefits under a defined benefit plan if he or she were removed from office between the age of 55 and the legal retirement age. As Mr. Pélisson was 52 at the time, this issue was of particular concern in his case. Because the purpose of maintaining his employment contract – which was suspended for as long as he remained an executive director – was solely to preserve his rights under the defined benefit supplementary pension plan, the Board of Directors concurred with the opinion of the Compensation, Appointments and Corporate Governance Committee that it would have been singularly unfair to terminate it, particularly as the Company would not benefit in any way from this course of action.

As explained on page 74, the above-described principles were applied when Gilles Pélisson left Accor as the amounts paid to him under a settlement agreement concerning the termination of his employment contract were deducted from the compensation paid for his loss of office as Chairman and Chief Executive Officer. Mr. Pélisson's potential entitlement under Accor's defined benefit pension plan was cancelled when he ceased his duties, as he left the Company before the age of fifty-five.

Compensation paid to other senior executives

The total gross compensation and benefits paid in 2010 by the Company and the various other Group entities to the 10 members of the Executive Committee (except for the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer and the Chief Executive Officer, whose compensation is described above) amounted to €5.08 million, including aggregate gross incentive bonuses of €1.67 million.

Provisions set aside at December 31, 2010 for pensions and other post-employment benefits payable to senior executives are presented in note 33 to the consolidated financial statements, page 208.

Directors' fees

Total directors' fees payable by Accor SA for 2010 were set by shareholders at the Annual Meeting of June 29, 2010 at €575,000. The fees for 2010 were paid in March 2011 and represented the only compensation paid by the Group to Board members in their capacity as directors.

The total amount of directors' fees is allocated among the members of the Board of Directors on the following basis:

- the Chairman and Chief Executive Officer is not paid any directors' fees;
- the Vice Chairman of the Board receives a fixed amount of €30,000 in this capacity;
- the Chairman of the Compensation, Appointments and Corporate Governance Committee and the Chairman of the Commitments Committee each receive a fixed fee of €15,000, the Chairman of the Audit and Risks Committee receives a fixed fee of €30,000 and the members of the Board Committees each receive €7,500;
- in view of the exceptional work undertaken in overseeing the Demerger of the Group's two businesses, a total of €52,800 was paid to the directors who took part in meetings of the Liaison Committee set up for this purpose. This sum was allocated between the directors concerned based on the number of meetings they attended;
- of the balance, a part is shared equally among all the members of the Board (representing €15,000 per director) and the rest is allocated *prorata* to each member's attendance record at Board meetings during the year (including participation *via* teleconferencing link).

The following table shows the directors' fees paid to members of the Board of Directors by the Company for 2009 and 2010:

Table 4: Directors' fees and other compensation paid to non-executive directors

Board of Directors *(in euros)*	Due for the year		Paid during the year	
	2009	**2010**	**2009**	**2010**
Jean-Paul Bailly	25,510	52,723	N/A	25,510
Thomas J. Barrack	20,754	30,402	27,225	20,754
Sébastien Bazin	45,208	65,257	57,450	45,208
Isabelle Bouillot	4,514	N/A	39,838	4,514
Philippe Camus	N/A	N/A	34,225	N/A
Aldo Cardoso	10,407	N/A	67,450	10,407
Philippe Citerne	75,922	117,757	36,031	75,922
Étienne Davignon	N/A	N/A	18,613 (1)	N/A
Gabriele Galateri Di Genola	27,936	18,094	43,644	27,936
Sophie Gasperment	N/A	21,504	N/A	N/A
Denis Hennequin (2)	22,846	35,953	N/A	22,846
Sir Roderic Lyne	3,264	N/A	42,450	3,264
Dominique Marcel	N/A	N/A	23,919	N/A
Bertrand Meheut	28,243	60,307	N/A	28,243
Virginie Morgon	29,165	57,757	N/A	29,165
Baudouin Prot	3,264	N/A	28,419	3,264
Alain Quinet	36,041	15,652	12,113	36,041
Franck Riboud	27,961	42,588	43,644	27,961
Augustin de Romanet	5,407	N/A	37,225	5,407
Patrick Sayer	38,055	57,006	17,113	38,055
Jérôme Seydoux	15,505	N/A	41,031	15,505
Theo Waigel	N/A	N/A	19,613	N/A

(1) In 2009, Mr. Davignon was also paid €45,775 in directors' fees due for the year for his functions as Chairman of Compagnie Internationale des Wagons-Lits et du Tourisme.

(2) Directors' fees paid to Denis Hennequin in his capacity as a non-executive director until December 1, 2010.

2.2.2. DIRECTORS' AND EMPLOYEES' INTERESTS

Stock option plans

The Group regularly sets up stock option plans for senior executives down to middle managers. The option grants are authorized by the Board of Directors at the meeting held to approve the previous year's financial statements. These grants are not made systematically to a given category of employees, but are designed to reward personal performance, measured in terms of results obtained or individual achievements.

The number of options granted to Gilles Pélisson in his capacity as Chairman and Chief Executive Officer (1) and to Jacques Stern as Deputy Chief Executive Officer (2) was decided by the Board of Directors based on the recommendation of the Compensation, Appointments and Corporate Governance Committee.

- Under the April 2, 2010 plan, stock options were granted to 1,020 Group employees, ranging from senior executives to middle managers, in some sixty countries worldwide. The exercise price of €26.66 corresponds to the average opening Accor share price over the twenty trading days preceding the grant date, without any discount and after post-Demerger adjustments.
- Another stock option plan was set up on April 2, 2010 for two executive officers and the other members of the Executive Committee. These options are subject to a performance condition based on Accor's stock market performance compared with the CAC 40 index for 2010, 2011, 2012 and 2013 (see note 25 to the consolidated financial statements). Both the exercise price of the options and the performance condition were adjusted following the Demerger. The exercise price of €26.66 corresponds to the average opening Accor share price over the twenty trading days preceding the grant date, without any discount and after post-Demerger adjustments.
- On November 22, 2010, the Group granted stock options to five new senior executives, including one member of the Executive Committee. The exercise price of €30.49 corresponds to the average opening Accor share price over the twenty trading days preceding the grant date, without any discount.

These plans were authorized by shareholders at the Annual Meeting of May 13, 2008 (13th resolution) and are therefore not governed by Article L.225-186-1 of the French Commercial Code (3).

The 2010 stock options have an eight-year life and are exercisable as from the fifth year.

(1) Gilles Pélisson was Chairman and Chief Executive Officer until December 1, 2010 and then non-executive Chairman of the Board of Directors until January 15, 2011.

(2) Jacques Stern was Deputy Chief Executive Officer until June 29, 2010.

(3) This article, which corresponds to Article 22 of the Act of December 3, 2008 on job-related revenue, states that when a listed company decides to grant stock options or performance shares to executive officers ("mandataires sociaux" as defined in Articles L.225-185 para 4 and L.225-97-I-II, para. 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 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.

Table 5: Stock options granted to employees and executive officers

Date of Management Board or Board of Directors meeting		Total number of options: Number of options granted [1]	Total number of options: Of which to executive officers	Total number of options: Of which to the top ten employee grantees	Total number of grantees	Exercisable from	Expiry date	Exercise price [1] *(in euros)*	Options exercised in 2010	Total options exercised through December 31, 2010	Options cancelled [2]	Options outstanding at December 31, 2010
Stock option plans												
Plan 6	01/08/02	3, 438, 840	435, 000	290, 000	2, 032	01/08/05	01/08/10	37,77	13, 950	2, 134 ,604	1, 304, 236	-
Plan 8	01/03/2003	176,549	30,000	118,759	67	01/04/2006	01/03/2011	21.11	78,925	171,875	900	3,774
Plan 9	01/07/2004	1,990,332	364,060	201,388	1,517	01/08/2007	01/07/2012	23.66	613,967	930,506	67,203	992,623
Plan 11	01/12/2005	1,750,020	310,720	194,532	903	01/13/2009	01/12/2012	21.50	616,169	647,753	72,357	1,029,910
Plan 12	01/09/2006	1,840,601	377,000	444,860	191	01/10/2010	01/09/2013	30.60	4,977	4,977	31,600	1,804,024
Plan 13	03/24/2006	963,293	–	91,930	818	03/25/2010	03/24/2013	32.56	1,810	3,110	84,662	875,521
Plan 14	03/22/2007 [3]	2,183,901	94,250	192,270	958	03/23/2011	03/22/2014	45.52	–	–	142,181	2,041,720
Plan 15	05/14/2007 [4]	129,694	42,662	87,032	11	05/15/2011	05/14/2014	47.56	–	–	44,615 [5]	85,079
Plan 17	03/28/2008 [6]	2,080,442	94,250	303,108	1,022	03/29/2012	03/28/2015	30.81	–	–	96,945	1,983,497
Plan 18	09/30/2008 [7]	110,052	–	110,052	6	10/01/2012	09/30/2015	28.32	–	–	7,508	102,544
Plan 19	03/31/2009 [8]	1,429,456	131,950	190,008	1,138	04/01/2013	03/31/2017	18.20	–	–	78,471	1,350,985
Plan 20	04/02/2010 [9]	2,618,770	190,125	317,434	1,020	04/03/2014	04/02/2018	26.66	–	–	279,369 [10]	2,339,401
Plan 21	04/02/2010 [11]	153,478	63,375	90,103	10	04/03/2014	04/02/2018	26.66	–	–	16,25 [10]	137,228
Plan 22	11/22/2010 [12]	92,448	–	92,448	5	11/23/2014	11/22/2018	30.49	–	–	–	92,448
TOTAL OPTIONS		**18,957,876**								**3,892,825**	**2,226,297**	**12,838,754**
Stock savings warrants [13]												
Plan 10	07/09/2004	131,619			3,390	07/09/2007	07/09/2012	22.51	14,424	19,045	3,774	108,800
Plan 16	09/13/2007	2,139			40	09/13/2010	09/13/2015	40.08	–	–	–	2,139
TOTAL STOCK SAVINGS WARRANTS		**133,758**							**14,424**	**19,045**	**3,774**	**110,939**
TOTAL		**19,091,634**								**3,911,870**	**2,230,071**	**12,949,693** [14]

(1) After post-Demerger adjustments to all of the plans apart from Plan 6.
(2) Options cancelled due to grantees leaving the Group or because performance conditions were not met.
(3) Granted by the Chief Executive Officer pursuant to the Board authorization of March 6, 2007.
(4) Performance stock options.
(5) Options cancelled because performance conditions were only partly met in 2007, 2008, 2009 and 2010.
(6) Granted by the Chief Executive Officer pursuant to the Board authorization of February 26, 2008.
(7) Granted by the Chief Executive Officer pursuant to the Board authorization of August 27, 2008.
(8) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 24, 2009.
(9) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 23, 2010.
(10) The executives and other employees of Edenred may no longer exercise any options under Plans 20 and 21 as these two plans contain a provision that options are forfeited if the grantee leaves the Group before the exercise date.
(11) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 23, 2010.
(12) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of October 13, 2010.
(13) Granted in connection with Accor employee share issues.
(14) Representing 5.71% of the Company's share capital at December 31, 2010.

Gilles Pélisson, Chairman and Chief Executive Officer, was the only executive officer to be granted stock options in 2006, 2007 and 2008.

Gilles Pélisson, Chairman and Chief Executive Officer, and Jacques Stern, Deputy Chief Executive Officer, were the only executive officers to receive options under the 2009 plan and the April 2, 2010 plans.

No options were granted to executive officers under the November 22, 2010.

Executive officers and other members of the Executive Committee who receive stock options are banned by the Company from hedging the related equity risk.

The stock option plans were authorized by shareholders as follows:

- 1998 to 2001 plans: Shareholders' Meeting of January 7, 1997;
- 2002 and 2003 plans: Shareholders' Meeting of May 29, 2001;
- 2004 and 2005 plans: Shareholders' Meeting of May 20, 2003;
- 2006 and 2007 plans and March 28, 2008 plan: Shareholders' Meeting of January 9, 2006;
- September 30, 2008 plan and 2009 and 2010 plans: Shareholders' Meeting of May 13, 2008.

Under the terms of the May 13, 2008 shareholder authorization, the number of options granted may not be exercisable for shares representing more than 2.5% of the Company's share capital as of that date. This amount does not, however, include any additional options to be granted to protect the rights of existing grantees in the event that any corporate actions are carried out during the lock-up period, as specified in the 13th resolution of the May 13, 2008 Annual Shareholders' Meeting.

Table 6: Stock options granted to the Chairman and Chief Executive Officers and Deputy Chief Executive Officers in 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
Options granted during the year to the Chairman and Chief Executive Officer	Gilles Pélisson	04/02/2010	Options to purchase new shares	963,750 (1)	141,375 (2)	26.66 (2)	04/03/2014 to 04/02/2018
	Gilles Pélisson	04/02/2010	Options to purchase new shares subject to performance conditions	295,000 (3)	47,125 (2)	26.66 (2)	04/03/2014 to 04/02/2018
Options granted during the year to the Deputy Chief Executive Officer	Jacques Stern	04/02/2010	Options to purchase new shares	0 (4)	48,750 (4)	40.20 (4)	04/03/2014 to 04/02/2018
	Jacques Stern	04/02/2010	Options to purchase new shares subject to performance conditions	0 (4)	16,250 (4)	40.20 (4)	04/03/2014 to 04/02/2018
Options granted during the year to the Deputy Chief Executive Officer (5)	Yann Caillère	04/02/2010	Options to purchase new shares	462,600 (1)	67,860 (2)	26.66 (2)	04/03/2014 to 04/02/2018
	Yann Caillère	04/02/2010	Options to purchase new shares subject to performance conditions	141,600 (3)	22,620 (2)	26.66 (2)	04/03/2014 to 04/02/2018

(1) Stock options are measured at their theoretical value at the grant date using the Black & Scholes option pricing model, in accordance with the 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) After post-Demerger adjustments.

(3) Performance stock options are measured at the value of the options at the grant date calculated using the Monte-Carlo option pricing model (model used for valuing options with vesting conditions that are external market conditions) in accordance with the AFEP/MEDEF Corporate Governance Code, rather than at the value of the compensation received. These options are also forfeited if the grantee leaves the Group before the exercise date.

(4) As Jacques Stern left Accor on June 29, 2010 he may no longer exercise any options under Plans 20 and 21 set up on April 20, 2010 as these plans contain a provision that the options are forfeited if the grantee leaves the Group. Consequently, the number of options and the exercise price presented above were not adjusted following the Demerger.

(5) Yann Caillère was appointed Deputy Chief Executive Officer on August 25, 2010.

The 278,980 options granted to the above-mentioned executive officers in 2010 and which were still valid at the year-end represented 0.12% of the Company's capital at December 31, 2010.

Under the terms of the April 2, 2010 plan, the Chairman and Chief Executive Officer will be required to hold registered shares representing at least 40% of the net capital gain on the exercised options until he leaves the Accor Group. Yann Caillère (appointed Deputy Chief Executive Officer on August 25, 2010 and subsequently President and Chief Operating Officer on January 25, 2011) will be required to hold registered shares representing at least 25% of the net capital gain until he leaves the Group.

Acting on the recommendation of the Compensation, Appointments and Corporate Governance Committee, the Board of Directors decided not to apply the recommendations in the AFEP/MEDEF Corporate Governance Code, and to only apply a performance condition to 25% of the total options granted to executive officers under the 2010 plans. This decision was taken because the Board considers that Accor's stock market performance in itself constitutes a condition for determining whether the options will be exercised.

During his term of office as Deputy Chief Executive Officer in 2010, Jacques Stern exercised 10,000 stock options under the January 12, 2005 plan and subsequently sold the resulting 10,000 shares issued to him.

No other stock options were exercised by Accor's executive officers in 2010.

Table 7: Stock options granted to and exercised by the top ten employee grantees other than executive officers during 2010

	Number of options	Average exercise price *(in euros)*
Options granted in 2010 to the ten employees other than executive officers who received the largest number of options	373,984 (1)	27.77
Options exercised in 2010 by the ten employees other than executive officers who exercised the largest number of options	702,792 (2)	22.78

(1) Including 249,574 options granted under the April 2, 2010 plan, 64,090 performance stock options granted under the April 2, 2010 plan and 60,320 options granted under the November 22, 2010 plan.

(2) Including 10,000 options granted under the January 8, 2002 plan, 57,757 under the January 3, 2003 plan, 352,712 under the January 7, 2004 plan and 282,323 under the January 12, 2005 plan.

Performance share plans

Accor did not issue any performance shares in 2010.

Table 8: Performance shares granted to executive officers and other employees

Date of Board of Directors' meeting	Total number of shares: Number of shares granted	Of which to executive officers	Of which to the top ten grantees other than executive officers	Number of shares cancelled [1]	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 conditions
Performance share plans										
05/14/2007	56,171	7,813	15,938	6,367	102	05/14/2009	05/14/2011	49,459	345 [2]	ROCE and recurring operating profit after tax [3]
03/28/2008 [4]	107,034	15,625	33,625	80,868 [5]	92	03/28/2010	03/28/2012	26,166		ROCE and recurring operating profit after tax [3]
03/31/2009 [6]	300,383 [7]	27,432	39,501	168,697 [8]	1,138	03/31/2011 or 03/31/2013 [9]	03/31/2013	–		Accor Hospitality ROCE, Accor Services revenue and consolidated recurring operating profit after tax [3]
TOTAL SHARES	**463,588**			**255,932**						

(1) Shares cancelled due to grantees leaving the Group or performance conditions not being met.
(2) Shares sold following the grantee's death.
(3) Recurring operating profit after tax = profit before tax and non-recurring items, less tax on recurring items and minority interests.
(4) Granted by the Chief Executive Officer pursuant to the Board authorization of February 26, 2008.
(5) Of which 78,368 shares cancelled because the performance conditions were only partly met.
(6) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 24, 2009.
(7) After post-Demerger adjustments.
(8) Of which 151,254 shares cancelled because the performance conditions were only partly met.
(9) In some countries, the vesting period is four years.

Table 9: Performance shares granted to executive officers in 2010

Accor did not issue any performance shares in 2010.

Gilles Pélisson, Chairman and Chief Executive Officer, was the only executive officer to be granted performance shares under the 2007 and 2008 plans.

Gilles Pélisson, Chairman and Chief Executive Officer, and Jacques Stern, Deputy Chief Executive Officer, were the only executive officers to receive performance shares under the 2009 plan.

The performance share plans were approved by shareholders as follows:

- 2007 and 2008 plans: Shareholders' Meeting of January 9, 2006;
- 2009 plan: Shareholders' Meeting of May 13, 2008.

Under the terms of the May 13, 2008 shareholder authorization, the number of performance shares granted may not represent more than 0.5% of the Company's share capital as of that date. This amount does not, however, include any additional shares to be granted to protect the rights of existing grantees in the event that any corporate actions are carried out during the lock-up period, as specified in the 15th resolution of the May 13, 2008 Annual Shareholders' Meeting.

Executive officers and other members of the Executive Committee who receive performance shares are banned by the Company from hedging the related equity risk.

Table 10: Changes in 2010 in the status of performance shares granted to the Chairman and Chief Executive Officers and Deputy Chief Executive Officers

	Grantee	Grant date	Number of shares granted	Vesting date	End of lock-up period	Number of vested shares at March 31, 2011 subject to lock-up	Number of vested shares no longer subject to lock-up
Performance shares granted to the Chairman and Chief Executive Officer that vested at March 31, 2011 but which are subject to lock-up, and shares for which the lock up period ended in 2010 (2)	Gilles Pélisson	15/04/2007	7,813	15/04/2009	15/04/2011	7,325	None
		03/28/2008	15,625	03/28/2010	03/28/2012	3,907	None
		03/31/2009	19,594 (1)	03/31/2011	03/31/2013	9,131	None
Performance shares granted to the Deputy Chief Executive Officer that vested at March 31, 2011 but which are subject to lock-up, and shares for which the lock up period ended in 2010 (3)	Jacques Stern	05/14/2007	2,500	05/14/2009	05/14/2011	2,344	None
		03/28/2008	5,625	03/28/2010	03/28/2012	1,407	None
		03/31/2009	7,838 (1)	03/31/2011	03/31/2013	3,653	None
Performance shares granted to the Deputy Chief Executive Officer that vested at March 31, 2011 but which are subject to lock-up, and shares for which the lock up period ended in 2010 (4)	Yann Caillère	05/14/2007	2,500	05/14/2009	05/14/2011	2,344	None
		03/28/2008	6,250	03/28/2010	03/28/2012	1,563	None
		03/31/2009	8,621 (1)	03/31/2011	03/31/2013	4,017	None

(1) After post-Demerger adjustments.

(2) Gilles Pélisson was Chairman and Chief Executive Officer until December 1, 2010 and then non-executive Chairman of the Board of Directors until January 15, 2011.

(3) Jacques Stern was Deputy Chief Executive Officer until June 29, 2010.

(4) Yann Caillère was appointed Deputy Chief Executive Officer on August 25, 2010.

Share equivalents

Employee stock options

At December 31, 2010, a total of 12,949,693 stock options were outstanding.

Exercise of all of these options would lead to the issuance of 12,949,693 shares representing 5.71% of the Company's capital at December 31, 2010.

At the time of the July 19, 2007 employee share issue, due to local tax reasons employees of Accor subsidiaries in Germany, Cameroon and Chad were granted stock savings warrants in place of the 18.9% discount offered to other Group employees. A total of 30,372 stock savings warrants were issued and allocated to Compartment 2 of the "Accor en Actions Levier International 2007" corporate mutual fund. The warrants are exercisable at any time until July 19, 2012 at a price of €45.50 per share and entitle all of their holders to an aggregate 45,801 Accor shares.

Discretionary and non-discretionary employee profit-sharing agreements

Non-discretionary profit-sharing

In France, a Group-level non-discretionary profit-sharing agreement has been negotiated with employee representatives and applies to Accor and its French subsidiaries that are at least 50%-owned, irrespective of the number of employees in the company.

The agreement enables employees with more than three months' seniority to receive profit-shares based on the results of all of the subsidiaries covered by the program.

Sums are paid into a special profit-sharing reserve, calculated by applying a standard legal formula to the profits of each company that falls within the scope of application of the profit-sharing agreement, as follows:

Special profit-sharing reserve = 1/2 x (net profit – 5% of equity) x (salaries/value added)

Based on this formula, a gross amount of €6.3 million was allocated to the profit-sharing reserve for 2009 (paid in 2010).

Amounts allocated to the special profit-sharing reserve in previous years were:

- €18.6 million for 2008 (paid in 2009);
- €13 million for 2007 (paid in 2008).

The total amount of the reserve is allocated between all of the employee beneficiaries in proportion to their individual salary for the reference year, which is capped by agreement at double the amount of the ceiling for French social security contributions, set at December 31 of the reference year.

In compliance with the French Act of December 3, 2008 in favor of working income, in 2009 the five-year lock-up period on amounts allocated to employee profit-shares became optional rather than compulsory. Consequently, nearly 44% of beneficiaries have requested the immediate payment of all or part of their profit-share. Where such a request is not made, the amounts allocated to the profit-sharing reserve are invested in corporate mutual funds and locked up for a period of five years in order to qualify for tax and social security exemptions.

Discretionary profit-sharing

Due to the Group's organization structure and compensation policy, a large number of discretionary profit-sharing agreements have been negotiated at the level of Accor SA, its subsidiaries and the operating units.

These profit-shares are determined based on whether the subsidiary or unit concerned meets or exceeds its profit targets. In the case of Accor SA, the amount is dependent partly on meeting objectives for reducing support costs and partly on achieving EBIT targets.

The calculation method is based on quantitative criteria specified in each agreement. The amounts vary from year to year and are capped.

Discretionary profit-sharing agreements are negotiated with works councils or union representatives.

Transactions involving Accor SA shares

Schedule of transactions involving shares of the Company carried out during the past fiscal year, within the meaning of Article L.621-18-2 of the French Monetary and Financial Code

Person concerned	Transaction	Number of shares
Jacques Stern	Share sale	20,000
Jacques Stern	Purchase of new shares	10,000
Jacques Stern	Share purchase	2,000
Michael Flaxman	Share sale	20,000
Michael Flaxman	Exercise of stock options	25,335

2.3. Risk Management

2.3.1. SECURITY AND RISK MANAGEMENT STRATEGY

Accor is exposed to various risks and uncertainties as a result of its international presence and may have to manage crisis situations such as health scares, environmental disasters or geopolitical disruption. Our policies are guided by an assertive security and risk management strategy focused on protecting customers, employees and sub-contractors on every site.

This strategy, which is deployed by the Corporate Security and Risk Management Departments and overseen by the Corporate Secretary, is underpinned by a global network of correspondents, close working relationships with local authorities and the expertise of specialists. It forms part of a continuously improved, pro-active process comprising four key components: **risk identification, tracking and analysis, training and awareness building, and crisis management**.

Risk identification

The Risk Management Department has put in place a risk identification process covering every host country and the corporate head office. An analysis is performed once a year in every country organization or subsidiary, with findings reported to the Risk Management Department, which confirms that the identified risks are covered.

The Group has a Risk Prevention Committee based at the head office and reporting to the Corporate Secretary. Its roles and responsibilities are described on page 94 in the Report of the Chairman of the Board of Directors on internal control procedures.

Tracking and analysis

The security and safety situation in terms of geopolitical, health, weather, social and other risks is tracked daily by the Security and Risk Management Departments in conjunction with their local counterparts in every host country.

Employees on temporary or long-term assignments in a given country or region may consult regularly updated security and health advisories on the Risk Management Intranet site. In addition, a guide has been prepared for employees in French and English containing safety recommendations and advice for business travel.

Training and awareness building

Security and crisis management training programs are regularly offered to senior management teams and other employees. As in previous years, several of these programs were organized in 2010 for hotel managers and local head office staff in Italy, Turkey, Russia, Austria, South Africa, Brazil, Argentina, Chile, Peru and Colombia.

Crisis management

Crisis management teams set up in every country organization and each unit provide effective liaison between the local head offices and Group management. Several of these teams were activated in 2010, including:

- in Thailand, following severe flooding in the southern part of the country and political protests in Bangkok;
- in Brazil, in the aftermath of the earthquake in Chile;
- at corporate headquarters due to the volcanic eruption in Iceland.

2.3.2. RISK FACTORS

Operational risks

Accor is not subject to any specific legislation that could have a major impact on its operations. In addition, it is not technically or commercially dependent on any suppliers, subcontractors, customers or other third parties. However, the Group's operating presence in a large number of countries exposes it to geopolitical, terrorism, natural disaster, public health and other security risks, although the scale of any consequences arising from such risks is reduced by the fact that our business activities are by nature widely dispersed around the globe.

- risks relating to geopolitical factors, malicious damage and terrorist threats: A dedicated organization has been set up and technical documents prepared to define and implement a tighter security strategy to effectively safeguard employees and guests against the main threats against Accor establishments;
- public health risks: Accor continuously monitors any public health risks that could adversely affect its business by causing a reduction in occupancy rates at its hotels. In response to the risk of pandemics, annual updated business continuity plans are in place to ensure the health and safety of customers and employees and the continuity of our hotel operations;
- risks relating to business continuity: Other business continuity plans have been prepared at hotel, region, country or head office level for other types of potential risks, such as the risk of a major flood in the Paris area;
- risks of damage to our brand image: Accor could be faced with a major media event capable of damaging its brand image. For example, a health and/or safety incident, a supplier's practices or accusations of abetting sexual tourism (1) could lead to a smear campaign against the Group. In response, tracking tools have been deployed to detect early warning signs and dedicated crisis management and communication procedures are ready to be activated should an event occur;
- risks relating to information systems: Group information systems may be subject to attacks, such as viruses and denial-of-service attacks, as well as data theft and technical failures causing system shutdown. The Information Systems Security Department is tasked with securing all of our networks and systems and managing our business continuity applications. It also regularly performs intrusion tests on all of our applications assets. In addition, the Internal Audit Department has a team of auditors dedicated to information systems.

Environmental risks

Potential environmental risks in the Hotels business mainly concern the storage of gas and fuel oil in or near hotels, the malfunction of transformers containing PCBs (polychlorinated biphenyls), spillage of cleaning products and contamination from cooling towers.

The majority of Accor's hotels is located in Europe and are subject to EU directives in the following main areas:

- environmental responsibility;
- energy efficiency of buildings;
- waste management, including non-hazardous waste (particularly packaging), electrical and electronic equipment, and hazardous waste (particularly batteries and compact fluorescent light bulbs);
- management of cooling fluids;
- management of chemical substances (compliance with the REACH directive).

In France, certain installations are covered by regulations relating to facilities listed for environmental protection purposes and must therefore be registered in accordance with the relevant procedures.

To mitigate the possibility of the above risks occurring, prevention policies have been deployed, based on:

- software tool SET to measure compliance with safety Environmental and Technical regulations described in the environmental section of this Registration Document, on page 49;
- three environmental certification programs – ISO 14001, EarthCheck and Green Key Eco-rating – as described in the environmental section of this Registration Document, on page 38;
- specific procedures implemented by the country organizations.

Overall, the Group's exposure to environmental risks in the Hotels business is not material and therefore no specific provisions have been set aside. However, environmental inspections are performed during on-site visits by specialists from our insurance companies. Furthermore, the Group's international operating presence means that it is more likely to be exposed to external environmental risks, such as industrial accidents and oil spills, than to be the source of environmental risks itself.

Lastly, exogenous risks – which mainly arise when hotels are located near industrial sites or airports – are identified and taken into account during on-site visits by fire insurance specialists.

(1) Employees in countries at risk are trained to detect and prevent cases of sexual tourism involving minors in hotels.

Legal risks, litigation and arbitration procedures

As Accor operates on a global scale, no specific regulations are applicable across all of its businesses. Accor SA and its subsidiaries are subject to local legislation and regulations, in particular national regulations applicable to public access buildings.

Like all hotel operators, the Group is currently engaged in talks with the public authorities in certain countries concerning the implementation of disabled access regulations. This issue has long been addressed and most Accor hotels already have wheelchair-friendly rooms, but further expenditure may be required in the coming years to enhance hotel accessibility.

Information concerning claims, litigation and arbitration procedures that could have, or have had in the recent past, a material effect on the Group's financial position, business or results of operations is provided in note 39 to the consolidated financial statements. To the best of the Company's knowledge, during the last 12 months there have been no governmental, legal or arbitration proceedings (including any pending or threatened proceedings of which the Company is aware) which may have, or have had in the recent past, a material effect on the financial position or profitability of the Company and/or the Group.

Liabilities are recognized and provided for in accordance with the applicable accounting standards (see note 1 to the consolidated financial statements, page 133).

Provisions for claims and litigation are recorded on receipt of a summons, and are determined based on an assessment of the related risk carried out jointly with the Group's external advisers. Details of these provisions are presented in note 33 to the consolidated financial statements on page 208.

Accor has not given any material commitments under shareholder agreements except as explained in note 40 to the consolidated financial statements on page 224.

Financial risks

In its business operations, Accor is exposed to differing degrees of liquidity, counterparty, 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, which reports directly to the Chief Financial Officer, who is a member of the Executive Committee.

Liquidity risk

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 the Group 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 29E to the consolidated financial statements, page 197). At December 31, 2010, Accor had access to €1,980 million in undrawn long-term confirmed facilities. Of this amount, €1,700 million expire in June 2012, €100 million in October 2012 and the remaining €180 million in July and August 2013.

In addition, Accor has €1,059 million in cash investments with an average maturity of four months that can be converted into liquidity at any time (see note 29E to the consolidated financial statements, page 197). These investments consist mainly of term deposits and negotiable debt securities issued by leading financial institutions.

Consequently, at December 31, 2010, Accor had a total of €3,960 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.

No significant borrowings mature in 2011 or 2012, as the bonds issued in 2009 are redeemable between 2013 and 2017 (see note 29B to the consolidated financial statements, page 195). Furthermore, Accor is not subject to any restrictions on the use of its capital that could significantly impact its operations.

In light of the above, the Group is not exposed to any liquidity risk.

The maturities of the Group's financial assets and liabilities were as follows at December 31, 2010:

	Within one year	Between one and three years	Beyond three years	Total
Bonds	–	447	714	1,161
Bank and other borrowings	92	423	102	617
Finance lease liabilities	7	22	71	100
Derivatives	23	–	–	23
Bank overdrafts and other	83	4	–	87
FINANCIAL LIABILITIES	**205**	**896**	**887**	**1,988**
Marketable securities	(1,059)	–	–	(1,059)
Other current financial assets	(199)	–	–	(199)
CURRENT FINANCIAL ASSETS	**(1,258)**	**–**	**–**	**(1,258)**
NET DEBT	**(1,053)**	**896**	**887**	**730**

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 €1,778 million, a total of €1,161 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.

Accor's ratings assigned by Standard & Poor's and Fitch Ratings are as follows:

Rating agency	Long-term debt	Short-term debt	Most recent rating update	Outlook	Most recent update to the outlook
Standard & Poor's	BBB-	A-3	Oct. 10, 2010	CreditWatch Negative	Oct. 10, 2010
Fitch Ratings	BBB-	F3	Sept. 30, 2010	Negative	Sept. 30, 2010

In the second half of 2010, Standard & Poor's affirmed its BBB- rating and placed Accor on CreditWatch with negative implications. Fitch also affirmed its BBB- rating but changed its outlook from stable to negative.

Counterparty and country risk

Exposure to counterparty risk relating to trade receivables and payables is not material due to the breadth and geographic diversity of our customer and supplier base. Counterparty risk does, however, arise in relation to financial transactions. This risk is limited by:

- carrying out transactions only with leading counterparties and factoring in country risks;
- diversifying the portfolio of counterparties;
- setting credit ceilings per counterparty;
- 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. Eighty-five percent of cash investments are made in France with leading banks.

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. Software applications (GTM and Microlis) are used to monitor the breakdown of debt between fixed and floating rate and by currency, as well as to generate reporting schedules, with integrated online access to Reuters and Bloomberg databases.

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 29C to the consolidated financial statements, page 196).

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 €307 million respectively at December 31, 2010. All of these futures expire in 2011.

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 gross debt is denominated in euros, with 78% at fixed rates and 22% at floating rates. The average maturity of fixed-rate debt is 3.4 years. An analysis of the Group's exposure to interest rate risks before and after hedging is provided in note 29C to the consolidated financial statements on page 196. 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. In view of their average four-month maturity, cash investments are at variable rates.

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, 2010, of which €352 million corresponded to fixed-rate swaps where the Group is the euro borrower, which expire in 2013.

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.

Guarantees and collateral

Collateral for Accor SA borrowings is not material. It is not the Group's policy to give collateral to lenders, although under certain leases it may be required to grant a lien on the business (*nantissements de fonds de commerce*). Details of pledged and mortgaged assets are provided in note 40 to the consolidated financial statements on page 224.

Insurance - risk coverage

Accor's risks are spread across a very wide number of locations throughout the world, which protects it to a large degree against high-severity incidents. One Group site has been identified as representing the maximum possible property and casualty loss. As the maximum possible loss for liability insurance is more difficult to estimate, industry practices have been used, taking into account the fact that hotels are sometimes located in larger property complexes.

The majority of risks are covered *via* a global insurance program that comprises comprehensive policies (subject to named exclusions) covering property and casualty, business interruption and liability risks. In line with the Group's strategy validated by the Executive Committee, this program is being extended wherever possible under local laws and regulations.

When the insurance tender process was launched in 2006, the Group was able to negotiate favorable long-term programs that have since protected it against subsequent tighter conditions in the insurance market.

Based on the Group's maximum possible loss estimates, industry practices and claims experience, the maximum per claim coverage has been set at €300 million for property and casualty claims and €500 million for liability claims.

Protection against natural disaster is a particular priority and special terms have been negotiated on a country-by-country basis wherever possible in the local insurance markets. Similarly, specific coverage has been taken out for terrorism risks and is renewed each year for countries where local insurance pools are not available.

All recurring property and casualty and liability risks covered by the Group's global insurance program are self-insured through a captive insurance company with all units sharing the related costs. These risks are reinsured in the market in order to limit the Group's commitments and avoid using up the captive's funds. However, since the program was set up, the captive has never had to draw on its reinsurance policies. The rarest risks – but of higher severity – are covered by leading international insurers and reinsurers.

Local insurance programs have been set up in certain countries or regions, such as the United States, Poland, Brazil, China and India. The US program was developed to take advantage of favorable local insurance market conditions for the types of risks involved, with cover encompassing business interruption, property and casualty and liability risks. The Polish program was also set up to benefit from particularly competitive rates in the local market.

The Brazilian and Chinese programs were implemented to comply with local insurance regulations. In both cases, the applicable conditions are reviewed annually to ensure that they are closely aligned with the general insurance conditions applicable to the Group as a whole. The Group's captive insurance company is not involved in these local programs. Following liberalization of the insurance market in India, third-party liability risk for that country is now covered in the Group's insurance programs.

As the Group has not suffered any major uninsured losses, it deems that its insurance coverage is adequate. The same is true for its self-insurance system, as it has not suffered any high-severity losses.

The Group, its insurers and independent loss prevention experts perform regular audits and appraisals of insurable risks, to reduce risk exposure and ensure that risks are adequately covered on a cost-effective basis, taking into account conditions in the insurance and reinsurance markets. Changes in market insurance rates are closely monitored and, where appropriate, risks are self-insured in order to limit the insurance costs incurred by the various businesses and avoid sharp fluctuations in these costs. In addition, the roll-out of a centralized risk management system begun in 2007 and completed in 2008 has enabled the Group to more closely track its loss experience, allowing the Underwriting Department to take swift measures to reduce the related risk exposure.

The amount paid in insurance premiums in 2010 represented approximately 0.39% of consolidated revenue for the year.

Other forms of global insurance, such as for construction-related risks and IT fraud, are also set up centrally in order to optimize insurance costs and ensure the quality of purchased coverage.

Before the current insurance programs expired at end-2010, a new tender process was launched that enabled the Group to take advantage of the competitive insurance market and align its coverage with the recent shift in its business model, particularly in terms of hotel ownership structures.

2.3.3. SENSITIVITY ANALYSIS

Based on reported 2010 data, sensitivity analyses have been performed to measure the impact on EBIT of any changes in (i) RevPAR (revenue per available room, as calculated by multiplying the occupancy rate by the average room rate) and (ii) the euro exchange rate against the main operating currencies. A sensitivity analysis has also been conducted to assess the impact on operating profit before tax and non-recurring items of fluctuations in interest rates.

Sensitivity to RevPAR

A one % change in RevPAR would impact EBIT [(1)] as follows:

Sensitivity to RevPAR

1% decline in RevPAR	Upscale and Midscale	Economy outside the US	US Economy	Total
Impact on EBIT	€(14.3) million	€(7.6) million	€(3.1) million	€(25.0) million

Sensitivity to RevPAR

1% increase in RevPAR	Upscale and Midscale	Economy outside the US	US Economy	Total
Impact on EBIT	€11.2 million	€6.3 million	€2.9 million	€20.4 million

In absolute value terms, a 1% decline in RevPAR has a larger impact on EBIT [(1)] than a 1% increase.

Any 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 EBIT [(1)]. 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 EBIT [(1)]. The flow-through ratio [(2)] for a 1% increase in RevPAR resulting from higher average room rates is higher than the flow-through ratio [(2)] for a 1% increase in RevPAR resulting from higher occupancy rates.

Sensitivity to exchange rates

A 10% increase or decrease in exchange rates would have the following impact on EBIT [(1)]:

Sensitivity to exchange rates

Currency		Impact of a 10% increase/decrease in exchange rates
GBP	United Kingdom	€3.7 million
AUD	Australia	€2.4 million
BRL	Brazil	€1.7 million
USD	United States	€0.3 million

Sensitivity to interest rates

A 50-basis point decrease in interest rates would feed through to a €3.7-million reduction in interest expense, and therefore a corresponding €3.7-million increase in consolidated operating profit before tax and non-recurring items.

(1) Earning before interest and tax.

(2) The flow-through ratio, which is used when revenue goes up, corresponds to the change in like-for-like EBITDAR/the change in like-for-like revenue.

2.4. Report of the Chairman of the Board of Directors

to the Annual Shareholders' Meeting on the preparation and organization of Board of Directors' meetings and internal control procedures (prepared in application of Article L.225-37 of the French Commercial Code)

This report was approved by the Board of Directors at its meeting on March 24, 2011. It was prepared in accordance with the July 2010 revised version of the Reference Framework for Risk Management and Internal Control Systems issued by the Working Group set up by French securities regulator, *Autorité des Marchés Financiers*. The following description of the Company's internal control procedures is based on the structure set out in said Reference Framework.

1. PREPARATION AND ORGANIZATION OF BOARD OF DIRECTORS' MEETINGS

Accor bases its practices on the Corporate Governance Code applicable to listed companies published by the AFEP and MEDEF, except for the recommendations that (i) executive directors terminate their employment contract with the company, which was waived in the case of Gilles Pélisson, and (ii) that performance conditions be attached to all stock options granted to executive directors, with only 25% of options subject to such conditions. The reasons for these exceptions are explained in detail in the Interest and Compensation section, page 78 and 83, above.

The Corporate Governance Code is available from the AFEP/MEDEF or from the Company head office.

The preparation and organization of meetings of the Board of Directors are governed by the laws and regulations applicable to public limited companies (*sociétés anonymes*) and the Company's Bylaws, as well as by the Board of Directors Bylaws, which are provided in this Registration Document and also describe the procedures of the Board committees.

Details concerning membership of the Board of Directors and the criteria used to establish directors' independence are set out in the "Directors and Corporate Officers" and "Governance Structures" sections of this Registration Document.

Each Board member is required to comply with the Board of Directors Code of Conduct, which is also included in this Registration Document.

Effective February 22, 2011, the Board of Directors comprises three women [(1)] and eight men, so that women account for 27% of directors, in accordance with French Act of January 27, 2011. Its membership therefore complies with prevailing legislation and the recommendations of the AFEP/MEDEF Corporate Governance Code concerning gender parity.

The Board met nine times in 2010. The notices of meeting together with the agenda were sent to all the members by e-mail, generally one week before the meeting date. In the period between two meetings, members were kept regularly informed of significant events and transactions involving the Company and were sent copies of all press releases issued by the Company. In addition, Accor's independent directors held one meeting during the year.

Each ordinary Board meeting lasted four hours on average and special meetings convened to discuss specific matters lasted an average of two hours. The attendance rate was around 96%.

During its meetings, the Board performed the duties required of it by law and the Company's Bylaws. In addition, it was informed by the Chairman and Deputy Chief Executive Officer and the President and Chief Operating Officer – as well as in some cases by other senior executives concerned – of numerous significant achievements and projects relating to Accor's business.

The first self-assessment of the Board's performance was carried out in 2007. In view of the considerable changes in its membership in 2009 and 2010, the Board decided not to perform a further self-assessment during those two years but plans to carry out such an assessment in 2011.

Board discussions and decisions in certain areas are prepared by specialist Board Committees made up of directors appointed by the Board for the duration of their term as director. These Committees

(1) Subject to ratification of the appointment of Mercedes Erra by shareholders at the shareholder's Meeting on May 30, 2011.

examine matters falling within their terms of reference, as well as any matters referred to them for consideration by the Chairman and Chief Executive Officer. They report regularly to the Board on their work, and provide the Board with their observations, opinions, proposals and recommendations.

To assist them in their work, the Board Committees may commission technical reports from Company management or external consultants. In both cases, the Chairman and Chief Executive Officer is notified in advance. The Committees may also arrange meetings with members of management responsible for the areas under review, including without any executive directors necessarily being present. In this case also, the Chairman and Chief Executive Officer is informed in advance.

There are three standing Board Committees:

- the Audit & Risks Committee;
- the Commitments Committee;
- the Compensation, Appointments & Corporate Governance Committee.

The Board of Directors may also set up one or more special Committees.

Each Committee is chaired by one of its members, designated by the Board.

The Committee Chairman appoints a person who may or may not be a Committee member to act as secretary.

The Chairman of each Committee may ask for the Committee to be consulted on any matters falling within its terms of reference that have not been referred to it.

Each Committee is required to periodically review its rules of procedure and propose to the Board any changes that are considered necessary.

The Board Committees do not have any decision-making authority.

The **Audit & Risks Committee** met six times in 2010. During these meetings, it prepared the Board's review and discussion of the annual financial statements, in accordance with its terms of reference as set out in the Board's Bylaws. Meetings of the Audit & Risks Committee are also attended by the Chairman and Chief Executive Officer, the President and Chief Operating Officer, the Statutory Auditors, and when appropriate, the Corporate Secretary, the Vice President, Internal Audit and the Vice President, Risk Management.

The Audit & Risks Committee has between three and five members, all of whom have the necessary technical knowledge to fulfill the Committee's duties. The majority of the Committee's members, including its Chairman, must be independent directors.

The **Compensation, Appointments & Corporate Governance Committee** met seven times in 2010. During these meetings, the Committee drafted proposals to the Board concerning the compensation packages of executive directors, in accordance with its terms of reference as set out in the Board's Bylaws. It also reviewed the terms of the April 2, 2010 and November 22, 2010 stock option plans. In accordance with French Act no. 2006-1770 of December 30, 2006 on profit-sharing and employee stock ownership, the principles and rules applied by the Board of Directors for determining the compensation and benefits payable to executive directors are described in the "Management Compensation" section of this Registration Document. As well as describing the policy for determining executive directors' compensation and directors' fees, this section provides details of transactions in the Company's shares, and directors' and employees' interests in the Company's capital (through stock option plans, performance share plans and non-discretionary and discretionary profit-sharing programs).

The Compensation, Appointments & Corporate Governance Committee comprises three to five members, the majority of whom must be directors qualified as independent by the Board of Directors. It is chaired by an independent director.

The **Commitments Committee** met four times in 2010. This Committee is responsible for preparing Board meetings and making recommendations to the Board on the following matters:

- any and all transactions that may have a material impact on the Group's business base;
- any proposed asset sales, purchases, or other investments that are (i) carried out in the normal course of business (i.e. related to the Hotels business) and represent a price or enterprise value in excess of €300 million, including transactions involving the Group's major hotel banners; or (ii) not carried out in the normal course of business and represent price or enterprise value in excess of €100 million. Transactions carried out in the normal course of business are defined as the construction of new hotels or the purchase or sale of individual hotels;
- any mergers or demergers or asset transfers;
- any amendments to the Company's corporate purpose.

The Commitments Committee may have up to five members. Meetings of the Committee may be called at any time, in writing or verbally, by the Committee Chairman or the Chairman and Chief Executive Officer.

Calls to Board Committee meetings are issued by the Committee Chairman and include the meeting agenda.

The attendance rate at meetings of all of these Committees was around 77% in 2010.

2. CONDITIONS AND PROCEDURES FOR ATTENDING SHAREHOLDERS' MEETINGS

In accordance with the law, the applicable conditions and procedures for attending Shareholders' Meetings are set out in the Company's Bylaws. They concern admittance conditions (Article 24 of the Bylaws), organization of the Meetings (Article 25), and disclosure thresholds relating to shareholders' interests in the Company's capital and voting rights (Article 9).

3. RESTRICTIONS ON THE POWERS OF THE CHIEF EXECUTIVE OFFICER

At its meeting of November 2, 2010 the Board of Directors decided to terminate Gilles Pélisson's position as Chairman and Chief Executive Officer and appointed Denis Hennequin to the role of Chief Executive Officer as from December 1, 2010. Gilles Pélisson continued to serve as non-executive Chairman of the Board of Directors until January 15, 2011 when Denis Hennequin took over his chairmanship duties and became Chairman and Chief Executive Officer of Accor.

The Board of Directors deals with all matters falling within the powers vested in it under the applicable laws and regulations.

In addition, the Board of Directors is responsible for:

a) approving the annual budget and the business plan presented by the Chairman and Chief Executive Officer and the President and Chief Operating Officer;

b) reviewing and approving the Group's overall strategy, at least once a year, in accordance with the Board's Bylaws;

c) authorizing the following decisions of the Chairman and Chief Executive Officer and the President and Chief Operating Officer prior to their implementation:

- any and all immediate or deferred financial commitments representing more than €100 million per transaction. "Financial commitments" are defined as:
  - any and all acquisitions or disposals of assets and majority or minority interests in other companies; in the latter case, the amount of the commitment is determined by reference to the entity's enterprise value,
  - any and all direct investments, for example for the creation of a business, the construction, refurbishment or extension of a hotel property, or expenditure on technological developments,
  - lease commitments, measured on the basis of the market value of the leased asset,
  - hotel management contracts with a guaranteed minimum fee,
  - any and all loans to entities in which the Company or one of its subsidiaries does not hold the majority of the shares and voting rights, and any and all commitments to participate in share issues by such entities,
- any and all transactions that may impact the Group's strategy or lead to a material change in the Group's business base (mainly entry into a new business or withdrawal from an existing business), whatever the amount of the commitment,
- any credit facilities obtained from a single bank or a banking pool, on one or more occasions, representing more than €2 billion or with a term of more than 15 years (irrespective of the amount). For credit facilities representing less than €2 billion, the Chairman and Chief Executive Officer is required to notify the Board of Directors once the facility has been set up. The Board's prior approval is not required for borrowings due in less than one year,
- any transaction involving the Company's shares carried out in application of Article L.225-209 of the French Commercial Code which exceeds one million shares (with a cap of two million shares per year);

d) authorizing the Chairman and Chief Executive Officer to issue guarantees, bonds and endorsements in the Company's name, up to a cumulative amount of €1 billion per year. In accordance with the Company's Bylaws, any such authorizations may be given for a period of one year. The Chief Executive Officer is required to report to the Board of Directors each year on the amount and nature of guarantees, bonds and endorsements issued under the authorization;

e) discussing and deciding on any proposed changes to the Group's management structure and reviewing information about the main organizational changes.

4. INTERNAL CONTROL PROCEDURES

4.1. Internal control objectives

The Group applies the internationally recognized definition of internal control formulated by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). According to this definition, internal control is a process, effected by an entity's Board of Directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- effectiveness and efficiency of operations;
- reliability of financial reporting;
- compliance with applicable laws and regulations.

This definition complies with that set out in the Reference Framework for Risk Management and Internal Control Systems issued by the AMF, which states:

"Internal control is a company's system, defined and implemented under its responsibility, which aims to ensure that:

- *laws and regulations are complied with;*
- *the instructions and directional guidelines fixed by Executive Management or the Management Board are applied;*
- *the company's internal processes are functioning correctly, particularly those implicating the security of its assets;*
- *financial reporting is reliable;*

and generally, contributes to the control over its activities, to the efficiency of its operations and to the efficient utilization of its resources.

By helping to anticipate and control the risks involved in not meeting the objectives the company has set for itself, the internal control system plays a key role in conducting and monitoring its various activities.

However, internal control cannot provide an absolute guarantee that the company's objectives will be met".

One of the objectives of the internal control system is therefore to anticipate and control the risks arising in the course of the Company's business, as well as the risk of errors or fraud, particularly in the areas of accounting and finance. However, as stated in the AMF's Reference Framework, internal control procedures cannot provide an absolute guarantee that the Company's objectives will be achieved, no matter how well the system is designed or how well the procedures are applied.

The following description of the Company's internal control systems was prepared based on the aforementioned Reference Framework and its application guide.

4.2. Summary description of internal control procedures

The internal control system described below covers the parent company and all of its consolidated subsidiaries.

4.2.1. Overall organization of the internal control system

4.2.1.1. Main participants

Internal control procedures are part of the policies defined by the Board of Directors and are implemented under the direct responsibility of the heads of the operating divisions and corporate functions. Internal control is everyone's responsibility, from corporate officers to front-line employees.

The main structures responsible for overseeing the internal control system are as follows:

Executive Management

In accordance with the law and the Company's Bylaws, the Chairman and Chief Executive Officer represents the Company in its dealings with third parties and has the broadest powers to act on behalf of the Company in all circumstances. The situations where exercise of the Chairman and Chief Executive Officer's powers is subject to the prior approval of the Board of Directors are detailed in section 3 of this report.

For the purpose of carrying out his duties, the Chairman and Chief Executive Officer has set up **an Executive Committee** including representatives from all of the operating divisions and corporate functions. On January 25, 2011 the number of Executive Committee members was reduced from nine to seven. This leaner Executive Committee, which is more clearly focused on the Group's strategic objectives, will make for greater efficiency. The Committee now comprises the following members:

- the President and Chief Operating Officer;
- the Global Chief Marketing Officer, responsible for Brand Strategy, Design Strategy, Marketing and Distribution;
- the Global Chief Human Resources Officer, also responsible for Group Organization, Transformation and Sustainable Development;
- the Global Chief Operations Support Officer, in charge of Development, Franchising, Procurement, Technical Services & Design Management;
- the Corporate Secretary, in charge of Legal Affairs, Insurance, Risk Management and Internal Audit;

- the Global Chief Financial Officer, also responsible for Group Information Systems;
- the Global Executive Vice President Asset Management, responsible for Asset Management & Strategy and Mergers - Acquisitions.

The Communications and External Relations Department, as well as the Corporate Relations Department, the Chairman of the Management Board of Lenôtre and the Chief Executive Officer of Compagnie des Wagons-Lits report to Accor's Chairman and Chief Executive Officer.

Group Finance

The Global Chief Financial Officer – who is also responsible for Group Information Systems – ensures that the Group's financial policies are properly implemented, in particular by circulating to the Divisions the accounting principles and standards used to prepare the consolidated financial statements.

The Group Finance function is organized around the following departments:

- the Senior Executive Office, which monitors the Group's equity interests and also oversees the Tax Department (tasked with implementing and/or coordinating Group tax planning measures, particularly relating to cross-border transactions), the Accounting Back Office Project Department and the Decision Support Systems Department;
- the Corporate Treasury, Financing and Credit Management Department, which is in charge of overseeing the Cash Management, Credit Management and Back Office & Treasury Systems units;
- the Investor Relations and Financial Communications Department, which is in charge of releasing details of the Group's strategy and results to the financial markets;
- the Consolidation Department;
- the Group Financial Control Department, which is also in charge of monitoring financial and accounting standards as well as carrying out management control activities for Group operations worldwide;
- the parent company's Accounting Department;
- the Global Financial Support Department;
- the Senior Executive Office that oversees the Finance Department's cross-business projects;
- the Department responsible for monitoring the application of IFRS at Group level;
- Group Information Systems and Telecoms.

Group Finance maintains regular contact with the Statutory Auditors, who audit the financial statements of the Company and the Group in accordance with the applicable laws and regulations.

Group Internal Audit

Group Internal Audit reports directly to the Corporate Secretary and has a dotted-line reporting relationship with the Group Internal Control Committee. As the cornerstone of the internal control system, it is responsible for helping to develop internal control tools and standards, and for performing internal audits based on the annual audit program approved by the Group Internal Control Committee.

Group Internal Audit coordinates its audit plans with the Statutory Auditors' work plans. It is also responsible for coordinating the activities of the local internal audit departments within the Divisions.

At December 31, 2010, Group Internal Audit had a staff of eight auditors. Group Information Systems Internal Audit, which reports to Group Internal Audit, had a team of two auditors at that date.

The local internal audit departments in the Divisions

The local internal audit departments set up in the main Divisions report to their Division's Chief Financial Officer and have a dotted-line reporting relationship with Group Internal Audit. The sole exception to this rule is the local internal audit department for the Europe, Middle East and Africa region which reports to Group Internal Audit.

These local departments have direct ties with Group Internal Audit, thereby ensuring that they comply with the fundamental principles of conduct and independence and follow the standards required of the internal audit profession, as well as the methods recommended by the Group. These ties also guarantee that the local internal audit departments are given adequate resources to fulfill their objectives.

At end-2010 the local internal audit departments in the Divisions had a total of 31 auditors.

4.2.1.2. The accounting and financial information system

The Group's accounting and financial information system is designed to ensure the security, reliability, availability and traceability of information. It is based on an interfaced reporting and consolidation system that covers substantially all of the Group's operations with the aim of providing consistent accounting data at company and Group level.

A specifically designed user manual has been prepared and issued to the employees concerned, in order to guarantee that the systems are correctly used and that the information obtained is appropriate and relevant.

The Group has also set up processes to ensure the security of the accounting and financial information system, as well as the integrity of the data involved. These include regular back-ups and programmed controls that trigger warnings in the event of incorrect data entries.

The accounting and financial information system is regularly updated in line with the Group's specific needs.

4.2.2. Internal reporting

The Group ensures that relevant information is communicated in a timely manner to the appropriate persons so that they can exercise their duties in accordance with the Group's standards. To this end, a set of procedures defining best practices and reporting processes has been circulated internally.

Corporate values and principles

The Group's internal control system supports the corporate values expressed by the Board of Directors and Executive Management and communicated to all employees. Accor has prepared rules of conduct and integrity relating to employee behavior and relations with customers, shareholders, business partners and competitors, and has recently updated its Ethics Charter, which is widely circulated within the Group.

The Internal Audit Charter aims to provide a Group-level cross-functional view of internal audit resources and methodologies, as well as the methods used to communicate the results of internal audits. To this end, it defines the framework for internal audit activities within the Group, based on the professional standards issued by IFACI and other bodies, which set down strict codes of conduct for internal auditors. The Charter also formally describes the role, membership and procedural rules of the Group Internal Control Committee. Lastly, it describes the procedure to be followed by Group Internal Audit to coordinate the activities of the local internal audit departments.

The Internal Audit Charter has been signed by the Group's Chairman and Chief Executive Officer; the President and Chief Operating Officer; the Global Chief Financial Officer, also responsible for Group Information Systems; the Corporate Secretary; the Vice President, Internal Audit; and the members of the Group Internal Control Committee, whose structure and roles are described in section 4.2.5 below.

Procedure manuals and accounting principles

The Finance Manual issued to all Group Finance Departments describes the closing process for the monthly management accounts and sets out the Group's charts of accounts, consolidation principles, and accounting standards and policies. It also addresses specific issues related to the investment approval procedure and includes the Treasury Charter, which describes cash management procedures, the principles to be followed concerning the holding of payment instruments and the approval of expenditures, as well as the role and organization of cash pooling systems. The Manual is available on the Group Intranet.

In addition, a presentation of International Accounting Standards/International Financial Reporting Standards, providing details on how to apply the standards to the Group's specific circumstances, has been prepared by Group Finance and provided to the Group employees concerned.

Lastly, consolidation instructions detailing the financial reporting schedule and specific points concerning consolidation adjustments to individual financial statements are issued once every six months to the Group's various Finance Directors and consolidation teams, and are archived on the Finance Intranet.

Internal procedure manuals

Internal procedure manuals have been produced for the main businesses. The purpose of these manuals is to structure and firmly establish Group procedural guidelines, based on an assessment of the specific internal control risks of each business.

Internal audit reports

A draft report is prepared after each internal audit, setting out observations, identified risks and recommendations. This report is sent to the management of the audited entity, which prepares an action plan when required. A summarized version of this draft report may also be sent on request to the members of the Executive Committee.

The final report, which includes the corrective action plan prepared by the audited entity, is then sent to the managers in charge of overseeing operational and financial matters for the entity concerned.

The reports prepared by the local internal audit departments are centralized by the Group Internal Audit Department and a summary of the work performed by these departments is presented to the Group Internal Control Committee.

The Audit & Risks Committee receives a quarterly summary of the internal audits carried out during the period, including a status report on the annual audit plan, an assessment of the quality of internal control in the audited entities, the internal auditors' main observations, and action plans decided on by the parties concerned.

Reporting procedure

Group Financial Control is responsible for overseeing the reporting procedure specified in the Finance Manual. The procedure requires the Divisions to submit monthly reporting packages comprising an analysis of key business indicators and the main components of income, in the format prescribed by the Group. All reporting data submitted by the Divisions must be analyzable both by nature and by function.

The reporting procedure is designed to provide a detailed analysis of changes in financial and operating results, to support resource allocation decisions and measure the efficiency of the various organizational structures in place.

4.2.3. Analyzing risks

The Group identifies and analyzes the key risks that, if they occurred, would affect its ability to fulfill its objectives. It takes the appropriate measures to limit the probability of these risks occurring and the consequences if they do.

As part of these measures, a Risk Coordination Committee reporting to the Corporate Secretary has been set up and meets on a monthly basis. The Committee's members comprise representatives from the following departments:

- the Risk Management Department;
- the Group Safety & Security Department;
- the Legal Affairs Department;
- the Group Insurance Department;
- the Hotel Risk Prevention Department;
- the Internal Audit Department.

Identifying risks

The Group is exposed to a number of risks in the normal course of business.

These risks, together with the related control procedures, are described in the "Risk Factors" section of this Registration Document. They mainly correspond to health and safety and security risks, as well as legal risks (including litigation and arbitration risks), environmental risks, operations risks, counterparty/sovereign risks, liquidity risks and market risks. The "Risk Factors" section also includes a description of the Group's insurance strategy.

Internal control procedures are implemented under the direct responsibility of the Heads of the operating divisions and corporate functions and form part of an ongoing process of identifying, assessing and managing risks.

In line with this overall process the Group has developed internal control self-assessments, based on analyzing the internal control risks inherent in each business and identifying key control issues.

Risk audits are regularly carried out in the various host countries by the Group Safety & Security Department, the Risk Management Department and the Hotel Risk Prevention Department.

Internal control self-assessments

In recent years, the Group has placed considerable emphasis on preparing, issuing and monitoring internal control self-assessment procedures that are based on existing standards and processes. These procedures have now been rolled out to the majority of hotel operating units and headquarters units.

Data obtained from the internal control self-assessment process are periodically centralized at Division level, with the assistance of the internal auditors when required.

Internal audit programs for units where the self-assessment system has been deployed include a quantitative measurement, *via* a rating system, of the gap between the self-assessment and the internal auditors' assessment of the level of internal control. By analyzing these gaps, it is possible to evaluate the quality of the self-assessment procedures implemented by the unit manager.

Risk mapping

Internal control risk maps are prepared based on the internal audit assignments and above-mentioned self-assessments. These maps, which highlight issues that require priority action, are included in the relevant internal audit reports and are periodically presented in summary form to the Internal Control Committee and the Audit & Risks Committee.

A global risk map covering all internal and external risk factors has also been developed in order to obtain data in a standard form concerning each entity's degree of risk exposure and to prepare the appropriate action plans when required. The Risk Management Department subsequently helps the operating divisions implement the corrective measures in order to mitigate the major identified risks.

The Risk Management Department

The Risk Management Department is responsible for implementing procedures in association with the Executive Committee that anticipate and appropriately address the Group's risk exposures. In this capacity, it is in charge of drafting crisis management plans, particularly for the head office, and coordinating the network of international risk management correspondents. Working in close cooperation with the operating divisions and corporate functions, it focuses on:

- developing and adapting tools to monitor risk trends and prioritize the Group's main risks;
- devising a risk prevention strategy aimed at reducing the frequency and seriousness of identified risks;
- rolling out a consistent crisis management strategy across the Group;
- setting up and adapting Group-wide crisis management systems.

A structured, aligned crisis management organization with specifically-designated teams has been set up for head office and the operating units. It is responsible for quickly ensuring the safety of customers, local employees, expatriates and on-site service providers in the event of a crisis.

A number of local and regional crisis situations arose in 2010 (see the "Risk Factors" section of this Registration Document for further details), which enabled the Group to confirm that the affected entities were familiar with the relevant crisis management processes and systems.

The Group Safety & Security Department

The Group Safety & Security Department advises and assists Senior Management in defining Group-wide safety and security policies. It is also responsible for ensuring that these policies are properly implemented and applied, as well as for developing prevention programs. The Safety & Security and Risk Management Departments track the safety and security situation in each of the host countries on a daily basis, reviewing the geopolitical context and public health and hygiene conditions, as well as risks relating to potential social unrest or extreme weather events. These departments are backed by (i) a network of locally-based internal and/or external health and safety officers, and (ii) correspondents within certain French and foreign government departments such as the Ministry of Health, the Ministry of Foreign Affairs, the Ministry of the Interior and the Ministry of Defense.

The Hotel Risk Prevention Department

This Department defines, promotes and coordinates personal safety procedures in the Group's hotels, and organizes and oversees their application by the people concerned.

The Group Insurance Department

The Group Insurance Department ensures that Group risks are covered by appropriate insurance policies. It also helps to identify these risks and to deploy prevention procedures.

Since the first quarter of 2009, the heads of the Risk Management, Safety & Security, Hotel Risk Prevention, and Insurance Departments have held monthly meetings under the chairmanship of the Corporate Secretary in order to discuss the Group's risk exposure and ensure that the measures they adopt are coordinated.

The Risk Management Committee

The Group has set up a Risk Management Committee to:

- regularly identify the Group's main risk exposures;
- determine the main objectives and features of global risk management policies, including the applicable standards and procedures;
- prepare risk prevention action plans;
- decide any emergency measures as necessary in response to circumstances;
- organize the communication and implementation of risk management policies throughout the Group.

The Risk Management Committee comprises the Global Chief Human Resources Officer; the Corporate Secretary; the Executive Vice President, Information Systems & Telecoms; the Executive Vice President and General Counsel; the Vice President, Risk Management and his special assistants; the Vice President, Safety & Security; the Vice President, Hotel Risk Prevention; the Vice President, Internal Audit; the Vice President, Purchasing; the Vice President, Intranet/Internet Systems; the Vice President, Expertise & Methods Department; the Chief Press Officer; the Vice President, Insurance; the Vice President, Information Systems Security, the Vice President, Innovation, Design, Construction & Real Estate; the Head of Operations for Sofitel in Europe, Africa and the Middle East; the Chief Executive Officer of ibis France and the Chief Executive Officer of F1/Etap Hotel.

4.2.4. Control activities

To improve control of identified risks, the Group has set up control procedures that comply with its standards and cover both operating and financial information processes.

Authorization process for expansion capital expenditure and disposals

A procedure has been set up for the prior authorization of capital expenditure projects in order to ensure that they comply with Group strategy and return-on-investment criteria. The procedure requires formal authorizations to be obtained from the appropriate line and staff managers, in a standard format. A similar authorization procedure has been established for disposals.

As part of this process, an Investments Committee has been created and tasked with reviewing projects representing amounts of between €5 million and €100 million (or €2.5 million for the acquisition of minority shareholdings). Based on its findings, the Committee decides to approve the project or not.

The Committee's members are the Group Chairman and Chief Executive Officer, the President and Chief Operating Officer, the Global Chief Operations Support Officer in charge of Development, and the Global Executive Vice President, Asset Management. The Senior Executive Vice President responsible for Hotel Development is also a member of the Investments Committee and leads any discussions on hotel development projects.

The Investments Committee meets around once a month.

Preparing and controlling the consolidated financial statements

The consolidated financial statements are prepared by Group Finance based on information reported by the subsidiaries' Chief Executive Officers and Finance Directors. The format of the consolidation packages is determined by the Group.

The subsidiaries are responsible for the information contained in their consolidation packages and are required to make formal representations to Group Finance about the fairness of reporting data and its conformity with Group accounting standards and policies.

The Consolidation Department carries out systematic controls of the consolidation packages submitted by the subsidiaries. A detailed schedule for reviewing the packages has been prepared and sent to the employees concerned.

In connection with their audit of the consolidated financial statements, the Statutory Auditors review the consolidation packages transmitted by the subsidiaries included in the scope of their audit. Group Internal Audit also reviews from time to time the proper application of Group accounting standards and policies by the subsidiaries, and reports to Group Finance any issues identified during the review.

The consolidated financial statements are examined by the Global Chief Financial Officer (also responsible for Group Information Systems) prior to their review by the Audit & Risks Committee in preparation for approval by the Board of Directors.

Group Internal Audit assignments

Group Internal Audit carries out its audit assignments based on an audit program validated by the Internal Control and Audit & Risks Committees. The main types of assignments, as described in the Internal Audit Charter, are as follows:

- **operations audits**, which are aimed at evaluating the reliability and effectiveness of the operating entities' internal control systems, as well as ensuring that they comply with Group standards. These audits mainly include checking on a regular basis that the internal control self-assessments have been properly performed by the operating entities;
- **head office audits (corporate functions)**, which are designed to optimize internal control procedures applied at the head office and ensure that the head office is able to fulfill its role of overseeing and supporting operating entities as effectively as possible;
- **organizational and procedural audits**, which are aimed at helping the Divisions to optimize and adapt their procedures and operating processes, notably when rolling out cross-functional projects that lead to a change in organization structures;
- **specific audits**. Review assignments are referred to as specific audits when they comply with the professional standards applicable to internal auditors and fall within their remit. They can concern issues applicable to one or more operating units or to a particular country, function or process.

Assignments carried out by the local internal audit departments

These departments perform internal audits, either on a stand-alone basis or jointly with Group Internal Audit, in line with the program approved by their Division's Internal Control Committee. They also provide ongoing assistance to finance and operating departments in managing and monitoring internal control issues within their Division's operating units. They use methods, tools (including scoring) and work programs that have been approved by Group Internal Audit due to their direct ties with this Department.

In accordance with ethical principles, the local internal auditors do not audit head office or cross-functional departments, due to possible conflicts of interest arising from the fact that the auditors work in the Divisions.

Assignments performed by Group Information Systems Internal Audit

Reporting to Group Internal Audit, the Information Systems Internal Audit Department carries out assignments throughout the Group. The main types of audit are as follows:

- **information systems audits**, which are performed to ensure that best practices are applied in relation to the organization and monitoring of the audited entities' information systems;
- **audits of applications and processes**, which are aimed at ensuring that the manual and automated checks in place provide an appropriate level of internal control in view of the operations covered by the applications concerned;
- **project management audits**, which are designed to validate the implementation of best project management practices;
- **acquisition audits**, which are conducted as part of the decision-making process for Group acquisitions when the business of the companies concerned has highly technological components. Their scope depends on the underlying objectives of the acquisition, but their general aim is to identify any risks relating to the Group's ability to maintain and develop the target company's information systems;
- **IT security audits**, which help to ensure the security of the Group's technological platforms. They are primarily performed by the Information Systems Security Department, which reports to Group Information Systems and Telecoms. In some cases they fall within the scope of assignments carried out by Information Systems Internal Audit.

4.2.5. Monitoring internal control

Internal control procedures are regularly reviewed to ensure that they are appropriate and aligned with the Group's objectives, particularly in view of the risks specific to each business and the costs of performing the controls.

The main structures responsible for overseeing the internal control system are as follows:

The Audit & Risks Committee

The Board of Directors' Bylaws define the Audit & Risks Committee's membership, terms of reference and procedures. The Committee is responsible for ensuring that the accounting policies applied for the preparation of the financial statements of the Company and the Group are appropriate and applied consistently from one period to the next. Its terms of reference also include checking that internal reporting and control procedures provide adequate assurance concerning the reliability and completeness of financial information and the control of Group risk exposures. To this end, the Committee performs the following tasks:

- it reviews the interim and annual consolidated financial statements and the annual financial statements of the Company, prior to their examination by the Board of Directors. This includes reviewing draft results press releases and announcements to be issued by the Company;
- it reviews the scope of consolidation and the reasons for excluding any entities;
- it reviews the Group's risk management policy and ensures that adequate systems are in place;
- it assesses the Group's material risk exposures and off-balance sheet commitments, and receives a copy of the detailed report on these matters drawn up by the Global Chief Financial Officer (also responsible for Group Information Systems);

- it obtains assurance concerning the effectiveness of the Group's system of internal control, by reviewing the methods used to identify risks and the organizational principles and procedures of the Internal Audit Department. It is also informed of the internal audit program and of the results of the internal audits carried out since the last presentation;
- it reviews the Statutory Auditors' audit plan and the findings of their audits. It receives a copy of the Statutory Auditors' post-audit letter setting out the main issues identified during their audit and describing the accounting options selected;
- when the Statutory Auditors' appointment is due to expire, it oversees the Auditor selection procedure and reviews the proposals submitted by the various candidate firms, expresses an opinion on the proposed fee budgets for statutory audit work and makes recommendations to the Board of Directors on the choice of candidate;
- it validates the categories of additional audit-related work that the Statutory Auditors and the members of their networks may be asked to perform in accordance with the applicable laws and regulations;
- at the end of each year, it is informed of the fees paid by Group companies to the Statutory Auditors and the members of their networks during the year, including a detailed breakdown by type of engagement, and reports to the Board of Directors on these fees, as well as on its assessment of the Statutory Auditors' level of independence.

The Audit & Risks Committee has between three and five members, of all whom have the necessary technical knowledge to fulfill the Committee's duties. The majority of the Committee's members, including its Chairman, are independent directors.

The Audit & Risks Committee meets at least three times a year. One meeting – attended by the Vice President, Internal Audit and the Vice President, Risk Management – is devoted to reviewing the effectiveness of the internal control system.

The Audit & Risks Committee may make enquiries of the Statutory Auditors without the corporate officers and/or the Global Chief Financial Officer being present, after first notifying the Chairman and Chief Executive Officer.

Calls to meetings are issued by the Committee Chairman and include the meeting agenda. Meetings to review the interim and annual financial statements are held at least three days prior to the Board meeting called to approve the financial statements. The members of the Audit & Risks Committee receive all necessary documents on a timely basis. When members are first appointed to the Committee, they are given detailed information about accounting, financial and operational issues that are specific to the Group.

The Chairman and Chief Executive Officer, Global Chief Financial Officer and Statutory Auditors attend the Audit & Risks Committee meeting devoted to reviewing the financial statements and any other meetings where required.

Group Internal Control Committee

The Group Internal Control Committee comprises the Chairman and Chief Executive Officer, the President and Chief Operating Officer and the other members of the Executive Committee (see list in the "Directors and Corporate Officers" section of this Registration Document). It also includes the Vice President, Internal Audit and the Finance Directors of the Group's main subsidiaries. Members of the Divisional Internal Control Committees and the heads of the local internal audit departments may also be invited to attend meetings of the Committee.

The Group Internal Control Committee guarantees the independence of the internal audit function. Its responsibilities are to:

- validate the annual internal audit program;
- review significant internal audit issues for the current year, in each of the audited areas, and approve the action plans for each audited entity;
- track changes in internal control levels within the Group;
- oversee the activities of the Internal Audit function, in terms of audit efficiency/optimization and the adequacy of the function's resources.

The Group Internal Control Committee met once in 2010.

Division Internal Control Committees

Local Internal Control Committees have been set up in the Group's main operating divisions. Each Committee is chaired by the Division's Chief Executive Officer and comprises members of the operating units and finance departments, as well as a representative from Group Internal Audit. The Committees meet at least once a year to prepare the work program for the local internal audit departments (where appropriate, based on the instructions issued by the Group Internal Control Committee), review the reports on the internal audits performed during the period and assess the action taken to implement recommendations made following previous audits.

STATUTORY AUDITORS' REPORT

Auditors' Report prepared in accordance with Article L.225-235 of the French Commercial Code, on the Report of the Chairman of Accor's Board of Directors

Year ended December 31, 2010

This is a free translation into English of the original Auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In our capacity as Statutory Auditors of Accor and in accordance with the requirements of Article L.225-235 of the French Commercial Code, we present below our report on the report prepared by the Chairman of Accor's Board of Directors in application of Article L.225-37 of the French Commercial Code for the year ended December 31, 2010.The Chairman of the Board of Directors is required to draw up and submit to the Board for approval a report that i) describes the internal control and risk management procedures set up within the Company and ii) discloses the other information required under Article L.225-37 of the French Commercial Code, notably regarding corporate governance principles.Our responsibility is to:

- report to you our comments on the information contained in the Chairman's report concerning the internal control and risk management procedures related to the preparation and processing of accounting and financial information; and
- provide a statement confirming that the Chairman's report includes the other information required under article L.225-37 of the French Commercial Code, although we are not responsible for verifying the accuracy of said information.

We performed our procedures in accordance with professional guidelines applicable in France.

Information concerning the internal control and risk management procedures related to the preparation and processing of accounting and financial information

The professional guidelines applicable in France require us to perform procedures to assess the fairness of the information set out in the Chairman's report concerning the internal control and risk management procedures related to the preparation and processing of accounting and financial information. These procedures included:

- Examining the internal control and risk management procedures related to preparation and processing of accounting and financial data underlying the information presented in the Chairman's report, as well as existing documentation.
- Acquiring an understanding of the work performed in order to prepare this information and existing documentation.
- Determining whether any major internal control weaknesses concerning the preparation and processing of accounting and financial information that we may have identified as part of our audit are appropriately disclosed in the Chairman's report.

Based on procedures performed, we have no matters to report concerning the information provided on the Company's internal control and risk management procedures related to the preparation and processing of accounting and financial information, as contained in the report of the Chairman of the Board of Directors prepared in accordance with Article 225-37 of the French Commercial Code.

Other information

We confirm that the report of the Chairman of the Board of Directors contains the other information required under Article L.225-37 of the French Commercial Code.

Neuilly-sur-Seine, March 29, 2011

The Statutory Auditors

DELOITTE & ASSOCIÉS	ERNST & YOUNG et Autres
David Dupont-Noel	Bruno Bizet

3 Financial Review

3.1. Financial Review

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

EBIT amounted to €446 million in 2010, representing a year-on-year increase of 82.4% based on constant scope of consolidation and exchange rates (like-for-like), and 90.1% as reported. Performance in 2010 was driven by favorable hotel cycle dynamics, with a robust upturn in demand in most countries, followed by a gradual stabilization in average room rates. EBITDAR margin came in at 30.5%, up 2.9 points on a reported basis (1.9 points like-for-like), reflecting a solid operating performance and ongoing measures to contain support costs.

The Group made a faster-than-expected recovery in 2010 and exceeded its previously announced objectives. Now refocused on its core business as a hotel operator, Accor is ready to step up the pace of expansion, primarily through management contracts and franchise agreements. During 2010, the Group also decided to accelerate the implementation of its asset management program for 2011-2012, with a targeted €1.2 billion impact on adjusted net debt over the period.

Revenue

Consolidated revenue for 2010 totaled €5,948 million, up 7.1% like-for-like and 8.4% as reported. Performance for the year was shaped by the following factors:

- the expansion strategy, which increased revenue by €76 million, adding 1.4% to reported growth. The increase was led by the opening of 214 hotels, representing 24,800 rooms, essentially under management contracts and franchise agreements;
- the twin impacts of (i) the disposal of non-strategic businesses and (ii) the ongoing deployment of the asset-right strategy, which together reduced revenue and reported growth by respectively €205 million and **3.7%**;
- a **3.6%** positive currency effect, which added €199 million to revenue and was primarily due to the decline in the euro against the Australian dollar, Brazilian real and US dollar.

Like-for-like, revenue rose by 7.1%, reflecting the upturn in the hotel cycle during the year.

Revenue by business

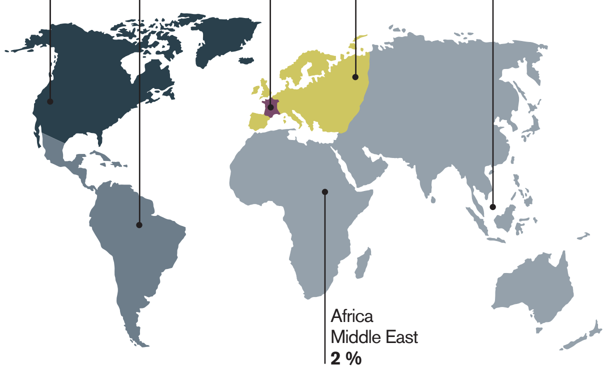
(in euros millions)	2009 adjusted (1)	2010 reported (1)	% change 2010 vs. 2009	% change 2010 vs. 2009 like-for-like (2)
Hotels	**5,186**	**5,693**	**9.8%**	**7.4%**
Upscale and Midscale	3,026	3,332	10.1%	9.0%
Economy	1,626	1,806	11.1%	6.8%
Economy – United States	534	555	3.8%	0.7%
Other businesses	**304**	**255**	**(16.0%)**	**1.0%**
TOTAL	**5,490**	**5,948**	**8.4%**	**7.1%**

(1) Revenue figures have been adjusted to exclude the following businesses:
- ***The Prepaid Services business**, due to its Demerger from the Accor Group (Edenred's shares began trading on July 2, 2010);*
- ***Compagnie des Wagons-Lits' onboard rail catering business**, due to its sale on July 7, 2010.*

*As **Groupe Lucien Barrière's business** has been classified under "Assets held for sale", Accor's revenue figures for both 2010 and 2009 have been adjusted to exclude its contribution.*

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

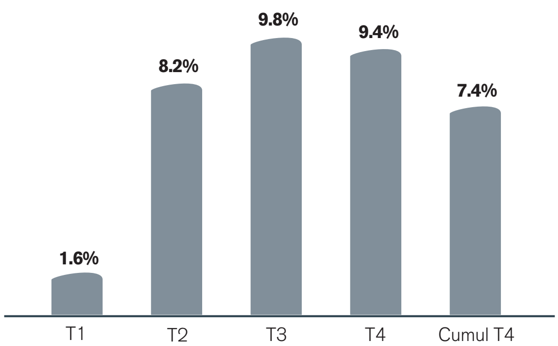
2010 revenue by region



Hotels

Hotels revenue rose 7.4% like-for-like and 9.8% on a reported basis, with the favorable hotel cycle dynamics driving sustained growth that gained momentum in the second half. The recovery that began during the first half in the main country markets (France, Germany and the United Kingdom) gradually spread to most of the rest of Europe in the second half as occupancy rates continued to rise and average room rates began to turn upwards, particularly in the fourth quarter. The revenue figure was also lifted by strong business growth in emerging markets, especially in Asia and Latin America.

Quarterly change in 2010 Hotels revenue, like-for-like and year-on-year



Upscale and Midscale Hotels

In the Upscale and Midscale segment, revenue rose by 10.1% as reported and 9% like-for-like. This upward trend was felt throughout the year as a whole, with like-for-like growth coming in at 6.7% for the first half, 11.6% in the third quarter and 10.6% for the fourth quarter.

The upswing experienced at end-September in the main markets of France, Germany and the United Kingdom spread to most of the rest of Europe, reflecting a further rise in occupancy rates combined with an increase in average room rates (except in Spain and Italy).

In France, revenue was up 8.7% on a like-for-like basis for the full year, with a 9.9% increase in the fourth quarter. This solid performance was once again led by higher occupancy rates – which were up 4.0 points in the fourth quarter – and rises in average room rates, which were up by a sharp 4.9% in the last quarter for three, four and five star hotels. Paris reported particularly marked growth in RevPAR, again spurred by a rise in both occupancy and average room rates.

Revenue generated by Upscale and Midscale hotels in Germany surged 14.2% thanks to the country's robust economic recovery and a full tradeshow calendar. Growth was particularly high in the fourth quarter, coming in at 12.8% on the back of strong occupancy rates and an increase in average room rates (excluding VAT).

The United Kingdom gained 4.7% in revenue like-for-like for the full year, with a 2.8% rise in the fourth quarter – a more modest showing that was due to an unfavorable basis of comparison. London turned in another solid performance and business picked up in the country's other cities during the last three months of the year.

Emerging markets ended 2010 with double-digit revenue growth following a succession of quarter-on-quarter rises. Revenue in Latin America was up 18.1% for the year as a whole (with 15.7% growth in the fourth quarter) and the Asia Pacific region registered a 15.5% increase (16.3% in the fourth quarter).

Economy Hotels (outside the United States)

Revenue from Economy Hotels outside the United States climbed 11.1% as reported and 6.8% like-for-like. Fourth-quarter performance was particularly solid, with revenue up 7.7% like-for-like (versus 8.2% in the third quarter and 5.5% for the first half). Occupancy rates continued to rise in the majority of European countries and average room rates stabilized.

Revenue generated in France grew 4.4% like-for-like, lifted by a 5.9% increase in the fourth quarter. All of the brands captured the benefits of the upturn in the hotel cycle, notably in Paris where RevPAR rose 9.0% in the fourth quarter. Average room rates recovered gradually, particularly for ibis and Etap.

The Economy Hotels segment in Germany delivered a particularly impressive showing, powered by the general recovery in the country's economy. Year-on-year, revenue jumped 13.4% on a like-for-like basis, with 15.7% growth in the fourth quarter. Strong momentum in the major cities of Cologne, Munich and Frankfurt drove up occupancy rates, and average room rates (excluding VAT) continued on their upward trend in the last three months of the year.

In the United Kingdom, revenue advanced 6.2% like-for-like for the full year, with a 7.3% rise in the fourth quarter. The Revenue Management strategy applied during the year had a positive impact on the segment's indicators, with occupancy rates climbing 5.7 points in the fourth quarter. As in the Upscale and Midscale segment, the London market was upbeat, propelled by rises in both occupancy rates and average room rates.

Emerging markets put in a stellar performance, especially Latin America and the Asia Pacific region, which posted respective revenue increases of 13.2% and 11.9% overall, spurred by fourth-quarter rises of respectively 10.7% and 13.5%.

Economy Hotels in the United States

Revenue from Economy Hotels in the United States rose 3.8% on a reported basis and 0.7% like-for-like. The trend improved steadily as the year progressed, however, with revenue up 7.2% in the fourth quarter following on from a 4.9% rise in the third quarter after a decline of 3.9% in the first six months. The main growth driver during the second half was once again occupancy rates, which were up by 4.5 points in the last three months of the year. Expansion remained firm throughout the year, with the opening of 58 franchised hotels and the sale-and-franchise back of 17 others.

2010 RevPAR by segment

	Occupancy rate		Average room rate		RevPAR			
	Owned/leased (reported)		Owned/leased (reported)		Owned/leased (reported)		Owned/leased (like-for-like) (1)	Owned/leased and managed (reported)
	(in %)	(Change in points)		(% change)		(% change)	(% change)	(% change)
Upscale and Midscale - Europe *(in euros)*	63.4%	4.6	98	1.9%	62	9.8%	8.0%	10.0%
Economy - Europe *(in euros)*	68.6%	3.2	58	0.8%	40	5.8%	4.1%	6.1%
Economy- United States *(in dollars)*	61.1%	2.9	42	(3.4%)	25	1.5%	0.7%	1.5%

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

Upscale and Midscale Hotels: 2010 RevPAR by country

	Occupancy rate		Average room rate		RevPAR			
	Owned/leased (reported)		Owned/leased (reported)		Owned/leased (reported)		Owned/leased (like-for-like) (1)	Owned/leased and managed (reported)
(in local currency)	(in %)	(Change in points)		(% change)		(% change)	(% change)	(% change)
France	64.5%	4.6	116	2.5%	75	10.4%	9.1%	10.1%
Germany	64.9%	5.5	89	(1.0%)	58	8.1%	8.4%	8.2%
Netherlands	67.2%	6.3	95	3.6%	64	14.4%	8.9%	19.6%
Belgium	73.1%	7.5	102	(0.2%)	74	11.2%	11.2%	12.3%
Spain	57.8%	5.3	79	(3.5%)	45	6.3%	2.3%	10.8%
Italy	60.9%	4.4	99	(4.5%)	60	2.9%	4.2%	2.1%
United Kingdom	77.4%	2.2	92	10.0%	71	13.2%	14.2%	12.7%

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

Economy Hotels: 2010 RevPAR by country

	Occupancy rate		Average room rate		RevPAR			
	Owned/leased (reported)		Owned/leased (reported)		Owned/leased (reported)		Owned/leased (like-for-like) (1)	Owned/leased and managed (reported)
(in local currency)	(in %)	(Change in points)		(% change)		(% change)	(% change)	(% change)
France	69.8%	2.8	54	0.5%	38	4.7%	3.8%	4.7%
Germany	68.5%	4.2	58	(1.7%)	40	4.7%	3.7%	4.3%
Netherlands	73.2%	8.1	77	(2.4%)	56	9.6%	11.1%	9.6%
Belgium	72.6%	2.4	69	2.6%	50	6.1%	6.5%	6.1%
Spain	54.6%	(0.8)	53	(1.1%)	29	(2.5%)	(2.9%)	(2.5%)
Italy	65.0%	9.0	65	(6.3%)	42	8.7%	8.7%	8.7%
United Kingdom	72.3%	4.8	54	2.4%	39	9.6%	8.3%	9.5%
United States	61.1%	2.9	42	(3.4%)	25	1.5%	0.7%	1.5%

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

Other businesses

Revenue from other businesses edged up 1% like-for-like but contracted 16.0% as reported, primarily due to the sale of Orbis Travel in Poland.

Boosted by a more favorable economic environment during the year, the Lenôtre catering business turned in a strong performance, with revenue up 7.3% like-for-like and 7.2% as reported.

EBITDAR

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

Consolidated EBITDAR amounted to €1,814 million in 2010, representing a 14.7% year-on-year rise on a like-for-like basis that can be analyzed as follows:

- Like-for-like growth: €222 million
- Business development: €7 million
- Currency effect: €63 million
- Disposals: €4 million

EBITDAR by business

(in euros millions)	2009 (1)	2010	% change 2010 vs. 2009 as reported	% change 2010 vs. 2009 like-for-like (2)
Hotels	**1,507**	**1,782**	**18.2%**	**13.9%**
Upscale and Midscale	765	949	24.1%	20.6%
Economy	577	668	15.7%	10.0%
Economy – United States	165	165	0.1%	(3.8%)
Other businesses	**11**	**32**	**190.1%**	**121.6%**
TOTAL	**1,518**	**1,814**	**19.5%**	**14.7%**

(1) In accordance with IFRS 5, EBITDAR for Edenred, Group Lucien Barrière and onboard train services has been included in "Profit or loss from discontinued operations".
(2) At constant scope of consolidation and exchange rates.

EBITDAR margin rose to 30.5% of consolidated revenue in 2010, a gain of 2.9 points on 2009 as reported and 1.9 points like-for-like. This increase reflects the Group's improved operating performance during the year as well as ongoing cost discipline measures, with the successful deployment of a €45 million support cost reduction plan. In all, support costs were cut by €132 million in 2009 and 2010 on top of the €165 million in cost savings achieved in owned and leased hotels in 2009.

The Hotels business enjoyed a high 54% flow-through ratio in 2010, but the picture was mixed across the Group's various host countries due to local differences in the pace of economic recovery. The main growth drivers were the United Kingdom and Germany where there was a sharp cyclical upswing, followed by France and the rest of Europe (except for Spain and Italy). Meanwhile, business levels were brisk in emerging markets throughout the year.

EBITDAR margin for the **Upscale and Midscale** segment came to 28.5% (up 2.7 points like-for-like), and the flow-through ratio (*) was 58.2%, including the impact of support cost savings.

EBITDAR margin for **Economy Hotels outside the United States** stood at 37.0%, up 1.0 point like-for-like. The flow-through (*) ratio was 52.4%, including the impact of support cost savings.

EBITDAR margin for **Economy Hotels in the United States** narrowed by 1.3 points like-for-like to 29.7%.

(*) The flow-through ratio, which is used when revenue goes up, corresponds to the change in like-for-like EBITDAR/the change in like-for-like revenue.

EBIT

EBIT, corresponding to EBITDAR after depreciation, amortization, provisions and rental expense, surged 90.1% to €446 million in 2010 from €235 million the previous year. The increase can be analyzed as follows:

(in euros millions)	2009 (1)	2010	% change 2010 vs. 2009 as reported	% change 2010 vs. 2009 (like-for-like) (2)
EBITDAR	1,518	1,814	19.5%	14.7%
Rental expense	(854)	(934)	(9.4%)	(3.7%)
Depreciation, amortization and provision expense	(429)	(434)	(1.0%)	0.6%
EBIT	**235**	**446**	**90.1%**	**82.4%**

(1) In accordance with IFRS 5, EBIT for Edenred, Groupe Lucien Barrière and onboard train services has been included in "Profit or loss from discontinued operations".

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

Depreciation, amortization and provision expense represented 10.6% of the carrying amount of property, plant and equipment and intangible assets in 2010.

Rental expense was up 3.7%, primarily as a result of increase in business.

Operating profit before tax and non-recurring items

Operating profit before tax and non-recurring items – corresponding to EBIT after net financial expense and share of profit of associates – represents the result of operations after the cost of financing Group businesses and before tax. In 2010, it totaled €334 million, representing an increase of 209% as reported and 167% like-for-like.

(in euros millions)	2009 (1)	2010	% change 2010 vs. 2009 as reported	% change 2010 vs. 2009 (like-for-like) (2)
EBIT	235	446	90.1%	82.4%
Net financial expense	(124)	(134)	(8.5%)	(18.4%)
Share of profit/(loss) of associates	(3)	22	N/A	N/A
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS	**108**	**334**	**209%**	**167%**

(1) In accordance with IFRS 5, operating profit before tax and non-recurring items for Edenred, Groupe Lucien Barrière and onboard train services has been included in "Profit or loss from discontinued operations".

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

Net financial expense amounted to €134 million versus €124 million in 2009. Total fixed asset holding costs (rental expense plus depreciation, amortization, provision expense and interest) increased to €1,502 million from €1,407 million in 2009 and represented 25.3% of revenue against 25.6%.

Share of profit of associates amounted to €22 million in 2010 compared with a €3 million loss in 2009. The main contributor to this upswing was the Hotels business in the United States following disposal of the Sofitel Washington (€7 million of the improvement) and the Sofitel Philadelphia (€6 million).

Net profit, Group share

(in euros millions)	2009 [1]	2010	% change 2010 vs. 2009
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS	**108**	**334**	**209.3%**
Restructuring costs	(110)	(31)	71.8%
Impairment losses	(241)	(284)	(17.8%)
Gains and losses on management of hotel properties	7	4	(42.9%)
Gains and losses on management of other assets	(27)	(35)	(29.6%)
OPERATING PROFIT/(LOSS) BEFORE TAX	**(263)**	**(12)**	**N/A**
Income tax expense	(32)	(392)	N/A
Profit or loss from discontinued operations	30	4,014	N/A
NET PROFIT/(LOSS)	**(265)**	**3,610**	**N/A**
NET PROFIT/(LOSS), GROUP SHARE	**(282)**	**3,600**	**N/A**
EARNINGS/(LOSS) PER SHARE *(in euros)*	**(1.27)**	**15.94**	**N/A**
NET PROFIT ATTRIBUTABLE TO MINORITY INTERESTS	**17**	**10**	**(41.2)%**

(1) In accordance with IFRS 5, net profit for Edenred, Groupe Lucien Barrière and onboard train services has been included in "Profit or loss from discontinued operations".

Restructuring costs totaled €31 million for the year, compared with €110 million in 2009. In both 2010 and 2009 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 €284 million versus €241 million in 2009, mainly comprised a €100 million write-down of Motel 6 goodwill and €139 million in impairment of property, plant and equipment, chiefly in the United States and the Asia Pacific region.

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 €4 million, versus €7 million in 2009. The 2010 figure primarily comprised (i) a €37 million gain on sale-and-variable lease back transactions with Predica and Foncière des Murs concerning 43 hotels in Europe; (ii) a €28 million gain on sale-and-franchise back transactions on 35 hotels in France; and (iii) €43 million in provisions recorded against hotel assets.

The net €35 million **loss on management of other assets** included an €8 million capital loss on the sale of Orbis Travel in Poland and a €5 million expense for professional fees payable on sales of non-strategic assets.

Income tax expense (excluding tax on the profits of associates and discontinued operations) came to €392 million versus €32 million in 2009, primarily reflecting the provision recorded for CIWLT's dispute with the French tax authorities. The effective tax rate (expressed as a percentage of operating profit before tax and non-recurring items taxable at the standard rate) was 28.2%, compared with 32.0% the year before.

After minority interests amounting to €10 million, Accor ended the year with **net profit, Group share** of €3,600 million, compared with a net loss of €282 million in 2009. The net profit figure for 2010 includes the €4,044 million non-cash capital gain (net of costs) arising on the Demerger of the Services business.

As a result, **earnings per share**, based on the weighted average 225,837,808 shares outstanding in 2010, came to €15.94 compared with a loss per share of €1.27 one year earlier.

Dividend and payout ratio

	2009	2010	% change 2010 vs. 2009
Operating profit before non-recurring items, net of tax [(1)] *(in euros millions)*	**328**	**280**	**(14.6%)**
Weighted average number of shares outstanding *(in millions)*	223	226	1.35%)
Operating profit before non-recurring items, net of tax per share *(in euros)*	1.47	1.24	(15.6%)
Ordinary dividend per share *(in euros)*	**1.05**	**0.62** [(2)]	**(41.0%)**
Ordinary dividend payout *(in euros millions)*	**237**	**141**	**(40.5%)**
Payout ratio [(3)]	**72%**	**50%**	**(22 pts)**

(1) Operating profit before tax and non-recurring items less current tax, less minority interests.
(2) Submitted for approval at the Combined Ordinary and Extraordinary Shareholders' Meeting on May 30, 2011.
(3) Based on operating profit before non-recurring items, net of tax.

At the Annual Meeting on May 30, 2011, shareholders will be asked to approve the payment of a dividend of €0.62 per share, compared with €1.05 the year before.

Cash flows

(in euros millions)	2009 [(1)]	2010
Funds from operations excluding non-recurring transactions	520	695
Renovation and maintenance expenditure	(288)	(281)
FREE CASH FLOW	**232**	**414**
Expansion expenditure	(420)	(340)
Proceeds from disposals of hotel assets	290	541
Proceeds from disposals of other assets	49	15
Ordinary dividends paid	(396)	(249)
Proceeds from issue of share capital	175	44
Decrease/(increase) in working capital	(49)	198
CIWLT tax dispute	(242)	–
Other	(78)	(170)
Cash flow from discontinued operations	(113)	441
DECREASE/(INCREASE) IN NET DEBT	**(552)**	**894**

(1) In accordance with IFRS 5, the cash flows reported by Edenred, Groupe Lucien Barrière and onboard train services have been included in "Cash flow from discontinued operations".

Funds from operations excluding non-recurring transactions rose 33.7% to €695 million in 2010.

Renovation and maintenance expenditure amounted to €281 million, versus €288 million in 2009, and represented 4.7% of 2010 revenue, compared with 5.2% in 2009.

After renovation and maintenance expenditure, free cash flow stood at €414 million, up 78.4% year-on-year.

Expansion expenditure totaled €340 million versus €420 million in 2009. Outlays mainly comprised capital expenditure for organic expansion in the Upscale and Midscale segment and Economy Hotels outside the United States.

Proceeds from disposals of hotel assets totaled €541 million, up from €290 million the year before, primarily reflecting the following: (i) €322 million from the sale-and-variable lease back of 53 hotels (including €230 million on transactions with Predica and Foncière des Murs), (ii) €128 million from the sale-and-franchise back of 85 hotels, (iii) €23 million from the sale-and-management back of 3 hotels, and (iv) €67 million from outright sales of 30 hotels.

The change in working capital in 2010 represented a €198 million decrease, versus a €49 million increase in 2009.

The €170 million balance mainly includes €120 million in non-recurring gains and losses and a €43 million currency impact.

Altogether, these cash flows resulted in an €894 million decrease in consolidated net debt over the year, to €730 million at December 31, 2010.

Financial ratios

All of the Group's main financial ratios improved significantly in 2010, reflecting the overall upturn in business during the year.

Gearing

Consolidated net debt amounted to €730 million at December 31, 2010, compared with €1,624 million one year earlier, while gearing stood at 18% compared with 50% at December 31, 2009.

Funds from operations excluding non-recurring transactions/Adjusted net debt

The ratio of funds from operations excluding non-recurring transactions 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 20.1% at December 31, 2010, versus 20.0% a year earlier.

It is analyzed in the consolidated financial statements.

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 11.3% in 2010, versus 8.3% in 2009. This ratio is also analyzed in the consolidated financial statements.

Value creation

Value created is calculated as follows:

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

Based on a ROCE after tax of 11.3%, a weighted average cost of capital of 8.67% and capital employed of €8.12 billion, the Economic Value Added (EVA®) created by Accor totaled €75 million in 2010, versus €177 million in 2009.

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

P&L Performance reporting system

To support the shift in the business model to managed and franchised hotels, a new financial reporting system known as P&L Performance was introduced in 2010 to analyze our performance as a network manager and hotel operator.

P&L Performance tracks income statement data based on the following profit or cost centers:

1) franchise operations, through which all of the hotels – whether owned, leased, managed or franchised – can leverage our brands and their reputation in return for a management fee;

2) management operations, through which Accor transfers its hotel operating expertise and experience to the owned, leased or managed hotels in return for a management fee;

3) sales & marketing operations, through which we provide all of the owned, leased, managed, and franchised hotels with services relating to distribution systems, the loyalty program, sales programs and marketing campaigns in return for a sales & marketing fee;

4) hotelier operations for owned and leased hotels, all of whose revenue and earnings accrue to Accor;

5) unallocated operations, which primarily include the corporate departments.

The system analyses the following indicators:

(a) business volume;

(b) revenue;

(c) EBITDAR;

(d) EBIT.

Targets for margin, flow-through ratio and earnings have been set for some of these indicators.

Business volume in the hospitality operations corresponds to the aggregate of:

a) total revenue generated by owned and leased hotels;

b) total revenue generated by managed hotels;

c) total accommodation revenue generated by franchised hotels.

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

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

P&L Performance for 2009 and 2010 was as follows:

2010	Management & franchise	Sales & Marketing Funds	Owned & Leased	Non allocated, plateform & intercos	Total
Gross Revenue	9,810	N/A	5,330	255	10,065
o/w Revenue (1)	593	258	5,330	(233)	5,948
EBITDAR	312	(18)	1,530	(10)	1,814
Contributive margin	*53%*	*(7)%*	*29%*	*N/A*	*30.5%*
EBIT	312	(18)	226	(74)	446
EBIT margin	*53%*	*(7)%*	*4%*	*N/A*	*8%*

(1) Including fees from owned & leased hotels.

Reminder: 2009

Contributive margin	*49%*	*(23)% at €(48) m*	*28%*	*N/A*	*27.6%*

3.2. Report on the parent company financial statements year ended December 31, 2010

Activities of Accor SA

Accor SA owns the Pullman, Novotel, Mercure, Suite Novotel, ibis, Etap Hotel, HotelF1, Formule1 and all seasons brands, and receives royalties from their licensing. It also owns hotel businesses in France and holds most of the hotel management contracts and franchise agreements in the country.

Accor SA provides other Group companies with **hotel management, IT, purchasing, cash management, advertising, distribution services, as well as various advisory services, and assigns Accor SA staff to them as required**. Billings for these services correspond either to a percentage of the hotel's revenue and/or profit, a flat fee or a fee per service. They are determined on an arm's length basis.

As the Group's holding company, Accor SA manages a substantial portfolio of equity interests, receives dividends from subsidiaries and leads the Group's expansion.

At December 31, 2010, the following hotels were managed by French subsidiaries under business leases: one Pullman, 53 Novotel, four Mercure, 11 Suite Novotel, three ibis, one all seasons and one Etap Hotel, as well as four Thalassa sea and spa institutes.

Review of 2010 results

Total revenue from all of the Company's operations, including hotel royalties, business lease revenues and service fees, amounted to €721.1 million in 2010, up €44.1 million, or 6.5%, on the €677.0 million reported the previous year.

Analysis of Accor SA revenue, the parent company

(in millions of euros)	2009	2010	% of total
Rent and business lease revenues	96	90	13%
Royalties from subsidiaries	213	225	31%
Other service fees	295	335	46%
Guarantee fees	15	14	2%
Royalties from non-Group companies	58	57	8%
TOTAL	**677**	**721**	**100%**

The Company ended the year with **operating profit** of €30.7 million versus an operating loss of €17.8 million in 2009.

Other income, reversals of depreciation, amortization and provisions and expense transfers amounted to €48.1 million, compared with €38.2 million in 2009.

Operating expenses increased by 0.8%, or €5.5 million, to €738.5 million from €733.0 million.

At €519.3 million, external charges were €41.9 million higher than in 2009.

Payroll costs decreased by €16.9 million to €146.2 million from €163.1 million.

Depreciation, amortization and additions to provisions for fixed assets came to €22.4 million compared with €33.9 million in 2009.

Additions to provisions for pensions and other post-retirement benefits amounted to €5.3 million versus €8.7 million.

Net financial income stood at €71.0 million for the year, representing a €730.4 million positive swing compared with the €659.4 million net financial expense reported in 2009. **Total provision movements** included in net financial income, corresponding mainly to write-downs of investments in subsidiaries, represented a net charge of €520.2 million against a €796.6 million net charge in 2009. The main additions to these provisions in 2010 corresponded to write-downs of the shares held by the Company in Groupe Lucien Barrière (€204.3 million), CIWLT (€191.8 million), Accor Hoteles España (€20.2 million) and Accor Hospitality Germany (€15.0 million).

Dividend income amounted to €795.4 million, versus €292.0 million in 2009. The main dividend payments received during the year were from Accor UK (€382.2 million), Accor Hotels

Belgium (€199.7 million), SCHE (€38.6 million) and Accor Suisse (€22.2 million).

The Company posted €101.6 million in **recurring income before tax** in 2010, versus a recurring loss before tax of €677.7 million for the previous year.

Non-recurring items represented net income of €44.9 million compared with €326.5 million in 2009. The 2010 total included (i) a €32.4 million capital gain arising on the sale of Accor's interest in Luncheon Tickets to Accor TRB (an Accor Services subsidiary), (ii) a €9.9 million capital gain arising on the sale of Accor's stake in Delicard Group AB to Accor Services Sweden, and (iii) an aggregate €4.3 million capital gain arising on the sale of hotel properties comprising one Pullman, six Novotel, one Mercure, one Suite Novotel, one ibis and one Etap Hotel.

The Company recorded an **income tax benefit** of €32.6 million in 2010 versus €45.0 million in 2009, corresponding to the tax savings arising from group relief. At December 31, 2010 the French tax group headed by Accor SA comprised 95 companies.

Accor SA ended the year with **net profit** of €172.6 million compared with a €301.6 million net loss in 2009.

Non-deductible provisions and accrued expenses carried in the balance sheet at December 31, 2010 amounted to €65.6 million, versus €66.8 million at the previous year-end.

During 2010 Accor paid an ordinary dividend of €1.05 per share, representing an aggregate payout of €236.7 million. The 2009 and 2008 ordinary dividends each amounted to €1.65 per share.

Details of the other directorships and positions held by the Company's directors and officers, as well as their compensation, are provided in the Corporate Governance section, on page 51above.

Information about supplier payment periods

Payment schedule for Accor SA's trade payables

(in millions of euros)	Accrued payables	< 30 days	30-60 days	> 60 days
Trade payables	–	–	15.6	–
Accruals for goods and services received but not invoiced	112.3	–	–	–
TOTAL	**112.3**	**–**	**14.9**	**–**

2010 business review

In preparation for the Asset Contribution-Demerger Agreement signed between Accor SA and New Services Holding (which has now become Edenred), the following transactions were carried out:

Accor Hôtellerie purchased a 2% interest in **Accor Austria** from **Saminvest** for €0.8 million.

Accor SA restructured its subsidiaries in Argentina as follows:

- **Accor Hôtellerie** acquired 95% of **Hosparginvest** for €1.1 million and subsequently sold to Hosparginvest 3,932 shares in **Accor Argentina** for the same amount. This sale gave rise to a capital loss of €0.1 million.
- **Accor Hôtellerie** sold 11,728 shares in **Accor Argentina** to **Saminvest** for €3.2 million, generating a capital loss of €0.3 million. **Accor Hôtellerie** purchased a stake in **Accor Hospitality Argentina** corresponding to the value of its Hotels business, following a capital reduction carried out by **Accor Argentina**. This purchase gave rise to a €2.1 million capital loss which was partly offset by a €0.1 million provision reversal.

Accor Hôtellerie took up all of the new shares offered by **Sogecol** as part of a capital increase, for €1.6 million.

Accor Hôtellerie purchased all of the shares issued by **Profid** as part of a capital increase, through the capitalization of a €13.0 million receivable owed by **Profid**. Following this transaction, **Profid** reduced its capital by €9.5 million by capitalizing the deficit in its retained earnings account.

Accor Services purchased from outside partners a 17.7% interest in **Accor Services Participation** for €10.5 million.

Accor Services purchased for €447.4 million all of the new shares offered by **Accor Services Holding** as part of a capital increase.

Accor Services subscribed for the entire capital of **Accor Services Suisse** for €0.5 million

Accor Services sold all of its interest in **In-Action Scandinavia** for €1. This transaction generated a capital loss of €2.7 million, which was partly offset by a €1.1 million provision reversal.

Accor Services sold all of its interest in **Delicard Group AB** for €17.4 million, generating a €9.9 million capital gain.

Accor Services sold all of its interest in **Luncheon Ticket Uruguay** for €36.9 million, generating a €32.4 million capital gain.

As provided for in the Asset Contribution-Demerger Agreement signed on April 19, 2010, **Accor** transferred to New Services Holding (renamed **Edenred**) all of its Services business portfolio representing a value of €1,263.2 million less €166.4 million in provisions for impairment of shares.

Following the Annual Shareholders' Meeting held on June 29, 2010, **Accor** received 225,878,896 **Edenred** shares representing €1,099.2 million.

During the second half of the year, **Accor** sold its interests in its **Polynesian subsidiaries** for €4.9 million, generating a capital loss of €17.1 million which was largely offset by a €15.7 million provision reversal.

Accor took up all of the new shares issued by **Accor Chile** as part of a capital increase, for €3.5 million. These shares represent Accor Chile's entire capital.

Accor sold its entire stake in **AH Sweden** for €7.7 million, leading to a capital gain of €0.8 million plus a €5.5 million provision reversal.

Accor took up all of the new shares issued by **Accor Hospitality Italia** as part of a capital increase, for €2.5 million. These shares represent 30.7% of the company's capital.

Accor purchased 842,050 convertible bonds issued by **Risma** (Morocco), for €7.4 million.

Accor acquired for €25.7 million all of the shares in **Belle Rivière Hôtel** which owns Sofitel Mauritius.

Transactions in Accor SA shares

The Company did not buy back any of its own shares during 2010.

In July 2010, **Accor** paid a cash dividend for 2009 amounting to €1.05 per share, representing an aggregate payout of €236.7 million. It also gave each shareholder one **Edenred** share for each **Accor** share held. This transaction had a €1,099,185,386 impact on "Additional paid-in capital".

Also in 2010, the Company's equity was increased by the following share issues:

- 1,985,428 Accor shares issued as consideration for the contribution of shares in **SEIH**;
- 1,344,222 shares issued on exercise of stock options and stock savings warrants;
- 26,166 shares issued under performance share plans.

At December 31, 2010, the Company cancelled 2,020,066 Accor shares following the dissolution without liquidation of SEIH.

All of these transactions – which are described in further detail on page 278– increased Accor SA's share capital by €4,007,250 and reduced additional paid-in capital by €1,068,065,708.

The Company's ownership structure is described in the "Capital and Ownership Structure" section on page 279.

Financing and investing transactions

Accor received €1.06 billion from Edenred as part of its reorganization operations at the time of the Demerger. Of this amount, €100 million was invested in certificates of deposit maturing on January 3, 2011, €702 million was deposited in term accounts, and €59 million was invested in retail certificates of deposit with Société Générale.

Accor did not set up any new financing transactions in 2010. The Company has €308 million worth of private placement financing maturing in 2013 as well as funds from three issues carried out in 2009 of bonds with maturities of between five and eight years. The aggregate face value of these bonds was €1.4 billion when they were originally issued, but following the demerger of the Group's two businesses, this was reduced on December 1, 2010 as a result of bond buybacks representing an aggregate face value of €282.9 million, as follows:

- €150.6 million for the 6.5%-coupon bonds maturing in May 2013
- €132.3 million for the 7.5%-coupon bonds maturing in February 2014

Hotel transactions

As part of its "Côte Rotie", "Invesco" and "Prédica & Foncière des Murs" projects, Accor sold eleven Pullman, Novotel, Mercure, Suite Novotel, ibis and Etap Hotel properties and their business bases in 2010, for a total amount of €75.3 million.

Information about subsidiaries

Accor SA holds 50% or more of the capital of 150 companies. The main equity interests - based on gross value - are as follows:

- **CIWLT** (€604.3 million). Belgium-based Compagnie Internationale des Wagons-Lits et Tourisme (CIWLT) provides on-board train services in Europe, through a joint venture that is owned 60% by Newrest and 40% by Accor.

  CIWLT reported 2010 revenue of €17.8 million compared with €131.8 million the previous year, and a net loss of €285.1 million versus net profit of €20.5 million. Dividends paid by CIWLT to Accor SA in 2010 amounted to €12.1 million, unchanged from 2009.

- **IBL** (€699.5 million). IBL owns 37.9% of Accor Lodging North America, the holding company for the Hotels business in the United States.

  It does not have any other activities. Its profit varies depending on the interest received from Accor on current account advances, and on the amount of any dividends received from Accor Lodging North America.

  IBL received €0.57 million in dividends from Accor Lodging North America in 2010 and reported net profit of €3.2 million, versus a net loss of €184.2 million in 2009. The 2009 net loss figure was primarily due to a €187.4 million addition to provisions for impairment of ALNA shares.

  IBL did not pay any dividends to Accor SA in 2009 or 2010.

- **Accor Lodging North America** (€730.1 million), the holding company for the Accor Group's Hotels business in the United States. This company reported a net loss of €11.4 million in 2010 versus a net loss of €335 million in 2009.

- **Accor Hotels Belgium** – AHB (€1,002.3 million), a Belgian company that operates the Group's hotels in Belgium and also owns 99.9% of **Accor Asia**, 81.9% of **AAPC** – the holding company for the Accor Group's Hotels business in Australia – 39.25% of **Accor Participaçoes**, a Brazilian holding company, and 50% of the Portugal-based hotel operator **AHS**.

AHB reported net profit of €323.0 million in 2010, representing a €253.8 million increase on the €69.2 million recorded in 2009, attributable mainly to the company's debt reduction following a €650 million capital increase in April 2008.

AHB paid Accor SA a €199.7 million interim dividend on December 1, 2010.

The other interests held by Accor SA are listed in the table of subsidiaries and affiliates presented after the parent company financial statements on page 264.

3.3. Material contracts

During 2010, material contracts (other than contracts entered into in the ordinary course of business) corresponded to agreements signed in relation to business acquisitions and real estate transactions, as described in paragraph A to B of note 2 and note 40 to the consolidated financial statements.

3.4. Significant Events of Early 2011

The following significant events have occurred since the end of 2010.

Disposal of the stake in Groupe Lucien Barrière

As part of the strategy of refocusing on its core hotel operator business, Accor announced in January that an agreement had been signed with Fimalac and Groupe Lucien Barrière concerning the sale of its 49% stake in Groupe Lucien Barrière for €268 million. Following completion of the transaction in March, Accor no longer holds any interest in Groupe Lucien Barrière.

Sale and variable leaseback transaction with Predica and Foncière des Murs

As part of the ongoing deployment of its asset-right strategy, Accor announced the disposal of 49 hotel properties in France, Belgium and Germany to a consortium comprising Predica and Foncière des Murs. 43 of the units were divested in December 2010, while the 6 remaining will be sold in 2011. The transaction was valued at €378 million. Accor will continue to manage the hotels through a variable lease agreement, with the rent averaging 19% of the hotels' annual revenue without any guaranteed minimum [(1)].

New Executive Committee Created

Denis Hennequin, Chairman and Chief Executive Officer, has announced the creation of a new leaner Executive Committee focused on the Group's strategic objectives: increasing the value and visibility of the brands, speeding expansion, and continuing to diversify the operating structures through franchising and management contracts.

The members of the new Executive Committee will be as follows:

- Yann Caillère, President and Chief Operating Officer.
- Grégoire Champetier, Global Chief Marketing Officer, in charge of Brand Strategy, Design Strategy, Marketing and Distribution.
- Anne-Marie Cambourieu, Global Chief Human Resources Officer, in charge of Group Organization, Transformation and Sustainable Development.
- Dominique Esnault, Global Chief Operations Support, in charge of Development, Franchising, Procurement, Technical Services & Design Management.
- Pascal Quint, Corporate Secretary and Secretary of the Board of Directors, responsible for Legal Affairs, Insurance, Risk Management and the Audit Department.
- Sophie Stabile, Global Chief Financial Officer, responsible for Group Information Systems.
- Marc Vieilledent, Global Executive Vice President Asset Management, responsible for Asset Management & Strategy and Mergers - Acquisitions.

New director appointed

The Accor Board of Directors, meeting on February 22, 2011 under the chairmanship of Denis Hennequin and acting on a recommendation by the Compensation and Appointments Committee, appointed Mercedes Erra as a new director. Ratification of the appointment will be submitted to shareholder approval at the Annual Meeting on May 30, 2011.

The Board of Directors has determined that Ms. Erra fulfills the independence criteria set out in the AFEP/MEDEF Corporate Governance Code for listed companies.

CIWLT tax audits

CIWLT was notified of the ruling by the Versailles Administrative Court of Appeals on 17 March 2011, and has two months from that date to file an appeal with the Court of Cassation. The ruling supports the Group's decision, presented in Note 39 to the consolidated financial statements, page 222, to write down the related tax receivable by €263 million as of December 31, 2010.

(1) Except for 2011 and 2012, when the minimum will be €23 million, to support the ramp-up of recently opened hotels.

4 Financial Statements

4.1. Consolidated financial statements and notes

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2010

This is a free translation into English of the original Auditors' Report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In accordance with our appointment as statutory auditors at your Annual General Meeting, we hereby report to you for the year ended December 31, 2010 on:

- the audit of the accompanying consolidated financial statements of Accor;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2010 and of the results of its operations for the year then ended in accordance with the IFRSs as adopted by the European Union.

Without qualifying the opinion expressed above, we draw your attention to the accounting impact of the demerger of the Accor Group, as described in Note 2.E to the consolidated financial statements. This transaction resulted in a €4,118 million capital gain (before deducting demerger costs), which was accounted for in 2010 profit.

II. Justification of our assessments

Pursuant to the provisions of Article L.823-9 of the French Commercial Code governing the justification of our assessments, we draw your attention to the following:

- Notes 1.E.6 and 1.E.4 to the consolidated financial statements describe the accounting policies and methods used to assess the recoverable amount of property, plant and equipment and intangible assets, as well as the policies and methods used to account for leases and sale-and-leaseback transactions. We verified the appropriateness of these accounting policies and methods and of the related information given in the notes to the consolidated financial statements. We also examined the consistency of the data and assumptions used, and the supporting documentation, and on these bases assessed the reasonableness of the estimates made.
- Note 39 to the consolidated financial statements describes (i) the disputes currently underway regarding the tax audits of CIWLT and claims relating to the dividend withholding tax, and (ii) management's estimated outcomes concerning these disputes. New unfavorable developments that came to the Company's attention regarding the dispute over the tax audits of CIWLT led the Group to account for a tax expense of €263 million in 2010 financial statements. Our work consisted of assessing the reasonableness of the elements on which these estimated outcomes are based and verifying that the note to the consolidated financial statements provides appropriate disclosures.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole and therefore contributed to the formation of the opinion expressed in the first part of this report.

III. Specific procedure

As required by law, we also verified the information presented in the Group management report in accordance with the professional standards applicable in France.

We have no comment to make as to the fair presentation of this information or its consistency with the consolidated financial statements.

Neuilly-sur-Seine – March 29, 2011

The Statutory Auditors

DELOITTE & ASSOCIES	ERNST & YOUNG et Autres
David Dupont-Noel	Bruno Bizet

CONSOLIDATED INCOME STATEMENTS

(in million of euros)	Notes	2009 (*)	2010	2009 Published
Revenue		5,490	5,948	6,971
Other operating revenue		-	-	94
CONSOLIDATED REVENUE	**3**	**5,490**	**5,948**	**7,065**
Operating expense	4	(3,972)	(4,134)	(5,089)
EBITDAR	**5**	**1,518**	**1,814**	**1,976**
Rental expense	6	(854)	(934)	(884)
EBITDA	**7**	**664**	**880**	**1,092**
Depreciation, amortization and provision expense	8	(429)	(434)	(498)
EBIT	**9**	**235**	**446**	**594**
Net financial expense	10	(124)	(134)	(143)
Share of profit of associates after tax	11	(3)	22	(3)
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS		**108**	**334**	**448**
Restructuring costs	12	(110)	(31)	(127)
Impairment losses	13	(241)	(284)	(387)
Gains and losses on management of hotel properties	14	7	4	7
Gains and losses on management of other assets	15	(27)	(35)	(85)
OPERATING PROFIT BEFORE TAX		**(263)**	**(12)**	**(144)**
Income tax expense	16	(32)	(392)	(121)
Profit or loss from discontinued operations	17	30	4,014	-
Net Profit from continuing operations		(295)	(404)	(265)
Net Profit from discontinued operations		30	4,014	-
NET PROFIT		**(265)**	**3,610**	**(265)**
Net Profit, Group Share from continuing operations		(303)	(411)	(282)
Net Profit, Group Share from discontinued operations		21	4,011	-
Net Profit, Group Share		**(282)**	**3,600**	**(282)**
Net Profit, Minority interests from continuing operations		8	7	17
Net Profit, Minority interests from discontinued operations		9	3	-
Net Profit, Minority interests		17	10	17
Weighted average number of shares	25	222,890	225,838	222,890
OUTSTANDING (IN THOUSANDS)				
Earnings per share *(in euros)*		(1.27)	15.94	(1.27)
Diluted earnings per share *(in euros)*	25	(1.27)	15.87	(1.26)
Earnings per share from continuing operations *(in euros)*		(1.36)	(1.82)	(1.27)
Diluted earnings per share from continuing operations *(in euros)*		(1.36)	(1.82)	(1.26)
Earnings per share from discontinued operations *(in euros)*		0.09	17.76	N/A
Diluted earnings per share from discontinued operations *(in euros)*		0.09	17.68	N/A

(*) In accordance with IFRS 5 "non-Current Assets Held for Sale and Discontinued Operations" in the consolidated income statement for the year ended December 31, 2009, the profit or loss of 2010 discontinued operations is reported on a separate line (see note 17).

STATEMENTS OF COMPREHENSIVE INCOME

(in million of euros)	Notes	2009 (*)	2010	2009 Published
NET PROFIT		(265)	3,610	(265)
Currency translation adjustment		167	230	167
Effective portion of gains and losses on hedging instruments in a cash flow hedge		(6)	2	(6)
Actuarial gains and losses on defined benefits plans		(3)	(2)	(3)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method		-	-	-
Other comprehensive income, net of tax	**28**	**158**	**230**	**158**
TOTAL COMPREHENSIVE INCOME		**(107)**	**3,840**	**(107)**
Comprehensive income, Group share		**(127)**	**3,817**	**(127)**
Comprehensive income, Minority interests		20	23	20

(*) *In accordance with IFRS 5 "non-Current Assets Held for Sale and Discontinued Operations" in the statement of comprehensive income for the year ended December 31, 2009, the comprehensive income of 2010 discontinued operations is reported on a separate line (see note 17).*

CONSOLIDATED BALANCE SHEETS

Assets

(in million of euros)	Notes	Dec. 2009	Dec. 2010
GOODWILL	18	1,777	743
INTANGIBLE ASSETS	19	488	409
PROPERTY, PLANT AND EQUIPMENT	20	4,306	3,682
Long-term loans	21	107	136
Investments in associates	22	191	216
Other financial investments	23	130	128
TOTAL NON-CURRENT FINANCIAL ASSETS		428	480
Deferred tax assets	16	291	241
TOTAL NON-CURRENT ASSETS		**7,290**	**5,555**
Inventories	24	60	41
Trade receivables	24	1,350	374
Other receivables and accruals	24	1,113	637
Prepaid services voucher reserve funds		565	-
Receivables on disposals of assets	29 & 30	43	95
Short-term loans	29 & 30	17	20
Cash and cash equivalents	29 & 30	1,164	1,143
TOTAL CURRENT ASSETS		**4,312**	**2,310**
Assets held for sale	32	144	813
TOTAL ASSETS		**11,746**	**8,678**

Equity and Liabilities

(in million of euros)	Notes	Dec. 2009	Dec. 2010
Share capital	25	676	680
Additional paid-in capital and reserves		2,603	(630)
Net profit, Group share		(282)	3,600
SHAREHOLDERS' EQUITY, GROUP SHARE		**2,997**	**3,650**
Minority interests	27	257	299
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTERESTS		**3,254**	**3,949**
Other long-term financial debt	29 & 30	2,332	1,690
Long-term finance lease liabilities	29 & 30	143	93
Deferred tax liabilities	16	211	123
Non-current provisions	33	132	109
TOTAL NON-CURRENT LIABILITIES		**6,072**	**5,964**
Trade payables	24	709	634
Other payables and income tax payable	24	1,463	1,307
Prepaid services voucher in circulation		2,883	-
Current provisions	33	242	190
Short-term debt and finance lease liabilities	29 & 30	285	160
Bank overdrafts	29 & 30	88	45
TOTAL CURRENT LIABILITIES		**5,670**	**2,336**
Liabilities of assets classified as held for sale	32	4	378
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**11,746**	**8,678**

CONSOLIDATED CASH FLOW STATEMENTS

	(in million of euros)	Notes	2009 (*)	2010	2009 Published
+	EBITDA	7	664	880	1,092
+	Net financial expense	10	(124)	(134)	(143)
+	Income tax expense		(56)	(129)	(161)
-	Non cash revenue and expense included in EBITDA		31	15	32
-	Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes		1	59	19
+	Dividends received from associates		4	4	4
+	Impact of discontinued operations		323	169	-
=	**FUNDS FROM OPERATIONS EXCLUDING NON-RECURRING TRANSACTIONS**	**34**	**843**	**864**	**843**
+	Decrease (increase) in operating working capital	35	(49)	198	(61)
+	Impact of discontinued operations	35	(13)	(212)	-
=	**NET CASH FROM OPERATING ACTIVITIES**		**781**	**850**	**781**
+	Cash received (paid) on non-recurring transactions (included restructuring costs and non-recurring taxes)		(130)	(120)	(156)
+	Decrease (increase) in non-operating working capital		(242)	-	(242)
+	Impact of discontinued operations		(26)	(65)	-
=	**NET CASH FROM OPERATING ACTIVITIES INCLUDING NON-RECURRING TRANSACTIONS (A)**		**383**	**665**	**383**
-	Renovation and maintenance expenditure	36	(288)	(281)	(327)
-	Development expenditure	37	(420)	(340)	(766)
+	Proceeds from disposals of assets		339	556	363
+	Impact of discontinued operations		(361)	335	-
=	**NET CASH USED IN INVESTMENTS/DIVESTMENTS (B)**		**(730)**	**270**	**(730)**
+	Proceeds from issue of share capital	(**)	175	44	175
-	Dividends paid		(396)	(249)	(396)
-	Repayment of long-term debt		(1,251)	(304)	(1,253)
-	Payment of finance lease liabilities		(8)	(52)	(8)
+	New long term debt		1,710	75	1,842
=	**INCREASE (DECREASE) IN LONG-TERM DEBT**		**451**	**(281)**	**581**
+	Increase (decrease) in short-term debt		(109)	(1,253)	(33)
+	Impact of discontinued operations		206	837	-
=	**NET CASH FROM FINANCING ACTIVITIES (C)**		**327**	**(902)**	**327**
+	**EFFECT OF CHANGES IN EXCHANGE RATES (D)**		**8**	**(20)**	**(28)**
+	Effect of changes in exchange rates on discontinued operations (D)		(36)	47	-
=	**NET CHANGE IN CASH AND CASH EQUIVALENTS (E)=(A)+(B)+(C)+(D)**		**(48)**	**60**	**(48)**
-	Cash and cash equivalents at beginning of period		1 131	1 076	1 131
-	Effect of changes in fair value of cash and cash equivalents		(7)	1	(7)
-	Cash and Cash equivalents reclassified at end of period in “Assets held for sale”		-	(39)	-
+	Cash and cash equivalents at end of period	30	1 076	1 098	1 076
=	**NET CHANGE IN CASH AND CASH EQUIVALENTS**		**(48)**	**60**	**(48)**

(*) In accordance with IFRS 5 “non-Current Assets Held for Sale and Discontinued Operations” in the consolidated cash flow statements the year ended December 31, 2009, the cash flows of 2010 discontinued operations is reported on a separate line (see note 17).

(**) Including stock dividends paid in 2009 for €162 million.

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in million of euros)	Number of shares outstanding	Share capital	Additional paid-in capital	Currency translation reserve [1]	Hedging Instruments reserve	Reserve for actuarial gains/ losses	Reserve related to employee benefits	Retained earnings and profit for the period	Shareholders' equity	Minority interests	Consolidated shareholders' Equity
AT JANUARY 1, 2009	**219,894,523**	**660**	**2,226**	**(367)**	**(6)**	**(23)**	**82**	**726**	**3,298**	**258**	**3,556**
Issues of share capital											
◗ Stock dividends and performance share grants	5,358,327	15	146	-	-	-	-	-	161	-	161
◗ In cash	-	-	-	-	-	-	-	-	-	6	6
◗ On exercise of stock options	205,349	1	7	-	-	-	-	-	8	-	8
Dividends paid [2]	-	-	-	-	-	-	-	(363)	(363)	(34)	(397)
Change in reserve for employee benefits	-	-	-	-	-	-	20	-	20	-	20
Effect of scope changes	-	-	-	-	-	-	-	-	-	7	7
Other Comprehensive Income	**-**	**-**	**-**	**164**	**(6)**	**(3)**	**-**	**-**	**155**	**3**	**158**
Net Profit	-	-	-	-	-	-	-	(282)	(282)	17	(265)
Total Comprehensive Income	**-**	**-**	**-**	**164**	**(6)**	**(3)**	**-**	**(282)**	**(127)**	**20**	**(107)**
AT DECEMBER 31, 2009	**225,458,199**	**676**	**2,379**	**(203)**	**(12)**	**(26)**	**102**	**81**	**2,997**	**257**	**3,254**
Issues of share capital											
◗ Performance share grants	26,166	0	-	-	-	-	-	(0)	-	-	-
◗ On exercise of stock options	1,344,222	4	31	-	-	-	-	-	35	9	44
◗ On mergers [3]	(34,638)	(0)	0	-	-	-	-	-	0	-	0
Dividends paid											
◗ in cash [2]	-	-	-	-	-	-	-	(237)	(237)	(12)	(249)
◗ stock dividends paid in connection with the demerger [4]	-	-	(1,099)	-	-	-	-	(1,838)	(2,937)	-	(2,937)
Change in reserve for employee benefits	-	-	-	-	-	-	19	-	19	-	19
Effect of scope changes	-	-	-	-	-	2	-	(46)	(44)	22	(22)
Other Comprehensive Income	**-**	**-**	**-**	**217**	**2**	**(2)**	**-**	**-**	**217**	**13**	**230**
Net Profit	-	-	-	-	-	-	-	3,600	3,600	10	3,610
Total Comprehensive Income	**-**	**-**	**-**	**217**	**2**	**(2)**	**-**	**3,600**	**3,817**	**23**	**3,840**
AT DECEMBER 31, 2010	**226,793,949**	**680**	**1,311**	**14**	**(10)**	**(26)**	**121**	**1,560**	**3,650**	**299**	**3,949**

(1) *Exchange differences on translating foreign operations between December 31, 2009 and December 31, 2010, representing a positive impact of €217 million positive impact, mainly concern changes in exchange rates against the euro of the US dollar (€123 million positive impact), the Australian dollar (€73 million positive impact), the British pound (€13 million positive impact) and the Brazilian real (€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	AUD
December 2009	1.4406	0.8881	2.5113	1.6008
December 2010	1.3362	0.8608	2.2177	1.3136

(2) *The 2009 and 2010 dividends were as follows:*

(in euros)	2009	2010 (*)
Dividend per share	1.05	0.62

(*) *Ordinary dividend per share recommended by the Board of Directors to the Annual Shareholders' Meeting of May 30, 2011.*
(3) *See note 3.4.2 in the update to the 2009 Registration Document filed with the* Autorité des Marchés Financiers *on May 18, 2010 under number D.10-0201-A01*
(4) *The distribution of Edenred shares on July 2, 2010 following the stock market listing amounted to €2,937 million (see note 2.E).*

Number of Accor's shares is detailed as follows:

Details on shares	Dec. 2009	Dec. 2010
Total number of shares authorized	225,458,199	226,793,949
Number of fully paid shares issued and outstanding	225,458,199	226,793,949
Number of shares issued and outstdanding not fully paid	-	-
Par value per share *(in euros)*	3	3
Treasury stock	-	-
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, 2010	225,458,199
Performance shares grant	26,166
Shares from conversion of stock option plans	1,344,222
Issue of share capital (1)	1,985,428
Reduction of share capital (1)	(2,020,066)
Outstanding shares at December 31, 2010	**226,793,949**
Accor's share capital at December 31, 2010	**226,793,949**
Shares in treasury at December 31, 2010	-
Outstanding shares at December 31, 2010	**226,793,949**
Stock option plans (see note 25.3)	12,949,693
Performance shares grants (see note 25.3)	131,686
Potential number of shares	**239,875,328**

(1) *Due to the merger – See note 3.4.2 in the update to the 2009 Registration Document filed with the Autorité des Marchés Financiers on May 18, 2010 under number D.10-0201-A01.*

Full conversion would have the effect of reducing debt at December 31, 2010 as follows:

(in million of euros)	
Theoretical impact of exercising stock options (*)	386
Theoretical impact on net debt of exercising all equity instruments	**386**

(*) Assuming exercise of all options outstanding at December 31, 2010.

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

Accor's share capital at December 31, 2010	**226,793,949**
Outstanding shares at December 31, 2010	**226,793,949**
Effect of share issues on the weighted average number of shares	(599,361)
Adjustment from stock option plans exercised during the period	(960,033)
Effect of capital reduction on the weighted average number of shares (1)	603,253
Weighted average number of ordinary shares during the period	**225,837,808 (see note 25)**
Impact of dilutive performance shares at December 31, 2010	984,502
Weighted average number of shares used to calculate diluted earning per share	**226,822,310 (see note 25)**

(1) Due to the merger– See note 3.4.2 in the update to the 2009 Registration Document filed with the Autorité des Marchés Financiers on May 18, 2010 under number D.10-0201-A01.

KEY MANAGEMENT RATIOS

The previously reported data for 2009 has been adjusted in order to be directly comparable with that for 2010. The adjusted 2009 data only includes continuing operations and excludes the Services business (Edenred), Groupe Lucien Barrière and the Onboard Train Services business.

	Note	Published Dec. 2009 (1)	Restated Dec. 2009 (2)	Dec. 2010 (2)
Gearing	(a)	50%	30%	18%
Adjusted Funds from Ordinary Activities/Adjusted Net Debt	(b)	20.0%	15.5%	20.1%
Return On Capital Employed	(c)	10.5%	8.3%	11.3%
Economic Value Added (EVA®) *(in million of euros)*	(d)	177	12	75

(1) Based on published historical data (all businesses including Edenred, Groupe Lucien Barrière and the Onboard Train Services business).
(2) Excluding discontinued operations (Edenred, demerged during the period, and Groupe Lucien Barrière and the Onboard Train Services business, reclassified in discontinued operations in accordance with IFRS 5).

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:

	Published Dec. 2009 (1)	Restated Dec. 2009 (2)	Dec. 2010 (2)
NET DEBT AT END OF THE PERIOD (SEE NOTE 30)	**1,624**	**1,321**	**730**
Debt restatement *prorated over* the period	(51)	(45)	319
AVERAGE NET DEBT	**1,573**	**1,276**	**1,049**
Rental commitments discounted at 8% (*)	3,761	3,761	3,742
TOTAL ADJUSTED NET DEBT	**5,334**	**5,037**	**4,791**
FUNDS FROM ORDINARY ACTIVITIES	**843**	**557**	**695**
Rental amortization	222	222	266
ADJUSTED FUNDS FROM ORDINARY ACTIVITIES	**1,065**	**779**	**961**
ADJUSTED FUNDS FROM ORDINARY ACTIVITIES / ADJUSTED NET DEBT	**20.0%**	**15.5%**	**20.1%**

(1) Based on published historical data (all businesses including Edenred, Groupe Lucien Barrière and the Onboard Train Services business).
(2) Excluding discontinued operations (Edenred, demerged during the period, and Groupe Lucien Barrière and the Onboard Train Services business, reclassified in discontinued operations in accordance with IFRS 5).
(*) 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.

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

Adjusted net debt at December 31, 2010 is based on rental commitments discounted at 8% (€3,742 million).

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

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

2009 and 2010 Economic Value Added (EVA) have been calculated as follows:

	Published Dec. 2009 (1)	Restated Dec. 2009 (2)	Dec. 2010 (2)
WEIGHTED AVERAGE COST OF CAPITAL (WACC) (3)	7.46%	7.46%	8.67%
ROCE AFTER TAX (4)	9.15%	7.62%	9.60%
CAPITAL EMPLOYED *(in million of euros)*	10,482	8,091	8,123
ECONOMIC VALUE ADDED *(in million of euros)* (5)	177	12	75

(1) Based on published historical data (all businesses including Edenred, Groupe Lucien Barrière and the Onboard Train Services business).

(2) Excluding discontinued operations (Edenred, demerged during the period, and Groupe Lucien Barrière and the Onboard Train Services business, reclassified in discontinued operations in accordance with IFRS 5).

(3) 2010 WACC has been recalculated based on the post-demerger structure of the Accor Group. To permit meaningful comparisons, 2009 WACC has not been adjusted for these effects and has been applied to adjusted financial items for the period.

(4) 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, 2010 the data used in the formula were as follows:

EBITDA : €880 million (see ROCE hereafter)

Depreciation, amortization and provisions : €434 million

Effective tax rate: 28.2% (see note 16.2)

Capital employed: €8,123 million (see ROCE hereafter)

(5) 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 million impact on 2009 EVA and a €37 million impact on 2010 EVA.

RETURN ON CAPITAL EMPLOYED (ROCE) BY BUSINESS SEGMENT

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

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

- adjusted EBITDA: for each business, EBITDA plus revenue from financial assets and investments in associates (dividends and interests);
- capital Employed: for each business, the average cost of 2009 and 2010 non-current assets, before depreciation, amortization and provisions, plus working capital.

ROCE corresponds to the ratio between EBITDA and average capital employed for the period. In December 2010, ROCE stood at 11.3% versus 8.3% in December 2009.

(in million of euros)	Published 2009 (1)	Restated 2009 (2)	2010 (2)
Capital employed	10,835	8,548	8,506
Adjustments on capital employed (a)	(374)	(470)	(501)
Effect of exchange rate on capital employed (b)	21	13	118
AVERAGE CAPITAL EMPLOYED EXCLUDING DISCONTINUED OPERATIONS	**10,482**	**8,091**	**8,123**
EBITDA (see note 7)	1,092	664	880
Interest income on external loans and dividends	10	9	12
Share of profit of associates before tax (see note 11)	1	1	24
PUBLISHED ADJUSTED EBITDA	**1,103**	**674**	**916**
PUBLISHED ROCE (ADJUSTED EBITDA/CAPITAL EMPLOYED)	**10.5%**	**8.3%**	**11.3%**

(1) Based on published historical data (all businesses including Edenred, Groupe Lucien Barrière and the Onboard Train Services business).

(2) Excluding discontinued operations (Edenred, demerged during the period, and Groupe Lucien Barrière and the Onboard Train Services business, reclassified in discontinued operations in accordance with IFRS 5).

In accordance with IFRS 5, the ROCE of Edenred, Groupe Lucien Barrière and the Onboard Train Services business were not taken into account in the calculation of Group ROCE.

(a) for the purpose of calculating ROCE, capital employed is prorated over the period of EBITDA recognition in the income statement. For example, the capital employed of a business acquired on December 31 that did not generate any EBITDA during the period would not be included in the calculation;

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

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

	Restated Dec. 2009		Dec. 2010	
	Capital Employed	ROCE	Capital Employed	ROCE
Business	*(in million of euros)*	%	*(in million of euros)*	%
HOTELS	**7,827**	**8.4%**	**7,873**	**11.1%**
Upscale and Midscale Hotels	4,147	6.6%	4,279	10.4%
Economy Hotels	2,114	14.7%	2,008	18.2%
Economy Hotels United States	1,566	4.4%	1,586	4.1%
OTHER BUSINESSES	**264**	**7.6%**	**250**	**15.5%**
GROUP TOTAL EXCLUDING DISCONTINUED OPERATIONS	**8,091**	**8.3%**	**8,123**	**11.3%**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General framework

In accordance with European Commission regulation 1606/2002 dated July 19, 2002 on the application of international financial reporting standards, the Accor Group consolidated financial statements for the year ended December 31, 2010, 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 2009 financial information, prepared in accordance with the same standards.

At December 31, 2010, 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.

The difference between the standard as published by the IASB and as adopted by the European Union does not have a material impact on the Accor Group's financial statements because application of IAS 39 will have no impact on the Group's financial statements when it is adopted by the European Union and becomes applicable by the Group.

As a result, the Group's consolidated financial statements have been prepared in accordance with International Financing Reporting Standards as published by the IASB.

The following new standards and amendments to existing standards adopted by the European Union were applicable from January 1, 2010:

- amendment to IAS 39 "Eligible Hedged Items": the amendment states in particular that the time value of money should not be taken into account in a hedging relationship and that inflation can be designated as a hedged item only when certain conditions are met. The amendment had no impact on the Group's hedge accounting;
- IFRS 1 (revised) "First-time Adoption of International Financial Reporting Standards": this standard concerns companies adopting IFRS for the first time and the revision therefore had no impact on the consolidated financial statements for the periods presented;
- amendment to IFRS 1 "Additional Exemptions for First-time Adopters": this standard concerns companies adopting IFRS for the first time and the revision therefore had no impact on the consolidated financial statements for the periods presented;
- amendment to IFRS 2 "Group Cash-Settled Share-Based Payment Transactions": the amendment clarifies how an individual subsidiary in a group should account for cash-settled share-based payment arrangements in its own financial statements. It had no impact on the consolidated financial statements for the periods presented;
- IFRS 3 (revised) "Business Combinations" and IAS 27 (revised) "Consolidated and Separate Financial Statements": these revised standards, which are applicable prospectively, concern business combinations and changes in percentage ownership occurring on or after January 1, 2010. Adoption of these two revised standards led the Group to alter its accounting treatment of business combinations and transactions with non-controlling interests carried out on or after this date. The changes are as follows:
  - transactions with non-controlling interests in fully consolidated companies are now accounted for as equity transactions,
  - for each business combination, IFRS 3 (revised) offers the option of measuring any non-controlling interest in the acquiree either at fair value or as the non-controlling interest's proportionate share of the acquiree's identifiable net assets (with no change possible later in the event of an additional interest being acquired that does not transfer control),
  - costs related to business combinations are recognized directly as expenses,
  - changes in ownership interest resulting in loss of control trigger remeasurement of the residual holding at fair value.

  Adoption of these revised standards had no effect on the consolidated financial statements for the periods presented;
- improvements to IFRS (April 2009): application of the amendments to standards had no effect on the consolidated financial statements for the periods presented;
- improvements to IFRS (May 2008): application of the amendments to standards had no effect on the consolidated financial statements for the periods presented;
- IFRIC 12 "Service Concession Arrangements": as Accor is not involved in service concession arrangements, adoption of this interpretation had no effect on the consolidated financial statements for the periods presented;
- IFRIC 15 "Agreements for the Construction of Real Estate": adoption of this interpretation had no effect on the consolidated financial statements for the periods presented.;
- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation": this interpretation, which is applicable prospectively, clarifies certain principles governing hedges of net investments in foreign operations:
  - hedge accounting may only be applied to foreign exchange differences between functional currencies for an amount less than the carrying amount of the net investment and only one hedging relationship may be designated,

- the hedging instrument may be held by any entity within the Group,
- the gain or loss on the hedging instrument accounted for in equity is reclassified to profit or loss on disposal of the investment.

Adoption of this interpretation had no effect on the consolidated financial statements for the periods presented;

- IFRIC 17 "Distributions of Non-cash Assets to Owners": this interpretation was applied in the 2010 financial statements following the demerger of the Group's Hospitality and Services businesses by the Shareholders' Meeting. Application of this interpretation led the Group to remeasure at fair value in 2010 the Edenred shares distributed to shareholders on July 2, 2010 (see note 2.E.);
- IFRIC 18 "Transfers of Assets from Customers": adoption of this interpretation had no effect on the consolidated financial statements for the periods presented.

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, 2010 and applicable after that date:

Standard or Interpretation		Application Date (period beginning on or after)	Measurement of the possible impact on the Accor Group consolidated financial statements in the period of initial application
Amendment to IAS 32	"Classification of Rights Issues"	February 1, 2010	These standards, interpretations and amendments to existing standards are currently not expected to have a material impact on the consolidated financial statements.
Amendment to IFRIC 14	"Prepayments of a Minimum Funding Requirement"	January 1, 2011	
Amendment to IFRS 1	"Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters"	July 1, 2010	
Amendment to IFRS 1	"Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters"	July 1, 2011	
Amendment to IAS 12	"Deferred Tax: Recovery of Underlying Assets"	January 1, 2012	
Amendment to IFRS 7	"Disclosures – Transfers of Financial Assets"	July 1, 2011	
	"Improvements to IFRSs" May 2010	Various but earlier July 01/07/2010	
IFRIC 19	"Extinguishing Financial Liabilities with Equity Instruments"	July 1, 2010	
IAS 24 Revised	"Related Party Disclosures"	January 1, 2011	
IFRS 9	"Financial Instruments: Recognition and Measurement"	January 1, 2013	
Additions to IFRS 9	"Financial Instruments: Recognition and Measurement"	January 1, 2013	

First-time adoption of IFRSs

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

- business combinations recorded prior to January 1, 2004 were not restated;
- cumulative translation differences at the transition date were reclassified in retained earnings;
- property, plant and equipment and intangible assets were not measured at fair value at the transition date;
- IFRS 2 – Share-based Payment was applied to equity instruments granted after November 7, 2002 that had not vested as of January 1, 2005.

Basis for preparation of the financial standards

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

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

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

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

Capital management

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

Its capital structure is managed and adjusted to keep pace with changes in economic conditions, by adjusting dividends, returning capital to shareholders or issuing new shares. Capital management objectives, policies and procedures were unchanged in 2010.

The main indicator used for capital management purposes is the gearing or debt-to-equity ratio (corresponding to net debt divided by equity: see note "Key Management Ratios" and note 30). Group policy consists of keeping this ratio below 100%. For the purpose of calculating the ratio, net debt is defined as all short and long-term borrowings, including lease liabilities, derivative instruments with negative fair values and bank overdrafts less cash and cash equivalents, derivative instruments with positive fair values and disposal proceeds receivable in the short-term. Equity includes convertible preferred stock and unrealized gains and losses recognized directly in equity, but excludes minority interests.

Moreover, 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.

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

B. Business combinations

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

C. 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.

C.1. Positive goodwill

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

In accordance with IFRS 3 (revised), which is applicable to business combinations carried out on or after January 1, 2010, each time it acquires a less than 100% interest in an entity, the Group must choose whether to measure the non-controlling interest at fair value or as the non-controlling interest's proportionate share of the acquiree's identifiable net assets (with no change possible later in the event of additional interest being acquired that does not transfer control). If the business is measured at its total fair value, goodwill attributable to non-controlling interests is also recognized.

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

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

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

C.2. Negative goodwill

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

D. Foreign currency translation

The presentation currency is the euro.

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

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".

E. Non-current assets

E.1. Intangible assets

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

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

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

The clientele of hotels outside France is generally amortized over the life of the underlying lease.

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.

E.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	

E.3. Borrowing costs

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

E.4. Leases and sale and leaseback transactions

Leases are analysed based on IAS 17 "Leases".

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

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

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

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

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

E.5. Other financial investments

Other financial investments, corresponding to investments in non-consolidated companies, are classified as "Available-for-sale financial assets" and are therefore measured at fair value. Unrealized gains and losses on an investment are recognized directly in equity (in the Fair value adjustments on Financial Instruments reserve) and are reclassified to profit when the investment is sold. A significant or prolonged decline in the value of the investment leads to the recognition of an irreversible impairment loss in profit.

Equity-accounted investments in associates are initially 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.

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

E.6. Recoverable value of assets

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

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

Criteria used for impairment tests

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

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

Cash-generating unit

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

In the Hotels 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 country coefficient.

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

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

The projection period is limited to five years. Cash flows are discounted at a rate corresponding to the year-end weighted average cost of capital. Separation calculations are performed based on each country's specific characteristics. The projected long-term rate of revenue growth reflects each country's economic outlook. For 2010, long-term growth rates ranging from 2% to 2.6% were 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.S.7).

Reversal of an impairment loss

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

E.7. Assets or disposal groups held for sale

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

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

This item groups together:

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

F. Inventories

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

G. Prepaid services activity (Edenred) reserve funds

Edenred activity reserve funds are held in special escrow accounts, to comply with legal requirements mainly in France, in Romania and United Kingdom on the use of Prepaid Services operating funds. They require issuers of Edenred vouchers to set aside the equivalent of the aggregate face value of outstanding vouchers in a special reserve fund.

H. 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. Prepaid expenses are included in "Other receivables and accruals".

I. Employee benefits expense

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

J. Provisions

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

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

K. 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".

L. 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.

M. Income taxes

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

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

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

A deferred tax 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.

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

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

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

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

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

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

In France, the *taxe professionnelle* local business tax 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 stated that each business should exercise its own judgment to determine the accounting classification of the CVAE.

In its 2010 financial statements, Accor therefore:

- classified CVAE as income tax;
- reversed part of the deferred tax asset and deferred tax liability recognized at December 31, 2009, on the basis of the reductions in temporary differences observed in 2010;
- recognized the deferred CVAE liability net of the associated corporate tax for business combinations carried out during the period.

N. Share-based payments

N.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 fifteen stock option plans set up between 2003 and December 2010. Thirteen 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. One other plan is a performance option plan with vesting conditions based on performance in relation to the market. As for the other plans, grantees must still be employed by the Group at the starting date of the exercise period.

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

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

Market conditions are taken into account when estimating the fair value of the equity instruments granted, leading to the options being valued at a discounted price. The value attributed to the discount cannot be adjusted, whatever the extent to which the performance conditions have been met at the end of the vesting period. It is determined using the Monte Carlo method, which consists of simulating the performance of Accor shares and the CAC 40 index according to a sufficiently large number of Brown scenarios. Assumptions concerning the probability of options being exercised are also factored into the Monte Carlo model.

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

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.

N.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.

O. 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.

O.1. Financial assets

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

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

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

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

O.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.

O.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.

O.4. Bank borrowings

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

O.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.

O.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.

P. 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.

Q. 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.E.7).

R. Put options granted by Accor

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

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

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

S. Income statement and cash flow statement presentation

S.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.

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.

S.2. Other operating revenue

Other operating revenue consists of interest income on prepaid services voucher reserve funds related to Edenred activity. The interest corresponds to the prepaid services voucher business's operating revenue and is included in the determination of consolidated revenue.

S.3. 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).

S.4. 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.

S.5. 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 Hotels businesses.

S.6. Restructuring costs

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

S.7. Impairment losses

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

S.8. Gains and losses on management of hotel properties

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

S.9. Gains and losses on management of other assets

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

S.10. 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.

S.11. Profit or loss from discontinued operations

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

a) represents a separate major line of business or geographical area of operations;

b) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or;

c) is a subsidiary acquired exclusively with a view to resale.

Profit or loss from discontinued operations corresponds to:

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

S.12. 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.

T. Earnings per share

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

U. 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 February 22, 2011.

NOTE 2 SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION

A. Divestments and returns to shareholders

A.1. Strategic refocusing on Hotels

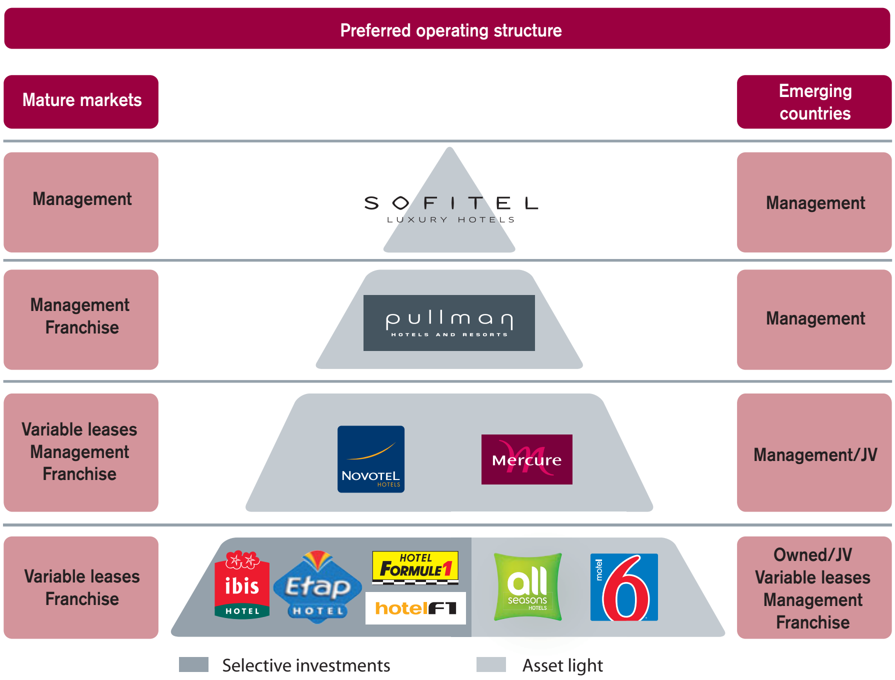
As part of the Group strategy announced to the financial markets in 2006 and reaffirmed in 2009, various non-strategic assets have been sold. Details of the main divestments carried out in 2006, 2007, 2008, 2009 and 2010 are presented below.

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	-
	ITALIAN FOOD SERVICES BUSINESS	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	-
2010	**EDENRED (ex-Services business)**	(See note 2.E)	€2,937 million**	€4,044 million	-

(*) The capital gain or loss is calculated based on the carrying amount of the shares, net of any impairment losses.
(**) Corresponding to the fair value of the contributed shares (Cf. note 2.E).

A.2. Property Strategy

As part of 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.



Real estate policy since January 1, 2005

Since January 1, 2005, the operating structures of 1,012 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	586	3,818	1,673	1,549	3,222
Sales & Lease Back	1	3	3	(5)	(2)
Sales & Management Back	26	649	401	315	716
Sales & Franchise Back	246	329	300	175	475
Outright sales	153	565	511	151	662
TOTAL	**1,012**	**5,364**	**2,888**	**2,185**	**5,073**

(*) 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 leaseback 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 second 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 second renewal date
2007	**Land Securities**	**United Kingdom**	29	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on annual revenues of 21% on average, with no guaranteed minimum
2007	**Moor Park Real Estate**	**Germany and Netherlands**	86	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on annual revenues of 18% on average, with no guaranteed minimum
2008	**Axa Reim and Caisse des Dépôts et Consignations**	**France and Switzerland**	55	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on an average of 16% of annual revenue with no guaranteed minimum
2009	**Consortium of leading French institutional investors through a property investment trust (OPCI)**	**France**	157	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on an average of 20% of annual revenue with no guaranteed minimum
2010	**Invesco Real Estate**	**France, Italy, Slovakia, Germany**	4	15-year contract per hotel, renewable per hotel at Accor's discretion.	Rents based on annual revenues of 22% on average, with no guaranteed minimum except for the first 3 years for €18 million
2010	**A consortium of two investors: Predica and Foncière des Murs**	**France, Belgium, Germany**	43	12-year contract per hotel, per hotel at Accor's discretion.	Rents based on annual revenues of 19% on average, with no guaranteed minimum except for the first 2 years 2011 and 2012 for €23 million
2005-2010	**Other**	**Germany & Mexico & Various**	17	NA	NA
TOTAL 2005-2010			**586**		

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
2010	**Invesco Real Estate**	83	(5)	76	98
2010	**A consortium of two investors: Predica and Foncière des Murs**	202	37	230	230
2005-2010	**Other**	130	ND	136	132
TOTAL 2005-2010		**3,818**	**ND**	**1,673**	**3,222**

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 40.

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.

The sale and variable leaseback transaction carried out in 2010 with Invesco Real Estate concerned four hotels representing a total of 937 rooms (the Novotel Roma la Rustica, the Mercure Corso Trieste in Roma, the Pullman la Défense in Paris, the Novotel Muënchen City in Germany) and the Mercure Bratislava in Slovakia which was sold on an off-plan basis. Sold for €83 million, the hotels continue to be operated by Accor under 15-year variable-rent leases (based on an average 22% of annual revenue) that are renewable at Accor's initiative. Insurance, property taxes and structural maintenance costs are payable by the owner. This transaction enabled Accor to reduce its adjusted net debt by €98 million in 2010.

The sale and variable leaseback transaction carried out in 2010 with Predica and Foncière des Murs concerned 49 hotels in France, in Belgium and in Germany operated under the Novotel, Suite Novotel, ibis and Etap Hotel brands. 43 of the properties were divested in December 2010 (28 hotels in France, 10 hotels in Belgium and 5 hotels in Germany), while the 6 remaining hotels will be sold in 2011. The sale price amounted to €237 million of which €202 million carried out at the end of 2010. Accor will continue to manage the hotels through a 12-year variable lease agreement renewable six times at Accor's option, with the rent averaging approximately 19% of the hotels' annual revenue without any guaranteed minimum except during 2011 and 2012 for €23 million. Under the terms of the lease, structural maintenance costs, insurance and property taxes will be payable by the new owner. The transaction includes a €48 million renovation program, of which €33 million to be financed by the buyer. It will enable Accor to reduce adjusted net debt by roughly €230 million in 2010.

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.
2005-2010	**Other**	**Australia/United States/ France**	12	Accor continues to manage the hotels under a management contract.
TOTAL 2005-2010			**26**	

These transactions impacted the consolidated financial statements as follows:

(in million of euros)		Sale price	Capital gain/ (loss)	Debt impact	Adjusted debt impact
2006	**6 Sofitel hotels in United States**	295	(15)	184	285
2007	**2 Sofitel hotels in United States**	219	14	85	207
2007	**2 Sofitel hotels and 2 Novotel hotels in French West Indies**	13	(8)	6	6
2008	**Sofitel The Grand**	31	(1)	31	69
2008	**MGallery Baltimore**	28	3	26	27
2005-2010	**Other**	63	ND	69	122
TOTAL 2005-2010		**649**	**ND**	**401**	**716**

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 399 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
2010	85	30	France, United States, China, Germany, Brasil, Portugal, Sweden	163	195	251
TOTAL	**246**	**153**		**894**	**811**	**1,136**

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, LP for $1,320 billion. 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.

Moreover, in 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 and in 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 2006.

B. Organic growth and acquisitions

B.1. Hotel Division development strategy

A total of 130,098 rooms were opened in the period 2006-2010 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 2010, the Group added 214 hotels (24,766 rooms) to its portfolio through acquisitions and organic growth. In addition, 96 hotels (10,492 rooms) were closed during the period.

Hotel portfolio by brand and type of management at December 31, 2010

In number of hotels	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
Sofitel	18	5	7	80	6	116 (*)
Pullman	9	8	7	21	4	49
Novotel	53	59	124	102	57	395
Mercure	49	90	88	204	276	707
Adagio	2	6	1	22	1	32
Suitehotel	7	8	1	4	8	28
All seasons	3	11	5	12	84	115
ibis	121	126	236	96	321	900
Etap Hotel	34	60	103	8	216	421
Formule 1	86	14	168	10	61	339
Motel 6/Studio 6	303	345	1	-	441	1,090
Other	14	2	-	17	4	37
TOTAL	**699**	**734**	**741**	**576**	**1,479**	**4,229**
TOTAL *(in %)*	**16.5%**	**17.4%**	**17.5%**	**13.6%**	**35.0%**	**100.0%**

(*) 121 hotels marketed through the TARS reservation system.

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
Sofitel	2,731	1,509	1,173	22,609	1,965	29,987
Pullman	2,309	2,220	1,544	6,819	1,032	13,924
Novotel	9,925	11,448	20,512	23,572	7,348	72,805
Mercure	6,201	14,279	13,159	29,859	23,562	87,060
Adagio	207	697	133	2,912	111	4,060
Suitehotel	985	1,239	100	488	665	3,477
All seasons	330	820	909	1,989	6,219	10,267
ibis	16,560	16,593	32,245	17,314	25,023	107,735
Etap Hotel	2,982	6,420	9,595	1,014	15,712	35,723
Formule 1	6,246	1,135	15,390	1,176	4,047	27,994
Motel 6/Studio 6	34,784	39,065	72	-	33,725	107,646
Other	2,677	154	-	3,374	423	6,628
TOTAL	**85,937**	**95,579**	**94,832**	**111,126**	**119,832**	**507,306**
TOTAL *(in %)*	**16.9%**	**18.8%**	**18.7%**	**21.9%**	**23.6%**	**100.0%**

Hotel portfolio by region and type of management at December 31, 2010

In number of hotels	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
France	147	51	426	51	749	1,424
Europe excluding France	151	281	247	84	171	934
North America	307	345	1	12	442	1,107
Latin America & Caribbean	21	6	45	91	24	187
Other Countries	73	51	22	338	93	577
TOTAL	**699**	**734**	**741**	**576**	**1,479**	**4,229**
TOTAL *(in %)*	**16.5%**	**17.4%**	**17.5%**	**13.6%**	**35.0%**	**100.0%**

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
France	14,557	6,034	46,815	6,304	55,331	129,041
Europe excluding France	21,913	41,825	35,031	12,426	17,512	128,707
North America	35,969	39,065	72	3,664	33,874	112,644
Latin America & Caribbean	2,856	936	8,830	13,158	2,854	28,634
Other Countries	10,642	7,719	4,084	75,574	10,261	108,280
TOTAL	**85,937**	**95,579**	**94,832**	**111,126**	**119,832**	**507,306**
TOTAL *(in %)*	**16.9%**	**18.8%**	**18.7%**	**21.9%**	**23.6%**	**100.0%**

Hotel portfolio by region and brand at December 31, 2010

In number of hotels	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Total
Sofitel	12	21	9	9	65	116 (*)
Pullman	13	12	-	1	23	49
Novotel	121	140	8	19	107	395
Mercure	241	245	-	74	147	707
Adagio	26	6	-	-	-	32
Suitehotel	19	7	-	-	2	28
All seasons	62	14	-	-	39	115
ibis	378	322	-	72	128	900
Etap Hotel	298	123	-	-	-	421
Formule 1	252	28	-	11	48	339
Motel 6/Studio 6	-	-	1,090	-	-	1,090
Other	2	16	-	1	18	37
TOTAL	**1,424**	**934**	**1,107**	**187**	**577**	**4,229**
TOTAL *(in %)*	**33.7%**	**22.1%**	**26.2%**	**4.4%**	**13.6%**	**100.0%**

(*) 121 hotels marketed through the TARS reservation system.

In number of rooms	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Total
Sofitel	1,597	5,017	2,893	1,623	18,857	29,987
Pullman	3,384	2,816	-	188	7,536	13,924
Novotel	16,050	26,658	2,105	3,129	24,863	72,805
Mercure	22,695	32,858	-	9,605	21,902	87,060
Adagio	3,411	649	-	-	-	4,060
Suitehotel	2,144	1,041	-	-	292	3,477
All seasons	4,695	1,107	-	-	4,465	10,267
ibis	33,173	40,977	-	10,579	23,006	107,735
Etap Hotel	22,947	12,776	-	-	-	35,723
Formule 1	18,827	1,998	-	3,125	4,044	27,994
Motel 6/Studio 6	-	-	107,646	-	-	107,646
Other	118	2,810	-	385	3,315	6,628
TOTAL	**129,041**	**128,707**	**112,644**	**28,634**	**108,280**	**507,306**
TOTAL *(in %)*	**25.4%**	**25.4%**	**22.2%**	**5.6%**	**21.3%**	**100.0%**

Hotel development projects in progress at December 31, 2010

The number of new rooms represented by hotel development projects in progress at December 31, 2010 is as follows:

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
2011	1,816	1,113	3,293	18,389	7,178	31,789
2012	2,588	2,000	4,860	19,983	3,783	33,214
2013	2,885	-	4,740	15,296	2,446	25,367
2014 and after	1,238	-	-	9,014	408	10,660
TOTAL	**8,527**	**3,113**	**12,893**	**62,682**	**13,815**	**101,030**

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.

This was recognized as fair value adjustments to 21 hotel properties. After purchase accounting adjustments, goodwill amounted to €12 million (see note 18).

B.1.3. Restructuring of Dorint AG

Accor has owned an equity interest in German hotel group Dorint AG since 2002. The interest, which ranged from 40.19% to 26% between 2002 and 2006 following various share issues, 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 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 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.

In 2010, the historical German hotel management company, Accor Hotellerie Deutschland GmbH, was merged into The NewGen Hotels AG, which was subsequently renamed Accor Hospitality Germany AG.

B.2. Groupe Lucien Barriere-planned sale of the Group's interest

B.2.1. Events in 2004-2009

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.

B.2.2. Events in 2010

As part of its strategic refocusing on hotels, in June 2010 Accor decided to sell all of its 49% stake in Groupe Lucien Barrière and in January 2011, an agreement was signed with Fimalac and Groupe Lucien Barrière whereby Accor will sell a 34% interest in Groupe Lucien Barrière to Fimalac for €186 million and a 15% interest to Groupe Lucien Barrière for €82 million, representing a total transaction price of €268 million. The sale is expected to be completed during the first quarter of 2011, once the competition authorities' approval has been obtained.

Presented as a separate business segment in Accor's segment reporting, Groupe Lucien Barrière represents a core business for Accor and, as such, has been classified as a discontinued operation and treated in the financial statements in accordance with the principles of IFRS 5 "Non-current assets held for sale and discontinued operations", as follows:

- all of Groupe Lucien Barrière's current and non-current assets at December 31, 2010 have been reclassified as "Assets held for sale" (see note 32);

- all of Groupe Lucien Barrière's liabilities (excluding equity) at December 31, 2010 have been reclassified as "Liabilities related to assets held for sale" (see note 32);
- income from Groupe Lucien Barrière for the periods presented has been reclassified as "Net income from discontinued operations" (see note 17);
- the Group Lucien Barrière shares have been marked to market, leading to the recognition of a €79 million impairment loss (see note 17).

B.3. Sale of Accor's stake in onboard train services

On July 7 , 2010, Accor sold Compagnie des Wagons-Lits' onboard rail catering businesses in France, Austria and Portugal and part of the Italian business to Newrest through a joint venture that is 60% owned by Newrest and 40% by Accor.

Newrest and Compagnie des Wagons-Lits have pooled their expertise to grow their businesses by leveraging their strategically related capabilities in onboard rail catering and facilities management.

For Newrest, which is present in inflight catering, retail dining solutions and remote site management, the joint venture represents an outstanding opportunity to expand in the onboard rail catering market and to enter new countries, including Austria and Italy.

As part of Newrest, Compagnie des Wagons-Lits' onboard rail catering business will be better equipped to win new contracts and position itself as a leader in railway foodservices.

Accor's 40% stake in the joint venture and the Italian Onboard day Train Services business were marked to market at December 31, 2010 and remained classified as "Assets held for sale" at that date.

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.O.5, the equity component of the notes was recognized in equity in the amount of €433 million and the balance of the issue was recognized in debt for €67 million;
- €500 million 5-year 3.25% convertible bond issue. The bonds were issued at a price of €4,300 and were based on a conversion ratio of one bond for 100 Accor shares at €43. Conversion of all of the outstanding bonds would result in the issue of 11,627,900 new shares. The entire €500 million face value of the convertible bonds was recognized in debt.

The equity notes were redeemed for Accor shares on April 2, 2007, at Colony Capital's request. In the consolidated financial statements, the equity component was written off from equity in the amount of €433 million (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.

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

In connection with the demerger (see note 2.E), during first-half 2010 Colony Capital and Eurazeo both gave an undertaking to support the two entities until January 1, 2012.

D. Three bond issues

In 2009, Accor completed successfully three bonds 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.

These operations allowed strengthening the Group liquidity, diversifying financing sources, and extending the average length of its debt.

In November 2010, €150.5 million worth of bonds due 2013 and €132.3 million worth of bonds due 2014 were bought back, representing a total transaction price of €282.8 million.

E. Demerger of the Hospitality and Prepaid Services businesses

In 2009, Accor embarked on a major strategic project to demerge its two core businesses, Hotels and Services. The process involved various stages:

- 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;
- based on the reviews conducted by senior management, the Board of Directors approved the potential benefits of the demerger on December 15, 2009;
- on February 23, and May 11, 2010, the Board approved the process for demerging the businesses and creating two new listed companies, Accor Hospitality and "New Services Holding" (transitional name for Accor Services, renamed Edenred), without any capital ties between them. The transaction was carried out through a capital contribution and share distribution as follows:
  - NewCo was set up to acquire some of the shares of Edenred subsidiaries, financed by debt,
  - the remaining shares in Edenred subsidiaries were then contributed to NewCo,
  - lastly, NewCo shares were distributed to Accor SA shareholders.

The transaction was approved by shareholders on June 29, 2010 and the demerger was carried out on July 2, when the shares were distributed through a capital contribution remunerated by a distribution of Edenred shares to Accor SA shareholders, whereby each shareholder received one Edenred share for each Accor SA share held.

The Edenred shares were derecognized on July 2, 2010, the date of their delivery to Accor SA shareholders. The difference between the cost of the derecognized asset (€1,181 million) and the fair value of the stock dividend (€2,937 million, i.e. 225,897,396 Edenred shares valued at €13) was a gain of €4,118 million before deducting demerger costs of €74 million, which was recognized in 2010 profit in accordance with IFRIC 17.

Until the previous period-end, Edenred represented a core business for Accor and as such was presented as a separate business segment in Accor's segment reporting. Consequently, Edenred has been classified as a discontinued operation and income from Edenred for the periods presented and the demerger gain have been reclassified as "Net income from discontinued operations" (see note 17) in accordance with the principles of IFRS 5 "Non-current assets held for sale and discontinued operations".

Excluding translation reserves, assets and liabilities transferred to Edenred on July 2, 2010 are presented in the following table:

Discontinued operations	(in million of euros)
Goodwill	593
Intangible assets	102
Property, Plant and equipment	40
Non-current financial assets	4
Deferred tax assets	(38)
Inventories	10
Trades receivables	933
Other receivables	248
Short-term loans	1
Current financial assets	1,807
Assets accruals	11
Total assets transferred to edenred	3,710
LONG-TERM DEBT	**903**
Non-current provisions	17
Trade payables	71
Other payables	149
Current provisions	36
Financial debt	3,518
Bank overdrafts	17
Liabilities accruals	21
Total liabilities transferred to edenred	4,732
TOTAL PASSIFS TRANSMIS À EDENRED	**4 732**

NOTE 3 CONSOLIDATED REVENUE BY BUSINESS AND BY REGION

(in million of euros)	France	Europe (excl. France)	North America	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2010	2009 (2)
HOTELS	**1,883**	**2,279**	**620**	**295**	**593**	**23**	**5,693**	**5,186**
Upscale and Midscale Hotels	1,184	1,498	65	146	416	23	3,332	3,026
Economy Hotels	699	781	-	149	177	-	1,806	1,626
Economy Hotels US	-	-	555	-	-	-	555	534
OTHER BUSINESSES	**142**	**35**	**-**	**-**	**75**	**3**	**255**	**304**
TOTAL 2010	**2,025**	**2,314**	**620**	**295**	**668**	**26**	**5,948**	
TOTAL 2009 (2)	**1,955**	**2,151**	**591**	**219**	**547**	**27**		**5,490**

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

(2) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière, and Onboard Train Services revenues have been reported in Profit or loss from discontinued operations (See note 17).

Consolidated revenue for 2010 totalled €5,948 million, compared with €5,490 million for 2009.

The year-on-year increase of €458 million or (8.4%) breaks down as follows:

(in million of euros)		
Like-for-like growth	+388	+7.1%
Business expansion (owned and leased hotels only)	+76	+1.4%
Currency effects	+199	+3.6%
Disposals	(205)	(3.7)%
INCREASE 2010 REVENUE	**+458**	**+8.4%**

Change in 2010 consolidated revenue by business

	Δ 2010/2009	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
HOTELS	**+507**	**+385**	**+7.4%**
Upscale and Midscale Hotels	+306	+271	+9.0%
Economy Hotels	+180	+110	+6.8%
Economy Hotels US	+21	+4	+0.7%
OTHER BUSINESSES	**(49)**	**+3**	**+1.0%**
GROUP TOTAL	**+458**	**+388**	**+7.1%**

Change in 2010 consolidated revenue by region

	Δ 2010/2009	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
France	+70	+133	+6.8%
Europe (excl. France)	+163	+159	+7.4%
North America	+29	+7	+1.2%
Latin America & Caribbean	+76	+34	+15.7%
Other Countries	+121	+51	+9.3%
Worldwide Structures	(1)	+4	+15.6%
GROUP TOTAL	**+458**	**+388**	**+7.1%**

At December 31, 2010, **revenue from managed and franchised hotels**, included in the hotels' revenue presented above of €5,693 million, amounted to €248 million. This amount breaks down as follows:

(in million of euros)	Management fees	Franchise fees	2010	Published 2009
HOTELS				
Upscale and Midscale Hotels	143	32	175	141
Economy Hotels	21	36	57	46
Economy Hotels United States	-	16	16	15
TOTAL 2010	**164**	**84**	**248**	
TOTAL PUBLISHED 2009	**130**	**72**		**202**

Published information by business and by region in 2009 were as follows:

(in million of euros)	Published 2009		Published 2009
HOTELS	**5,186**	**France**	**2,616**
Upscale and Midscale Hotels	3,026	**Europe (excl. France)**	2,666
Economy Hotels	1,626	**North America**	605
Economy Hotels US	534	**Latin America & Caribbean**	556
		Other Countries	595
PREPAID SERVICES	**943**	**Worldwide Structures**	**27**
OTHER BUSINESSES	**936**		
TOTAL PUBLISHED	**7,065**	**TOTAL PUBLISHED**	**7,065**

NOTE 4 OPERATING EXPENSE

(in million of euros)	2009 (*)	2010	Published 2009
Cost of goods sold (1)	(415)	(399)	(752)
Employee benefits expense (2)	(2,118)	(2,230)	(2,611)
Energy, maintenance and repairs	(360)	(372)	(380)
Taxes, insurance and service charges (co-owned properties)	(221)	(222)	(258)
Other operating expense (3)	(858)	(911)	(1,088)
TOTAL OPERATING EXPENSE	**(3,972)**	**(4,134)**	**(5,089)**

(*) In accordance with IFRS 5, Edenred, Onboard Train Services and Groupe Lucien Barrière operating expenses have been reported in Profit or loss from discontinued operations (See note 17).

(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	2009 (*)	2010	Published 2009
Full-time equivalent (**)	65,244	65,170	78,411
Ratio employee benefits expense/FTE *(in thousands of euros)*	(32)	(34)	(33)

(*) In accordance with IFRS 5, Edenred, Onboard Train Services and Groupe Lucien Barrière operating expenses have been reported in Profit or loss from discontinued operations (See note 17).

(**) 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 €13.3 million related to stock option plans and to performance shares plan.

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

NOTE 5 EBITDAR BY BUSINESS AND REGION

(in million of euros)	France	Europe (excl. France)	North America	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2010	2009 (2)
HOTELS	**578**	**740**	**176**	**86**	**164**	**38**	**1,782**	**1,507**
Upscale and Midscale Hotels	340	434	11	27	101	36	949	765
Economy Hotels	238	306	-	59	63	2	668	577
Economy Hotels US	-	-	165	-	-	-	165	165
OTHER BUSINESSES	**15**	**10**	**-**	**-**	**16**	**(9)**	**32**	**11**
TOTAL 2010	**593**	**750**	**176**	**86**	**180**	**29**	**1,814**	
TOTAL 2009 (2)	**522**	**630**	**174**	**52**	**126**	**14**		**1,518**

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

(2) In accordance with IFRS 5, Edenred, Onboard Train Services, and Groupe Lucien Barrière EBITDAR have been reported in Profit or loss from discontinued operations (See note 17).

Consolidated EBITDAR for 2010 totalled €1,814 million compared with €1,518 million for 2009.

The year-on-year increase breaks down as follows:

(in million of euros)		
◗ Like-for-like growth	+222	+14.7%
◗ Business expansion (owned and leased hotels only)	+7	+0.5%
◗ Currency effects	+63	+4.1%
◗ Disposals	+4	+0.3%
INCREASE 2010 EBITDAR	**+296**	**+19.5%**

Change in 2010 EBITDAR by business

	Δ 2010/2009	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
HOTELS	**+275**	**+209**	**+13.9%**
Upscale and Midscale Hotels	+184	+158	+20.6%
Economy	+91	+57	+10.0%
Economy US	-	(6)	(3.8)%
OTHER BUSINESSES	**+21**	**+13**	**+121.6%**
GROUP TOTAL	**+296**	**+222**	**+14.7%**

Change in 2010 EBITDAR by region

	Δ 2010/2009	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
France	+71	+59	+11.3%
Europe (excl. France)	+120	+100	+15.8%
North America	+2	(5)	(2.6)%
Latin America & Caribbean	+34	+14	+27.7%
Other Countries	+54	+36	+28.5%
Worldwide Structures	+15	+18	+133.0%
GROUP TOTAL	**+296**	**+222**	**+14.7%**

Published information by business and by region in 2009 were as follows:

(in million of euros)	Published 2009		Published 2009
HOTELS	**1,507**	**France**	**645**
Upscale and Midscale Hotels	765	**Europe (excl. France)**	792
Economy Hotels	577	**North America**	178
Economy Hotels US	165	**Latin America & Caribbean**	221
		Other Countries	141
PREPAID SERVICES	**394**	**Worldwide Structures**	**(1)**
OTHER BUSINESSES	**75**		
TOTAL PUBLISHED	**1,976**	**TOTAL PUBLISHED**	**1,976**

NOTE 6 RENTAL EXPENSE

Rental expense amounted to €934 million in December 31, 2010 compared with €854 millions in December 2009.

In accordance with the policy described in note 1.E.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 at December 31, 2010 was €100 million (see note 29.A).

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

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

The €934 million in rental expense corresponds to 1,475 hotel leases, including 24% 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)	2009 (*)	2010	Published 2009
HOTELS	**(862)**	**(939)**	**(862)**
Upscale and Midscale Hotels	(498)	(531)	(498)
Economy	(267)	(307)	(267)
Economy US	(97)	(101)	(97)
PREPAID SERVICES	**-**	**-**	**(18)**
OTHER BUSINESSES	**8**	**5**	**(4)**
TOTAL	**(854)**	**(934)**	**(884)**

(*) *In accordance with IFRS 5, Edenred, Groupe Lucien Barrière, and Onboard Train Services rental expense have been reported in Profit or loss from discontinued operations (See note 17).*

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)	2010 rental expense	Fixed rental expense	Variable rental expense
Fixed rent with purchase option	347	(107)	(107)	-
Fixed rent without purchase option	315	(270)	(270)	-
Fixed rent with a variable portion (2)	72	(85)	(68)	(17)
Land rent	-	(15)	(12)	(3)
Office rental expenses (Hotels business)	-	(28)	(27)	(1)
Fees on intragroup rent guarantees on Hotels business	-	(17)	(17)	-
TOTAL HOTEL FIXED RENTAL EXPENSE	**734**	**(522)**	**(501)**	**(21)**
Variable rent with a minimum (3)	110	(83)	(71)	(12)
Variable rent with a minimum and cap (4)	12	(18)	(10)	(8)
Variable rent without a minimum (5)	619	(316)	-	(316)
TOTAL HOTEL VARIABLE RENTAL EXPENSE	**741**	**(417)**	**(81)**	**(336)**
TOTAL HOTEL RENTAL EXPENSE	**1,475**	**(939)**	**(582)**	**(357)**
Rental expense not related to hotels	-	(12)	(12)	(0)
Internal lease guarantee fees	-	17	17	-
TOTAL RENTAL EXPENSE	**1,475**	**(934)**	**(577)**	**(357)**

(1) Detail by brand and type of contract at December 31, 2010 is presented as follows:

Leased hotels at December 31, 2010	Fixed rent with purchase option	Fixed rent without purchase option	Fixed rent with a variable portion	Variable rent with a minimum	Variable rent with a minimum and cap	Variable rent without a minimum	Total
Sofitel	1	3	-	2	-	5	11
Pullman	-	6	3	4	-	3	16
Novotel	2	46	11	22	5	97	183
Mercure	7	62	21	14	2	72	178
Adagio	-	6	-	-	1	-	7
Suitehotel	-	8	-	-	-	1	9
All seasons	-	3	8	1	-	4	16
ibis	9	102	15	60	3	173	362
Etap Hotel	1	58	1	6	1	96	163
Formule 1	1	1	12	-	-	168	182
Motel 6/Studio 6	325	19	1	1	-	-	346
Other	1	1	-	-	-	-	2
TOTAL	**347**	**315**	**72**	**110**	**12**	**619**	**1,475**

(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 (587 hotels), or a percentage of EBITDAR (32 hotels). None of the leases contains any minimum rent clauses. Variable rents without a minimum based on a percentage of EBIDTAR amount to €41 million at December 31, 2010.

C. Minimum rental commitments (cash basis)

Minimum future rentals in the following tables only correspond to long-term rental commitments in the Hotels Division.

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)*
2011	(565)	2020	(325)
2012	(552)	2021	(269)
2013	(515)	2022	(246)
2014	(493)	2023	(221)
2015	(483)	2024	(183)
2016	(467)	2025	(158)
2017	(440)	2026	(139)
2018	(398)	>2026	(517)
2019	(360)	**Total**	**(6,331)**

At December 31, 2010, 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 (€3,742) million.

Interest expense related to adjusted net debt, estimated at 8%, amounted to €299 million. The difference between the 2010 minimum rent (€565 million) and interest expense (€299 million) amounted to €266 million, corresponding to the implicit repayment of adjusted debt ("Standards & Poor's method").

NOTE 7 EBITDA BY BUSINESS AND REGION

(in million of euros)	France	Europe (excl. France)	North America	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2010	2009 (2)
HOTELS	**342**	**280**	**74**	**33**	**79**	**35**	**843**	**645**
Upscale and Midscale Hotels	196	124	10	11	44	33	418	267
Economy Hotels	146	156	-	22	35	2	361	310
Economy Hotels US	-	-	64	-	-	-	64	68
OTHER BUSINESSES	**10**	**10**	**(0)**	**-**	**18**	**(1)**	**37**	**19**
TOTAL 2010	**352**	**290**	**74**	**33**	**97**	**34**	**880**	
TOTAL 2009 (2)	**303**	**191**	**75**	**15**	**62**	**18**		**664**

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

(2) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière, and Onboard Train Services EBITDA have been reported in Profit or loss from discontinued operations (See note 17).

Consolidated EBITDA for 2010 totalled €880 million compared with €664 million for 2009.

The year-on-year increase breaks down as follows:

(in million of euros)		
◗ Like-for-like growth	+191	+28.8%
◗ Business expansion (owned and leased hotels only)	(6)	(0.9)%
◗ Currency effects	+30	+4.5%
◗ Disposals	+1	+0.1%
INCREASE 2010 EBITDA	**+216**	**+32.5%**

Change in 2010 EBITDA by business

	Δ 2010/2009	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
HOTELS	**+198**	**+177**	**+27.5%**
Upscale and Midscale Hotels	+151	+139	+52.3%
Economy	+51	+44	+13.9%
Economy US	(4)	(6)	(8.5)%
OTHER BUSINESSES	**+18**	**+14**	**+73.4%**
GROUP TOTAL	**+216**	**+191**	**+28.8%**

Change in 2010 EBITDA by region

	Δ 2010/2009	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
France	+49	+45	+15.0%
Europe (excl. France)	+99	+90	+47.2%
North America	(1)	(4)	(5.2)%
Latin America & Caribbean	+18	+8	+50.3%
Other Countries	+35	+32	+52.2%
Worldwide Structures	+16	+20	+108.4%
GROUP TOTAL	**+216**	**+191**	**+28.8%**

Published information by business and by region in 2009 were as follows:

(in million of euros)	Published 2009		Published 2009
HOTELS	**645**	**France**	**411**
Upscale and Midscale Hotels	267	**Europe (excl. France)**	345
Economy Hotels	310	**North America**	78
Economy Hotels US	68	**Latin America & Caribbean**	182
		Other Countries	**74**
PREPAID SERVICES	**376**	**Worldwide Structures**	**2**
OTHER BUSINESSES	**71**		
TOTAL PUBLISHED	**1,092**	**TOTAL PUBLISHED**	**1,092**

NOTE 8 DEPRECIATION, AMORTIZATION AND PROVISION EXPENSE

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

(in million of euros)	2009 (*)	2010	Published 2009
Depreciation and amortization	(429)	(429)	(493)
Provision	-	(5)	(5)
TOTAL	**(429)**	**(434)**	**(498)**

(*) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière, and Onboard Train Services depreciation, amortization and provision expense have been reported in Profit or loss from discontinued operations (See note 17).

NOTE 9 EBIT BY BUSINESS AND REGION

(in million of euros)	France	Europe (excl. France)	North America	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2010	2009 (2)
HOTELS	**225**	**122**	**-**	**20**	**34**	**28**	**429**	**235**
Upscale and Midscale Hotels	117	18	4	2	16	26	183	31
Economy Hotels	108	104	-	18	18	2	250	205
Economy Hotels US	-	-	(4)	-	-	-	(4)	(1)
OTHER BUSINESSES	**5**	**1**	**-**	**-**	**15**	**(4)**	**17**	**-**
TOTAL 2010	**230**	**123**	**-**	**20**	**49**	**24**	**446**	
TOTAL 2009 (2)	**171**	**28**	**2**	**5**	**24**	**5**		**235**

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

(2) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière, and Onboard Train Services EBIT have been reported in Profit or loss from discontinued operations (See note 17).

Consolidated EBIT for 2010 totalled €446 million compared with €235 million for 2009.

The year-on-year increase breaks down as follows:

(in million of euros)		
◗ Like-for-like growth	+193	+82.4%
◗ Business expansion (owned and leased hotels only)	(19)	(7.9)%
◗ Currency effects	+16	+6.7%
◗ Disposals	+21	+8.9%
INCREASE 2010 EBIT	**+211**	**+90.1%**

Change in 2010 EBIT by business

	Δ 2010/2009	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
HOTELS	**+194**	**+180**	**+76.8%**
Upscale and Midscale Hotels	+152	+142	+463.7%
Economy	+45	+41	+19.9%
Economy US	(3)	(3)	(493.9)%
OTHER BUSINESSES	**+17**	**+13**	**N/A**
GROUP TOTAL	**+211**	**+193**	**+82.4%**

Change in 2010 EBIT by region

	Δ 2010/2009	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
France	+59	+44	+25.8%
Europe (excl. France)	+95	+92	+326.6%
North America	(2)	(1)	(84.7)%
Latin America & Caribbean	+15	+7	+164.7%
Other Countries	+25	+31	+126.0%
Worldwide Structures	+19	+20	+372.3%
GROUP TOTAL	**+211**	**+193**	**+82.4%**

Published information by business and by region in 2009 were as follows:

(in million of euros)	Published 2009		Published 2009
HOTELS	**235**	**France**	**237**
Upscale and Midscale Hotels	31	**Europe (excl. France)**	167
Economy Hotels	205	**North America**	4
Economy Hotels US	(1)	**Latin America & Caribbean**	163
		Other Countries	33
PREPAID SERVICES	**339**	**Worldwide Structures**	**(10)**
OTHER BUSINESSES	**20**		
TOTAL PUBLISHED	**594**	**TOTAL PUBLISHED**	**594**

NOTE 10 NET FINANCIAL EXPENSE

(in million of euros)	2009 (*)	2010	Published 2009
Net financial expense (1)	(139)	(140)	(132)
Other financial income and expense (2)	15	6	(11)
NET FINANCIAL EXPENSE	**(124)**	**(134)**	**(143)**

(*) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard Train Services net financial expense have been reported in Profit or loss from discontinued operations (See note 17).

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

(in million of euros)	2009 (*)	2010	Published 2009
Net financial expense – cash	(140)	(141)	(131)
Net financial expense – non-cash	1	1	(1)
TOTAL NET FINANCIAL EXPENSE	**(139)**	**(140)**	**(132)**

(*) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard Train Services net financial expense have been reported in Profit or loss from discontinued operations (See note 17).

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)	2009 (*)	2010	Published 2009
Dividend income from non-consolidated companies (Available for sale financial assets)	1	2	1
Exchange gains and losses (excl. financial instruments at fair value)	8	5	-
Movements in provisions	6	(1)	(12)
TOTAL OTHER FINANCIAL INCOME AND EXPENSE	**15**	**6**	**(11)**

(*) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard Train Services other financial income and expense have been reported in Profit or loss from discontinued operations (See note 17).

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

(in million of euros)	2009 (*)	2010	Published 2009
Share of profit of associates before tax	1	24	1
Share of tax of associates	(4)	(2)	(4)
SHARE OF PROFIT OF ASSOCIATES AFTER TAX	**(3)**	**22**	**(3)**

(*) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard Train Services share of profit (loss) of associates after tax have been reported in Profit or loss from discontinued operations (See note 17).

The main contributions are as follows:

(in million of euros)	2009 (*)	2010	Published 2009
Sofitel Hotels US (1)	(1)	11	(1)
Asia/Australia Hotels	3	8	3
Egyptian investment funds (Macor)	1	1	1
Tunisian and Moroccan investment funds (STI and RISMA)	(5)	1	(5)
Sofitel London St James (Hotels, UK)	-	-	-
Société Hôtelière Paris les Halles	-	-	-
The Grand Real Estate	(3)	(3)	(3)
Other	2	4	2
SHARE OF PROFIT OF ASSOCIATES AFTER TAX	**(3)**	**22**	**(3)**

(*) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard Train Services share of profit (loss) of associates after tax have been reported in Profit or loss from discontinued operations (See note 17).

(1) The profit of the Hotels business in the United States was boosted by the €7 million gain on the sale of the Washington Sofitel in March 2010 and by the €6 million gain on the sale of the Philadelphia Sofitel in July 2010.

NOTE 12 RESTRUCTURING COSTS

Restructuring costs can be analyzed as follows:

(in million of euros)	2009 (*)	2010	Published 2009
Movements in Restructuring provisions	8	18	7
Restructuring costs	(118)	(49)	(134)
TOTAL RESTRUCTURING COSTS	**(110)**	**(31)**	**(127)**

(*) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard Train Services restructuring costs have been reported in Profit or loss from discontinued operations (See note 17).

Restructuring costs in 2009 and 2010 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

At December 31, 2010, the main values (before any impairment losses recognized during the year) of goodwill and intangible assets with indefinite useful lives included in the carrying amounts of the CGUs tested for impairment at that date were as follows:

(in million of euros)	Goodwill	Intangible assets with indefinite useful life
HOTELS		
Australia	217	-
Germany	180	-
Upscale and Midscale France	176	-
Motel 6	100	151
Asia	45	-
SUB-TOTAL HOTELS	**718**	**151**
OTHER BUSINESSES		
Lenôtre	22	-
SUB-TOTAL OTHER BUSINESSES	**22**	**-**
NET GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE INCLUDED IN CASH-GENERATING UNITS	**740 (*)**	**151**

(*) This amount represents 83.7% of goodwill recognized on December 31, 2010.

The methods used to calculate recoverable amounts are described in note 1.E.6. The average Group discount rate based on market values was 8.67% in 2010.

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

	Hotels					Other businesses
	Western Europe (excluding United Kingdom)	**Australia**	**Upscale and Midscale France**	**Asia**	**Economy US**	**Lenôtre**
Basis on which the recoverable amount has been determined	Discounted cash flow method	Discounted cash flow method	EBITDA multiples method	Discounted cash flow method	Discounted cash flow method	Discounted cash flow method
Multiple used	N/A	N/A	8.5	N/A	N/A	N/A
Period of projections	5	5	N/A	5	7	5
Growth rate	2.00%	2.60%	N/A	2.00%	2.00%	2.00%

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

Impairment losses recognized in 2009 and 2010 can be analyzed as follows:

(in million of euros)	2009 (*)	2010	Published 2009
Goodwill	(176)	(141)	(304)
Intangible assets	(11)	(3)	(29)
Property, plant and equipment	(54)	(139)	(54)
Financial assets	-	(1)	-
IMPAIRMENT LOSSES	**(241)**	**(284)**	**(387)**

(*) *In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard Train Services impairment losses have been reported in Profit or loss from discontinued operations (See note 17).*

The main assets and cash generating units for which impairment losses were recognized in 2009 and 2010 were as follows:

A. Impairment of goodwill

(in million of euros)	2009 (*)	2010	Published 2009
HOTELS	**(173)**	**(139)**	**(173)**
Upscale and Midscale Hotels	(58)	(36)	(58)
Economy Hotels	(2)	(3)	(2)
Economy Hotels US	(113)	(100)	(113)
PREPAID SERVICES	**-**	**-**	**(120)**
OTHER BUSINESSES	**(3)**	**(2)**	**(11)**
TOTAL	**(176)**	**(141)**	**(304)**

(*) *In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard Train Services impairment losses have been reported in Profit or loss from discontinued operations (See note 17).*

In 2009, impairment losses resulted mainly from reviews of the recoverable amount of goodwill related to the American Economy Hotel business (€113 million impairment loss), the Italian hotel business (€33 million impairment loss), and Hungarian Hotel business (€21 million impairment loss).

In 2010, impairment losses resulted mainly from reviews of the recoverable amount of goodwill related to the American Economy Hotel business (€100 million impairment loss) and the Australian hotel business (€31 million impairment loss).

Sensitivity analysis

At December 31, 2009, a 25-basis point increase in the discount rate would have the effect of increasing impairment losses recognized in 2009 by approximately €6 million. A 50-basis point increase in the discount rate would have the effect of increasing impairment losses recognized in 2009 by approximately €39 million. A 100-basis point increase would have a €138 million impact, mainly on hotel assets in the United-States.

At December 31, 2010, a 25-basis point increase in the discount rate would have the effect of increasing impairment losses recognized in 2010 by €9 million. A 50-basis point increase in the discount rate would have the effect of increasing impairment losses recognized by approximately €17 million. A 100-basis point increase would have a €34 million impact.

B. Impairment of intangible assets

Following the periodic review of the recoverable amount of intangible assets, a €11 million impairment loss was recognized in 2009 (excluding Edenred, Groupe Lucien Barrière and Onboard Train Services impairment losses that have been reported in Profit or loss from discontinued operations) (See note 17).

Following the periodic review of the recoverable amount of intangible assets, a €3 million impairment loss was recognized in 2010 (excluding Edenred, Groupe Lucien Barrière and Onboard Train Services impairment losses that have been reported in Profit or loss from discontinued operations) (See note 17).

C. Impairment of property, plant and equipment

(in million of euros)	2009 (*)	2010	Published 2009
HOTELS	**(54)**	**(138)**	**(54)**
Upscale and Midscale Hotels	(32)	(85)	(32)
Economy Hotels	(19)	(26)	(19)
Economy Hotels US	(3)	(27)	(3)
OTHER BUSINESSES	**(0)**	**(1)**	**(0)**
TOTAL	**(54)**	**(139)**	**(54)**

(*) *In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard Train Services impairment losses have been reported in Profit or loss from discontinued operations (See note 17).*

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.

At December 31, 2010, impairment losses on property, plant and equipment amounted to €139 million. Impairment losses recognized during the year concerned 172 hotels for €140 million and impairment losses reversed during the year concerned 4 hotels for €1 million.

NOTE 14 GAINS AND LOSSES ON MANAGEMENT OF HOTEL PROPERTIES

(in million of euros)	2009 (*)	2010	Published 2009
Disposal gains and losses	74	47	74
Provisions for losses on hotel properties (see note 1. D. 5.)	(67)	(43)	(67)
TOTAL	**7**	**4**	**7**

(*) *In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard Train Services gains and losses on management of hotel properties have been reported in Profit or loss from discontinued operations (See note 17).*

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).

In 2010, the total includes:

- €36 million gains and losses on the sale of units under sale and variable lease-back arrangements in France, Belgium, Italy, Germany and Slovakia (53 hotels), including €37 million under Predica sale and variable lease-back arrangements (see note 2.A.2.1);
- a €28 million gain on the sale of a hotel in France under a sale and franchise-back arrangement (35 hotels);
- a €3 million loss on disposal of Motel 6 units under sale and franchise-back arrangements (17 hotels).

NOTE 15 GAINS AND LOSSES ON MANAGEMENT OF OTHER ASSETS

(in million of euros)	2009 (*)	2010	Published 2009
Disposal gains and losses	(2)	(5)	(33)
Provision movements	(13)	(5)	(30)
Gains and losses on non-recurring transactions	(12)	(25)	(22)
TOTAL	**(27)**	**(35)**	**(85)**

(*) *In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard Train Services gains and losses on management of other assets have been reported in Profit or loss from discontinued operations (See note 17).*

In 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 a building in Brussels.

In 2010, the total mainly included:

- an €8 million loss on the sale of Orbis Travel in Poland;
- €5 million in fees paid in connection with the disposal of non-strategic assets.

NOTE 16 INCOME TAX EXPENSE

Note 16.1. Income tax expense for the period

(in million of euros)	2009 (*)	2010	Published 2009
Current tax (excluding CIWLT claim)	(55)	(123)	(160)
CIWLT claim (see note 39)	-	(263)	-
SUB-TOTAL, CURRENT TAX	**(55)**	**(386)**	**(160)**
Deferred taxes (expense) income on new temporary differences and reversals of temporary differences arising in prior periods	23	(6)	39
Deferred taxes arising from changes in tax rates or tax laws	-	-	-
SUB-TOTAL, DEFERRED TAX	**23**	**(6)**	**39**
INCOME TAX EXPENSE (EXCLUDING TAX ON THE PROFITS OF ASSOCIATES AND DISCONTINUED OPERATIONS)	**(32)**	**(392)**	**(121)**
Tax on profits of associates	(4)	(3)	(4)
Tax on profits of discontinued operations	(90)	(68)	-
TAX OF THE PERIOD	**(126)**	**(463)**	**(125)**

(*) *In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard Train Services income tax expense have been reported in Profit or loss from discontinued operations (See note 17).*

Note 16.2. Effective tax rate

(in million of euros)	2009 (*)	2010	Published 2009
OPERATING PROFIT BEFORE TAX (A)	**(263)**	**(12)**	**(144)**
Non deductible impairment losses	209	155	334
Elimination of intercompany capital gains	35	1,255	368
Tax on share of profit (loss) of associates	4	3	4
Other	(82)	31	15
TOTAL PERMANENT DIFFERENCES (NON-DEDUCTIBLE EXPENSES) (B)	**166**	**1,444**	**721**
UNTAXED PROFIT AND PROFIT TAXED AT A REDUCED RATE (C)	**(109)**	**(1,231)**	**(381)**
PROFIT TAXED AT STANDARD RATE (D) = (A) + (B) + (C)	**(206)**	**201**	**196**
STANDARD TAX RATE IN FRANCE (E)	**34.43%**	**34.43%**	**34.43%**
TAX AT STANDARD FRENCH TAX RATE (F) = (D) X (E)	**71**	**(69)**	**(67)**
Effects on tax at standard French tax rate of:			
Differences in foreign tax rates	(5)	12	21
Unrecognized tax losses for the period	(39)	(46)	(42)
Utilization of tax loss carryforwards	10	14	10
Changes in deferred tax rates	2	-	2
Share of profit (loss) of associates	4	3	4
CIWLT Claim (see note 39)	-	(263)	-
Net charges to/reversals of provisions for tax risks	1	2	1
Effect of new CET business tax in France in 2010 (replacing taxe professionnelle) (cf. note 1.M)	(15)	(15)	(15)
Other items	(41)	(19)	(14)
TOTAL EFFECTS ON TAX AT STANDARD FRENCH TAX RATE (G)	**(83)**	**(312)**	**(33)**
TAX AT STANDARD RATE (H) = (F) + (G)	**(11)**	**(381)**	**(100)**
TAX AT REDUCED RATE (**) (I)	**(21)**	**(11)**	**(21)**
INCOME TAX EXPENSE (J) = (H) + (I)	**(32)**	**(392)**	**(121)**
Pre-tax operating profit taxed at standard rate	(206)	201	196
Income tax expense	66	(57)	(46)
GROUP EFFECTIVE TAX RATE	**32.0%**	**28.2%**	**23.6%**

(*) *In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard Train Services income tax expense have been reported in Profit or loss from discontinued operations (See note 17).*

(**) *In 2009, related mainly to the sale of 157 F1 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.

In 2010, related mainly to the sale of 28 hotel properties in France to Predica and Foncière des Murs (see. note 2.A.2.1).

Operating profit before tax for 2010 includes a €57 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 €11 million.

Note 16.3. Details of deferred tax (balance sheet)

(in million of euros)	2009	2010
Timing differences between company profit and taxable profit	166	145
Timing differences between consolidated profit and company profit	52	31
Recognized tax losses	73	65
SUB-TOTAL, DEFERRED TAX ASSETS	**291**	**241**
Timing differences between company profit and taxable profit	41	35
Timing differences between consolidated profit and company profit	170	88
SUB-TOTAL, DEFERRED TAX LIABILITIES	**211**	**123**
Deferred tax assets, net (liabilities)	**80**	**118**

Note 16.4. Unrecognized deferred tax assets

Unrecognized deferred tax assets at December 31, 2010 amounted to €203 million (December 31, 2009: €216 million, of which €61 million related to Edenred, Groupe Lucien Barrière and Onboard Train Services business).

Unrecognized deferred tax assets at December 31, 2010 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	-	10	-	10
Y+2	-	13	-	13
Y+3	-	3	-	3
Y+4	13	20	-	33
Y+5 and beyond	37	33	-	70
Evergreen	5	69	-	74
DEFERRED TAX, NET	**55**	**148**	**-**	**203**

(1) Unrecognized deferred tax assets corresponding to tax loss carryforwards at December 31, 2010 include €13 million for Accor Hospitality Germany (see note 2.B.1.3) and €14 million for NewGen France.

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

NOTE 17 PROFIT OR LOSS FROM DISCONTINUED OPERATIONS

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

- the profit or loss of the period of discontinued operations:
  - Edenred (see note 2.E),
  - Groupe Lucien Barrière (see note 2.B.2),
  - Onboard Train Services business (see note 2.B.3);
- the profit or loss recognized on the disposal or demerger of the assets constituting the discontinued operations:
  - the profit recognized on the demerger of Edenred and Accor (see note 2.E),
  - the loss recognized on the disposal of Onboard Train Services business,
  - the €79 million loss arising from the mark-to-market of Groupe Lucien Barrière goodwill.

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

(in million of euros)	2009 restated	2010
Profit or loss from discontinued operations before tax	119	135
Tax on profit or loss from discontinued operations	(89)	(68)
PROFIT OR LOSS FROM DISCONTINUED OPERATIONS IN 2010	**30**	**67**
IMPACT OF REALIZED GAINS OR LOSSES AND MARK-TO-MARKET ADJUSTMENTS	**-**	**3,947**
PROFIT OR LOSS FROM DISCONTINUED OPERATIONS	**30**	**4,014**

Detail of Edenred, Groupe Lucien Barrière and Onboard Train Services business' consolidated income statements (including the profit or loss recognized on the demerger or the disposal) classified in profit or loss from discontinued operations in Accor's consolidated financial statements is as follows:

A. 2010

(in million of euros)	Edenred	Groupe Lucien Barrière	Onboard Train Services	Total 2010
Revenue	422	518	90	1,030
Other operating revenue	39	-	-	39
CONSOLIDATED REVENUE	**461**	**518**	**90**	**1,069**
Operating expense	(282)	(438)	(90)	(810)
EBITDAR	**179**	**80**	**-**	**259**
Rental expense	(9)	(13)	-	(22)
EBITDA	**170**	**67**	**-**	**237**
Depreciation, amortization and provision expense	(12)	(34)	(1)	(47)
EBIT	**158**	**33**	**(1)**	**190**
Net financial expense	1	(9)	1	(7)
Share of profit of associates after tax	-	(2)	(1)	(3)
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS	**159**	**22**	**(1)**	**180**
Restructuring costs	(2)	(1)	(6)	(9)
Impairment losses	(1)	-	-	(1)
Gains and losses on management of hotel properties	-	-	-	-
Gains and losses on management of other assets	(38)	7	(4)	(35)
OPERATING PROFIT BEFORE TAX	**118**	**28**	**(11)**	**135**
Income tax expense	(55)	(12)	(1)	(68)
PROFIT OR LOSS FROM DISCONTINUED OPERATIONS IN 2010	**63**	**16**	**(12)**	**67**
Impact of realized gains or losses and mark-to-market adjustments	4,044	(79)	(18)	3,947
NET PROFIT FROM DISCONTINUED OPERATIONS	**4,107**	**(63)**	**(30)**	**4,014**

B. 2009

(in million of euros)	Edenred	Groupe Lucien Barrière	Onboard Train Services	Total Restated 2009
Revenue	808	424	248	1,480
Other operating revenue	94	-	-	94
CONSOLIDATED REVENUE	**902**	**424**	**248**	**1,574**
Operating expense	(515)	(365)	(238)	(1,118)
EBITDAR	**387**	**59**	**10**	**456**
Rental expense	(17)	(10)	(2)	(29)
EBITDA	**370**	**49**	**8**	**427**
Depreciation, amortization and provision expense	(36)	(28)	(5)	(69)
EBIT	**334**	**21**	**3**	**358**
Net financial expense	(16)	(5)	2	(19)
Share of profit of associates after tax	-	-	-	-
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS	**318**	**16**	**5**	**339**
Restructuring costs	(14)	(1)	(2)	(17)
Impairment losses	(138)	-	(8)	(146)
Gains and losses on management of hotel properties	-	-	-	-
Gains and losses on management of other assets	(62)	(1)	6	(57)
OPERATING PROFIT BEFORE TAX	**104**	**14**	**1**	**119**
Income tax expense	(84)	(3)	(2)	(89)
NET PROFIT FROM DISCONTINUED OPERATIONS	**20**	**11**	**(1)**	**30**

NOTE 18 GOODWILL

(in million of euros)	Dec. 2009	Dec. 2010
Goodwill (gross value)	2,062	1,046
Less impairment losses	(285)	(303)
GOODWILL, NET	**1,777**	**743**

(in million of euros)	Notes	Dec. 2009	Dec. 2010
HOTELS			
Australia		181	186
Upscale and Midscale France		173	158
Germany	2.B.1.3	180	180
Motel 6		94	-
Economy (excluding Motel 6)		86	86
Asia		41	44
Egypt		24	24
Poland	2.B.1.2	12	12
Switzerland		11	11
Portugal		9	8
The Netherlands		8	8
Hungary		2	-
Other hotels (< €6 million)		4	5
SUB-TOTAL HOTELS		**825**	**722**
PREPAID SERVICES			
Ticket Brazil		144	-
France (Tickets Cadeaux)		115	-
United Kingdom		70	-
Romania		37	-
Italy		36	-
Mexico		31	-
Sweden		17	-
Australia		13	-
USA		13	-
Czech Republic		13	-
Germany		10	-
Asia		10	-
Venezuela		9	-
Other Prepaid Services (< €6 million)		39	-
SUB-TOTAL PREPAID SERVICES		**557**	**-**
OTHER BUSINESSES			
SUB-TOTAL OTHER BUSINESSES	**2.B.2**	**395**	**21**
GOODWILL, NET		**1,777**	**743**

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

(in million of euros)	Notes	Dec. 2009	Dec. 2010
CARRYING AMOUNT AT BEGINNING OF PERIOD		**1,932**	**1,777**
GOODWILL RECOGNIZED ON ACQUISITIONS FOR THE PERIOD AND OTHER INCREASES		**256**	**10**
Hotels			
Hotels, Belgium		2	-
Upscale and Midscale Hotels France		2	-
Hotels, Germany (Newgen earn-out)	2.B.1.3	1	-
Hotels, South America		-	1
Economy Hotels (excluding Motel 6)		4	-
Prepaid services			
Other acquisitions of Prepaid Services		22	6
Prepaid Services, Czech Republic		9	1
Prepaid Services, Brazil		-	1
Prepaid Services, Hungary		-	1
Prepaid Services, Asia (Surfgold)		5	-
Prepaid Services, Sweden		2	-
Other businesses			
Groupe Lucien Barrière	2.B.2	204	-
Other		5	-
DISPOSALS	(*)	**(28)**	**(607)**
IMPAIRMENT LOSSES	**13**	**(304)**	**(221)**
TRANSLATION ADJUSTMENT		**72**	**79**
RECLASSIFICATIONS TO PROPERTY, PLANT AND EQUIPMENT	(**)	**(88)**	**(4)**
RECLASSIFICATIONS TO ASSETS HELD FOR SALE	**32**	**-**	**(287)**
OTHER RECLASSIFICATIONS AND MOVEMENTS		**(63)**	**(4)**
CARRYING AMOUNT AT END OF PERIOD		**1,777**	**743**

(*) In 2010, disposals mainly correspond to the write-off of Edenred goodwill for €593 million following the demerger of the Group's two core businesses.
(**) Including Orbis purchase accounting adjustments in 2009.

NOTE 19 INTANGIBLE ASSETS

(in million of euros)	Dec. 2009	Dec. 2010
GROSS VALUE		
Motel 6 brand [1]	140	151
Kadéos brand [2]	19	-
Other brands and networks [3]	95	78
Licenses, software	239	151
Other intangible assets [4]	311	227
TOTAL INTANGIBLE ASSETS AT COST	**804**	**607**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES		
Licenses, software	(189)	(120)
Other intangible assets	(127)	(78)
TOTAL ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	**(316)**	**(198)**
INTANGIBLE ASSETS, NET	**488**	**409**

(1) The decrease in value of the Motel 6 brand at December 31, 2010 was due to the change in the dollar/euro exchange rate (1.441 at December 31, 2009 versus 1.336 at December 31, 2010).

(2) Brand derecognized following the demerger

(3) Including €55 million corresponding to land use rights for ibis and Novotel hotels in China.

(4) Including

(i) €162 million in lease premiums of which €43 million concerning IBL SA and corresponding to the value attributed to hotel leases at the time of the Motel 6 acquisition and €106 million value attributed to land use rights at the time of the Orbis acquisition in 2008;

(ii) €45 million corresponding to the value attributed to management contracts (of which, in Australia, €12 million for All seasons contracts and €12 million for Sofitel contracts).

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

(in million of euros)	Dec. 2009	Dec. 2010
CARRYING AMOUNT AT BEGINNING OF PERIOD	**512**	**488**
Acquisitions	14	14
Internally-generated assets [1]	27	22
Intangible assets of newly consolidated companies	8	-
Amortization for the period	(44)	(33)
Impairment losses for the period	(29)	(3)
Disposals [2]	(3)	(113)
Translation adjustment [3]	3	30
Reclassification of Groupe Lucien Barrière to Assets held for sale (see note 32)	-	(11)
Other reclassifications	-	15
CARRYING AMOUNT AT END OF PERIOD	**488**	**409**

(1) In 2010, acquisitions of licenses and software for €22 million (including €2 million in Brazil and €3 million in France).

(2) In 2010, disposals mainly correspond to the derecognition of Edenred intangible assets following the demerger of the Group's two core businesses.

(3) In 2010, €12 million concerning the United States due to the change in the dollar/euro exchange rate.

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

(in million of euros)	Dec. 2009	Dec. 2010
Motel 6 brand	140	151
Kadéos brand	19	-
Other brands and Networks	95	78
CARRYING AMOUNT AT END OF PERIOD	**254**	**229**

At December 31, 2010, there were no material contractual commitments related to the acquisition of intangible assets not reported in the balance sheet.

NOTE 20 PROPERTY, PLANT AND EQUIPMENT

Note 20.1. Property, plant and equipment by nature

(in million of euros)	Dec. 2009	Dec. 2010
Land	480	427
Buildings	2,735	2,343
Fixtures	2,138	1,916
Equipment and furniture	1,693	1,577
Constructions in progress	295	244
PROPERTY, PLANT AND EQUIPMENT, AT COST	**7,341**	**6,507**

(in million of euros)	Dec. 2009	Dec. 2010
Buildings	(844)	(704)
Fixtures	(1,030)	(928)
Equipment and furniture	(1,011)	(963)
Constructions in progress	(3)	(3)
TOTAL OF AMORTIZATION	**(2,888)**	**(2,598)**
Land	(5)	(6)
Buildings	(88)	(126)
Fixtures	(36)	(58)
Equipment and furniture	(15)	(30)
Constructions in progress	(3)	(7)
TOTAL OF IMPAIRMENT LOSSES	**(147)**	**(227)**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	**(3,035)**	**(2,825)**

(in million of euros)	Dec. 2009	Dec. 2010
Land	475	421
Buildings	1,803	1,513
Fixtures	1,072	930
Equipment and furniture	667	584
Constructions in progress	289	234
PROPERTY, PLANT AND EQUIPMENT, NET	**4,306**	**3,682**

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

(in million of euros)	Dec. 2009	Dec. 2010
NET CARRYING AMOUNT AT BEGINNING OF PERIOD	**4,324**	**4,306**
Property, plant and equipment of newly acquired companies	199	15
Capital expenditure	648	582
Disposals	(231)	(429)
Amortization for the period	(449)	(446)
Impairment losses for the period	(51)	(118)
Translation adjustment	20	164
Reclassifications of Groupe Lucien Barrière in “Assets held for sale”	-	(224)
Reclassifications of “Onboard Train Services” in “Assets held for sale”	-	(3)
Reclassification of assets held for sale (see note 32)	**-**	**(227)**
Other reclassifications of assets held for sale	(139)	(150)
Other reclassifications	(15)	(15)
NET CARRYING AMOUNT AT END OF PERIOD	**4,306**	**3,682**

At December 31, 2010, contracts totalling €176 million have been signed for the purchase of property, plant and equipment. They are not recognised in the balance sheet. Of the total commitment, €51 million concerned Groupe Lucien Barrière and was reclassified under “Assets held for sale”. At December 31, 2009, contracts totalized €228 million (including €69 million of Groupe Lucien Barrière).

In addition, under the 2005 and 2006 Foncière des Murs transactions (see note 2.A.2.1 and note 40), Accor is committed to carrying out €106 million worth of work over the period 2005-2010 and Foncière des Murs is committed to carrying out €197 million worth of work over the same period. At December 31, 2010, €103 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 2008 Axa Reim transactions (see note 2.A.2.1), Accor is committed to carry out €28 million worth of work in France and Switzerland. At December 31, 2010, €22 million worth of work was carried out by the Group.

In addition, under the Predica and Foncière des Murs transactions (see note 2.A.2.1), Accor is committed to carry out €14 million worth of work in France and Belgium.

Note 20.2. Finance leases

At December 31, 2010, the carrying amount of finance leases recognized in the balance sheet in net value is €44 million (December 31, 2009: €92 million), as follows:

(in million of euros)	Dec. 2009	Dec. 2010
Land	20	10
Buildings	126	70
Fixtures	63	26
Equipment and furniture	7	9
PROPERTY, PLANT AND EQUIPMENT, AT COST	**216**	**115**
Buildings	(75)	(46)
Fixtures	(47)	(22)
Equipment and furniture	(2)	(3)
CUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	**(124)**	**(71)**
PROPERTY, PLANT AND EQUIPMENT, NET	**92**	**44**

Finance lease liabilities can be analyzed as follows by maturity:

(in million of euros)	Debt non discounted
2010	100
2011	93
2012	74
2013	71
2014	66
2015	51
2016	49
2017	48
2018	42
2019	35
2020	34
2021	33
2022	32
2023	31
> 2023	30

NOTE 21 LONG-TERM LOANS

(in million of euros)	Dec. 2009	Dec. 2010
Gross value	127	159
Cumulated impairment losses	(20)	(23)
LONG-TERM LOANS, NET	**107**	**136**

(in million of euros)	Dec. 2009	Dec. 2010
Hotels, Asia-Pacific (1)	80	90
Other	27	46
TOTAL	**107**	**136**

(1) Loans to hotels mainly include loans to Tahl (an Australian property company) for €72 million at December 31, 2010.

NOTE 22 INVESTMENTS IN ASSOCIATES

(in million of euros)	Dec. 2009	Dec. 2010
Accor Asia-Pacific subsidiaries (*)	120	136
Moroccan investment fund (RISMA) (1)	30	31
Société Hôtelière Paris Les Halles (2)	11	12
Egyptian investment fund	12	10
The Grand Real Estate (Sofitel The Grand, Hotels, Netherlands) (3)	7	8
Sofitel London St James (Hotels, United Kingdom)	5	5
Sofitel Hotels, USA (25%) (note 2.A.2.2) (4)	(16)	(9)
Other	22	23
TOTAL	**191**	**216**

(*) The Asia-Pacific investments primarily include Interglobe Hotels Entreprises Limited for €38 million, Caddie Hotels (Novotel and Pullman Delhi) for €18 million, Blue Ridge Hotels (Novotel Mumbai) for €11 million and other companies for development partnerships in India for €23 million and Ambassador Inc, Ambasstel and Ambatel Inc (South Korea) for €22 million.

(1) Key figures for the hotel investment fund in Morocco (Risma) are as follows:

Risma (Moroccan investment fund)

(in million of euros)	Dec. 2009	Dec. 2010
Revenue	82	102
Net profit (loss)	(13)	1
Net cash/(Net debt)	(169)	(216)
Equity	81	85
Market capitalization	143	151
Total assets	323	349
% 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. 2009	Dec. 2010
Revenue	60	111
Net profit (loss)	-	-
Net cash/(Net debt)	(107)	(108)
Equity	30	35
Market capitalization	N/A	N/A
Total assets	158	168
% 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. 2009	Dec. 2010
Revenue	8	16
Net profit (loss)	(7)	(7)
Net cash/(Net debt)	(24)	(27)
Equity	11	15
Market capitalization	N/A	N/A
Total assets	41	49
% interest held	58.71%	58.71% (*)

(*) The percentage of control is 40%.

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

Sofitel Hotels USA

(in million of euros)	Dec. 2009	Dec. 2010
Revenue	140	142
Net profit (loss) (1)	(2)	45
Net cash/(Net debt)	(461)	(366)
Equity	(62)	(36)
Market capitalization	N/A	N/A
Total assets	445	409
% interest held	25.00%	25.00%

(1) The Sofitel Washington disposal had a positive impact of €29 million on 2010 profit and the Sofitel Philadelphia disposal had a positive impact of €23 million on 2010 profit.

NOTE 23 OTHER FINANCIAL INVESTMENTS

(in million of euros)	Dec. 2009	Dec. 2010
Investments in non-consolidated companies (available for sale financial assets)	126	128
Deposits (Loans and Receivables)	70	66
OTHER FINANCIAL INVESTMENTS, AT COST	**196**	**194**
Accumulated impairment losses	(66)	(66)
OTHER FINANCIAL INVESTMENTS, NET	**130**	**128**

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

Other financial investments break down as follows:

(in million of euros)	Dec. 2009	Dec. 2010
Tahl (Australian property company)	20	25
Stone (French property company)	17	11
Deposit for phases 6 to 10 of the Motel 6 project in the United States	21	22
Deposit for hotels in France sold in 2008	10	6
Other investments and deposits	62	64
OTHER FINANCIAL INVESTMENTS, NET	**130**	**128**

NOTE 24 RECEIVABLES AND PAYABLES

Note 24.1. Trade receivables and related provision

(in million of euros)	Dec. 2009	Dec. 2010
Gross value	1,422	416
Provisions	(72)	(42)
NET	**1,350**	**374**

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

Note 24.2. Details of other receivables and accruals

(in million of euros)	Dec. 2009	Dec. 2010
Recoverable VAT	246	166
Prepaid wages and salaries and payroll taxes	10	5
Other prepaid and recoverable taxes (*)	275	277
Other receivables	427	287
Other prepaid expenses	177	171
OTHER RECEIVABLES AND ACCRUALS, AT COST	**1,135**	**906**
PROVISIONS (*)	**(22)**	**(269)**
OTHER RECEIVABLES AND ACCRUALS, NET	**1,113**	**637**

(*) *Including €242 million paid by CIWLT in February 2009 in settlement of a tax reassessment. The asset was written down in full at December 31, 2010 following new developments in the dispute with the tax authorities (see note 39).*

Note 24.3. Details of other payables

(in million of euros)	Dec. 2009	Dec. 2010
VAT payable	122	96
Wages and salaries and payroll taxes payable	460	410
Other taxes payable (*)	313	302
Other payables (*)	425	376
Deferred income	143	123
OTHER PAYABLES	**1,463**	**1,307**

(*) *Including €156 million of "précompte" (see note 39).*

Note 24.4. Analysis of other receivables/payables' periods

At December 31, 2010 *(in million of euros)*	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Dec. 2009	Dec. 2010
Inventories	41	-	-	41	60
Trade receivables	374	-	-	374	1,350
Recoverable VAT	161	5	-	166	246
Prepaid payroll taxes	5	-	-	5	10
Other prepaid and recoverable taxes	34	1	-	35	275
Other receivables	260	-	-	260	405
CURRENT ASSETS	**875**	**6**	**-**	**881**	**2,346**
Trade payables	634	-	-	634	709
VAT payable	96	-	-	96	122
Wages and salaries and payroll taxes payable	391	17	2	410	460
Other taxes payable	301	1	-	302	313
Other payables	374	1	1	376	425
CURRENT LIABILITIES	**1,796**	**19**	**3**	**1,818**	**2,029**

NOTE 25 POTENTIAL ORDINARY SHARES

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

Note 25.1. Number of potential shares

At December 31, 2010, the Company's share capital was made up of 226,793,949 ordinary shares. The average number of ordinary shares outstanding during the period was 225,837,808. **The number of outstanding shares at December 31, 2010 was 226,793,949**.

In addition, employee stock options exercisable for 12,949,693 ordinary shares, representing 5.71% of the capital, were outstanding at December 31, 2010 (see note 25.3).

In 2009, Accor also made performance share grants to members of senior management, with vesting conditions based on the Group's results:

- on March 31, 2009, Accor made 300,383 performance share grants, with vesting conditions based on the Group's 2009 and 2010 results (see note 25.3). The performance targets were only partly met in 2009 and 2010, with the result that only 131,686 shares have vested.

Conversion of all of the potential shares presented above would have the effect of increasing the number of shares outstanding to 239,875,328.

Note 25.2. Diluted earnings per share

Based on the above number of potential shares and the average Accor share price for 2010 of €27.52, the diluted weighted average number of shares outstanding in 2010 was 226,822,310. Diluted earnings per share were therefore calculated as follows:

(in million of euros)	Dec. 2009	Dec. 2010
Net profit, Group share (continuing operations and discontinued operations)	(282)	3,600
Weighted average number of ordinary shares *(in thousands)*	222,890	225,838
Number of shares resulting from the exercise of stock options *(in thousands)*	16	853
Number of shares resulting from performance shares grants *(in thousands)*	26	132
Fully diluted weighted average number of shares *(in thousands)*	222,932	226,822
DILUTED EARNINGS PER SHARE *(in euros)*	**(1.27)**	**15.87**

The instruments that may have a dilutive impact on basic earnings per share in the future but that have not been included in the calculation of diluted earnings per share because they did not have a dilutive effect on 2010 are all of the stock options outstanding under the plans 12, 13, 14, 15, 16, 17, 18, 20, 21 and 22 in force at December 31, 2010.

Note 25.3. Share-based payments

Stock option plans

Description of the main plans

The following table summarizes the characteristics of stock options outstanding at December 31, 2010, as well as of options that were cancelled or expired during the period.

	Grant date	Life of plan	Number of options granted	Option exercise date	Number of grantees	Exercise price	Cash-settled or equity settled
Plan 6	January 8, 2002	8 years	3,438,840	from 01/08/2005 until 01/08/2010	2,032	€37.77	Equity
Plan 8	January 3, 2003	8 years	176,549	from 01/04/2006 until 01/03/2011	67	€21.11	Equity
Plan 9	January 7, 2004	8 years	1,990,332	from 01/08/2007 until 01/07/2012	1,517	€23.66	Equity
Plan 10 (*)	July 9, 2004	8 years	131,619	from 07/09/2007 until 07/09/2012	3,390	€22.51	Equity
Plan 11	January 12, 2005	7 years	1,750,020	from 01/13/2009 until 01/12/2012	903	€21.50	Equity
Plan 12	January 9, 2006	7 years	1,840,601	from 01/10/2010 until 01/09/2013	191	€30.60	Equity
Plan 13	March 24, 2006	7 years	963,293	from 03/25/2010 until 03/24/2013	818	€32.56	Equity
Plan 14	March 22, 2007	7 years	2,183,901	from 03/23/2011 until 03/22/2014	958	€45.52	Equity
Plan 15	May 14, 2007	7 years	129,694	from 05/15/2011 until 05/14/2014	11	€47.56	Equity
Plan 16 (*)	September 13, 2007	8 years	2,139	from 09/13/2010 until 09/13/2015	40	€40.08	Equity
Plan 17	March 28, 2008	7 years	2,080,442	from 03/29/2012 until 03/28/2015	1,022	€30.81	Equity
Plan 18	September 30, 2008	7 years	110,052	from 10/01/2012 until 09/30/2015	6	€28.32	Equity
Plan 19	March 31, 2009	8 years	1,429,456	from 04/01/2013 until 03/31/2017	1,138	€18.20	Equity
Plan 20	April 2, 2010	8 years	2,618,770	from 04/03/2014 until 04/02/2018	1,020	€26.66	Equity
Plan 21	April 2, 2010	8 years	153,478	from 04/03/2014 until 04/02/2018	10	€26.66	Equity
Plan 22	November 22, 2010	8 years	92,448	from 11/23/2014 until 11/22/2018	5	€30.49	Equity

(*) Plans 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, 2009 and 2010 leading to the cancellation of 44,615 options.

Stock options granted under Plan 21 are performance options based on market conditions. The vesting criterion, which concerned the relative performance of the Accor SA share compared to the CAC 40 index in 2010, 2011, 2012 and 2013, 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. The number of options that could be exercised after the four-year vesting period may not exceed 100% of the initial amount. The performance criteria were met in 2010.

Changes in outstanding stock options during 2009 and 2010 are as follows:

	December 31, 2009	
	Number of options	Weighted average exercise price
OPTIONS OUTSTANDING AT BEGINNING OF PERIOD	**9,591,890**	**€45.16**
Options granted in 2009	969,965	€27.45
Options cancelled or expired in 2009	(871,188)	€43.03
Options exercised in 2009	(205,349)	€37.02
OPTIONS OUTSTANDING AT END OF PERIOD	**9,485,318**	**€43.72**
OPTIONS EXERCISABLE AT END OF PERIOD	**3,771,273**	**€35.20**

	June 30,2010	
	Number of options	Weighted average exercise price
OPTIONS OUTSTANDING AT BEGINNING OF PERIOD	**9,485,318**	**€43.72**
Options granted during first-half 2010	1,935,100	€40.20
Options cancelled or expired during first-half 2010	(1,520,056)	€39.21
Options exercised during first-half 2010	(429,169)	€33.39
OPTIONS OUTSTANDING AT END OF PERIOD BEFORE THE DEMERGER	**9,471,193**	**44.19**
OPTIONS EXERCISABLE AT END OF PERIOD BEFORE THE DEMERGER	**3,806,868**	**40.18**

	December 31,2010	
	Number of options	Weighted average exercise price
OPTIONS OUTSTANDING AT JULY 2, 2010 AFTER THE DEMERGER	**13,839,320**	**€29.38**
Options granted during second-half 2010	92,448	€30.49
Options cancelled or expired during second-half 2010	(67,022)	€33.64
Options exercised during second-half 2010	(915,053)	€22.76
OPTIONS OUTSTANDING AT END OF PERIOD	**12,949,693**	**€29.84**
OPTIONS EXERCISABLE AT END OF PERIOD	**4,816,791**	**€27.39**

Outstanding options at December 31, 2010 are as follows:

	Exercise price	Number of outstanding options	Remaining life of the options
Plan 8	€21.11	3,774	3 days
Plan 9	€23.66	992,623	1 year
Plan 10	€22.51	108,800	1.5 years
Plan 11	€21.50	1,029,910	1 year
Plan 12	€30.60	1,804,024	2 years
Plan 13	€32.56	875,521	2.3 years
Plan 14	€45.52	2,041,720	3.3 years
Plan 15	€47.56	85,079	3.5 years
Plan 16	€40.08	2,139	4.8 years
Plan 17	€30.81	1,983,497	4.3 years
Plan 18	€28.32	102,544	4.8 years
Plan 19	€18.20	1,350,985	6.3 years
Plan 20	€26.66	2,339,401	7.4 years
Plan 21	€26.66	137,228	7.4 years
Plan 22	€30.49	92,448	8 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 fifteen plans set up from 2003 to December 31, 2010.

The fair value of these options at the grant date has been determined using the Black & Scholes or Monte Carlo option-pricing models, based on data and assumptions that were valid at that date. The information presented in this table for plans 8 to 21 (particularly the exercise price, the share price at the grant date and the fair value) has not therefore been adjusted for the effects of the July 2, 2010 demerger.

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

	Plan 8	Plan 9	Plan 10	Plan 11	Plan 12	Plan 13	Plan 14	Plan 15
Accor share price at the option grant date	€30.50	€35.18	€33.71	€31.64	€49.80	€48.30	€70.95	€70.45
Option exercise price	€31.83	€35.68	€33.94	€32.42	€46.15	€49.10	€68.65	€71.72
Expected volatility (*)	39.58%	39.68%	39.18%	37.64%	35.36%	34.60%	31.73%	31.60%
Contractual life of the options	8 years	8 years	8 years	7 years	7 years	7 years	7 years	7 years
Expected share yield (**)	3.54%	3.44%	3.55%	2.94%	3.13%	3.74%	3.94%	4.25%
Fair value of options (***)	€8.91	€10.52	€10.07	€8.48	€14.11	€12.57	€20.38	€19.36

	Plan 16	Plan 17	Plan 18	Plan 19	Plan 20	Plan 21	Plan 22
Accor share price at the option grant date	€62.35	€47.10	€37.12	€25.49	€41.47	€41.47	€32.19
Option exercise price	€60.44	€46.46	€42.70	€27.45	€40.20	€40.20	€30.49
Expected volatility (*)	27.57%	27.87%	26.72%	31.91%	33.96%	33.96%	34.99%
Contractual life of the options	8 years	7 years	7 years	8 years	8 years	8 years	8 years
Expected share yield (**)	4.15%	3.84%	4.03%	2.63%	2.29%	2.29%	1.98%
Fair value of options (***)	€16.66	€11.55	7.00	€5.78	€10.28	€9.44	€9.25

(*) 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;
- 2.53% for plans 17, 18 and 19; and
- 3.24% for plans 20 and 21;
- 2.22% for plan 22.

These rates correspond mainly to the average payout rate for the previous two, three or four 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 recognized in the accounts

The total cost recognized in profit or loss by adjusting equity in respect of share-based payments amounted to €18.9 million at in 2010 (2009: €20 million).

In 2010, part of this cost was recognized in restructuring costs (for €1.7 million) and in net profit (loss) from discontinued operations for €3.9 million. This was due to the post-demerger application of IFRS 2, which required the Group to:

1) recognize at the demerger date the unrecognized cost relating to employees who left Accor to join Edenred, transferring with them the entitlement to future payment based on service conditions;
2) measure the fair value of the plans immediately before and immediately after the demerger. The resulting increases in fair value were recognized:
   a. In full in the 2010 accounts for the portion corresponding to the rights of employees for left Accor to join Edenred,
   b. In full in the 2010 accounts for rights that had vested as of the demerger date,
   c. On a straight-line basis over the remaining vesting period for rights that had not yet vested at the demerger date.

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 before demerger-related adjustment (€42.65 after demerger-related adjustment);
- 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 770,529 new shares purchased by employees under the plan, including 769,126 shares acquired through corporate mutual funds and 1,403 purchased directly.

The fair value of the employee benefit, totalling €9.7 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 €0.2 million. For 2007, the cost of the lock-up was measured at 5.5% of the discounted subscription price.

Performance share plans

2007 Plan

On May 14, 2007, Accor granted 56,171 performance shares to senior executives and certain 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 €4 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 €3.7 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, 49,804 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 €3.5 million at the end of the vesting period.

2008 Plan

On March 28, 2008, Accor granted 107,034 performance shares to senior executives and certain 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 €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 €1.2 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. As the related performance targets had been partially met, 26,166 shares were awarded to the grantees who were still part of the Group at that date.

The fair value of the share grants was unchanged at €1.2 million, of which €0.6 million was recognized in the 2009 financial statements.

2009 Plan

On March 31, 2009, Accor granted 300,383 performance shares to senior executives and certain employees. Of these:

- 249,084 have a two-year vesting period followed by a two-year lock-up period;
- 51,299 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 €5.8 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 granted to €2.9 million. Plan costs recognized in 2009 amounted to €1 million.

At December 31, 2010

In 2010, only some of the performance criteria were met. This led to a reduction in the fair value of the share granted to Accor employees to €1.4 million. Plan costs recognized in 2010 amounted to €0.2 million.

NOTE 26 CUMULATIVE UNREALIZED GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

(in million of euros)	Dec. 2009	Dec. 2010
Convertible bonds	-	-
Equity notes	-	-
Mutual fund units	-	-
Interest rate and currency swaps	(12)	(10)
Fair value adjustments to non-consolidated investments	-	-
Fair value adjustments to available-for-sale investments	-	-
IMPACT ON EQUITY	**(12)**	**(10)**

Fair value adjustments to financial instruments recognized in equity

(in million of euros)	Dec. 2009	Dec. 2010
Available for sale financial assets	-	-
Gains (losses) recognised in equity during the period	-	-
Gains (losses) reclassified to profit or loss	-	-
Cash flow hedges	(6)	2
Gains (losses) recognised in equity during the period	(6)	2
Gains (losses) reclassified to profit or loss	-	-
CHANGES IN RESERVE	**(6)**	**2**

NOTE 27 MINORITY INTERESTS

Changes in minority interests break down as follows:

(in million of euros)	
AT DECEMBER 31, 2008	**258**
Minority interests in profit for the period	17
Dividends paid to minority interests	(34)
Translation adjustment	3
Changes in scope of consolidation	13
AT DECEMBER 31, 2009	**257**
Minority interests in profit for the period	10
Dividends paid to minority interests	(12)
Translation adjustment	13
Changes in scope of consolidation	31
AT DECEMBER 31, 2010	**299**

NOTE 28 COMPREHENSIVE INCOME

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

	Dec. 2009			Dec. 2010		
(in million of euros)	Before tax	Income tax expense	Net of tax	Before tax	Income tax expense	Net of tax
Currency translation adjustment	167	-	167	230	-	230
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)	2	-	2
Actuarial gains and losses on defined benefits plans	(4)	1	(3)	(3)	1	(2)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	-	-	-	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME	**157**	**1**	**158**	**229**	**1**	**230**

NOTE 29 DEBT BY CURRENCY AND MATURITY

Note 29.A. Long and short-term debt

Long and short-term debt at December 31, 2010 breaks down as follows by currency and interest rate after hedging transactions:

(in million of euros)	Dec. 2009	Effective rate Dec. 2009 %	Dec. 2010	Effective rate Dec. 2010 %
EUR	2,151	5.73	1,399	6.87
CNY	94	4.77	91	4.87
PLN	82	4.30	59	5.25
AUD	41	4.57	5	7.38
USD	12	1.28	10	1.18
Other currencies [(1)]	133	3.31	214	4.53
LONG AND SHORT-TERM BORROWINGS	**2,513**	**5.48**	**1,778**	**6.40**
Long and short-term finance lease liabilities	151		100	
Purchase commitments	20		4	
Liability derivatives	21		23	
Other short-term financial liabilities and bank overdrafts	143		83	
LONG AND SHORT-TERM DEBT	**2,848**		**1,988**	

(1) Including about JPY €36 millions as at December 31, 2010.

(in million of euros)	Dec. 2009	Dec. 2010
Long-term debt	2,475	1,783
Short-term debt	373	205
TOTAL LONG AND SHORT-TERM DEBT	**2,848**	**1,988**

Note 29.B. Maturities of debt

At December 31, 2010, maturities of debt were as follows:

(in million of euros)	Dec. 2009	Dec. 2010
Year Y+1	373	205
Year Y+2	209	100
Year Y+3	302	796
Year Y+4	949	498
Year Y+5	627	26
Year Y+6	23	13
Beyond	365	350
TOTAL LONG AND SHORT-TERM DEBT	**2,848**	**1,988**

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

At December 31, 2010, Accor had several unused confirmed lines of credit with maturities of more than one year, for a total of €1,980 million, expiring between June 2012 and August 2013.

2010 financial costs amounted to €140 million. Future financial costs are estimated at €323 million for the period from January 2011 to December 2014 and €55 million thereafter.

2009 financial costs amounted to €139 million. Future financial costs are estimated at €485 million for the period from January 2010 to December 2013 and €76 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 29.C. Long and short-term debt before and after hedging

At December 31, 2010, long and short-term debt breaks down as follows before hedging transactions:

	Total debt		
(in million of euros)	**Amount**	**Rate**	**% of total debt**
EUR	1,505	5.97%	85%
CNY	91	4.87%	5%
PLN	55	5.32%	3%
AUD	5	7.38%	0%
Other currencies	122	6.75%	7%
TOTAL LONG AND SHORT-TERM DEBT	**1,778**	**5.95%**	**100%**

Long and short-term debt after currency and interest rate hedging breaks down as follows at December 31, 2010:

	Total debt		
(in million of euros)	**Amount**	**Rate**	**% of total debt**
EUR	1,399	6.87%	79%
CNY	91	4.87%	5%
PLN	59	5.25%	3%
AUD	5	7.38%	0%
USD	10	1.18%	1%
Other currencies	214	4.53%	12%
TOTAL LONG AND SHORT-TERM DEBT	**1,778**	**6.40%**	**100%**

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

(in million of euros)	Total debt	
	Amount	Rate
December 2009	2,513	5.48%
December 2010	1,778	6.40%

At December 31, 2010, 78% of long and short-term debt was fixed rate, with an average rate of 6.97%, and 22% was variable rate, with an average rate of 4.36%.

At December 31, 2010, fixed rate debt was denominated primarily in EUR (98%), while variable rate debt was denominated mainly in CNY (23%), PLN (15%) and EUR (9%).

The loan agreements do not contain any rating triggers. However, certain loan agreements include acceleration clauses that may be triggered in the event of a change of control, defined as the acquisition of more than 50% of outstanding voting rights. Of the Group's total debt of €1,778 million, loans worth €1,161 million are subject to change of control clauses. In the case of bonds, the acceleration clause would be triggered only if the change of control led to Accor's credit rating being downgraded to non-investment grade.

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 29.E. Financial instruments

1. Currency hedges

The following tables analyze the nominal amount of currency hedges by maturity and the carrying amount of these instruments in the balance sheet, corresponding to their fair value, at December 31, 2010:

Forward sales and currency swaps *(in million of euros)*	Maturity 2011	Maturity 2012	December 31, 2010 Nominal amount	December 31, 2010 Fair value
JPY	36	-	36	1
CZK	24	-	24	-
CAD	11	-	11	1
AUD	-	-	-	-
USD	10	-	10	-
Other	22	-	22	1
FORWARD SALES	**103**	**-**	**103**	**3**

Forward sales and currency swaps *(in million of euros)*	Maturity 2011	Maturity 2012	December 31, 2010 Nominal amount	December 31, 2010 Fair value
GBP	215	-	215	1
USD	75	-	75	-
MXN	6	-	6	-
CHF	-	-	-	-
Other	11	-	11	-
FORWARD PURCHASES	**307**	**-**	**307**	**1**
TOTAL CURRENCY HEDGING	**410**	**-**	**410**	**4**

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

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

At December 31, 2010, currency instruments had a negative fair value of €4 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, 2010:

(in million of euros)	2011	2012	2013	Beyond	December 31, 2010 Notional amount	December 31, 2010 Fair value
EUR: Fixed-rate borrower swaps and caps	-	-	352	4	356	19
INTEREST RATE HEDGES	**-**	**-**	**352**	**4**	**356**	**19**

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, 2010, interest rate instruments had a negative fair value of €19 million.

3. Fair value of financial instruments

The carrying amount and fair value of financial instruments at December 31, 2010 are as follows:

(in million of euros)	December 31, 2010 Carrying amount	December 31, 2010 Fair value
FINANCIAL LIABILITIES	**1,988**	**2,104**
Bonds (1)	1,161	1,277
Bank borrowings	422	422
Finance lease liabilities	100	100
Other financial liabilities	282	282
Interest rate derivatives (cash flow hedge) (2)	19	19
Currency derivatives (fair value hedge) (2)	4	4
FINANCIAL ASSETS	**(1,258)**	**(1,258)**
Marketable securities (3)	(1,059)	(1,059)
Cash	(84)	(84)
Other	(115)	(115)
Interest rate derivatives (cash flow hedge) (2)	-	-
Currency derivatives (fair value hedge) (2)	-	-
NET DEBT	**730**	**846**

(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, 2010 Carrying amount	December 31, 2010 Fair value
Other negotiable debt securities [1]	(100)	(100)
Money market securities [2]	(947)	(947)
Mutual fund units convertible into cash in less than three months [*] [3]	(10)	(10)
Other	(2)	(2)
Total marketable securities	(1,059)	(1,059)

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

(1) Held to maturity investments.

(2) Loans and receivables issued by the Group.

(3) Held for sale financial assets.

Note 29.F. Credit rating

At December 31, 2010, Accor's credit ratings were as follows:

Rating Agency	Long-term debt	Short-term Debt	Last update of the rating	Outlook	Last update of the outlook
Standard & Poor's	BBB-	A-3	October 1, 2010	Credit Watch Negative	October 1, 2010
Fitch Ratings	BBB-	F-3	September 30, 2010	Negative	September 30, 2010

Note 29.G. 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 30 NET DEBT AND NET CASH

Net debt breaks down as follows:

(in million of euros)	Dec. 2009	Dec. 2010
Other long-term financial debt [1]	2,332	1,690
Long-term finance lease liabilities	143	93
Short-term borrowings	285	160
Bank overdrafts	67	22
Liabilities derivatives	21	23
TOTAL DEBT	**2,848**	**1,988**
Short-term loans	(17)	(20)
Marketable securities [2]	(1,006)	(1,059)
Cash	(152)	(84)
Asset derivatives	(6)	-
Short-term receivables on disposals of assets	(43)	(95)
FINANCIAL ASSETS	**(1,224)**	**(1,258)**
NET DEBT	**1,624**	**730**

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

(in million of euros)	Dec. 2009	Dec. 2010
NET DEBT AT BEGINNING OF PERIOD	**1,072**	**1,624**
Change in long-term debt	387	(693)
Change in short-term financial liabilities	120	(167)
Cash and cash equivalents change	74	20
Changes in other current financial assets	(29)	(54)
CHANGES FOR THE PERIOD	**552**	**(894)**
NET DEBT AT END OF PERIOD	**1,624**	**730**

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. 2009	Dec. 2010
BALANCE SHEET CASH AND CASH EQUIVALENTS	**1,164**	**1,143**
Bank overdrafts	(67)	(22)
Derivatives included in liabilities	(21)	(23)
CASH FLOW STATEMENT CASH AND CASH EQUIVALENTS	**1,076**	**1,098**

NOTE 31 ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES UNDER IFRS 7

At December 31, 2009, and December 31, 2010, financial assets and liabilities broke down as follows by category:

	Category in the balance-sheet						Fair value for financial instruments recognized at fair value			
At December 31,2009 *(in million of euros)*	**Cash and cash equivalents**	**Loans**	**Receivables on disposals of assets**	**Other financial invest-ments**	**Trade recei-vables**	**Carrying amount**	**Level 1 (*)**	**Level 2 (*)**	**Level 3 (*)**	**Fair value of the class**
HELD TO MATURITY FINANCIAL ASSETS						**125**				
Bonds and other negotiable debt securities	125					125				
LOANS AND RECEIVABLES						**2,456**				
Short-term loans		17				17				
Long-term loans		107				107				
Receivables on disposals of assets			43			43				
Deposits				70		70				
Trade receivables					1,350	1,350				
Money Market securities	866					866				
Other	3					3				
AVAILABLE FOR SALE FINANCIAL ASSETS						**72**				**72**
Investments in non-consolidated companies				60		60			60	60
Mutual fund units convertible into cash	10					12	12			12
Other										
FINANCIAL ASSETS AT FAIR VALUE						**6**				**6**
Interest rate derivatives	-					-		-		-
Currency derivatives	8					6		6		6
CASH AT BANK	**152**					**152**				
FINANCIAL ASSETS AT DECEMBER 31, 2009	**1,164**	**124**	**43**	**130**	**1,350**	**2,811**	**12**	**6**	**60**	**78**

	Category in the balance-sheet						Fair value for financial instruments recognized at fair value			
At December 31, 2010 *(in million of euros)*	**Cash and cash equivalents**	**Loans**	**Receivables on disposals of assets**	**Other financial invest-ments**	**Trade recei-vables**	**Carrying amount**	**Level 1 (*)**	**Level 2 (*)**	**Level 3 (*)**	**Fair value of the class**
HELD TO MATURITY FINANCIAL ASSETS						**100**				
Other negotiable debt securities	100					100				
LOANS AND RECEIVABLES						**1,640**				
Short-term loans		20				20				
Long-term loans		136				136				
Receivables on disposals of assets			95			95				
Deposits				66		66				
Trade receivables					374	374				
Money Market securities	947					947				
Other	2					2				
AVAILABLE FOR SALE FINANCIAL ASSETS						**72**				**72**
Investments in non-consolidated companies				62		62			62	62
Mutual fund units convertible into cash	10					10	10			10
Other										
FINANCIAL ASSETS AT FAIR VALUE										
Interest rate derivatives	-					-		-		-
Currency derivatives	-					-		-		-
CASH AT BANK	**84**					**84**				
FINANCIAL ASSETS AT DECEMBER 31, 2010	**1,143**	**156**	**95**	**128**	**374**	**1,896**	**10**	**-**	**62**	**72**

At December 31, 2009 *(in million of euros)*	**Category in the balance-sheet**						**Fair value for financial instruments recognized at fair value**			
	Bank over-drafts	**Other long-term financial debt**	**Short-term debt**	**Long-term finance lease liabilities**	**Trade payables**	**Carrying amount**	**Level 1 (*)**	**Level 2 (*)**	**Level 3 (*)**	**Fair value of the class**
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS						**21**				**21**
Currency derivatives	1					1		1		1
Interest rate derivatives	20					20		20		20
FINANCIAL LIABILITIES AT AMORTISED COST						**3,469**				
Other bonds		1,440				1,440				
Bank Borrowings		673	132			805				
Finance lease liabilities			8	143		151				
Other debts		219	145			364				
Trade payables					709	709				
CASH AT BANK	**67**					**67**				
FINANCIAL LIABILITIES AT DECEMBER 31, 2009	**88**	**2,332**	**285**	**143**	**709**	**3,557**	**-**	**21**	**-**	**21**

	Category in the balance-sheet						Fair value for financial instruments recognized at fair value			
At December 31, 2010 *(in million of euros)*	**Bank over-drafts**	**Other long-term financial debt**	**Short-term debt**	**Long-term finance lease liabilities**	**Trade payables**	**Carrying amount**	**Level 1 (*)**	**Level 2 (*)**	**Level 3 (*)**	**Fair value of the class**
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS						**23**				**23**
Currency derivatives	4					4		4		1
Interest rate derivatives	19					19		19		20
FINANCIAL LIABILITIES AT AMORTISED COST						**2,577**				
Other bonds		1,161				1,161				
Bank Borrowings		335	87			422				
Finance lease liabilities			7	93		100				
Other debts		194	66			260				
Trade payables					634	634				
CASH AT BANK	**22**					**22**				
FINANCIAL LIABILITIES AT DECEMBER 31, 2010	**45**	**1,690**	**160**	**93**	**634**	**2,622**	**-**	**23**	**-**	**23**

(*) The fair value hierarchies have the following levels:

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

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

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

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

The methods used to measure the fair value of derivative instruments, mutual fund unit convertible into cash and bonds are described in note 29.

The method used to measure the fair value of investments in non-consolidated companies is described in note 1.O.1.

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

NOTE 32 ASSETS AND LIABILITIES HELD FOR SALE

Assets and liabilities held for sale break down as follows:

(in million of euros)	Dec. 2009	Dec. 2010
Groupe Lucien Barrière	-	597
Services à bord des trains	-	45
Disposal groups classified as held for sale	14	10
Non-current assets classified as held for sale	130	161
TOTAL ASSETS CLASSIFIED AS ASSETS HELD FOR SALE	**144**	**813**
Groupe Lucien Barrière	-	326
Services à bord des trains	-	48
Hotels	4	4
TOTAL LIABILITIES CLASSIFIED AS LIABILITIES OF ASSETS CLASSIFIED AS HELD FOR SALE	**4**	**378**

A. Groupe Lucien Barrière

As part of its strategic refocusing on hotels, in June 2010 Accor decided to sell all of its 49% stake in Groupe Lucien Barrière. Fimalac and the Desseigne-Barrière family (see note 2.B.2.2) will acquire Accor's interest in the first quarter of 2011. In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", at December 31, 2010, all of Groupe Lucien Barrière's assets and liabilities (excluding equity) were reclassified in the consolidated accounts as "Assets held for sale" and "Liabilities related to assets held for sale". The net assets were marked to market upon reclassification, leading to the recognition of a €79 million impairment loss on Group Lucien Barrière goodwill.

(in million of euros)	Dec. 2009	Dec. 2010
Goodwill	-	287
Intangible assets	-	11
Property, plant and equipment	-	224
Non-current financial assets	-	2
Deferred tax assets	-	(1)
Inventories	-	3
Trade receivables	-	10
Other receivables and accruals	-	13
Short-term loans	-	-
Current financial assets	-	36
Asset accruals	-	12
TOTAL ASSETS CLASSIFIED AS ASSETS HELD FOR SALE	**-**	**597**
Long-term debt	-	178
Non-current provisions	-	7
Trade payables	-	26
Other payables	-	84
Current provisions	-	2
Financial debt	-	25
Bank overdrafts	-	1
Liabilities accruals	-	3
TOTAL LIABILITIES CLASSIFIED AS LIABILITIES HELD FOR SALE	**-**	**326**

B. Onboard Train Services

On July 7 , 2010, as part of its strategic refocusing on hotels, Accor sold Compagnie des Wagons-Lits' onboard rail catering businesses in France, Austria and Portugal and part of the Italian business to Newrest through a joint venture that is 60% owned by Newrest and 40% by Accor. The sale was completed in the second half of 2010. Accor also intends to sell its 40% stake in the joint venture, as well as the Italian Onboard day Train Services business. The underlying assets and liabilities have therefore been marked to market at December 31, 2010 and remain classified under "Assets held for sale" and "Liabilities related to assets held for sale" at that date.

(in million of euros)	Dec. 2009	Dec. 2010
Goodwill	-	-
Intangible assets	-	0
Property, plant and equipment	-	3
Non-current financial assets	-	0
Deferred tax assets	-	0
Inventories	-	2
Trade receivables	-	26
Other receivables and accruals	-	7
Short-term loans	-	1
Current financial assets	-	5
Asset accruals	-	1
TOTAL ASSETS CLASSIFIED AS ASSETS HELD FOR SALE	**-**	**45**
Long-term debt	-	-
Non-current provisions	-	0
Trade payables	-	14
Other payables	-	8
Current provisions	-	20
Financial debt	-	4
Bank overdrafts	-	2
Liabilities accruals	-	0
TOTAL LIABILITIES CLASSIFIED AS LIABILITIES HELD FOR SALE	**-**	**48**

C. Other assets held for sale

(in million of euros)	Dec. 2009	Dec. 2010
DISPOSAL GROUPS CLASSIFIED AS "HELD FOR SALE" (CHINA)	**14**	**10**
Hotels to be sold in Germany (1)	-	51
Hotels to be sold in United States (2)	26	48
Hotels to be sold in France (3)	80	32
Hotels to be sold in New Zealand (4)	-	27
Hotels to be sold in Italy (5)	18	-
Hotels to be sold in Switzerland	3	-
Other	3	3
NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	**130**	**161**

In accordance with IFRS 5, these assets were reclassified in the consolidated balance sheet at that date under "Assets held for sale".

(1) At December 31, 2010, in line with the asset management policy, the Group planned to sell two Novotel units in transactions with Predica and Foncière des Murs in Germany. The carrying amount of these assets at that date was €46 million. In addition, the Group plans to sell two Mercure units and one ibis unit. The carrying amount of these assets is €5 million.

(2) At December 31, 2009, the Group planned to sell 24 Motel 6 units and one Studio 6 unit. The carrying amount of these assets at that date was €26 million. Most of the hotels were sold in 2010 and the remaining eight will be sold in 2011.

At December 31, 2010, the Group planned to sell 33 Motel 6 units. The carrying amount of these assets at that date was €40 million.

(3) At December 31, 2009, in line with the asset management policy, the Group planned to sell five hotel units and one spa in France. The carrying amount of these assets at that date was €80 million. These assets were sold in 2010.

At December 31, 2010, the Group planned to sell four Etap Hotel units under transactions with Predica and Foncière des Murs. The carrying amount of these assets at that date was €7 million. In addition, the Group plans to sell 16 other hotels units in France. The carrying amount of these assets is €25 million.

(4) At December 31, 2010, the Group planned to sell four Novotel units and two ibis units in New Zealand. The carrying amount of these assets at that date was €27 million.

(5) At December 31, 2009, the Group planned to sell two hotel properties in Italy. The carrying amount of these assets at that date was €18 million. The hotels were sold in 2010.

NOTE 33 PROVISIONS

Movements in long-term provisions between December 31, 2009 and December 31, 2010 can be analyzed as follows:

(in million of euros)	December 31, 2009	Equity impact (*)	Increases	Utiliza-tions	Reversals of unused provisions	Translation adjustment	Reclassifi-cations and changes in scope (*)	December 31, 2010
Provisions for pensions	108	3	15	(6)	(10)	1	(32)	79
Provisions for loyalty bonuses	24	-	3	(3)	(3)	1	(2)	20
Provisions for claims and litigation and others contingencies	-	-	10	-	-	-	-	10
TOTAL LONG-TERM PROVISIONS	**132**	**3**	**28**	**(9)**	(13)	2	(34)	109

(*) See note 33.C.

Movements in short-term provisions between December 31, 2009 and December 31, 2010 can be analyzed as follows:

(in million of euros)	December 31, 2009	Equity impact	Increases	Utiliza-tions	Reversals of unused provisions	Translation adjustment	Reclassifi-cations and changes in scope	December 31, 2010
Tax provisions	22	-	23	(7)	(1)	1	(3)	35
Restructuring provisions	45	-	17	(33)	(5)	1	(6)	19
Provisions for claims and litigation and others contingencies	175	-	56	(51)	(14)	3	(33)	136
TOTAL SHORT-TERM PROVISIONS	**242**	**-**	**96**	**(91)**	(20)	5	(42)	190

At December 31, 2010, ordinary provisions for claims and litigation and others include:

- €33 million provisions for various claims;
- €9 million provision 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. 2009	Dec. 2010
EBIT	1	(2)
Finance cost, net	10	-
Provision for losses on hotel properties	5	18
Provision on other assets and restructuring provisions	15	(40)
Provision for tax	(1)	15
TOTAL	**30**	**(9)**

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 (54% of the obligation), in the Netherlands (21% of the obligation), and in Switzerland (7% of the obligation). The plan in the Netherlands is closed to new participants and is fully funded, with the result that no provision has been recognized in the balance sheet for this plan. Pension benefit obligations are determined by reference to employees' years of service and end-of-career salary. They are funded by payments to external organizations that are legally separate from Accor Group.

B. Actuarial assumptions

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

		Europe excluding France								
2009	**France**	**Netherlands**	**United Kingdom**	**Germany**	**Belgium**	**Italy**	**Switzerland**	**Poland**	**Worldwide structures**	**Other countries**
Retirement age	65 years	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%	3.0%	2.5%-3.5%	2.0%	3.0%	3%-4%	2%-10%
Payroll tax rate	46%	23%	13%	22%	36%	29%	17%	40%	46%	9%-45%
Discount rate	5.0%	5.0%	5.6%	5.0%	5.0%	5.0%	3.0%	5.5%	5.0%	4%-8.7%
Expected Rates of return on 2009 plan assets	2.20%-4.5%	4%-5%	5.5%	4.0%	4.5%	N/A	N/A	N/A	4.5%	N/A
Expected Rates of return on 2010 plan assets	2.2%-4.5%	4%-5.5%	5.5%	4.0%	4.5%	N/A	4.3%	N/A	4.5%	N/A

		Europe excluding France								
2010	**France**	**Netherlands**	**United Kingdom**	**Germany**	**Belgium**	**Italy**	**Switzerland**	**Poland**	**Worldwide structures**	**Other countries**
Retirement age	65 years	65 years	N/A	65 years	65 years	60-65 years	64-65 years	60-65 years	65 years	55-65 years
Rate of future salary increases	3.0%	2.0%	N/A	1.5%	3.0%	2.5%-3.5%	1.5%	3.0%	3%-4%	2%-10%
Payroll tax rate	46%	23%	N/A	22%	36%	29%	17%	40%	46%	9%-45%
Discount rate	4.5%	4.5%	N/A	4.5%	4.5%	4.5%	2.2%	5.0%	4.5%	4%-8.7%
Expected Rates of return on 2010 plan assets	2.20%-4.5%	4%-5.5%	5.5%	4.0%	4.5%	N/A	4.3%	N/A	4.5%	N/A
Expected Rates of return on 2011 plan assets	4.0%	4%- 4.5%	N/A	4.0%	4.5%	N/A	3.25%	N/A	4.0%	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. For subsidiaries located in the euro zone, the discount rate is determined based on the Iboxx euro zone index. For subsidiaries outside the euro zone, the discount rate is based on an analysis of investment grade corporate bond yields in each region. The calculation method is designed to obtain a discount rate that is appropriate in light of the timing of cash flows under the plan.

The Accor Group's pension obligations are funded under insured plans or by external funds. Plan assets therefore consist mainly of the classes of assets held in insurers' general portfolios managed according to conservative investment strategies. 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 2009 eliminated compulsory retirement bonuses, with all retirements being on a voluntary basis.

In 2010, following adoption of the French Pension Reform Act, certain parameters used to calculate pension and other post-employment benefit obligations were adjusted. The effect of these changes on the consolidated financial statements was not material as the retirement age assumptions used in prior years were still appropriate.

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, 2010 *(in million of euros)*	**Pensions**	**Other post-employment benefits (*)**	**Total**
Present value of funded obligation	120	-	120
Fair value of plan assets	(85)	-	(85)
EXCESS OF BENEFIT OBLIGATION/(PLAN ASSETS)	**35**	**-**	**35**
Present value of unfunded obligation	-	64	64
Unrecognized past service cost	-	-	-
LIABILITY RECOGNIZED IN THE BALANCE SHEET	**35**	**64**	**99**

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

At December 31, 2009 *(in million of euros)*	**Pensions**	**Other post-employment benefits (*)**	**Total**
Present value of funded obligation	136	-	136
Fair value of plan assets	(89)	-	(89)
EXCESS OF BENEFIT OBLIGATION/(PLAN ASSETS)	**47**	**-**	**47**
Present value of unfunded obligation	-	85	85
Unrecognized past service cost	-	-	-
LIABILITY RECOGNIZED IN THE BALANCE SHEET	**47**	**85**	**132**

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

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

by geographical area

	Pensions							
	December 2010							
		Europe excluding France						
(in million of euros)	France	Netherlands	United Kingdom	Germany	Belgium	Poland	Switzerland	Italy
PROJECTED BENEFIT OBLIGATION AT THE BEGINNING OF THE PERIOD	**35**	**29**	**7**	**9**	**14**	**2**	**9**	**13**
Current service cost	2	-	-	-	-	-	1	1
Interest Cost	2	1	-	-	1	-	-	-
Employee contributions for the period	-	-	-	-	-	-	1	-
Service cost/Change in regime	-	-	-	-	-	-	-	-
(Gains) losses on curtailments/settlements	(4)	-	-	-	-	-	-	-
Effect of changes in scope of consolidation	(2)	-	(7)	-	(3)	-	-	(8)
Benefits paid during the period	(1)	(2)	-	-	(1)	-	(2)	(1)
Actuarial (gains)/losses recognised during the period	1	6	-	-	1	-	-	-
Exchange differences on foreign plans	-	-	1	-	-	-	2	-
Exchange differences (sub-consolidation)	-	-	-	-	-	-	-	-
Transfers at beginning of period	-	-	-	-	-	-	-	-
Other	-	-	-	-	(2)	-	-	(1)
Reclassification of Groupe Lucien Barrière in "Assets held for sale"	(11)	-	-	-	-	-	-	-
Reclassification of Onboard Train Services in "Assets held for sale"	-	-	-	-	-	-	-	-
PROJECTED BENEFIT OBLIGATION AT THE END OF THE PERIOD	**23**	**34**	**-**	**10**	**11**	**2**	**11**	**4**

		Europe excluding France						
(in million of euros)	France	Netherlands	United Kingdom	Germany	Belgium	Poland	Switzerland	Italy
FAIR VALUE OF PLAN ASSETS AT THE BEGINNING OF THE PERIOD	**4**	**29**	**4**	**2**	**11**	**-**	**7**	**-**
Actual return on plan assets	(1)	7	-	-	-	-	(-)	-
Employers contributions for the period	-	-	-	-	1	-	1	-
Employee contributions for the period	-	-	-	-	-	-	1	-
Benefits paid during the period	(1)	(2)	-	-	(1)	-	(2)	-
Liquidation of plan	-	-	-	-	-	-	-	-
Effect of changes in scope of consolidation	-	-	(5)	-	(2)	-	(-)	-
Exchange differences on foreign plans	-	-	-	-	-	-	1	-
Exchange differences (sub-consolidation)	-	-	-	-	-	-	-	-
Transfers at beginning of period	-	-	-	-	-	-	-	-
Other	-	-	-	-	(2)	-	-	-
Reclassification of Groupe Lucien Barrière in "Assets held for sale"	(4)	-	-	-	-	-	-	-
Reclassification of Onboard Train Services in "Assets held for sale"	-	-	-	-	-	-	-	-

			Other benefits		
			December 2010	December 2010	Published 2009
Worldwide structures	Other	Total	Other benefits	Total	Total
69	**7**	**195**	**25**	**220**	**210**
4	1	10	2	12	12
3	-	9	1	10	11
-	-	1	-	1	1
-	-	-	-	-	-
(6)	(1)	(10)	(1)	(12)	(13)
(6)	(1)	(28)	(3)	(31)	3
(2)	(1)	(10)	(3)	(13)	(11)
2	-	10	(1)	9	4
-	-	2	1	3	1
-	-	-	-	-	-
-	(1)	(1)	-	(1)	-
1	-	(2)	-	(1)	2
-	-	(11)	-	(11)	-
-	(1)	(1)	-	(1)	-
64	**5**	**164**	**20**	**184**	**220**

Worldwide structures	Other	Total	Other benefits	Total	Total
31	**-**	**88**		**88**	**79**
4	-	11	-	11	5
1	-	3	-	3	2
-	-	1	-	1	1
(2)	-	(7)	-	(7)	(4)
-	-	-	-	-	-
-	-	(7)	-	(7)	2
-	-	2	-	2	-
-	-	-	-	-	-
(1)	-	(1)	-	(1)	-
1	-	(1)	-	(1)	2
-	-	(4)	-	(4)	-
-	-	-	-	-	-

	France	Netherlands	United Kingdom	Germany	Belgium	Poland	Switzerland	Italy
FAIR VALUE OF PLAN ASSETS AT THE END OF THE PERIOD	**-**	**34**	**-**	**2**	**8**	**-**	**9**	**-**

(in million of euros)	France	Europe excluding France						
		Netherlands	United Kingdom	Germany	Belgium	Poland	Switzerland	Italy
UNFUNDED OBLIGATION AT THE BEGINNING OF THE PERIOD	**31**	**(-)**	**3**	**7**	**3**	**2**	**2**	**13**
Reclassification of GLB in "Assets held for sale"	(7)	-	-	-	-	-	-	-
Reclassification of Onboard Train Services in "Assets held for sale"	-	-	-	-	-	-	-	-
UNFUNDED OBLIGATION AT THE END OF THE PERIOD	**23**	**-**	**-**	**7**	**3**	**2**	**2**	**4**

(in million of euros)	France	Europe excluding France						
		Netherlands	United Kingdom	Germany	Belgium	Poland	Switzerland	Italy
Adjustment to plan assets and plan surplus recognized in assets	-	-	-	-	-	-	-	-
PROVISION AT THE END OF THE EXERCICE	**23**	**-**	**-**	**7**	**3**	**2**	**2**	**4**

(in million of euros)	France	Europe excluding France						
		Netherlands	United Kingdom	Germany	Belgium	Poland	Switzerland	Italy
Current service cost	2	-	-	-	-	-	1	1
Interest cost	2	1	-	-	1	-	-	-
Expected return on plan assets	-	(1)	-	-	-	-	-	-
Past service cost recognized during the period	-	-	-	-	-	-	-	-
(Gains) losses on curtailments/settlements	(4)	-	-	-	-	-	-	-
Actuarial (gains)/losses recognised during the period for long-term employee benefits	-	-	-	-	-	-	-	-
EXPENSE FOR THE PERIOD	**-**	**-**	**-**	**1**	**1**	**-**	**1**	**1**

33	**-**	**85**	**-**	**85**	**88**

Worldwide structures	Other	Total	Other benefits	Total	Total
39	**7**	**107**	**25**	**132**	**131**
-	-	(7)	-	(7)	-
-	(1)	(1)	-	(1)	-
32	**5**	**78**	**20**	**99**	**132**

Worldwide structures	Other	Total	Other benefits	Total	Total
-	-	-	-	-	-
32	**5**	**78**	**20**	**99**	**132**

Worldwide structures	Other	Total	Other benefits	Total	Total
4	1	10	2	12	12
3	-	9	1	10	11
(1)	-	(4)	-	(4)	(4)
-	-	-	-	-	-
(6)	(1)	(10)	(1)	(12)	(13)
-	-	-	(1)	(1)	(4)
-	**-**	**4**	**1**	**5**	**2**

(in million of euros)	France	Europe excluding France						
		Netherlands	United Kingdom	Germany	Belgium	Poland	Switzerland	Italy
ACTUARIAL (GAINS) LOSSES RECOGNIZED IN EQUITY	**2**	**-**	**-**	**-**	**1**	**-**	**1**	**-**

Reconciliation of provisions for pensions between January 1, 2009 and December 31, 2010

(in million of euros)	Amount
PROVISION AT JANUARY 1, 2009	**131**
Charge for the year	2
Benefits paid	(10)
Actuarial gains and losses	6
Changes in scope of consolidation (1)	2
Translation adjustement	1
PROVISION AT DECEMBER 31, 2009	**132**
Charge for the year	5
Benefits paid	(9)
Actuarial gains and losses	2
Changes in scope of consolidation (2)	(24)
Changes in exchange rates	1
Reclassification of Groupe Lucien Barrière in Assets held for sale	(7)
Reclassification of Onboard Train Services in Assets held for sale	(1)
PROVISION AT DECEMBER 31, 2010	**99**

(1) €2 million from the consolidation of Groupe Lucien Barrière, following an increase in Accor's interest in the company from 30.19% to 49%.
(2) €(17) million related to the Accor/Edenred demerger on July 2, 2010.

Actuarial gains and losses related to changes in assumptions and experience adjustment

(in million of euros)	Dec. 2009	Dec. 2010

ACTUARIAL DEBT		
Actuarial gains and losses related to experience adjustment	5	(3)
Actuarial gains and losses related to changes in assumptions	3	13
FAIR VALUE ON ASSETS		
Actuarial gains and losses related to experience adjustment	(2)	(7)

Detail of plan assets

Detail of plan assets	France	Netherlands	United Kingdom	Germany	Belgium	Switzerland	Worldwide Structures
Shares	15%-25%	10%	55%	15%-25%	15%-25%	23%	15%-25%
Bonds	75%-80%	90%	26%	75%-80%	75%-80%	44%	75%-80%
Other	0%-5%	0%	19%	0%-5%	0%-5%	33%	0%-5%

Sensitivity analysis

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 €4.7 million reduction in the projected benefit obligation, a 0.5-point decrease in the discount rate would lead to a €4.7 million increase in the projected benefit obligation. The impact on the cost for the year would not be material.

At December 31, 2010, 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 €6.2 million reduction in the projected benefit obligation, a 0.5-point decrease in the discount rate would lead to a €6.2 million increase in the projected benefit obligation. The impact on the cost for the year would not be material.

NOTE 34 RECONCILIATION OF FUNDS FROM OPERATIONS

(in million of euros)	Dec. 2009	Dec. 2010
Net Profit, Group share	(303)	(411)
Minority interests	8	7
Depreciation, amortization and provision expense	435	432
Share of profit of associates, net of dividends received	7	(17)
Deferred tax	31	6
Change in financial provisions and provisions for losses on asset disposals	278	594
Funds from operations from discontinued operations	265	94
FUNDS FROM OPERATIONS INCLUDING NON-RECURRING TRANSACTIONS	**721**	**705**
(Gains) losses on disposals of assets, net	(72)	(42)
(Gains) losses on non-recurring transactions (included restructuring costs and exceptional taxes)	138	126
Non-recurring items from discontinued activities	56	75
FUNDS FROM OPERATIONS EXCLUDING NON-RECURRING TRANSACTIONS	**843**	**864**

NOTE 35 WORKING CAPITAL

The change in working capital can be analyzed as follows:

(in million of euros)	Dec. 2009	Dec. 2010	Variation
Inventories			
Trade receivables			
Other receivables and accruals	1,113	637	(476)
Prepaid Service voucher reserve funds	565	-	(565)
WORKING CAPITAL ITEMS – ASSETS	**3,088**	**1,052**	**(2,036)**
Trade payables	709	634	(75)
Other payables	1,463	1,307	(156)
Prepaid Services voucher in circulation	2,883	-	(2,883)
WORKING CAPITAL ITEMS – LIABILITIES	**5,055**	**1,941**	**(3,114)**
WORKING CAPITAL	**1,967**	**889**	**(1,078)**

DECEMBER 31, 2009 WORKING CAPITAL	**1,967**
Change in working capital (1)	(14)
Development Expenditure	2
Disposals (2)	(1,400)
Translation adjustment	97
Provisions	249
Reclassifications	(12)
DECEMBER 31, 2010 WORKING CAPITAL	**889**

(1) The change in working capital breaks down as follows:

Continuing operations	
Discontinued operations	
NET CHANGE IN WORKING CAPITAL	

Development expenditure excluding discontinued operations

(in million of euros)	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Worldwide Structures (*)	2010	2009
HOTELS	**70**	**126**	**7**	**32**	**85**	**1**	**321**	**404**
Upscale and Midscale Hotels (1)	44	74	7	4	51	1	181	201
Economy Hotels (2)	26	52	-	28	34	-	140	188
Economy Hotels US	-	-	-	-	-	-	-	15
OTHER BUSINESSES (3)	**-**	**16**	**-**	**1**	**-**	**2**	**19**	**16**
TOTAL 2010	**70**	**142**	**7**	**33**	**85**	**3**	**340**	
TOTAL 2009	**91**	**165**	**22**	**22**	**114**	**6**		**420**

(*) "Worldwide Structures" corresponds to development expenditure that is not specific to a single geographic region.
Development expenditure in 2010 amounts to €340 million:

(1) Including:
- *a. development expenditure on the new Sofitel hotel "Bel Ombre" in Mauritius (€30 million),*
- *b. development expenditure on a new Novotel in Munich, Germany (€12 million),*
- *c. renovation expenditure on a Sofitel in France (€9 million),*
- *d. acquisition of a Novotel unit in France(€8 million),*
- *e. renovation expenditure of a Novotel in New York, USA (€7 million),*
- *f. renovation expenditure of a Pullman in the Netherlands (€6 million),*
- *g. Development expenditure on a Sofitel hotel in Mumbai, India (€5 million);*

(2) Including:
- *a. development expenditure on 9 ibis hotel in Latin America (€27 million);*
- *b. development expenditure on 9 ibis hotels in Europe excluding France (€23 million);*
- *c. development expenditure on 42 new ibis hotels in China (€21 million);*
- *d. extension of an ibis hotel in France (€16 million);*
- *e. rebranding of an Etap Hotel in Switzerland (€9 million);*
- *f. development expenditure on 6 new ibis hotels in Algeria (€7 million);*

(3) Including:
- *a. vehicle purchases in Poland (€16 million).*

Development expenditure related to discontinued operations

In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard Train Services development expenditure are not presented in this note.

Development expenditure in 2010 includes €14 million for Edenred, €29 million for Groupe Lucien Barrière, €5 million for Onboard Train Services of which:

- Edenred:
  - buyout of minority interests (€14 million);
- Groupe Lucien Barrière:
  - development expenditure on the Lille casino (€19 million),
  - development expenditure on the online gaming business (€4 million).

NOTE 38 SEGMENT INFORMATION

The Group has identified three operating segments:

- hotels, with a portfolio of brands in every segment of the market and 4,229 establishments in 90 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;
- other activities, notably financial management.

In 2009 and 2010, in line with its strategic refocusing on the Hospitality business, Accor announced that it was selling or planned to withdraw from the following businesses:

- Prepaid services, which has been managed independently since July 2 by Edenred (see note 2.E);
- 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. This business was sold on July 7, 2010, through a joint venture that is 60% owned by Newrest and 40% by Accor (see. note 2.B.3) and Accor also intends to sell its 40% stake in the joint venture.

At December 31, 2010, only Groupe Lucien Barrière and 40% of Onboard Train Services was still owned by the Accor Group and was therefore included in the 2010 consolidated financial statements, under assets held for sale (see note 32). These business lines are therefore presented in the following balance sheets.

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 three 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.

The Group's revenue is derived from a vast number of transactions, with no single external client accounting for 10% or more of the total transaction volume.

Total assets and liabilities by segment are presented in the balance sheets below:

At December 31, 2010 *(in million of euros)*	**Hotels**	**Other businesses**	**Total consolidated**
Goodwill	722	21	743
Intangible assets	389	20	409
Property, plant and equipment	3,575	107	3,682
Total non-current financial assets	456	24	480
Deferred tax assets	216	25	241
TOTAL NON-CURRENT ASSETS	**5,358**	**197**	**5,555**
TOTAL CURRENT ASSETS	**1,465**	**845**	**2,310**
Assets held for sale	169	644	813
TOTAL ASSETS	**6,992**	**1,686**	**8,678**
SHAREHOLDERS' EQUITY & MINORITY INTERESTS	**5,475**	**(1,526)**	**3,949**
TOTAL NON-CURRENT LIABILITIES	**396**	**1,619**	**2,015**
TOTAL CURRENT LIABILITIES	**1,117**	**1,219**	**2,336**
Liabilities related to assets classified as held for sale	4	374	378
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**6,992**	**1,686**	**8,678**

At December 31, 2010 *(in million of euros)*	Up and Midscale Hotels	Economy Hotels	Economy Hotels United States	Total Hotels
Goodwill	634	88	-	722
Intangible assets	163	61	165	389
Property, plant and equipment	1,865	1,034	676	3,575
Total non-current financial assets	392	40	24	456
Deferred tax assets	123	16	77	216
TOTAL NON-CURRENT ASSETS	**3,177**	**1,239**	**942**	**5,358**
TOTAL CURRENT ASSETS	**912**	**414**	**139**	**1,465**
Assets held for sale	87	34	48	169
TOTAL ASSETS	**4,176**	**1,687**	**1,129**	**6,992**
SHAREHOLDERS' EQUITY & MINORITY INTERESTS	**3,708**	**855**	**912**	**5,475**
TOTAL NON-CURRENT LIABILITIES	**267**	**119**	**10**	**396**
TOTAL CURRENT LIABILITIES	**200**	**710**	**207**	**1,117**
Liabilities related to assets classified as held for sale	1	3	-	4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4,176**	**1,687**	**1,129**	**6,992**

Non-current assets, excluding deferred tax assets, located in France and other countries are presented as follows:

At December 31, 2010 *(in million of euros)*	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Worldwide Structures	Total
Goodwill	-	-	-	-			
Intangible assets	-	-	-	-			
Property, plant and equipment	-	-	-	-			
Total non-current financial assets	-	-	-	-			
TOTAL NON-CURRENT ASSET EXCLUDING DEFERRED TAX ASSETS	**-**	**-**	**-**	**-**			

NOTE 39 CLAIMS AND LITIGATION

CIWLT tax audit

A tax audit was carried out on the permanent branch in France of Compagnie Internationale des Wagons Lits et du Tourisme (CIWLT), a Belgian company that is 99.65%-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 did not issue a ruling on the 2003 reassessment. On February 10, 2009, CIWLT 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 €242.5 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 24.2).

No provision was set aside at December 31, 2009 because, based on the advice of its legal and tax advisors, the Company considered that it had serious arguments to support a favorable outcome, considering in particular that CIWLT is taxable in Belgium.

In January 2011, CIWLT received a notice to appear at a hearing before the Versailles Administrative Court of Appeal on February 1, 2011. At this hearing, the reporting judge read out his conclusions and stated that he did not support CIWLT's case, primarily because he considered that CIWLT operated as a holding company in France. He further stated that the court should determine where the company should be taxed based on the jurisdiction in which meetings of its Board of Directors are held. After reviewing the documents submitted for the purpose of the case, he concluded that the court should consider that most of CIWLT's Board meetings were held in France.

On February 4, 2011, CIWLT submitted a note to the Versailles Administrative Court of Appeal for consideration by the judges in their consultation process, stating that in fact most Board meetings were not held in France.

The Versailles Administrative Court of Appeal is expected to hand down its ruling in the first half of 2011. If the court rules against CIWLT, the company will have two months to file a further appeal with the Supreme Court (*Conseil d'Etat*).

In light of these recent unfavorable developments, the tax receivable recognized as an asset in the balance sheet at December 31, 2009 was written down by €242.5 million in 2010 and an additional provision of approximately €20.6 million was set aside, corresponding to the tax deficiency for 2003 and estimated late interest up to December 31, 2010 that have not yet been paid to the tax authorities.

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.

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.

In February 2010, the Court of Justice of the European Communities informed Accor of the observations made by the other member states concerned and of the European Commission's observations.

The hearing before the Court of Justice of the European Communities was held on October 27, 2010 and the Advocate General's opinion was issued on December 22, 2010. The Court of Justice of the European Communities' final ruling is expected to be handed down in 2011.

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 40 OFF-BALANCE SHEET COMMITMENTS AT DECEMBER 31, 2010

Note 40.1. Off-balance sheet commitments given

Off-balance sheet commitments (not updated) given at December 31, 2010 break down as follows:

(in million of euros)	Less than 1 year	1 to 5 years	Beyond 5 years	12/31/2010 (*)	12/31/2009 (*)
SECURITY INTERESTS GIVEN ON ASSETS (1)	**4**	**25**	**96**	**125**	**32**
◗ Other purchase commitments	6	7	-	13	40
PURCHASE COMMITMENTS	**6**	**7**	**-**	**13**	**40**
◗ Renovation commitment Netherlands (2)	7	18	-	25	-
◗ Renovation commitment Predica and Foncière des Murs (3)	3	11	-	14	-
◗ Property development projects in Spain (4)	9	-	-	9	9
◗ Renovation commitment Axa Reim (France) (5)	-	6	-	6	12
◗ Renovation commitment Axa Reim (Switzerland) (5)	-	-	-	-	4
◗ Construction commitments Novotel and ibis (Algeria) (6)	4	-	-	4	4
◗ Construction performance bonds ibis (Chili) (7)	5	-	-	5	-
◗ Construction performance bonds Novotel and ibis (China) (8)	1	1	-	2	24
◗ Renovation commitment Foncière des Murs transaction 1 (France) (9)	1	-	-	1	4
◗ Renovation commitment Foncière des Murs transaction 2 (France) (9)	2	-	-	2	3
◗ Renovation commitment Moor Park (Germany and the Netherlands) (10)	-	-	-	-	5
◗ Renovation commitment Land Securities (United Kingdom) (11)	-	-	-	-	7
◗ Other renovation commitments (12)	22	16	19	57	86
CAPEX COMMITMENTS	**54**	**52**	**19**	**125**	**158**
LOAN GUARANTEES GIVEN	**3**	**7**	**27**	**37**	**9**
COMMITMENTS GIVEN IN THE NORMAL COURSE OF BUSINESS	**8**	**55**	**13**	**76**	**76**
CONTINGENT LIABILITIES	**5**	**5**	**-**	**10**	**2**
TOTAL DECEMBER 31, 2010	**80**	**151**	**155**	**386**	
TOTAL DECEMBER 31, 2009	**122**	**110**	**85**		**317**

(*) In line with IFRS 5, off-balance sheet commitments given by Groupe Lucien Barrière and the Onboard Train Services business are not presented in this note. At December 31, 2010, these businesses' off-balance sheet commitments amounted to €252 million for Groupe Lucien Barrière and €6 million for the Onboard Train Services business.

(1) Security interests given on assets correspond to pledges and mortgages valued at the net book value of the underlying assets. In first-half 2010, the Sofitel Bel Ombre hotel assets (€55 million at December 31, 2010) were given as collateral for a loan used to finance 50% of the hotel's construction cost.

(2) In connection with property development projects in the Netherlands, Accor is committed to financing renovation of the Novotel Den Haag Forum for €2 million, construction of the Suite Novotel Den Haag for €13 million and renovation of the Pullman Eindhoven Cocagne for €16 million. As of December 31, 2010, the remaining work amounted to €25 million.

(3) In connection with the Predica and Foncière des Murs sale-and-variable leaseback transactions, Accor is committed to financing €10 million and €4 million worth of renovation work respectively in France and Belgium. Commitments for work in progress at December 31, 2010 amounted to €14 million.

(4) In connection with property development projects in Spain, Accor issued performance bonds to the developers of the ibis Santa Coloma Gramamet. The related commitments at December 31, 2010 amounted to €9 million.

(5) 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, 2010 amounted to €6 million.

(6) In connection with development plans 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, 2010, the remaining work amounted to €4 million.

(7) In connection with property development projects in Chili, Accor is committed to financing construction of the ibis Santiago Providencia for €5 million.

(8) In connection with development plans in China, Accor issued performance bonds to the developers of 28 ibis hotels and one Novotel hotel. The related commitments at December 31, 2010 amounted to €2 million.

(9) 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, 2010, the remaining work represented €3 million.

(10) 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, 2010, the remaining work amounted to €0.2 million.

(11) In connection with the Land Securities sale-and-variable leaseback transaction, Accor was committed to financing €18 million (£16 million) worth of renovation work in the UK. As of December 31, 2010, the work had been completed.

(12) Other commitments include €35 million in committed capital expenditure on Australian hotels.

To the best of the Group's knowledge and in accordance with generally accepted accounting principles, no commitments given have been omitted from the above list.

Note 40.2. Off-balance sheet commitments received

Off-balance sheet commitments (not updated) received at December 31, 2010 break down as follows:

(in million of euros)	Less than 1 year	1 to 5 years	Beyond 5 years	12/31/2010	12/31/2009 (*)
Irrevocable commitments received for the purchase of intangible assets and property, plant and equipment	-	-	-	-	5
Irrevocable commitments received for the purchase of financial assets (1)	-	-	8	8	11
PURCHASE COMMITMENTS RECEIVED	**-**	**-**	**8**	**8**	**16**
Sellers' warranties received	-	1	-	1	-
Other guarantees received in the normal course of business (2) + (3) + (4) + (5) + (6)	31	64	-	95	60
OTHER COMMITMENTS AND GUARANTEES RECEIVED	**31**	**65**	**-**	**96**	**60**
TOTAL DECEMBER 31, 2010	**31**	**65**	**8**	**104**	
TOTAL DECEMBER 31, 2009	**42**	**24**	**10**		**76**

(*) In line with IFRS 5, off-balance sheet commitments received by Groupe Lucien Barrière and the Onboard Train Services business are not presented in this note. Groupe Lucien Barrière and the Onboard Train Services business had not received any off-balance sheet commitments at that date.

(1) Under the sale-and-management-back transaction concerning the Sofitel The Grand in Amsterdam, Accor has an option to sell its 40% interest in this hotel to SHPH in the event that SHPH decides not to renew the 25-year management agreement.

(2) a. Under the first transaction with Accor, Foncière des Murs initially agreed to finance €112 million worth of renovation work. Addenda to the corresponding agreements were subsequently signed, reducing Foncière des Murs' financing commitment to €109 million. As of December 31, 2010, the remaining work amounted to €2 million.

b. Under the second transaction, Foncière des Murs agreed to finance €39 million worth of work. As of December 31, 2010, the remaining work amounted to €2 million.

c. In an addendum signed in 2010, Foncière des Murs agreed to finance an additional €49 million work program over the period to end-2014. As of December 31, 2010, the remaining work amounted to €40 million.

(3) In connection with the sale-and-variable-leaseback transaction, Axa REIM agreed to finance €50 million worth of renovation work. As of December 31, 2010, the remaining work in the two countries amounted to €7 million.

(4) In connection with the Formule 1 France sale-and-variable leaseback transaction (involving the refinancing of 157 Formule 1 hotels in 2009 – see note 2.A.2.1), Accor and the investor agreed to complete the renovation of 19 hotels, with Accor paying €9 million and the investor €4 million. As of December 31, 2010, the remaining work to be financed by the investor amounted to €3 million.

(5) In connection with the 2010 sale-and-management back transaction (see note 2.A.2.1), Invesco Real estate agreed to finance the renovation of the Pullman Paris La Défense. As of December 31, 2010, the remaining work amounted to €10 million.

(6) In connection with the 2010 sale-and-variable leaseback transactions (see note 2.A.2.1), Predica and Foncière des Murs agreed to finance €31 million worth of renovation work in the period to end-2012. As of December 31, 2010, the remaining work amounted to €20 million.

Purchase options under finance leases are not included in this table.

NOTE 41 MAIN CONSOLIDATED COMPANIES AT DECEMBER 31, 2010

The main subsidiaries and associates represent 91% of consolidated revenue, 92% of EBITDAR and 90% of EBIT. The many other subsidiaries and associates represent individually less than 0.6% of consolidated revenue, EBITDAR and EBIT.

IG : fully consolidated

IP : consolidated using the proportional method

MEE : accounted for by the equity method

The percentages correspond to the Group's percentage interest

HOSPITALITY			
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%
Ecotel	France	IG	99.45%
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 Intermarques	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 de Construction d'Hôtels Suites	France	IG	100.00%
Société Hotelière 61 Quai de Grenelle	France	IG	100.00%
Société Parisienne des hôtels économiques	France	IG	100.00%
Paris Berthier	France	IG	100.00%
Marcq Hotel	France	IG	100.00%
SCI Lebo	France	IG	100.00%
Soluxury HMC Sarl	France	IG	100.00%
Sofitel Luxury Hotels France	France	IG	100.00%
WBA	France	IG	100.00%
Adagio	France	IP	50.00%
Thalamer	France	IG	99.91%

ACCOR S.A.

HOSPITALITY

Europe Excl. France			
Accor Hôtellerie Deutschland	Germany	IG	100.00%
Accor Hospitality Germany	Germany	IG	100.00%
Accor Austria AG	Austria	IG	100.00%
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%
Pannonia Hotelbetriebs	Hungary	IG	99.94%
Accor Participation Italie	Italy	IG	94.64%
Accor Hospitality Italia	Italy	IG	96.28%
Accor Hospitality Nederland	The Netherlands	IG	100.00%
The Grand Real Estate	The Netherlands	MEE	40.00%
Orbis	Poland	IG	50.01%
Hekon Hotele Ekonomiczne	Poland	IG	50.01%
Muranowska	Poland	IG	100.00%
Accor polska	Poland	IG	100.00%
Portis	Portugal	IG	100.00%
Having	Portugal	IG	100.00%
Katerinska Hotels	The Czech Republic	IG	100.00%
Accor Hotels Romania	Romania	IG	100.00%
Accor UK Business & Leisure	The United-Kingdom	IG	100.00%
Accor UK Economy Hotels	The United-Kingdom	IG	100.00%
Accor Hôtels Scandinavia	Sweden	IG	100.00%
Accor Gestion Hôtels	Switzerland	IG	100.00%
Accor Suisse	Switzerland	IG	100.00%
Société d'exploitation Hotelière	Switzerland	IG	100.00%
Société d'exploitation des hôtels monégasques	Monaco	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%
Accor lodging North America	United-States	IG	100.00%
Universal Commercial Credit 10	United-States	IG	100.00%
SI Hotelaria de Mexico	Mexico	IG	100.00%
Latin America and Caribbean			
Accor Hospitality Arg	Argentina	IG	100.00%
Hotelaria Accor Brasil	Brazil	IG	99.98%
Sociedad de Desarrollo de Hoteles Peruanos	Peru	IG	100.00%
Other Countries			
Formula1 Pty	South Africa	IG	52.60%
Premier Lodge South Africa	South Africa	IG	100.00%
Société Immobilière d'Exploitation Hôtelière Algérienne	Algeria	IP	50.00%
Saudi Hotels Management	Saudi Arabia	IG	99.98%
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%
Société Hôtelière la Lagune	Ivory Coast	IG	100.00%
Accor Hotels SAE	Egypt	IG	99.76%
El Gezirah Hotels Tourism	Egypt	IG	65.01%
Société Togolaise d'investissement et d'exploitation hotelière	Togo	IG	100.00%
Accor Gestion Maroc	Morocco	IG	83.71%
Risma	Morocco	MEE	34.92%
Belle Rivière Hotel	Mauritius	IG	100.00%
Compagnie Hotelière du Pacifique	Polynesia	IG	99.87%
Marara	Polynesia	IG	100.00%

OTHER SERVICES

Accor centre de contacts clients	France	IG	100.00%
Devimco	France	IG	99.99%
Lenôtre	France	IG	99.98%
Soc. d'Exploitation des Résidences Hotelières Rail	France	IP	50.00%
Groupe Lucien Barrière	France	Operations held for sale	49.00%

Compagnie Internationale des Wagons Lits & du Tourisme (*)	**Belgium**		
Rail Restauration (*)	France	Operations held for sale	99.77%
Treno (*)	Italy	Operations held for sale	99.77%

(*) These entities are not held directly by Accor SA, except for Compagnie Internationale des Wagons Lits & du Tourisme

NOTE 42 ADDITIONAL INFORMATION ABOUT JOINTLY-CONTROLLED ENTITIES

(in million of euros)	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue for the Group	Costs for the Group
Australia (Allegiance Marketing and Reef Casinos)	29	34	21	42	60	52
Adagio	6	6	14	(2)	13	14
Société d'Exploitation des Résidences Hôtelières Rail	11	-	9	2	34	32
Société Immobilière d'Exploitation Hôtelière Algérienne	3	15	4	14	5	4

Above disclosed figures correspond to Group share.

NOTE 43 SUBSEQUENT EVENTS

Groupe Lucien Barrière

On January 12, 2011, Accor has signed an agreement with Fimalac and Groupe Lucien Barrière for the sale of its 49% stake in Groupe Lucien Barrière for €268 million. In addition, Accor will receive the 2010 dividend on its Groupe Lucien Barrière shares, representing a total of €7 million.

Under the terms of the agreement, Accor will sell a 34% interest in Groupe Lucien Barrière to Fimalac for €186 million and a 15% interest to Groupe Lucien Barrière for €82 million. Following this transaction achieved at the beginning of March 2011, Accor has no longer stake in Groupe Lucien Barrière.

This agreement allows completing the Group's strategic refocusing on its core business.

NOTE 44 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.

Fully and proportionately consolidated companies and all associated companies accounted for by the equity method

Relationships between the parent company and its subsidiaries, joint ventures and associates are presented in note 41. Transactions between the parent company and its subsidiaries – which constitute related party transactions – are eliminated in consolidation and are therefore not disclosed in these notes. Transactions between the parent company and its joint ventures and associates were not material in 2010.

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 45.

Companies in which a member of the Executive Committee or the Board of Directors holds material voting rights

All transactions with companies in which a member of the Executive Committee or the Board of Directors holds material voting rights are conducted in the course of business on arm's length terms and are not material.

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.

Related party transactions

The only related party transaction concerns a put option on Groupe Lucien Barrière shares granted to Colony Capital in 2009 for €140 million (see note 2.B.2)

NOTE 45 CORPORATE OFFICERS' COMPENSATION

	December 31, 2009 (*)		December 31, 2010	
(in million of euros)	Expenses	Balance sheet amount	Expenses	Balance sheet amount
Short-term benefits received	11	5	11	5
Post-employment benefits	2	6	(1)	2
Other long-term benefits	-	-	-	-
Compensation for loss of office	3	-	6	5
Share-based payments	6	-	5	-
TOTAL COMPENSATION	**22**	**11**	**21**	**12**

(*) In line with IFRS 5, the corporate officers' compensation of Edenred, Groupe Lucien Barrière and the Onboard Train Services business have been reclassified under "Profit from discontinued operations" (see note 17).

Corporate officers are defined as members of the Executive Committee and the Board of Directors.

Compensation only concerned the members of the Executive Committee, which currently has ten members at December 31, 2010.

Members of the Board of Directors do not receive any compensation and receive only fees. Directors' fees paid in 2010 by the Group to the members of the Supervisory Board for year 2009 amounted to €420,000.

NOTE 46 FEES PAID TO THE AUDITORS

The table below shows the total fees billed by the Auditors recognized in the income statement in 2010 and prior year.

(in million of euros)	Published 2009	2010 (*)
Statutory and contractual audit fees	(11)	(9)
Fees for audit-related services	(1)	(1)
TOTAL FEES BILLED BY THE AUDITORS	**(12)**	**(10)**

(*) In line with IFRS 5, the fees paid to the auditors of Edenred, Groupe Lucien Barrière and the Onboard Train Services business have been reclassified under "Profit from discontinued operations" (see note 17).

4.2. Parent company financial statements and notes

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Year ended December 31, 2010

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the Company financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the Company financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the Company financial statements. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In accordance with our appointment as statutory auditors at your Annual General Meeting, we hereby report to you for the year ended December 31, 2010 on:

- the audit of the accompanying financial statements of Accor;
- the justification of our assessments;
- the specific verifications and disclosures required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation..We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position and the assets and liabilities of the Company as of December 31, 2010 and the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

II. Justification of our assessments

Pursuant to the provisions of Article L.823-9 of the French Commercial Code governing the justification of our assessments, we draw your attention to the following:

- The notes to the financial statements describe the accounting method used for the capital contribution and distribution of the shares in the former Accor Services business to Accor SA shareholders.
- Note 1.c to the financial statements sets forth the accounting policies and methods used to value equity and other long-term investments.

We have verified the appropriateness of the accounting methods used and the related disclosures provided in the Notes.

These assessments were performed as part of our audit approach for the financial statements taken as a whole and contributed to the formation of our opinion expressed in the first part of this report.

III. Specific verifications and disclosures

We have also performed the specific verifications required by law, in accordance with professional guidelines applicable in France.

We have no comment to make as to the fair presentation and consistency with the financial statements of the information given in the Board of Directors' management report and the documents addressed to the shareholders with respect to the financial position and the financial statements.

We verified that the disclosures made in application of Article L.225-102 of the Commercial Code on executive directors' compensation and benefits and the commitments given to executive directors by the Company were consistent with the financial statements or with the data used to prepare the financial statements as well as with any information obtained by Accor SA from any company that controls it or that it controls. Based on these procedures, we certify that these disclosures are accurate and fairly stated.

Pursuant to the law, we have verified that the management report contains the appropriate disclosures as to the acquisition of equity and controlling interests, and the identity of shareholders (percentage of voting rights).

Neuilly-sur-Seine – March 29, 2011

The Statutory Auditors

DELOITTE & ASSOCIES	ERNST & YOUNG et Autres
David Dupont-Noel	Bruno Bizet

BALANCE SHEETS

Assets

(in millions of euros)	Notes	Dec. 31, 2009 net	Dec. 31, 2010 net
FIXED ASSETS			
INTANGIBLE ASSETS			
Licenses, trademarks and rights of use	(2-3-4)	57	57
Networks	(2-3-4-7)	35	33
Other intangible assets	(2)	3	7
TOTAL INTANGIBLE ASSETS		**95**	**97**
PROPERTY AND EQUIPMENT			
Land	(2-4)	44	23
Buildings	(2-3-4)	95	55
Machinery and equipment	(2-4)	9	7
Other	(2-4)	30	27
Assets under construction	(2)	1	8
Prepayments to suppliers of property and equipment	(2)	2	3
TOTAL PROPERTY AND EQUIPMENT		**181**	**123**
INVESTMENTS			
Shares in subsidiaries and affiliates	(2-6-7-18)	6,161	5,101
Loans and advances to subsidiaries and affiliates	(2-7-11-17-18)	870	314
Other investment securities	(2-6-7-18)	1	8
Other loans	(2-7-11-17-18)	4	5
Other investments	(2-7-17)	31	31
TOTAL INVESTMENTS		**7,067**	**5,459**
TOTAL FIXED ASSETS		**7,343**	**5,679**
CURRENT ASSETS			
Inventories and work-in-progress	(7)	-	-
Prepayments to suppliers	(5)	2	5
Receivables			
Trade receivables	(5-7-11-17-18)	220	228
Other receivables	(5-7-11-17-18)	625	491
Other			
Marketable securities	(8-11)	-	861
Cash and cash equivalents	(11)	109	132
TOTAL CURRENT ASSETS		**956**	**1,717**
ACCRUALS AND OTHER ASSETS			
Prepaid expenses	(9-17)	5	7
Deferred charges	(9)	12	7
Unrealized foreign exchange losses	(10)	6	5
TOTAL ACCRUALS AND OTHER ASSETS		**23**	**19**
TOTAL ASSETS	**(1)**	**8,322**	**7,415**

Liabilities and shareholders' equity

(in millions of euros)	Notes	Dec. 31, 2009 net	Dec. 31, 2010 net
SHAREHOLDERS' EQUITY			
Share capital	(13-14)	676	680
Additional paid-in capital	(13-14)	2,228	1,161
Legal reserve	(13)	69	69
Untaxed reserves	(13)	9	9
Other reserves	(13-14)	112	15
Retained earnings	(13)	442	-
Net profit (loss) for the year	(13)	(302)	173
Untaxed provisions	(7-13)	6	5
TOTAL SHAREHOLDERS' EQUITY		**3,240**	**2,112**
PROVISIONS FOR CONTINGENCIES AND CHARGES			
Provisions for contingencies	(7)	16	31
Provisions for charges	(7)	69	47
TOTAL PROVISIONS FOR CONTINGENCIES AND CHARGES		**85**	**78**
LIABILITIES			
Bonds	(12-15-16-17)	1,519	1,220
Bank borrowings	(11-12-16-17)	499	283
Other borrowings	(11-12-16-17)	2,577	3,313
Trade payables	(12-16)	126	128
Accrued taxes and payroll costs	(12-17)	222	222
Due to suppliers of fixed assets	(17)	-	7
Other payables	(12-17)	44	46
TOTAL LIABILITIES		**4,987**	**5,219**
ACCRUALS AND OTHER LIABILITIES			
Deferred income	(17)	1	1
Unrealized foreign exchange gains	(10)	9	5
TOTAL ACCRUALS AND OTHER LIABILITIES		**10**	**6**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**(1)**	**8,322**	**7,415**

INCOME STATEMENTS

(in millions of euros)	Notes	2009	2010
OPERATING REVENUES			
Sales of goods and services		677	721
NET REVENUE	**(20)**	**677**	**721**
Own work capitalized		3	5
Reversals of depreciation, amortization and provisions and expense transfers		32	42
Other income		3	1
TOTAL OPERATING INCOME		**715**	**769**
OPERATING EXPENSES			
Purchases of goods for resale		-	-
Purchases of raw materials and supplies		-	-
Other purchases and external charges	(19)	477	519
Taxes other than on income		14	15
Wages and salaries		119	105
Payroll taxes		44	41
Depreciation, amortization and provision expense:			
◗ Depreciation and amortization of fixed assets	(4)	26	22
◗ Additions to provisions for fixed assets		8	-
◗ Additions to provisions for current assets		12	13
◗ Additions to provisions for contingencies and charges		28	19
Other expenses	(21)	5	4
TOTAL OPERATING EXPENSES		**733**	**738**
OPERATING PROFIT (LOSS)		**(18)**	**31**
JOINT VENTURES			
Share of profits from non-managed joint ventures or transferred losses of managed joint ventures		-	-
Share of losses of non-managed joint ventures and transferred profits from managed joint ventures		-	-
FINANCIAL INCOME			
Income from investments in subsidiaries and affiliates	(18)	292	795
Income from investment securities and long-term loans		-	1
Other interest income	(18)	34	24
Provision reversals and expense transfers		33	55
Foreign exchange gains		45	25
TOTAL FINANCIAL INCOME		**404**	**900**
FINANCIAL EXPENSES			
Amortization and provisions – financial assets		829	575
Interest expense	(18)	192	231
Foreign exchange losses		43	23
TOTAL FINANCIAL EXPENSES		**1,064**	**829**
NET FINANCIAL INCOME (EXPENSE)	**(22)**	**(659)**	**71**
RECURRING INCOME (LOSS) BEFORE TAX	**(24)**	**(678)**	**102**

(in millions of euros)	Notes	2009	2010
NON-RECURRING INCOME			
Non-recurring income from revenue transactions		-	2
Non-recurring income from capital transactions		473	169
Exceptional provision reversals and expense transfers		75	32
TOTAL NON-RECURRING INCOME		**548**	**203**
NON-RECURRING EXPENSES			
Non-recurring expenses on revenue transactions		2	6
Non-recurring expenses on capital transactions		215	151
Exceptional additions to depreciation, amortization and provisions		5	1
TOTAL NON-RECURRING EXPENSES		**221**	**158**
NET NON-RECURRING INCOME	**(23)**	**326**	**45**
Income tax expense	(24)	(50)	(26)
TOTAL INCOME		**1,667**	**1,872**
TOTAL EXPENSES		**1,969**	**1,699**
NET PROFIT (LOSS)		**(302)**	**173**

The financial statements of Accor SA have been prepared in accordance with French generally accepted accounting principles. All amounts are stated in million of euros unless otherwise specified.

The notes below relate to the balance sheet at December 31, 2010 before appropriation of profit for the year, which shows total assets of €7,415 million, and to the income statement for the year then ended, which shows net profit for the year of €173 million.

The financial statements cover the 12-month period from January 1 to December 31, 2010.

Accor SA's individual financial statements are included in the consolidated financial statements of the Accor Group.

The preparation of financial statements requires the use 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. Management reviews these estimates and assumptions on a regular basis to ensure that they are appropriate based on past experience and the current economic situation. Items in future financial statements may differ from current estimates as a result of changes in these assumptions.

The main estimates and judgments made by management in the preparation of these financial statements concern the valuation and useful lives of intangible assets, property, and equipment and financial assets, as well as the amount of provisions for claims, litigation and contingencies and the assumptions underlying the calculation of pension obligations.

The main assumptions applied by the Company are presented in the relevant notes to the financial statements.

In 2009, Accor embarked on a major strategic project: the demerger of its two businesses, Hotels and Prepaid Services. The demerger of the two businesses, called "Demerger" in the Registration Document was approved by shareholders at the Combined Ordinary and Extraordinary Meeting on June 29, 2010. Shares held by Accor SA in companies formerly included in the Accor Services subgroup were contributed to Edenred SA in accordance with the Asset Contribution-Demerger Agreement of April 19, 2010. These assets were contributed on the basis of their net book value in exchange for new Edenred SA shares. The value of the Edenred SA shares distributed to Accor SA shareholders was charged to the additional paid-in capital account in Shareholders' equity.

During 2010 business picked up in the main European countries, particularly France and Germany. Consequently, the 2010 financial statements have been prepared based on the favorable environment, particularly for the purpose of estimating the value of fixed assets (mainly shares in subsidiaries and affiliates) as explained below.

Notes 1 to 28 set out below form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Accor SA have been prepared in accordance with French generally accepted accounting principles, including the principles of prudence, materiality and segregation of accounting periods, for the purpose of giving a true and fair view of the assets, liabilities and financial position of the Company and the results of its operations. They are presented on a going concern basis and accounting methods have been applied consistently from one year to the next.

Assets recorded in the balance sheet are stated at historical cost or contributed value, as applicable.

There were no changes in presentation or measurement methods in 2010.

The significant accounting policies used are as follows:

Refering to Notes a) and b), since January 1, 2005, the Company has applied standards CRC 2004-06 relating to the definition, recognition and measurement of property, plant and equipment and intangible assets, and CRC 2002-10 concerning depreciation, amortization and impairment of these assets.

Property and equipment and intangible assets are recognized when the following two conditions are met:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company;
- the cost or value of the asset can be measured reliably.

a) Intangible assets

Intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives, corresponding to between two and five years for software and between three and five years for licenses.

Leasehold rights, networks and trademarks with indefinite useful lives are not amortized. Their value is assessed at each year-end and more frequently if events or circumstances indicate a possible impairment in value. If an assessment of fair value based on the same criteria as at the time of acquisition indicates the existence of a prolonged impairment in value, a provision is recorded.

b) Property and equipment

Property and equipment are stated at cost, corresponding to (i) the asset's purchase price, (ii) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and (iii) borrowing costs directly attributable to the construction or production of the asset.

Property and equipment are depreciated on a straight-line basis over their estimated useful lives, as follows:

- buildings: 35 to 50 years;
- fixtures and fittings: 7 to 25 years;
- other assets: 5 to 15 years.

a) and b bis) Fair values of intangible assets and property and equipment

At each year-end, the Company determines whether there are any indicators of impairment in value of intangible assets or property and equipment. Impairment indicators include obsolescence, physical damage, significant changes in the manner in which the asset is used, lower-than-expected economic performance, a steep fall in revenues, or other external indicators. Where there is an indication that the value of an asset may be impaired, its present value is assessed for the purpose of calculating the potential impairment charge. The present value of an asset is deemed to be the higher of its fair value or value in use.

c) Investments

Shares in subsidiaries and affiliates are stated at cost. Transaction costs on these assets are recorded in the income statement.

At each year-end, the Company determines whether there are any indicators of impairment in value of its investments. Impairment indicators include lower-than-expected economic performance, a drop in share price, rating downgrades and steep falls in revenue or earnings.

Where there is an indication that the value of an investment may be impaired, its present value is assessed for the purpose of calculating the potential impairment charge. The present value of an investment is deemed to be the higher of its fair value or value in use.

Accor considers that the most appropriate method for measuring the fair value of its investments is to calculate its equity in the underlying net assets of the subsidiaries and affiliates concerned. Another method used for investments in hotel companies is to calculate their average EBITDA for the last two years and apply a multiple based on the type of hotels owned by the Company concerned and their financial position. Accor also uses comparable recent transactions for the purpose of calculating fair values.

If the fair value of an investment in a subsidiary or affiliate calculated as described above is lower than the asset's carrying amount, the Company then also determines the investment's value in use, which corresponds to the present value of the future cash flows expected to be derived from the investment.

The value in use of investments in subsidiaries and affiliates is assessed using a range of indicators, including:

- the historical data used to value the investment at the time of acquisition;
- current profitability data and the current value of the underlying net assets;
- projections of future profitability, realizable values and economic trends.

If shares in subsidiaries and affiliates or other investment securities are deemed to be impaired they are written down to the lower of their fair value or value in use, based on the impairment tests performed and taking into account their financial position. Where the Company concerned is not certain of achieving operating profitability in the future, the investment is written down to an amount corresponding to the Company's equity in the underlying net assets. The measurement process also takes into account i) the maturity of the business (for example no provision is recorded for investments in companies that are in the start-up phase and whose future profitability is assured) and ii) the fair value of certain of the subsidiary's assets that are not included in the balance sheet (e.g. trademarks). Provisions for impairment recognized on these investments are not permanent and may be reversed if the financial position of the Company concerned improves. However, any reversals of impairment provisions may not result in the investment's carrying amount being increased to above its historical cost. Additional provisions may be recorded to write down loans and advances to the Company concerned and, where necessary, a provision for contingencies is also recorded.

d) Inventories

Inventories are measured at the lower of cost or probable realizable value. Cost is determined by the weighted average cost method.

e) Deferred charges

Following adoption of the new accounting standard relating to assets, as from January 1, 2005 deferred charges consist solely of debt issuance costs which are amortized over the life of the related debt.

f) Receivables

Receivables are measured at nominal value and provisions for impairment are subsequently recorded if their fair value is lower than their carrying amount.

g) Marketable securities

Marketable securities are stated at the lower of cost or market value.

h) Revenue

Revenue corresponds to sales of goods and services in the ordinary course of business. For directly owned and leased hotels, it comprises all revenue received from customers for accommodation, food services and other services, and for managed and franchised hotels it includes all management and franchise fees. Revenue also includes services billed to subsidiaries and non-related parties as well as business lease fees and fees for rent guarantees and guarantees of debt issued by the Company.

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

Consequently:

- lease revenues and fees billed to subsidiaries and non-related parties are recognized on a straight-line basis over the life of the contract;
- fees for guarantees are recognized on a straight-line basis over the term of the guarantee concerned;
- revenue from other services is recognized when the service is rendered.

i) Untaxed provisions

Hotel fixed assets are depreciated by the reducing balance method for tax purposes. The difference between straight-line depreciation recorded in the accounts and reducing balance depreciation calculated for tax purposes is recorded as excess tax depreciation in shareholders' equity.

j) Provisions for contingencies and charges

Provisions for contingencies and charges are determined in accordance with standard CRC 2000-06 relating to liabilities.

A provision is recorded when the Company has an obligation towards a third party, which is probable or certain of giving rise to an outflow of economic resources without any inflow of economic resources of at least an equivalent value being expected.

k) Provisions for pensions and other post-retirement benefit obligations

In accordance with CNC recommendation 2003-R01 dated April 1, 2003, the Company's total obligation for the payment of pensions and other post-retirement benefits is provided for in the balance sheet. These obligations concern statutory length-of-service awards payable in France and other defined benefit plans. The projected benefit obligation is recognized on a straight-line basis over the vesting period, taking into account the probability of employees leaving the Company before retirement age. The provision recorded in the balance sheet is equal to the discounted value of the defined benefit obligation, plus or minus any actuarial differences, which are taken to the income statement in the year in which they arise.

In addition to these statutory benefit schemes, certain employees are members of:

- a defined contribution supplementary pension plan funded by periodic contributions to external organizations that are responsible for the administrative and financial management of the plan as well as for payment of the related annuities. The contributions made by Accor under these plans are expensed as incurred;
- a defined benefit supplementary pension plan under which beneficiaries are entitled to pension benefits calculated based on their salary and the duration of their participation in the plan. The provision recorded for the Company's obligation under this plan takes into account any amounts funded through external organizations (plan assets).

l) Plain vanilla bonds

For plain vanilla bonds issued at a discount to face value, the difference between the issue proceeds and the face value of the bonds is amortized on a straight-line basis over the life of the bonds.

m) Foreign currency transactions

Income and expenses in foreign currencies are converted into euros at the exchange rate prevailing on the transaction date.

Payables, receivables and cash balances in foreign currencies are converted at the year-end exchange rate.

Translation differences are recorded in the balance sheet.

No provision for exchange losses is recorded for loans and borrowings denominated in the same currency with broadly equivalent maturities.

n) Currency risks

Currency risks arising on the conversion of euro cash reserves into foreign currencies to meet part of the financing needs of foreign subsidiaries are hedged by swaps with the same maturities as the loans to subsidiaries.

o) Corporate income tax

Accor has elected for group relief in application of the French Act of December 31, 1987. Under the group relief system, tax losses of companies in the tax group can be netted off against the profits of other companies in the Group, provided that certain conditions are met. The applicable tax rules are set down in Articles 223 A *et seq.* of the French General Tax Code.

Each company in the tax group records in its accounts the tax charge it would have incurred if it had been taxed on a stand-alone basis. The group relief benefit or charge is recorded in the balance sheet of Accor as head of the tax group.

Further to changes in tax regulations applicable since January 1, 2005, provisions for unrealized long-term losses on securities may no longer be offset against capital gains realized on the same class of investments.

p) Stock options and performance shares

In accordance with the "Fillon 3 Act", the Company uses the fair values of stock options and performance shares measured in accordance with IFRS 2 as the basis for calculating the related *contribution sociale* surtax.

Since 2008, Accor has accounted for performance shares in accordance with standard CRC 2008-15. In May 2007, March 2008, March 2009 and February 2010 Accor SA set up performance share plans for certain Group employees with a two-year vesting period, and will therefore issue new shares when the rights vest. Consequently, no provision has been recorded for the cost of these plans in the financial statements at December 31, 2010.

NOTE 2 MOVEMENTS IN FIXED ASSETS

(in millions of euros)	Gross value at Jan. 1, 2010	Acquisitions and inter-item transfers	Retirements and disposals and inter-item transfers	Other	Gross value at Dec. 31, 2010
INTANGIBLE ASSETS					
Trademarks and rights of use	49				49
Licenses and software (1)	103	4	(14)		93
Networks	79				79
Other intangible assets	-	6	(2)	3	7
Prepayments to suppliers of intangible assets	3			(3)	-
TOTAL INTANGIBLE ASSETS	**234**	**10**	**(16)**	**-**	**228**
PROPERTY AND EQUIPMENT					
Land (2)	45		(22)		23
Buildings (2)	172	1	(60)		113
Machinery and equipment	41	1	(4)		38
Other property and equipment (1)	67	8	(10)		65
Assets under construction	1	8	(1)		8
Prepayments to suppliers of property and equipment	3	2	(2)		3
TOTAL PROPERTY AND EQUIPMENT	**329**	**20**	**(99)**	**-**	**250**
INVESTMENTS					
Shares in subsidiaries and affiliates (3)	8,326	605	(1,174)	(239)	7,518
Loans and advances to subsidiaries and affiliates (4)	896	184	(718)		362
Other investment securities (3)	1	8			9
Other loans	16	7	(3)		20
Other investments	32		(1)		31
TOTAL INVESTMENTS	**9,271**	**804**	**(1,896)**	**(239)**	**7,940**
TOTAL FIXED ASSETS	**9,834**	**834**	**(2,011)**	**(239)**	**8,418**

(1) The decreases in property and equipment and intangible assets in 2010 reflect the derecognition of assets allocated to the Services business.
(2) Movements in this item correspond to sales of land and hotel properties, including the Pullman La Défense.
(3) A breakdown of the aggregate €800 million decrease in these items is provided in note 6.
(4) The decrease in "Loans and advances to subsidiaries and affiliates" reflects the fact that several loans to subsidiaries reached maturity.

NOTE 3 PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

- Trademarks and rights of use:

  This item mainly relates to the valuation of the Novotel trademark and rights granted to subsidiaries to use the Accor Group's trademarks.
- Licenses and software:
- These correspond to IT licenses and software used by the Company in its operating activities. Networks:

  Networks primarily correspond to the hotel networks of Novotel and Suitehotel.
- Buildings and fixtures and fittings:

  These items mainly correspond to buildings and fixtures and fittings related to hotels, headquarters premises and the Group's training center.

NOTE 4 MOVEMENTS IN DEPRECIATION AND AMORTIZATION

(in millions of euros)	At Jan. 1 2010	Increase	Decrease	At Dec. 31, 2010
INTANGIBLE ASSETS				
Trademarks and rights of use	-			-
Licenses and software	95	4	(13)	86
Networks	33	1		34
Other intangible assets	-			-
TOTAL INTANGIBLE ASSETS	**128**	**5**	**(13)**	**120**
PROPERTY AND EQUIPMENT				
Buildings	68	6	(15)	59
Machinery and equipment	32	2	(3)	31
Other property and equipment	38	6	(6)	38
TOTAL PROPERTY AND EQUIPMENT	**138**	**14**	**(24)**	**128**
TOTAL	**266**	**19**	**(37)**	**248**

NOTE 5 RECEIVABLES (1)

(in millions of euros)	Dec. 31, 2009 Gross amount	Dec. 31, 2010 Gross amount
Prepayments to suppliers	**2**	**5**
Trade receivables	**234**	**242**
Other receivables	**699**	**539**
Supplier-related receivables	*4*	*2*
Recoverable VAT and other taxes	*77*	*80*
Current accounts with subsidiaries	*599*	*440*
Other	*19*	*17*
TOTAL	**935**	**786**

(1) Including prepayments to suppliers.

NOTE 6 MOVEMENTS IN SHARES IN SUBSIDIARIES AND AFFILIATES AND OTHER INVESTMENT SECURITIES

Business acquisitions and purchases of newly-issued shares	Number of shares acquired	Amount *(in millions of euros)*	% interest at Dec. 31, 2010
ACCOR HOSPITALITY ARGENTINA	74,707	20	95.00% [(a)]
HOSPARGINVEST (Argentina)	57,000	1	95.00% [(a)]
SH DEFENSE GRANDE ARCHE	550,000	1	100.00% [(a)]
ACCOR SERVICES SUISSE (Switzerland)	800	1	100.00% [(a)] [(1)]
BELLE RIVIERE HOTEL (Mauritius)	10,500,000	26	100.00% [(a)]
STE D'EXPLOITATION ET D'INVESTISSEMENTS HOTELIERS (SEIH)	350,000	75	100.00% [(a)] [(1)]
TOTAL		**124**	

Additional investments	Number of shares acquired	% acquired	Amount *(in millions of euros)*	% interest at Dec. 31, 2010
PROFID	346,000	-	13	100.00% [(2)]
ACCUEIL PARTENAIRES	531	1.70%	1	100.00%
SAFARI CLUB MOOREA (Polynesia)	1,900	11.05%	1	78.49% [(1)]
CIE INTERNATIONAL DES WAGON-LITS ET DU TOURISME	510	0.01%	-	99.77%
ASH sas	27,960,687	-	447	100.00% [(1)]
ACCOR HOSPITALITY Italia SRL (Italy)	-	-	2	30.65% [(3)]
ACCOR AUSTRIA AG (Austria)	3,049	2.00%	1	100.00%
SOGECOL (Colombia)	546,429	1.65%	2	89.74% [(3)]
ACCOR CHILE	1,663,603	-	3	100.00% [(3)]
ACCOR SERVICES PARTICIPATIONS	69,640	17.69%	11	100.00% [(1)]
RISMA (Morocco) – ORA equity notes	842,050	24.34%	7	24.34% [(1)]
Other				
TOTAL			**488**	

(1) Percent interest held following a purchase of new shares and before a sale, capital reduction or merger – see next section.
(2) Number of shares acquired through a share issue followed by a sale or a capital reduction by cancelling shares or capitalizing losses.
(3) Partial or full take-up of shares in connection with a share issue.
(a) Acquisition raising the Company's interest to more than 50%.

Disposals	Number of shares sold	% sold	Carrying amount of sold shares *(in millions of euros)*	% interest at Dec. 31, 2010
SALES				
CHP MAEVA (Polynesia)	79,892	100.00%	(7)	-
MARARA (Polynesia)	15,999	99.99%	(8)	-
SAFARI CLUB MOOREA (Polynesia)	13,500	78.49%	(8)	-
ACCOR ARGENTINA	90,367	95.00%	(27)	-
HOTEL BAHIA DE TXINGUDI (Spain)	90,000	75.00%	(1)	-
ACCOR HOTELS SWEDEN AB	100,000	100.00%	(7)	-
LUNCHEON TICKETS SA (Uruguay)	739	98.27%	(5)	-
DELICARD GROUP AB (Sweden)	2,260,900	98.30%	(7)	-
IN-ACTIONS SCANDINAVIA (Sweden)	189,941	98.30%	(3)	
EDENRED	225,878,896	99.99%	(1,099)	0.01% (1)
OTHER				
OTHER TRANSACTIONS				
LIQUIDATIONS				
COOP PRO AFFINITES	21,335		(1)	-
TOTAL SALES, LIQUIDATIONS AND OTHER			**(1,173)**	

(1) Shares attributed to Accor shareholders in connection with Demerger.

Other movements	Number of shares cancelled or exchanged	Amount *(in millions of euros)*	% interest at Dec. 31, 2010
SALES OF ASSETS IN EXCHANGE FOR SHARES			
MERGERS/DEMERGERS			
Asset contribution from Accor to Edenred subject to the legal regime applicable to demergers			
EDENRED – shares received as consideration for the asset contribution	**225,878,896**	**1,099**	**0.01%**
ASH sas	(27,966,937)	(447)	-
ACCOR SERVICES France	(23,839,995)	(412)	-
ACCENTIV' KADEOS	(2,107,673)	(219)	-
ACCOR SERVICES PARTICIPATIONS	(393,613)	(46)	-
ACCOR Venezuela	(3,885,514)	(25)	-
SURGOLD (Singapore)	(6,283,484)	(15)	-
ACCENTIV TRAVEL	(1,572,000)	(14)	
CESTATICKET AS (Venezuela)	(3,318,000)	(11)	-
ACCOR SERVICES FORMATION	(37,422)	(7)	-
EAP France	(362,432)	(7)	-
ACCOR SERVICES AUSTRALIA	(11,745,008)	(7)	-
ROYAL IMAGE DIRECT MARKETING PRIVATE Ltd	(2,051,521)	(7)	-
ACCOR SERVICES PRIVATE Ltd (India)	(20,456,326)	(7)	-
SHANGHAI YAGAO MEAL SERVICE CARD CY (China)	(8,109,750)	(6)	-
Other	-	(33)	-
Dissolution without liquidation			
STE D'EXPLOITATION ET D'INVESTISSEMENTS HOTELIERS (SEIH)	350,000	(75)	-
TOTAL CONTRIBUTIONS, MERGERS/DEMERGERS		**(239)**	
SUMMARY			
Total acquisitions		612	
Total disposals and liquidations		(1 173)	
Total other movements		(239)	
TOTAL MOVEMENTS		**(800)**	

NOTE 7 MOVEMENTS IN PROVISIONS

(in millions of euros)	At Jan. 1, 2010	Increase	Decrease: Surplus provisions	Decrease: Utilized provisions	At Dec. 31, 2010
UNTAXED PROVISIONS					
Excess tax depreciation	6	1	(2)	-	5
TOTAL UNTAXED PROVISIONS	**6**	**1**	**(2)**	**-**	**5**
PROVISIONS FOR CONTINGENCIES					
Claims and litigation	2	2	(1)	-	3
Foreign exchange losses	1	-	(1)	-	-
Other (1)	13	19	(4)	-	28
TOTAL PROVISIONS FOR CONTINGENCIES	**16**	**21**	**(6)**	**-**	**31**
PROVISIONS FOR CHARGES (2)					
Pensions and other post-retirement benefitobligations	34	5	(11)	(1)	27
Taxes	6		(1)	(5)	-
Other	29	12	(2)	(19)	20
TOTAL PROVISIONS FOR CHARGES	**69**	**17**	**(14)**	**(25)**	**47**
TOTAL PROVISIONS	**91**	**39**	**(22)**	**(25)**	**83**
PROVISIONS FOR IMPAIRMENT IN VALUE (3)					
Intangible assets	11	-	-	-	11
Property and equipment	10	-	(10)	-	-
Investments (*)	2,204	527	(251)	-	2,480
Trade receivables	14	4	(4)	-	14
Other receivables (*)	74	36	(62)	-	48
TOTAL PROVISIONS FOR IMPAIRMENT IN VALUE	**2,313**	**567**	**(327)**	**-**	**2,553**
TOTAL	**2,404**	**606**	**(349)**	**(25)**	**2,636**
Income statement impact of movements in provisions		Increase		Decrease	
Operating income and expenses		32		41	
Financial income and expenses		573		55	
Non-recurring income and expenses		1		32	
Movements with no income-statement impact		-		246	
TOTAL		**606**		**374**	

(*) Recorded in accordance with the accounting policy described in note 1c.

(1) Other provisions for contingencies mainly comprised €24 million in provisions for risks related to subsidiaries. These provisions are set aside after taking into account provisions for shares in and loans and advances to subsidiaries and affiliates.

Movements in this item primarily reflect i) additions to provisions for subsidiaries in an amount of €18 million and ii) reversals of provisions for subsidiaries amounting to €1 million.

(2) At the year-end, total provisions for charges included €27 million in provisions for pensions and other post-retirement benefit obligations, €11 million in restructuring provisions, and €8 milllion in provisions for future rental payments and charges following the consolidation of head offices.

Additions to and reversals of provisions for pensions and other post-retirement benefit obligations amounted to €5 million and €12 milllion respectively.

A total of €6 million was reversed from provisions for taxes, including €5 million following the settlement of a dispute relating to the years 1997 and 1998.

Movements in other provisions for charges corresponded to i) €12 million in additions (of which €11 million for restructuring provisions), ii) €21 million in reversals (of which €15 million from restructuring provisions and €2 million from provisions for future rental payments and charges following the consolidation of head offices).

Pension benefit obligations and underlying actuarial assumptions

	Dec. 31, 2009	Dec. 31, 2010
Discount rate	5%	4.5%
Mortality tables	Insee 1998	Insee 1998
Rate of future salary increases	3%	3%
Retirement age	65 years	65 years
Voluntary or compulsory retirement	Voluntary	Voluntary
Payroll tax rate	46%	46%

(in millions of euros)	Dec. 31, 2009	Dec. 31, 2010
Provisions for pensions and other post-retirement benefit obligations at Jan. 1	27	34
Service cost	3	4
Interest cost	3	3
Actuarial (gains)/losses	2	0
Other movements	(1)	(14)
Provisions for pensions and other post-retirement benefit obligations at Dec. 31	34	27

Staff turnover assumptions for employees aged 16 to 67 ranged between 0% and 9.74% for non-managerial employees and between 0% and 6.59% for managerial employees aged 16 to 67.

(3) These provisions mainly concern impairment in value of shares in subsidiaries and affiliates, with the 2010 year-end balance primarily corresponding to write-downs of Accor.com (€69 million), Accor Afrique (€33 million), IBL (€352 million), Frantour SA (€29 million), SPFH (€29 million), SIET (€116 million), Newgen France (€40 million), Accor Hoteles Espagna (€30 million), Groupe Lucien Barrière (€204 million), ALNA (€372 million), CIWLT (€738 million) and Accor Hospitality Germany (€107 million).

Movements in these provisions in 2010 primarily corresponded to €487 million in additions to provisions for shares in subsidiaries and affiliates (including €204 million for Groupe Lucien Barrière and €192 million for CIWLT), and €39 million for write-downs of loans to subsidiaries (of which €37 million concerning the Polynesian subsidiary Startom).

NOTE 8 MARKETABLE SECURITIES PORTFOLIO

(in millions of euros)	Dec. 31, 2009 Gross value	Dec. 31, 2010 Gross value
Certificates of deposit	-	100
Retail certificates of deposit	-	59
Term deposits	-	702
TOTAL	**-**	**861**

No provisions for impairment in value were set aside in 2010 for marketable securities as their fair value exceeded or was equal to their carrying amount.

NOTE 9 ACCRUALS AND OTHER ASSETS/LIABILITIES

(in millions of euros)	Net at Jan. 1, 2010	Increase	Decrease	Net at Dec. 31, 2010
DEFERRED CHARGES				
Debt issuance costs	8	-	(3)	5
TOTAL	**8**	**-**	**(3)**	**5**
BOND ISSUE PREMIUMS				
Issue premiums	4	-	(2)	2
TOTAL	**4**	**-**	**(2)**	**2**
PREPAID EXPENSES				
Prepaid IT rental and maintenance costs	2	2	-	4
Prepaid advertising expenses	-	-	-	-
Prepaid property rents	2	-	-	2
Other	1	-	-	1
TOTAL	**5**	**2**	**-**	**7**
DEFERRED INCOME				
Software license fees	1	-	(1)	-
Sales and marketing partnership	-	1	-	1
TOTAL	**1**	**1**	**(1)**	**1**

NOTE 10 UNREALIZED FOREIGN EXCHANGE GAINS AND LOSSES

Unrealised foreign exchange losses

(in millions of euros)	Dec. 31, 2009	Dec. 31, 2010
Decrease in receivables	1	2
Increase in payables	5	3
TOTAL	**6**	**5**

Unrealised foreign exchange gains

(in millions of euros)	Dec. 31, 2009	Dec. 31, 2010
Increase in receivables	7	3
Decrease in payables	2	2
TOTAL	**9**	**5**

NOTE 11 ACCRUED INCOME

Accrued income is included in the following balance sheet items *(in millions of euros)*	Dec. 31, 2009	Dec. 31, 2010
Loans and advances to subsidiaries and affiliates	28	1
Trade receivables	179	183
Other loans	-	1
Current accounts with subsidiaries	2	2
Marketable securities	-	2
Cash and cash equivalents	2	-
TOTAL	**211**	**189**

NOTE 12 ACCRUED EXPENSES

Accrued expenses are included in the following balance sheet items *(in millions of euros)*	Dec. 31, 2009	Dec. 31, 2010
Bank borrowings	6	5
Other borrowings	16	13
Trade payables	112	113
Accrued taxes and payroll costs	42	41
Bonds	69	53
Other payables	-	1
TOTAL	**245**	**226**

NOTE 13 CHANGES IN SHAREHOLDERS' EQUITY

(in millions of euros)	At Dec. 31 2009	Appropriation of 2009 net loss	Capital increase/ reduction	Mergers/ Asset contributions	Other	Dec. 31, 2010 net loss	At Dec. 31, 2010
Number of shares making up the Company's capital [(1)]	225,458,199		(649,678)	1,985,428			226,793,949
Share capital	676		(2)	6			680
Additional paid-in capital	2,228		(37)	69	(1,099)		1,161
Legal reserve	69						69
Untaxed reserves	9						9
Other reserves	112	(97)					15
Retained earnings	442	(442)					-
Net profit (loss) for the year	(302)	302				173	173
Untaxed provisions	6				(1)		5
TOTAL SHAREHOLDERS' EQUITY	**3,240**	**(237)** [(2)]	**(39)** [(3)]	**75** [(4)]	**(1,100)** [(5)]	**173**	**2,112**

(1) With a par value of €3 per share.
(2) €237 million in dividends paid on July 2, 2010.
(3) Shares issued on the exercise of stock options and cancellations of treasury stock.
(4) Asset contribution from SEIH.
(5) Edenred SA shares distribution to Accor SA Shareholders: €1,099 million.

Potential shares: if all employee stock options had been exercised at December 31, 2010, the number of issued shares would have been increased by 13,099,281, raising the Company's share capital by €388 million.

NOTE 14 STOCK OPTION AND PERFORMANCE SHARE PLANS

Stock option plans	Plan 5	Plan 6	Plan 8	Plan 9	Plan 11	Plan 12
Grant date	Jan. 4, 2001	Jan. 8, 2002	Jan. 3, 2003	Jan. 7, 2004	Jan. 12, 2005	Jan. 9, 2006
Expiry date	Jan. 4, 2009	Jan. 8, 2010	Jan. 3, 2011	Jan. 7, 2012	Jan. 12, 2012	Jan. 9, 2013
Pre-demerger exercise price *(in euros)*	40.58	37.77	31.83	35.68	32.42	46.15
Post-demerger exercise price *(in euros)*	N/A	25.05	21.11	23.66	21.50	30.60
Value used for calculating the 10% contribution sociale surtax *(in euros)*	N/A	N/A	N/A	N/A	N/A	N/A
Vesting conditions	3 years of seniority	3 years of seniority	3 years of seniority	3 years of seniority	4 years of seniority	4 years of seniority
Number of options granted at the plan launch (1)	1,957,000	3,438,840	176,549	1,990,332	1,750,020	1,840,601
Number of options outstanding at Dec. 31, 2008	634,550	1,391,848	56,250	1,155,761	1,276,200	1,224,200
Number of options granted in 2009	-	-	-	-	-	-
Number of options exercised in 2009	-	159,062	300	6,900	28,284	-
Number of options cancelled in 2009	634,550	(6,850)	300	1,500	2,800	12,800
Number of options outstanding at Dec. 31, 2009	-	1,239,636	55,650	1,147,361	1,245,116	1,211,400
Adjustment to number of options following the demerger	N/A	N/A	27,649	507,432	451,070	609,401
Number of options granted in 2010	-	-	-	-	-	-
Number of options exercised in 2010 before the demerger	-	13,950	650	103,915	308,750	-
Number of options exercised in 2010 after the demerger	-	-	78,275	510,052	307,419	4,977
Number of options cancelled in 2010	-	1,225,686	600	48,203	50,107	11,800
Number of options outstanding at Dec. 31, 2010	-	-	3,774	992,623	1,029,910	1,804,024
Number of options exercised since the plan launch	1,252,450	2,134,604	171,875	930,506	647,753	4,977
Number of options cancelled since the plan launch	704,550	1,304,236	900	67,203	72,357	31,600

(1) Following post-demerger adjustments to all of the plans apart from Plans 5 and 6.

(2) Performance conditions based on return on capital employed (ROCE) and operating profit after tax.

(3) Performance conditions based on Accor's relative share performance compared with the overall performance of the CAC 40 index for 2010, 2011, 2012 and 2013.

Plan 13	Plan 14	Plan 15	Plan 17	Plan 18	Plan 19	Plan 20	Plan 21	Plan 22
March 24, 2006	March 22, 2007	May 14, 2007	March 28, 2008	Sept. 30, 2008	March 31, 2009	April 2, 2010	April 2, 2010	Nov. 22, 2010
March 24, 2013	March 22, 2014	May 14, 2014	March 28, 2015	Sept. 30, 2015	March 31, 2017	April 2, 2018	April 2, 2018	Nov. 22, 2018
49.10	68.65	71.72	46.46	42.70	27.45	N/A	N/A	N/A
32.56	45.52	47.56	30.81	28.32	18.20	26.66	26.66	30.49
N/A	N/A	N/A	11.55	7.00	5.78	10.28	9.44	9.25
4 years of seniority	4 years of seniority	4 years of seniority+ performance conditions (2)	4 years of seniority	4 years of seniority	4 years and 1 month of seniority	4 years of seniority	4 years of seniority+ performance conditions (3)	4 years of seniority
963,293	2,183,901	129,694	2,080,442	110,052	1,429,456	2,618,770	153,478	92,448
654,250	1,470,665	95,000	1,398,750	75,000	N/A	N/A	N/A	N/A
-	-	-	-	-	969,965	-	-	-
-	-	-	-	-	-	-	-	-
15,200	52,860	26,713	32,400	-	35,215	-	-	-
639,050	1,417,805	68,287	1,366,350	75,000	934,750	N/A	N/A	N/A
296,343	691,056	34,694	671,042	35,052	459,491	N/A	N/A	N/A
-	-	-	-	-	-	2,618,770	153,478	92,448
-	-	-	-	-	-	-	-	-
1,810	-	-	-	-	-	-	-	-
58,062	67,141	17,902	53,895	7,508	43,256	279,369	16,250	-
875,521	2,041,720	85,079	1,983,497	102,544	1,350,985	2,339,401	137,228	92,448
3,110	-	-	-	-	-	-	-	-
84,662	142,181	44,615	96,945	7,508	78,471	279,369	16,250	-

Stock savings warrants	Plan 7	Plan 10	Plan 16
Grant date	July 12, 2002	July 9, 2004	Sept. 13, 2007
Expiry date	July 12, 2009	July 9, 2012	Sept. 13, 2015
Pre-demerger exercise price *(in euros)*	39.10	33.94	60.44
Post-demerger exercise price *(in euros)*	N/A	22.51	40.08
Value used for calculating the 10% contribution sociale surtax *(in euros)*	N/A	N/A	N/A
Vesting conditions	3 years of seniority	3 years of seniority	3 years of seniority
Number of warrants granted at the plan launch [(1)]	104,361	131,619	2,139
Number of warrants outstanding at Dec. 31, 2008	74,503	83,510	1,403
Number of warrants granted in 2009	-	-	-
Number of warrants exercised in 2009	10,803	-	-
Number of warrants cancelled in 2009	63,700	-	-
Number of warrants outstanding at Dec. 31, 2009	-	83,510	1,403
Adjustment to number of warrants following the Demerger	-	43,488	736
Number of warrants granted in 2010	-	-	-
Number of warrants exercised in 2010 before the Demerger	-	1,904	-
Number of warrants exercised in 2010 after the Demerger	-	12,520	-
Number of warrants cancelled in 2010	-	3,774	-
Number of warrants outstanding at Dec. 31, 2010	-	108,800	2,139
Number of warrants exercised since the plan launch	40,661	19,045	-
Number of warrants cancelled since the plan launch	63,700	3,774	-

(1) After post-demerger adjustments to all of the plans apart from Plan 7.

Performance share plans	2007 Plan	2008 Plan	2009 Plan	2009 Plan
Grant date	May 14, 2007	March 28, 2008	March 31, 2009	March 31, 2009
Expiry date	May 14, 2009	March 28, 2010	March 31, 2011	March 31, 2013
Value used for calculating the 10% contribution sociale surtax *(in euros)*	N/A	46.46	25.49	25.49
Vesting conditions	2 years of seniority + performance conditions	2 years of seniority + performance conditions	2 years of seniority + performance conditions	4 years of seniority + performance conditions
Number of performance shares granted at the plan launch (1)	56,171	107,034	249,084	51,299
Number of performance shares outstanding at Dec. 31, 2008	56,171	107,034	N/A	N/A
Number of performance shares granted in 2009	-	-	207,364	35,189
Number of peformance shares vested in 2009	49,804	-	-	-
Number of performance shares cancelled in 2009	3,085	2,500	7,610	1,198
Number of performance shares cancelled in 2009 due to failure to meet the vesting conditions	3,282	78,368	96,965	20,127
Number of performance shares outstanding at Dec. 31, 2009	-	26,166	102,789	13,864
Adjustment to number of performance shares following the demerger	-	-	47,890	9,940
Number of performance shares granted in 2010	-	-	-	-
Number of shares vested in 2010	-	26,166	-	-
Number of performance shares cancelled in 2010	-	-	7,233	1,402
Number of performance shares cancelled in 2010 due to failure to meet the vesting conditions	-	-	28,300	5,862
Number of performance shares outstanding at Dec. 31, 2010	-	-	115,146	16,540
Number of shares vested since the plan launch	49,804	26,166	-	-
Number of performance shares cancelled since the plan launch	6,367	80,868	140,108	28,589
Potential number of new shares to be issued if performance conditions met	-	-	108,976	22,710

(1) After post-demerger adjustments to all of the plans apart from the 2007 and 2008 Plans.

NOTE 15 BONDS

In line with its strategy of increasing the maturity of its borrowings and ensuring the sustainability of its financial resources, Accor carried out three bond issues in 2009, the details of which are shown in the following table.

In 2010, following the Demerger, Accor repurchased some of these bonds, totalling €132 million from the January 2009 issue and €151 million from the April 2009 issue.

	Currency	Amount of the issue *(in millions of euros)*	Fixed/variable rate	Interest rate	Term	Outstanding principal at Dec. 31, 2009	Outstanding principal at Dec. 31, 2010
January 2009 bond issue	Euros	600	Fixed	7.500%	5 years	600	468
April 2009 bond issue	Euros	600	Fixed	6.500%	4 years	600	449
July 2009 bond issue	Euros	250	Fixed	6.039%	8 years	250	250

NOTE 16 LIABILITIES BY MATURITY

(in millions of euros)	Gross amount	Due within 1 year	Due in 1-3 years	Due beyond 3 years
BORROWINGS				
Bonds (1) (3)	1,220	53	449	718
Bank borrowings (1) (3)	283	164	119	-
Other borrowings (1) (2) (3)	3,313	3,124	189	-
OPERATING PAYABLES				
Trade payables (3)	128	128	-	-
MISCELLANEOUS PAYABLES				**-**
Accrued taxes and payroll costs (3)	222	222	-	-
Due to suppliers of fixed assets (3)	7	7	-	-
Other payables (3)	45	45	-	-
Deferred income (3)	1	1	-	-
TOTAL	**5,219**	**3,744**	**757**	**718**

(1) Gross amount of new borrowings during the year: €524 million.
Gross amount of borrowings repaid during the year: €1,029 million.
(2) Including €3,121 million due to related parties.
(3) Breaking down as follows by currency:

Liabilities by currency	
AED	4
AUD	9
CHF	20
EUR	4,820
GBP	224
HKD	6
HUF	11
MXN	10
PLN	4
USD	111
Other currencies	-
TOTAL	**5,219**

Financing policy

At December 31, 2010, Accor had several confirmed lines of credit with maturities of more than one year. The unused portion of these facilities totaled €1,980 million, expiring between 2012 and 2013.

NOTE 17 RECEIVABLES BY MATURITY

(in millions of euros)	Gross amount	Due within 1 year	Due beyond 1 year
FIXED ASSETS			
Loans and advances to subsidiaries and affiliates	362	2	360
Other loans	20	1	19
Other investments	31	-	31
CURRENT ASSETS			
Trade receivables	242	242	-
Other receivables	539	539	-
Prepaid expenses	7	7	-
TOTAL RECEIVABLES [1]	**1,201**	**791**	**410**

(1) *Breaking down as follows by currency:*

Receivables by currency	
CAD	11
CZK	24
EUR	1,090
JPY	36
USD	10
Other currencies	30
TOTAL	**1,201**

NOTE 18 RELATED PARTY ITEMS [1]

(in millions of euros)	2009	2010
Shares in subsidiaries and affiliates	7,776	6,970
Loans and advances to subsidiaries and affiliates	895	362
Other investment securities	1	-
Trade receivables	138	154
Other receivables	599	-
Borrowings	2,348	3,121
Trade payables	39	34
Income from investments in subsidiaries and affiliates	269	772
Other financial income	36	35
Financial expenses	75	72

(1) *Companies that are fully consolidated in the Accor Group consolidated financial statements are deemed to be related parties.*

NOTE 19 FINANCE LEASES

Commitments under finance leases

(in millions of euros)	Lease payments made			Future lease payments				
Asset	**2010**	**Prior years**	**Total**	**Due within 1 year**	**Due beyond 5 years**	**Due beyond 5 years**	**Total**	**Residual purchase price**
Buildings	0	171	171	0	0	0	0	1

Assets held under finance leases

(in millions of euros)		Depreciation				
Asset	**Cost**	**2010**	**Prior years**	**Expected future depreciation**	**Total**	**Net value**
Buildings	314	-	314	-	314	1

NOTE 20 BREAKDOWN OF NET REVENUE

(in millions of euros)	**2009**	**2010**
FRANCE		
Hotels	470	489
Holding and Services companies	24	40
TOTAL FRANCE	**494**	**529**
INTERNATIONAL		
Hotels	106	114
Holding and Services companies	77	78
TOTAL INTERNATIONAL	**183**	**192**
TOTAL NET REVENUE	**677**	**721**

NOTE 21 DIRECTORS' FEES, EXECUTIVE COMPENSATION AND WORKFORCE

Compensation paid to members of the Company's administrative and supervisory bodies

(in millions of euros)	2009	2010
Directors' fees	0.6	0.4
Members of the Executive Committee (excl. payroll taxes)	9.62	9.54
Retirement benefits	-	-

Workforce

Employee category	2009	2010
Managerial staff	843	770
Supervisors	253	217
Administrative staff	86	73
Apprentices	8	6
TOTAL	**1,190**	**1,066**

The Company had 1,066 employees at December 31, 2010, including nine employees seconded to subsidiaries.

Statutory training entitlement

In accordance with Recommendation 2004F issued by the Urgent Issues Task Force of the French National Accounting Board, Accor did not set aside any provisions relating to employees' statutory training entitlement in its 2010 financial statements. At December 31, 2010, Accor employees had accumulated a total of 78,440 training hours under this entitlement.

NOTE 22 FINANCIAL INCOME AND EXPENSES

(in millions of euros)	2009	2010
Income from investments in subsidiaries and affiliates	**292**	**795**
Dividends received from subsidiaries	271	775
Interest received on intragroup loans and receivables	21	20
Income from investment securities and long-term loans	**-**	**1**
Other interest income	**34**	**24**
Interest on current accounts	16	15
Interest on marketable securities	-	4
Interest on interest rate swaps	9	-
Interest on currency swaps	7	3
Other	2	2
Reversals of provisions for financial items	**33**	**55**
Reversals of provisions for shares in subsidiaries and affiliates	8	46
Reversals of provisions for other receivables	16	6
Reversals of provisions for contingencies and charges	9	3
Foreign exchange gains	**45**	**25**
TOTAL FINANCIAL INCOME	**404**	**900**
Interest expense	**(191)**	**(231)**
Interest on bonds	(72)	(97)
Interest on bank borrowings	(24)	(10)
Interest on other borrowings	(77)	(67)
Interest on interest rate swaps	(13)	(8)
Interest on currency swaps	(3)	(2)
Other	(2)	(47)
Amortization and provisions – financial assets	**(829)**	**(575)**
Additions to provisions for shares in subsidiaries and affiliates	(792)	(487)
Additions to provisions for loans	(25)	(39)
Additions to provisions for current assets	(7)	(28)
Amortization of bond issue premiums	(1)	(2)
Additions to provisions for contingencies and charges	(4)	(19)
Foreign exchange losses	**(43)**	**(23)**
TOTAL FINANCIAL EXPENSES	**(1,063)**	**(829)**
NET FINANCIAL INCOME (EXPENSE)	**(659)**	**71**

NOTE 23 NON-RECURRING INCOME AND EXPENSES

In 2010, total non-recurring items represented net income of €45 million before tax, breaking down as follows:

(in millions of euros)	2009	2010
Non-recurring income and expenses on revenue transactions	(1)	(5)
Gains (losses) on disposals of intangible assets and property and equipment	5	5
Gains (losses) on disposals and liquidations of investments (1)	253	14
Reversals of provisions for contingencies and charges	1	6
Additions to provisions for current accounts	(1)	-
Reversals of provisions for current accounts	-	-
Reversals of provisions for shares in subsidiaries and affiliates (2)	72	24
Additions to provisions for excess tax depreciation	(4)	(1)
Reversals of provisions for excess tax depreciation	1	2
NET NON-RECURRING INCOME	**326**	**45**

(1) Mainly gains on transfers of shares in Prepaid Services subsidiaries and affiliates to other Group companies (including the sale of Luncheon Ticket Uruguay and Delicard Group AB Sweden in 2010).

(2) Mainly provision reversals following divestments of shares (including in the Group's Polynesian subsidiaries) and liquidations of companies.

NOTE 24 INCOME TAX

A) Accor SA income tax

Analysis of the tax charge

(in millions of euros)	2009	2010
Group relief	45	33
Adjustment to prior-year tax benefit	5	(6)
Corporate income tax, withholding tax and other taxes	-	(1)
TOTAL	**50**	**26**

In 2010, the Company's contribution to the taxable profit of the tax group was €16.3 million, taxed at the standard rate.

B) Group relief

In its capacity as head of the French tax group, the Company recorded a tax benefit of €32.6 million in 2010, corresponding to the tax savings arising from group relief.

C) Tax group

The tax group headed by Accor SA comprises the following 94 subsidiaries

Accor Afrique	LIONEST SCI	SHORET
Accor Centres de Contacts Clients (formerly ARS)	MARCQ Hôtel	SIDH
Accor.com	Marquise de Presles	SIGEST 1
Accueil Partenaires	MERCURE International Hôtels	SISP SNC
ALL SEASONS (formerly Mercure France-Est)	Mer et Montagne SNC	SODETIS
Blagnac SCI	Newgen Hôtels France SAS	Sofitel Luxury Hôtels France (formerly SHBA)
Chammans Finance	NMP France (formerly DGR Ile de France SNC)	SOGETEL La Part Dieu
Cie d'Exploitat° Hôtelière de Bagnolet	NOVOBIENS	SOLUXURY HMC SARL
Cie d'Exploitat° Hôtelière de Roissy	Orpa SCI	SOPARAC
Cie Européenne de Patrimoine Immobilier & Hôtelier	Paris Clichy (FRANTOUR Berthier)	SOPHIA ANTIPOLIS
Cie Toulon. d'Invest.et de Développement	Paris Porte de St Cloud	SPARHE
CIWLT Succursale France	Partal	Sté Commerciales des Hôtels Economiques
Courcelles Miromesnil	Pradotel	Sté Comtoise Hôtels Brochets
DARLY SCI	Pro Fid (formerly Accentiv')	Sté de Construction des Hôtels Suite
DATEL	PULLMAN International Hôtels	Sté de Gestion Hôtels Parisiens (formerly Adagio SNC)
DEVIMCO	PULLMAN Océan Indien	Sté d'Invest.& d'Expansion Touristique
Domaine de Marlioz	SA des Hôtels de Tradition	Sté Française de Participat° & d'Invest. Européen
EHS SNC	SCC de la Pointe de Porticcio	Sté Internationale de Participation
ETAP HOTELS	SEH Strasbourg la Vigie	Sté Internationale de Services Hôtels Economiques
EXHOTEL	Seorim	Sté Internationale des Hôtels Novotel
FERVO SCI	Sephi	Sté Management Intermarques
FRANDOM	SGHPS – Grand Hôtel Poitiers Sud	Sté Nouvelle du Pavillon Elysées
FRANTOUR SAS	SH 18 Suffren (formerly Centre d'Arras SNC)	Sté Participation & d'Investis. de Motels
GESTAL	SH 61 QG (formerly DGR NNE)	Sté Participation d'Ile-de-France
GPC Rive Gauche (formerly Sté Hôtel du Gâtinais)	SH Danton Michelet	Sté Participation Financières d'Hôtellerie
HOSPITEL	SH de Thalasso Côte Varoise	Sudaix SCI
Hôtel de Porticcio	SH Egletons	Suni SCI
HOTEXCO	SH Forum	THALAMER
IBL	SH Nouveau Bercy SAS	Thermale de France
Immobilière de Perrache	SH Porte de Sèvres	TRAMARINE
LENÔTRE	SH Sablaise	
LENÔTRE CÔTE D'AZUR	Shema (formerly Mercure RAM)	

D) Provision recognized in accordance with Article 312-1 of standard CRC 99-03

In 2010 Accor applied Recommendation 2005-G issued by the French National Accounting Board's urgent issues task force concerning the conditions applicable for recognizing a provision within a parent company that has set up a tax group.

Under the group relief agreement between Accor SA and its subsidiaries, the tax benefits resulting from the utilization by the tax group of a subsidiary's tax losses revert to the subsidiary if it leaves the tax group.

As required by Article 312-1 of CRC standard 99-03, a provision is recorded for the Company's liability when it is probable that the tax benefit will be transferred as a result of a subsidiary leaving the tax group.

In practice, over the past five years the majority of the companies that have left the tax group have done so as a result of a liquidation or merger. There has only been one case where the sale of a subsidiary to a party outside the tax group could have given rise to the transfer of a tax benefit. However, after reviewing the completed or planned transactions at the balance sheet date, as the sold subsidiary concerned is no longer on the Companies Registry, at December 31, 2010 the €0.5 million provision recorded for this potential transfer was reversed as it no longer had any purpose.

E) Dividend withholding tax *(précompte)*

In 2002, Accor launched a legal challenge to its obligation to pay withholding tax on the redistribution of European-source dividends.

Until 2004, French parent companies that received dividends from their French subsidiaries were entitled to a 50% tax credit, which could be set off against the withholding tax payable on redistribution of the dividends. However, no such tax credit was available for European-source dividends.

Accor claimed that the absence of a tax credit on European-source dividends breached European Union rules.

Ruling on a dispute between Accor and the French State, on December 21, 2006 the Versailles Administrative Court ordered the State to refund the *précompte* withholding tax paid by Accor in the period from 1999 to 2001, for a total 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 payment interest due by the French State.

However, on March 8, 2007, the French State appealed the ruling before the Versailles Administrative Court of Appeal. On May 20, 2008 the Versailles Administrative Court of Appeal ruled in favor of Accor and confirmed the Company's right to the refunded amount.

The French State went on to appeal the ruling before the highest court of appeal and a provision was therefore booked for the amount of the refund and the late payment interest, with the result that the decisions of the Versailles Administrative Court and Administrative Court of Appeal had no net impact on the 2010 accounts.

On February 7, 2007, Accor filed an application instituting proceedings before the Cergy Pontoise Administrative Court to obtain a refund of the €187 million in *précompte* withholding tax paid in the years 2002 to 2004.

NOTE 25 DEFERRED TAX

Total provision movements for 2010 recorded by subsidiaries that form part of the Accor tax group represented a net non-deductible charge of €432 million, giving rise to a €144 million deferred tax asset calculated at the rate of 33.33% excluding the 3.3% *contribution sociale* surtax.

NOTE 26 OFF-BALANCE SHEET COMMITMENTS GIVEN AND RECEIVED

Lease commitments

Commitments given by Accor SA to its subsidiaries concerning fixed and variable lease payments were as follows at December 31, 2010 and 2009:

(in millions of euros)	Dec. 31, 2009	Dec. 31, 2010
Fixed lease payment commitments given to subsidiaries	2,128	2,149
Variable lease payment commitments given to subsidiaries	1,596	1,525
TOTAL LEASE PAYMENT COMMITMENTS GIVEN	**3,723**	**3,674**

A breakdown of the Company's finance lease commitments is provided in note 19.

Other off-balance sheet commitments

Off-balance sheet commitments given at December 31, 2010 break down as follows:

(in millions of euros)	Dec. 31, 2009	Dec. 31, 2010
COMMITMENTS GIVEN (LIABILITIES)		
Pledge of BRH shares (1)	-	26
Other purchase commitments	17	-
TOTAL PURCHASE COMMITMENTS	**17**	**26**
Construction performance bonds – Novotel and ibis (China) (2)	24	2
TOTAL WORKS COMMITMENTS	**24**	**2**
Guarantees given (3)	44	55
Guarantees for confirmed credit lines (4)	126	155
Guarantees for bank borrowings (4)	54	47
Guarantees given to third parties (4)	144	164
Seller's warranties (4)	307	284
TOTAL GUARANTEE COMMITMENTS	**675**	**705**
COMMITMENTS GIVEN IN THE NORMAL COURSE OF BUSINESS (5)	**18**	**-**
TOTAL COMMITMENTS GIVEN	**734**	**733**

(1) Security interests given on assets correspond to pledges and mortgages valued at the acquisition cost of the underlying assets.
In December 2010 the pledge given by Accor Afrique on its interest in BRH (representing €26.5 million) was transferred to Accor SA. This pledge was given for a loan of a similar amount granted to BRH by Mauritius Commercial Bank.

(2) In connection with development in China, Accor has issued performance bonds to the developers of 35 hotels and 1 Novotel hotel. The related commitments at December 31, 2010 amounted to €2.2 million.

(3) This item includes various guarantees given on behalf of direct and indirect subsidiaries either to banks or directly to the subsidiaries' customers. It also includes Accor's commitment to financing the programs carried out by the Accor Corporate Foundation, as the Company gave guarantees worth €4.7 million covering the contributions to the Foundation due by its founding companies. As €1.8 million of these contributions had been paid by December 31, 2010, the Company's residual guarantee commitment amounted to €2.9 million at that date.

(4) Accor has given guarantees for i) borrowings (€46.7 million), ii) overdraft facilities (€155.0 million) and iii) liabilities of SNC limited partnerships (€283.9 million at December 31, 2010). It has also issued other bank guarantees representing €51.9 million. Total guarantees given to other third parties came to €163.7 million at December 31, 2010.

(5) At December 31, 2008 the Accor Group had a €242 million off-balance sheet commitment corresponding to the tax deficiencies claimed by the French tax authorities from CIWLT. As this amount was paid on February 27, 2009, at December 31, 2010, Accor SA no longer had any off-balance sheet commitments related to claims and litigation.

(in millions of euros)	Dec. 31, 2009	Dec. 31, 2010
COMMITMENTS RECEIVED (ASSETS)		
Non-cancelable commitments received for the purchase of financial assets	-	-
PURCHASE COMMITMENTS RECEIVED	**-**	**-**
Guarantees for confirmed credit lines	-	-
Guarantees received	-	-
Other commitments received	-	-
Other financial guarantees for borrowings	-	-
TOTAL COMMITMENTS RECEIVED	**0**	**0**

NOTE 27 SUBSEQUENT EVENTS

On January 12, 2011, Accor announced that an agreement had been signed with Fimalac and Groupe Lucien Barrière for the sale of its 49% stake in Groupe Lucien Barrière for €268 million.

Following the transaction, Accor no longer holds any Groupe Lucien Barrière Shares.

NOTE 28 MAIN SUBSIDIARIES AND AFFILIATES AT DECEMBER 31, 2010

Subsidiaries and affiliates	Currency	Share capital *(in thousands of local currency units)*	Reserves (retained earnings)	Percent interest
A- Subsidiaries and affiliates with a balance sheet value in excess of 1% of accor's capital				
1- Subsidiaries (at least 50%-owned)				
A) FRENCH SUBSIDIARIES				
SPFH 110, avenue de France 75013 Paris	EUR	29,796	(28,770)	100.00%
SH DANTON MICHELET 2, rue de la Mare-Neuve 91000 Évry	EUR	16,008	(4,399)	100.00%
IBL 110, avenue de France 75013 Paris (5)	EUR	863,010	(121,245)	100.00%
STE DE CONSTRUCTION DES HOTELS SUITES 2, rue de la Mare-Neuve 91000 Évry	EUR	29,296	3,033	100.00%
SIET 2, rue de la Mare-Neuve 91000 Évry	EUR	16,914	(3,118)	100.00%
SOLUXURY HMC 2, rue de la Mare-Neuve 91000 Évry	EUR	10,226	1,047	100.00%
THE NEWGEN HOTEL France Allée des Vergers 95700 Roissy En France	EUR	5,369	(241)	100.00%
CHAMMANS 110, avenue de France 75013 Paris	EUR	102,048	5,066	100.00%
SGHP 2, rue de la Mare-Neuve 91000 Évry	EUR	5,298	(1,597)	100.00%
PROFID 2, rue de la Mare-Neuve 91000 Évry	EUR	3,500	15,674	100.00%
FRANTOUR 2, rue de la Mare-Neuve 91000 Évry	EUR	30,493	16,671	99.99%
SEPHI 6-8, rue du Bois-Briard 91000 Évry	EUR	8,000	28,390	99.99%
SFPIE 110, avenue de France 75013 Paris (5)	EUR	15,129	1,793	99.99%
SOFITEL LUXURY HOTELS FRANCE 2, rue de la Mare-Neuve 91000 Évry	EUR	2,550	(1,993)	99.99%
LA THERMALE DE FRANCE 2, cours de Verdun 40101 Dax Cedex	EUR	2,405	(23,058)	99.99%
PIH 2, rue de la Mare-Neuve 91000 Évry	EUR	32,236	37,166	99.99%
HOTEXCO 6-8, rue du Bois-Briard 91000 Évry	EUR	39,071	93,536	99.99%
FIMAKER 6-8, rue du bois Briard 91000 Évry	EUR	1,103	1,094	99.99%
SPARHE 2, rue de la Mare-Neuve 91000 Évry	EUR	9,000	3,425	99.99%
ACCOR.COM 2, rue de la Mare-Neuve 91000 Évry	EUR	702	347	99.98%

(1) Balance sheet at December 31, 2004.
(2) Balance sheet at June 30, 2005.
(3) Balance sheet at December 31, 2009.
(4) Balance sheet at October 31, 2010.
(5) Provisional or unaudited balance sheet.

(in thousands of euros)

Carrying amount of shares — Cost	Carrying amount of shares — Net	Outstanding loans and advances	Guarantees given	Last published net revenues	Last published net profit (loss)	Dividends received by the Company during the year
29,796	901	9	11,843	-	80	-
34,623	13,300	-	-	3,260	1,216	-
1,051,705	699,500	-	-	-	3,185	-
33,887	30,780	39,950	-	13,970	1,128	-
119,973	3,901	-	-	-	101	-
10,226	10,226	3,039	51	38,374	2,433	-
43,000	3,000	-	-	2,742	244	-
108,151	105,500	648	-	-	5,151	-
14,500	5,222	12,288	-	7,406	(1,576)	-
13,903	13,364	-	-	53,809	15,479	-
104,366	75,627	-	-	5,325	4,123	19,058
40,399	40,399	8,606	35	102,313	9,774	-
24,640	22,399	-	-	-	973	-
14,885	479	1,873	10	61,090	(3,256)	-
10,048	-	20,521	9	89	(259)	-
29,263	29,263	-	-	-	7,303	504
12,469	12,469	388	239	119,020	14,361	6,104
7,240	2,960	1	-	3,523	426	250
12,845	12,845	-	-	12,564	2,068	13,499
69,980	1,005	-	-	-	11	-

Subsidiaries and affiliates	Currency	Share capital (in thousands of local currency units)	Reserves (retained earnings)	Percent interest
CTID 2, rue de la Mare-Neuve 91000 Évry	EUR	3,481	303	99.98%
CEPIH 110, avenue de France 75013 Paris	EUR	688	5,479	99.98%
STE DES HOTELS DE TRADITION 2, rue de la Mare-Neuve 91000 Évry	EUR	13,366	(863)	99.97%
SISHE 6-8, rue du Bois-Briard 91000 Évry	EUR	10,039	(54)	99.50%
LENOTRE 44, rue d'Auteuil 75016 Paris	EUR	2,606	(7,596)	99.23%
SCHE 6-8, rue du Bois-Briard 91000 Évry (5)	EUR	44,570	67,740	99.09%
ACCOR AFRIQUE 2, rue de la Mare-Neuve 91000 Évry	EUR	29,709	7,860	97.22%
MARCQ HOTEL 2, rue de la Mare-Neuve 91000 Évry	EUR	6,789	4,507	96.91%
SIHN 2, rue de la Mare-Neuve 91000 Évry	EUR	17,358	70,525	95.70%
PRADOTEL 6-8, rue du Bois-Briard 91000 Évry	EUR	789	18,409	90.67%
MERCURE INTERNATIONAL HOTELS 2, rue de la Mare-Neuve 91000 Évry	EUR	60,707	109,325	73.93%
ROISSY ORLEANS 6-8, rue du Bois-Briard 91000 Évry	EUR	2,250	1,305	72.00%
SEORIM 2, rue de la Mare-Neuve 91000 Évry	EUR	31,359	1,950	70.94%
SHTC 84, allée Jean Jaurès 31000 Toulouse	EUR	195	3,095	51.44%
B) FOREIGN SUBSIDIARIES				
ACCOR SUISSE SA (Switzerland)	CHF	14,300	17,925	100.00%
SH ATHENES CENTRE (Greece)	EUR	2,933	(1,418)	100.00%
STE D'EXPL.HOTEK POLSKA (Poland) (3)	PLN	173,038	8,691	100.00%
KATERINSKA HOTEL (Czech Republic) (5)	CZK	300,000	583,286	100.00%
ACCOR UK LTD (United Kingdom) (5)	GBP	32,530	101,619	100.00%
ACCOR HOTEL BELGIUM (Belgium)	EUR	1,062,222	234,919	100.00%
ACCOR HOSPITALITY GERMANY GMBH (Germany) (5)	EUR	48,750	249,964	100.00%
SOGEDETU (Dominican Republic)	DOP	479,724	(126,350)	100.00%
BELLE RIVIERE HOTEL (BRH) (Mauritius)	MUR	1,050,000	(100,594)	100.00%
ACCO CHILE (Chile)	CLP	7,167	(101)	100.00%
STE IMMOBILIARIA HOT. DE MEXICO (Mexico) (5)	MXN	350,423	(75,159)	100.00%
ACCOR AUSTRIA (Austria)	EUR	5,542	20,588	100.00%
ACCOR CANADA INC (Canada)	CAD	46,999	18,269	99.99%
COMPAGNIE DES WAGONS-LITS (Belgium)	EUR	50,676	542,783	99.77%
ACCOR HOSPITALITY ARGENTINA (Argentina) (5)	AR$	7,864	128,152	95.00%
ACCOR HOTELES ESPANA (Spain)	EUR	26,398	(33,440)	78.54%
SHERATON GEZIRAH LE CAIRE (Egypt)	USD	20,817	11,743	65.01%
HOLPA (Luxembourg)	EUR	53,245	(9,262)	63.55%
ACCOR LODGING NORTH AMERICA (United States)	USD	1,912,599	258,579	62.12%
ACCOR HOSPITALITY NL (Netherlands)	EUR	6,930	133,869	58.09%

2-Affiliates (10 to 50%-owned)

(1) Balance sheet at December 31, 2004.
(2) Balance sheet at June 30, 2005.
(3) Balance sheet at December 31, 2009.
(4) Balance sheet at October 31, 2010.
(5) Provisional or unaudited balance sheet.

(in thousands of euros)

Carrying amount of shares		Outstanding loans and advances	Guarantees given	Last published net revenues	Last published net profit (loss)	Dividends received by the Company during the year
Cost	Net					
7,331	3,800	-	-	507	154	-
11,799	11,799	-	-	810	984	8,598
13,065	-	8,935	-	4,951	(35)	-
9,984	9,951	-	-	(130)	(1)	-
48,736	31,187	36,951	160	102,168	(3,436)	-
65,382	65,382	169	25	157,880	5,808	38,645
76,681	43,975	15,573	-	10,600	5,622	-
9,392	5,993	-	-	3,392	762	-
80,117	76,973	-	-	11,533	1,908	4,153
7,357	7,357	66	11	23,472	630	715
103,677	103,677	-	80	59,892	9,673	18,233
8,592	8,592	764	-	1,688	778	432
22,164	22,164	-	-	-	(1,172)	556
7,984	7,984	61	-	9,405	213	-
25,907	25,907	-	-	-	8,793	22,168
10,362	2,121	6	2,655	3,819	(1,195)	-
60,481	54,481	3,126	-	9,448	1,270	1,262
9,125	9,125	23,968	-	17,914	(234)	-
92,790	92,790	-	-	-	1,089	382,206
1,002,299	1,002,299	329		120,487	323,023	199,712
537,919	431,127	440	2,525	812,168	30,040	-
20,855	3,390	-	-	5,384	296	-
25,735	25,735	-	-	155	(2,220)	-
9,268	9,268	-	-	5	-	-
28,707	10,880	-	-	11,535	(1,083)	-
21,573	21,573	-	-	5,733	2,313	3,200
12,021	12,021	10,962	-	26,685	2,516	-
1,150,649	412,498		17,523	-	(8,618)	12,135
20,474	20,474	4,121	-	13,457	630	-
30,240	0	1	-	113,970	(36,378)	-
35,879	35,686	-	-	9,826	5,914	4,028
44,585	29,782	-	-	-	(19)	-
1,102,357	730,076	-	-	-	(8,594)	-
17,746	17,746	-	1,947	180,380	6,723	8,714

(in thousands of local currency units)

Subsidiaries and affiliates	Currency	Share capital	Reserves (retained earnings)	Percent interest
A) FRENCH AFFILIATES				
GOLF MEDOC PIAN Chemin de Courmateau 33290 Le Pian Médoc-louens	EUR	1,338	2,552	49.94%
SHCLB 35, Bd des Capucines 75002 Paris (4)	EUR	1,430	976,774	49.00%
WBA SAINT HONORE	EUR	15,930	5,345	28.61%
B) FOREIGN AFFILIATES				
AMORIM HOTELS SERVICOS (Portugal) (3)	EUR	14,300	21,548	50.00%
ORBIS (Poland) (3)	PLN	517,754	1,203,766	45.01%
RISMA (Morocco)	MAD	623,201	546,509	32.53%
ACCOR HOSPITALITY SRL (Italy) (5)	EUR	13,000	(728)	30.65%
PROGETTO VENEZIA (Italy) (1)	EUR	20,750	(10,243)	20.00%
AAPC (Australia) – unaudited	AUD	522,382	(369,891)	18.10%
CIE ITALIENNE DE TOURISME HOLDING SPA (Italy) (2)	EUR	26,367	(78,730)	10.00%
B- OTHER INVESTMENTS IN COMPANIES WITH A BALANCE SHEET VALUE OF LESS THAN 1% OF ACCOR'S CAPITAL				
1- SUBSIDIARIES (AT LEAST 10%-OWNED)				
A) FRENCH SUBSIDIARIES (AGGREGATE)				
B) FOREIGN SUBSIDIARIES (AGGREGATE)				
2-OTHER INVESTMENTS (LESS THAN 10%-OWNED)				
A) FRENCH SUBSIDIARIES (AGGREGATE)				
B) FOREIGN SUBSIDIARIES (AGGREGATE)				
TOTAL (NOTE 28)				

(1) Balance sheet at December 31, 2004.
(2) Balance sheet at June 30, 2005.
(3) Balance sheet at December 31, 2009.
(4) Balance sheet at October 31, 2010.
(5) Provisional or unaudited balance sheet.

(in thousands of euros)	Carrying amount of shares		Outstanding loans and advances	Guarantees given	Last published net revenues	Last published net profit (loss)	Dividends received by the Company during the year
	Cost	Net					
	9,112	2,892	20	-	2,042	(258)	-
	471,272	266,949	-	-	18,366	36,036	2,450
	13,673	13,673	-	-	17,026	1,509	380
	7,145	7,145	37,032	-	-	1,279	-
	194,769	194,769	-	-	138,383	3,356	-
	33,475	29,475	54	-	102,101	1,557	-
	11,840	0	43,482	-	109,436	(14,486)	-
	8,568	0	-	-	1,094	(8,622)	-
	66,758	66,758	-	-	16,509	3,297	-
	8,985	0	-	-	3,125	(5,911)	-
	120,566	**52,692**	**67,454**	**6,239**			**11,980**
	49,052	**33,165**	**163,884**	**66,405**			**3,196**
	2,303	**1,388**	**52,692**	**14**			**-**
	4,218	**4,040**	**5,218**	**-**			**137**
	7,518,868	**5,101,899**	**562,631**	**109,771**			**762,315**

FIVE-YEAR FINANCIAL SUMMARY

(in millions of euros)	2006	2007	2008	2009	2010
1-CAPITAL AT YEAR-END					
Share capital	637	690	660	676	680
Number of shares in issue	212,409,741	229,917,794	219,894,523	225,458,199	226,793,949
Number of convertible bonds in issue	6,415,546	-	-	-	-
2- RESULTS OF OPERATIONS					
Net revenues	592	638	645	677	721
Profit before tax, depreciation, amortization and provisions	611	876	500	426	649
Income tax	(39)	(65)	(51)	(50)	(26)
Net profit (loss)	487	805	482	(302)	173
Dividends	626	724	363	237	141 (1)
3- PER SHARE DATA *(in euros)*					
Earnings per share after tax, before depreciation, amortization and provisions	3.06	4.09	2.51	2.11	2.98
Earnings (loss) per share	2.29	3.50	2.19	(1.34)	0.76
Dividend per share (before tax credit/allowance)	2.95	3.15	1.65	1.05	0.62 (1)
4- EMPLOYEES					
Number of employees	1,271	1,176	1,263	1,174	1,066 (2)
Total payroll and employee benefits	142	129	138	154	138

(1) Recommended dividend proposed to Shareholders' Meeting on May 30, 2011 based on 226,793,949 shares.

(2) Number of employees on the Accor SA payroll at December 31, 2010.

5 Capital and ownership structure

5.1. Information about the Company

Company name

Accor.

Registered office

2, rue de la Mare-Neuve, 91000 Évry, France.

Principal place of business

Immeuble Odyssey, 110, avenue de France, 75210 Paris Cedex 13, France.

Legal form

Joint stock company *(société anonyme)* governed by the applicable French laws and regulations, including Articles L.225-17 to L.225-56 of the French Commercial Code.

Governing law

The laws and regulations of France.

Term

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

Corporate purpose

(Article 3 of the Bylaws)

The Company's corporate purpose is to engage in the following activities, in France and other countries, for its own account, on behalf of third parties, or jointly with third parties:

- the ownership, financing and management, directly, indirectly, or under specified mandates, of hotels, restaurants and 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 or all other countries.

Trade register

The Company is registered in Evry under number 602 036 444.

Business Identification (APE) Code: 7010Z.

Documents on display

Corporate documents, including the Bylaws, balance sheets, income statements, Board of Directors' Reports, Auditors' Reports and the annual accounts ledger, may be inspected at the Company's principle place of business.

Fiscal year

The Company's fiscal year begins on January 1 and ends on December 31.

Profit available for distribution

(Article 27 of the Bylaws)

Income available for distribution consists of net income for the year, less any losses brought forward from prior years and any amounts to be credited to reserves pursuant to the law, plus any unappropriated retained earnings brought forward from prior years.

After approving the accounts for the year, the Annual Meeting may decide to appropriate all or part of the profit available for distribution, if any, to the payment of a dividend. In the event of partial distribution, the Annual Meeting may decide to appropriate the remaining profit to one or more reserve accounts. Alternatively, the Annual Meeting may decide to appropriate all of the profit available for distribution to said reserve accounts.

Shareholders' Meetings

Notice of Shareholders' Meetings

(Article 24 of the Bylaws)

Shareholders' Meetings shall be called as provided for by law. The meetings shall take place at the Company's registered office or at any other venue specified in the notice of meeting.

Attendance and representation

(Article 24 of the Bylaws)

In accordance with applicable laws and regulations, all shareholders are entitled to attend or be represented at Shareholders' Meetings, regardless of the number of shares they hold, provided they can present legally sufficient evidence that the shares are registered in their name in the Company's share register (registered shares) or recorded in a share account in their name administered by an accredited financial intermediary (bearer shares), in compliance with paragraph 7 of Article L.228-1 of the French Commercial Code, at least three business days prior to midnight CET on the date of the meeting.

In the case of bearer shares, such evidence shall take the form of a statement of share ownership *(attestation de participation)* issued by the accredited financial intermediary in accordance with the law.

Organization of Shareholders' Meetings

(Article 25 of the Bylaws)

All shareholders have the right to attend or be represented at Shareholders' Meetings, within the conditions set by law. They may vote by post in accordance with Article L.225-107 of the French Commercial Code. The proxy/postal voting form may be sent to the Company or to the Company's registrar in paper form or, by decision of the Board of Directors published in the notice of meeting, by electronic mail in accordance with the applicable laws and regulations.

In addition, if decided by the Board of Directors when the meeting is called, shareholders who participate in the meeting by videoconference or by any electronic means enabling their identification, on the basis and by the method stipulated in the applicable laws and regulations, will be considered as being physically present for the calculation of the quorum and voting majority.

To cast a vote or execute a proxy by electronic means, shareholders or their duly authorized representative or attorney must either:

- provide a secure electronic signature fulfilling the requirements of the applicable laws and regulations; or
- enter a unique username and password on the Company's website, if such a website exists, in accordance with the applicable laws and regulations. This type of electronic signature shall be considered a reliable mechanism for identifying shareholders and their votes, in compliance with the first sentence of paragraph 2 of Article 1316-4 of the French Civil Code.

Meetings are chaired by the Chairman of the Board of Directors or, in his or her absence, by a director designated by the Board. Otherwise, the meeting elects its own Chairman.

The function of Scrutineer of the meeting is fulfilled by the two shareholders present at the meeting who represent the largest number of voting rights and who consent to take on the role. The Bureau thus formed names a Secretary, who may or may not be a shareholder.

An attendance register is kept, pursuant to the law.

Copies or excerpts of the meeting minutes may be certified by the Chairman of the Board of Directors, the Chairman of the meeting, or the meeting Secretary.

Ordinary and Extraordinary Shareholders' Meetings fulfilling the relevant quorum and majority voting requirements exercise the powers vested in them by law.

Double voting rights

(Article 25 of the Bylaws)

All fully paid shares registered in the name of the same holder for at least two years carry double voting rights.

In the event of a capital increase through the capitalization of retained earnings, profits or additional paid-in capital, the resulting bonus shares distributed in respect of registered shares carrying double voting rights will similarly carry double voting rights.

Registered shares converted into bearer shares or sold to a different holder lose their double voting rights. However, transfers through inheritance, liquidation of marital assets, inter vivos transfers to a spouse or to a relative in the ascending or descending line do not result in the loss of double voting rights or a break in the qualifying period. The merger of the Company has no impact on double voting rights, provided that the Bylaws of the surviving company allow for their exercise.

When shares are held by beneficial and non-beneficial owners, voting rights in Ordinary and Extraordinary Shareholders' Meetings are exercised by the beneficial owner.

Disclosure thresholds

(Article 9 of the Bylaws)

Any shareholder, acting alone or in concert with other shareholders within the meaning of Article L.233-10 of the French Commercial Code, that directly or indirectly acquires an interest, or raises its interest, in the capital or voting rights of the Company, including any equivalent shares or voting rights as defined in Article L.223-9-1 of the Commercial Code, to above or below any statutory disclosure threshold is required to disclose its interest to the Company. In the case of failure to make such disclosure, the sanctions provided for by law will apply.

In addition, any shareholder that acquires or raises its interest to 1% of the capital or voting rights is required to disclose its interest to the Company by registered letter with return receipt requested sent to the head office, within five trading days of the transaction date or the signature of any agreement resulting in the disclosure threshold being crossed, whatever the date on which the shares are recorded in the holder's account. The notification must include details of the total number of shares and/or share equivalents held and the number of voting rights held as provided for above.

Above said 1% threshold, the same disclosure rules as defined above will apply to any increase in a shareholder's interest by any multiple of 0.5% of the capital or voting rights and to any reduction in a shareholder's interest by any multiple of 1% of the capital or voting rights.

For the application of the above paragraphs, the shares or voting rights referred to in paragraphs 1 to 8 of Article L.233-9-1 of the French Commercial Code are considered as being equivalent to the shares or voting rights held by the shareholder.

Restrictions on voting rights

(Article 9 of the Bylaws)

In the case of failure to comply with the applicable disclosure rules, at the request of one or several shareholders representing at least 3% of the Company's capital or voting rights, as duly recorded in the minutes of the Shareholders' Meeting, the undisclosed shares will be stripped of voting rights at all Shareholders' Meetings held in the two years following the date when the omission is remedied.

Notification of intentions

(Article 9 of the Bylaws)

Any shareholder that acquires or raises its interest to more than one-twentieth, three-twentieths or one quarter of the capital or voting rights is required to notify the Company of its intentions over the following twelve months.

At the end of each successive twelve-month period, any shareholder that continues to hold a number of shares or voting rights in excess of the above fractions will be required to notify the Company of its intentions for the following twelve months.

In particular, the shareholder must inform the Company of whether it is acting alone or in concert with other shareholders, whether or not it plans to purchase additional shares, and whether or not it intends to acquire control of the Company or to request its election or the election of one or several candidates of its choice as directors of the Company. The Company will have the right to inform the public and shareholders of the said shareholder's disclosed intentions, or of the shareholder's failure to comply with this requirement.

For the application of the above paragraphs, the shares or voting rights referred to in paragraphs 1 to 8 of Article L.233-9-1 of the French Commercial Code are considered as being equivalent to the shares or voting rights held by the shareholder.

5.2. Share Capital

5.2.1. SHARE CAPITAL

At December 31, 2010, the Company's capital stock amounted to €680,381,847, divided into 226,793,949 common shares with a par value of €3.00, all fully paid-up and all in the same class.

Shares may be held in either registered or bearer form.

The Company avails itself of legal procedures to identify its shareholders.

Shares are freely transferable within legal and regulatory limits.

The transfer of shares, regardless of price or terms, is made by account transfer, pursuant to regulations in force.

5.2.2. SHARE BUYBACK PROGRAM

Authorization granted by the Ordinary and Extraordinary Shareholders' Meeting of June 29, 2010

The combined Ordinary and Extraordinary Shareholders' Meeting of June 29, 2010 authorized the Board of Directors to trade in the Company's shares on the stock market. The authorization was given for a period of 18 months and supersedes the previous authorization given at the May 13, 2009 Ordinary and Extraordinary Shareholders' Meeting.

The maximum purchase price under this authorization is €70 and the minimum sale price is €30.

The number of shares acquired under the authorization may not exceed 22,000,000, or 9.65% of the share capital at June 29, 2010.

The authorization may be used to purchase, sell or transfer shares for the following purposes:

- for cancellation, in connection with a capital reduction decided or authorized by the Company's shareholders in an Extraordinary Meeting;
- for allocation upon exercise of stock options granted under plans governed by Articles L.225-177 *et seq.* of the French Commercial Code, or to members of an employee stock ownership plan governed by Articles L.443-1 *et seq.* of the Labor Code or to recipients of stock grants made under plans governed by Articles L.225-197-1 *et seq.* of the Commercial Code;
- for allocation on the conversion, redemption, exchange or exercise of share equivalents;
- to be held in treasury for subsequent remittance in exchange or payment in connection with external growth transactions, a merger, demerger or asset contribution within a limit of 5% of the Company's capital;
- to make a market in the Company's shares under a liquidity contract that complies with the Code of Ethics recognized by the *Autorité des Marchés Financiers.*

Implementation of the share buyback program in 2010

The authorization granted by shareholders on June 29, 2010 was not used by the Board of Directors during the year and at year-end, Accor did not hold any shares in treasury.

5.2.3 FINANCIAL AUTHORIZATIONS

At the Ordinary and Extraordinary Shareholders' Meetings of May 13, 2008 and May 13, 2009, shareholders granted the Board of Directors the following authorizations:

Type of authorization	Date of authorization	Nominal amount authorized	Term and expiration date	Utilization in 2010
Corporate actions				
Issuance of shares and share equivalents:	Annual Meeting of May 13, 2009 26th, 27th, 28th, 29th, 30th and 31st resolutions	(nominal)	26 months – July 13, 2011	
◗ without pre-emptive subscription rights		€100 million		
◗ in connection with a stock-for-stock offer		€100 million		
◗ with pre-emptive subscription rights		€200 million		
◗ in payment for contributed assets		10% of the share capital		On April 19 2010, the Board of Directors authorized the issue of 1,985,428 shares in consideration for the transfer of SEIH shares
◗ to reduce the capital by canceling treasury stock	Annual Meeting of June 29, 2010 15th resolution	€6,060,198	18 months – December 29, 2011	Board of directors of October 13, 2010 Cancellation of 2,020,066 treasury shares
◗ to increase the amount of any issues that are oversubscribed		15% of the amount of the initial issue		
Issuance of new shares by capitalizing reserves, retained earnings or additional paid-in capital		€200 million		
Maximum total par value of new shares that may be issued		€300 million		

Type of authorization	Date of authorization	Nominal amount authorized	Term and expiration date	Utilization in 2010
Stock option plans				
Employee stock option plans (purchase of new or existing shares)	Annual Meeting of May 13, 2008 13th resolution	2.5% of the share capital at May 13, 2008	38 months – July 13, 2011	On February 23, 2010, the Board of Directors granted 1,827,850 stock options and 107,250 shares subject to performance criteria On October 13, 2010, the Board of Directors granted 92,448 stock options
Employee share issue	Annual Meeting of May 13, 2009 32nd resolution	2% of the share capital at May 13, 2009	26 months – July 13, 2011	
Stock grants without consideration	Annual Meeting of May 13, 2008 15th resolution	0.5% of the share capital at May 13, 2008	38 months – July 13, 2011	

5.2.4. EMPLOYEE STOCK OWNERSHIP

The first employee share issue, open to participants in the "Accor en Actions" Corporate Savings Plan, was carried out in France in 1999, with 7,900 employees purchasing shares.

In 2000, Accor launched its first international employee share issue in 23 countries, demonstrating its commitment to offering a significant number of employees worldwide the opportunity to become Accor shareholders by tailoring the plan rules to comply with legal and tax restrictions in each country. A total of 16,000 people participated in the offer.

International employee share issues were again carried out in 2002, with more than 12,600 employees participating in 25 host countries, and in 2004, with 9,100 employees participating in some twenty countries.

In 2007, for the first time, a leveraged employee share ownership plan was offered, with 8,736 employees purchasing shares in the 26 countries where such plans are permitted by local legislation.

Under the plan, the partner bank provided financing to enable participating employees to acquire nine additional shares for every Accor share purchased. Following the five-year ban on resale, the employees will recover not only all of their original investment, but also all of the average capital gain on both the shares purchased directly and the additional shares financed by the bank.

At December 31, 2009, 0.89% of the Company's capital was held by 20,502 employees through employee stock ownership plans.

At December 31, 2010, 1.08% of the Company's capital was held by 19,242 employees through employee stock ownership plans.

5.2.5. SECURITIES NOT CARRYING RIGHTS TO A SHARE IN THE CAPITAL

None. There are no other share equivalents outstanding.

5.2.6. CHANGES IN CAPITAL

Year	Changes in capital over the past five years	Increase/(decrease) in capital (in euros) Share capital	Additional paid-in capital	New capital (in euros)	New shares outstanding
2006	Exercise of stock options at €31.83	96,600	928,326	651,893,922	217,297,974
	Exercise of stock options at €32.47	26,250	257,863	651,920,172	217,306,724
	Exercise of stock options at €33.95	1,077,147	11,112,567	652,997,319	217,665,773
	Exercise of stock options at €35.68	19,200	209,152	653,016,519	217,672,173
	Exercise of stock options at €37.00	749,310	8,492,180	653,765,829	217,921,943
	Exercise of stock options at €37.77	3,210,081	37,204,839	656,975,910	218,991,970
	Exercise of stock options at €40.58	2,820,015	35,325,388	659,795,925	219,931,975
	Exercise of stock savings warrants at 39.10 euros	42,465	510,996	659,838,390	219,946,130
	Exercise of stock savings warrants at 43.40 euros	417,675	5,624,690	660,256,065	220,085,355
	Conversion of 1% 2002 Oceane bonds	15	263	668,203,044	222,734,348
	Conversion of 1.75% 2003 Oceane bonds	7,946,964	98,674,803	668,203,029	222,734,343
	Cancellation of shares	(30,973,821)	(449,770,737)	637,229,223	212,409,741
2007	Exercise of stock options at €31.83	179,130	1,721,439	637,408,353	212,469,451
	Exercise of stock options at €32.42	2,100	20,594	637,410,453	212,470,151
	Exercise of stock options at €33.95	48,054	495,757	637,458,507	212,486,169
	Exercise of stock options at €35.68	817,524	8,905,561	638,276,031	212,758,677
	Exercise of stock options at €37.00	353,247	4,003,466	638,629,278	212,876,426
	Exercise of stock options at €37.77	2,228,310	25,826,113	640,857,588	213,619,196
	Exercise of stock options at €40.58	817,335	10,238,483	641,674,923	213,891,641
	Exercise of stock options at €49.10	3,900	59,930	641,678,823	213,892,941
	Exercise of stock savings warrants at €39.10	44,997	541,464	641,723,820	213,907,940
	Exercise of stock savings warrants at €43.40	1,245,429	16,771,777	642,969,249	214,323,083
	Exercise of stock savings warrants at €33.94	9,276	95,666	642,978,525	214,326,175
	Conversion of 1.75% 2003 Oceane bonds	7,842,315	97,375,411	650,820,840	216,940,280
	Conversion of 2005 equity notes taken up by Colony	38,119,194	461,880,306	688,940,034	229,646,678
	Conversion of 2005 convertible bonds taken up by Colony	35,270,910	464,728,790	724,210,944	241,403,648
	Employee share issue at €56.23	2,311,587	41,018,136	726,522,531	242,174,177
	Cancellation of shares	(36,769,149)	(762,371,319)	689,753,382	229,917,794
2008	Exercise of stock options at €31.83	2,220	21,334	689,755,602	229,918,534
	Exercise of stock options at €32.42	7,800	76,492	689,763,402	229,921,134
	Exercise of stock options at €35.68	92,193	1,004,289	689,855,595	229,951,865
	Exercise of stock options at €37.00	419,457	4,753,846	690,275,052	230,091,684
	Exercise of stock options at €37.77	80,535	933,401	690,355,587	230,118,529
	Exercise of stock savings warrants at €39.10	2,082	25,053	690,357,669	230,119,223
	Exercise of stock savings warrants at €43.40	4,860	65,448	690,362,529	230,120,843
	Exercise of stock savings warrants at €33.94	4,587	47,307	690,367,116	230,122,372
	Cancellation of shares	(30,683,547)	(509,196,503)	659,683,569	219,894,523
2009	Exercise of stock options at €31.83	900	8,649	659,684,469	219,894,823
	Exercise of stock options at €32.42	84,852	832,115	659,769,321	219,923,107
	Exercise of stock options at €35.68	20,700	225,492	659,790,021	219,930,007
	Exercise of stock options at €37.77	477,186	5,530,586	660,267,207	220,089,069
	Exercise of stock savings warrants at €39.10	32,409	389,988	660,299,616	220,099,872
	Grant of performance shares	149,412	-	660,449,028	220,149,676
	Dividend reinvestment at €30.54	15,925,569	146,196,723	676,374,597	225,458,199
2010	Exercise of stock options at €21.11	234,825	1,417,560	676,609,422	225,536,474
	Exercise of stock options at €21.50	922,257	5,687,252	677,531,679	225,843,893
	Exercise of stock options at €23.66	1,530,156	10,537,674	679,061,835	226,353,945
	Exercise of stock options at €30.60	14,931	137,365	679,076,766	226,358,922
	Exercise of stock options at €31.83	1,950	18,740	679,078,716	226,359,572
	Exercise of stock options at €32.42	926,250	9,083,425	680,004,966	226,668,322
	Exercise of stock options at €32.56	5,430	53,504	680,010,396	226,670,132
	Exercise of stock options at €35.68	311,745	3,395,942	680,322,141	226,774,047
	Exercise of stock options at €37.77	41,850	485,041	680,363,991	226,787,997
	Exercise of stock savings warrants at €22.51	37,560	244,265	680,401,551	226,800,517
	Exercise of stock savings warrants at €33.94	5,712	58,910	680,407,263	226,802,421
	Grant of performance shares	78,498	-	680,485,761	226,828,587
	Issuance of 1,985,428 new shares in consideration for the SEIH shares	5,956,284	68,901,754	686,442,045	228,814,015
	Distribution of Edenred shares to shareholders, as part of the demerger	0	(1,099,185,386)	680,485,761	226,828,587
	Cancellation of treasury shares as part of the SEIH transaction	(6,060,198)	(68,717,522)	680,381,847	226,793,949

N.B.: There are no options outstanding to purchasing existing shares of the Company. All options granted are to purchase new shares.

5.3. Ownership Structure

5.3.1. CAPITAL AND VOTING RIGHTS STRUCTURE

At December 31, 2010, the Company's capital consisted of 226,793,949 shares, representing a total of 260,673,637 voting rights, all of which were exercisable. There are 33,879,688 double voting rights outstanding.

The Company had 3,482 registered shareholders at December 31, 2010, representing 28.94% of the capital and 38.18% of total voting rights.

Shareholders at December 31, 2010

	Number of shares	Number of voting rights	% the capital	% voting rights
ColTime/ColDay/Legendre Holding 19 (1)	61,844,245	85,255,536	27.27%	32.71%
Founders	4,516,369	7,776,518	1.99%	2.98%
Other	38,543	60,184	0.02%	0.02%
Board members and Founders	**66,399,157**	**93,092,238**	**29.28%**	**35.71%**
Other shareholders	160,394,792	167,581,399	70.72%	64.29%
TOTAL AT DECEMBER 31, 2010	**226,793,949**	**260,673,637**	**100.00%**	**100.00%**

(1) Shareholders acting in concert: ColTime (Colony Capital, LLC), which owns 13,276,085 shares and voting rights, ColDay (Colony Capital, LLC), which owns 25,506,869 shares and 25,856,869 voting rights, and Legendre Holding 19 (controlled by Eurazeo), which owns 23,061,291 shares and 46,122,582 voting rights.

At December 31, 2010, 19,242 employees held 2,457,743 shares (1.08% of total capital) and 3,546,408 voting rights (1.36% of the total) under employee stock ownership plans.

During the year, 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	% 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	210C0332	↗	11,367,760	5.04%	11,367,760	4.77%
Franklin Resources, Inc.	April 21, 2010	210C0350	↗	12,544,058	5.56%	12,544,058	5.26%
ColDay/ColTime/Legendre Holding 19	May 18, 2010	210C0420	↗	65,844,245	28.89%	75,405,536	30.15%
Franklin Resources, Inc.	July 19, 2010	210C0647	↘	12,604,935	5.53%	12,604,935	4.87%
Franklin Resources, Inc.	October 11, 2010	210C1040	↘	11,361,495	4.99%	11,361,495	4.35%
Southeastern Asset Management	October 28, 2010	210C1111	↘	12,843,912	5.64%	12,843,912	4.91%

Changes in ownership structure over the past three years

	December 31, 2008			December 31, 2009			December 31, 2010		
	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
ColTime/ColDay/ Legendre Holding 19	50,231,228	22.84%	20.40%	65,844,245	29.20%	27.56%	61,844,245	27.27%	32.71%
Groupe Caisse des Dépôts et Consignations	18,695,060	8.50%	14.02%	2,884,974	1.28%	1.21%	N/A	N/A	N/A
Fond Stratégique d'Investissement	-	-	-	16,664,265	7.39%	6.97%	N/A	N/A	N/A
Founders	6,018,028	2.74%	4.68%	6,074,184	2.70%	4.90%	4,516,369	1.99%	2.98%
Société Générale	3,381,760	1.54%	1.37%	N/A	N/A	N/A	N/A	N/A	N/A
BNP Paribas	1,227,080	0.56%	1.00%	N/A	N/A	N/A	N/A	N/A	N/A
Treasury stock	-	-	-	-	-	-	-	-	-
Other shareholders	140,341,367	63.82%	58.53%	133,990,531	59.43%	59.36%	160,433,335	70.74%	64.31%
TOTAL	**219,894,523**	**100.00%**	**100.00%**	**225,458,199**	**100.00%**	**100.00%**	**226,793,949**	**100.00%**	**100.00%**

Sources: Accor share register, disclosures made to the Autorité des Marchés Financiers and the Company.

There were no shares held in treasury as of December 31, 2010.

A Euroclear France survey of financial institutions holding at least 200,000 shares and of shareholders holding at least 250 shares at December 29, 2010 identified 9,815 shareholders owning an aggregate 68.00% of the Company's capital, representing 59.17% of total voting rights.

Analysis by shareholder category at December 31, 2010	% capital	% voting rights
Private shareholders	2.39%	2.08%
Institutional investors	65.61%	57.09%
◗ French institutions	13.02%	11.33%
◗ Foreign institutions	52.59%	45.76%
Unidentified in the Euroclear survey	32.00%	40.83%
TOTAL	**100.00%**	**100.00%**

Source: Euroclear France.

Shareholders' agreements relating to the shares making up the Company's capital

Apart from the shareholders' pact described below, the Company is not aware of any other shareholders' agreements relating to the shares making up its capital.

On May 4, 2008, a memorandum of understanding was signed by Colony Capital (represented by ColTime (1) and ColDay (2)) and Eurazeo (represented by Legendre Holding 19 (3)), acting in concert in accordance with the memorandum of understanding regarding their investment in Accor, which they had signed on January 27, 2008.

On December 18, 2009, an amendment to the memorandum was signed following the Accor Board of Directors' approval of the potential benefits of demerging the Group's Hotels and Prepaid Services businesses to create two separate listed companies. The purpose of the amendment is i) to extend until May 4, 2013 the provisions of the May 2008 memorandum of understanding to the shares in Edenred, and ii) to extend until January 1, 2012 the undertaking in the memorandum not to sell their shares in Accor and Edenred.

The main clauses of the agreement are as follows:

- an undertaking to cast the same votes on strategic matters at Board of Directors' Meetings;
- an undertaking to cast the same votes at Accor Shareholders' Meetings;
- an agreement that the parties should have equal representation on Accor's Board;
- an agreement that if either of the undertakings set out above with respect to voting are breached by one of the parties, the party that has breached the undertaking shall offer to sell its Accor shares to the other party, at a price equal to 80% of the lower of i) the weighted average price of the Accor share over the twenty trading days preceding the breach, and ii) the closing price on the day of the breach. This offer must be made and taken up within a month of the date of breach;
- an undertaking by each party not to sell its Accor shares for a period of two years, except in the event of a public offer initiated by a third party or by one of the two members of the pact (4);
- an undertaking not to enter into any acquisition or other agreement with a third party that would result in the concert group raising its interest to above one third of Accor's capital and/or voting rights;
- in the event that one of the parties decides to sells its shares to an identified purchaser, a right of first refusal for the other party, exercisable within ten days following notification of the intention to sell. The price for the shares sold will be proposed by the selling party;
- a duty for each party to give the other party four days' notice if they decide to sell their shares on the market to unidentified purchasers;
- in the event that one of the parties sells its shares, a right for the other party to sell the same proportion of shares, exercisable within ten days following the related notification;
- in the event that the two parties' existing shareholdings are equal, the obligation for either party that decides to purchase additional shares to propose the acquisition of the same number of shares to the other party;
- a priority share purchase right for the party holding the least number of shares. However, ColDay may freely acquire shares enabling it to raise its interest to 11% of Accor's capital and Eurazeo may freely acquire shares enabling it to raise its interest to 10% of the capital;
- in the event of a public offer initiated by a third party, if one of the two parties does not wish to tender its shares whereas the other one does, the right for the former to acquire the shares tendered to the offer by the other party at the offer price or at a higher price;
- in the event of a public offer initiated by one of the parties, in which the other party does not wish to participate, the right for either of the parties to terminate the concert arrangement. If the party not participating in the offer wishes to sell its Accor shares, the right for the initiator of the offer to acquire said shares before filing the offer, at the offer price or at a higher price.

The shareholders' pact has a five-year term, after which the concert arrangement may be terminated with 30 days' notice. However, it may be terminated in advance if either of the parties breaches its obligations or announces an intention to acquire a number of additional shares which would raise the concert group's interest to above the capital and/or voting rights threshold beyond which the group would be required to launch a public tender offer. The two-year lock-up period applicable to both parties' investments in Accor will remain in force even if the pact is terminated due to breach of one of its clauses. In addition, between the third and fifth year either party may terminate the pact subject to three months' notice. It will also be terminated if either of the parties reduces its interest in Accor to below 5% of the Company's capital.

(1) ColTime SARL is controlled by the investment funds Colony Investors VI, LP and Colyzeo Investors LP, which are managed by Colony Capital, LLC.
(2) ColDay SARL is controlled by the investment funds Colony Investors VIII, LP and Colyzeo Investors II, LP, which are managed by Colony Capital, LLC.
(3) Controlled by Eurazeo SA.
(4) This prohibition does not apply to ColTime in order for Colony to fulfill its fiduciary duties towards its investors.

5.3.2. DIVIDENDS

Year	Shares outstanding at December 31	Dividend for the year (in euros) Dividend	Total revenue	Paid on	Share price (in euros) High	Low	Year-end closing	Yield based on year-end closing price
2006	212,077,160 (1)	2.95 (2)	2.95 (2)	May 16, 2007	59.25	42.30	58.70	5.03%
2007	229,917,794	3.15 (2)	3.15 (2)	May 20, 2008	75.32	52.21	54.70	5.80%
2008	219,894,523	1.65	1.65	June 17, 2009	56.30	24.23	35.11	4.70%
2009	225,458,199	1.05	1.05	July 2, 2010	39.95	25.20	38.25	2.70%
2010	226,793,949	0.62 (3)	0.62 (3)	N/A	34.03	22.26	33.29	1.86%

(1) Shares carrying dividend rights at March 15, 2007.
(2) Including a special dividend of €1.50.
(3) Submitted for approval at the Combined Ordinary and Extraordinary Shareholders' Meeting of May 30, 2011.

No interim dividend was paid. Dividends are paid through Euroclear France.

Dividends not claimed within five years from the date of payment are forfeited, as provided for by law.

The Board of Directors will recommend that shareholders at the Combined Ordinary and Extraordinary Shareholders' Meeting of May 30, 2011 approve the payment of a 2010 dividend of €0.62 per share.

5.4. The Market for Accor Securities

The market for Accor shares

Accor shares are traded on the NYSE Euronext Paris stock exchange (Compartment A) and are included in the CAC 40 index.

They are also included in the four main socially responsible investment stock indexes, the Vigeo ASPI index, the FTSE4Good index, the Ethibel ESI index and the Dow Jones Sustainability Index.

At December 31, 2010, the Accor share closed at €33.29, and the Company's market capitalization stood at €7.6 billion.

Accor share prices and trading volumes (ISIN: FR0000120404)

(in euros)	Average closing price	High-Low		Trading volume
		High	Low	
2010				
January	25.47	26.61	24.42	17,955,237
February	24.61	26.06	23.35	20,154,434
March	27.37	28.38	25.42	19,991,373
April	29.57	30.74	28.30	20,098,812
May	27.35	29.82	25.02	23,793,922
June	27.75	30.23	25.74	24,548,116
July	24.16	25.94	22.26	39,909,296
August	24.16	25.80	22.97	20,458,402
September	26.03	27.20	24.27	23,083,792
October	28.41	29.86	25.84	25,203,992
November	31.56	33.87	29.16	20,910,172
December	33.29	34.03	32.26	14,053,166
2011				
January	34.02	36.20	32.44	23,855,033
February	34.34	35.80	32.20	17,798,826

Source: Euronext.

6 Shareholders' Meeting

Shareholders' Meeting

The Annual Shareholders' Meeting will be held on May 30, 2011. Resolutions to be submitted at the meeting have been approved by the Board on March 24 and will be presented in the notice of meeting published in the French journal of record, the BALO, in April.

7 Other information

7.1. Investor relations and documents available to the public

In addition to the Annual Shareholders' Meeting and the events organized to present the annual results, Accor keeps both private and institutional shareholders informed of the latest developments on a highly responsive daily basis. We tailor our information to the specific needs of different types of shareholders and financial analysts while constantly complying with the principle of fair access to information.

Meetings with investors

In 2010, meetings were held with some 460 representatives of more than 350 financial institutions and 19 roadshows were organized in Europe, the United States and Canada. These events included hotel visits for investors to talk to line managers and gain a better understanding of our management practices and processes. We also took part in eight investor conferences during the year, in France and the United States.

Held on June 29, 2010 at the Novotel Paris Est, the Annual Shareholders' Meeting was attended by 450 people and provided many opportunities for exchanging views and opinions, particularly concerning the major project of demerging the two core businesses.

The Accor Shareholders Club

Created in May 2000 for shareholders owning at least 50 bearer shares or one registered share, the Accor Shareholders Club had over 8,000 members at year-end 2010.

Among the many advantages members enjoy are regular e-mail updates throughout the year with press releases, *Letter to Shareholders* and other news, the possibility of subscribing to all of our other corporate publications, the opportunity to discover our businesses in a more personal way through site visits and VIP invitations to Shareholder Meetings and other events in which Accor participates.

As part of the A|Club customer loyalty program, Shareholders Club members receive an A|Club Platinum Card which doubles the points earned when they stay at participating hotels and offers them exclusive advantages. Club members also receive promotional offers on Group products.

Working group on the private shareholder relations process

Created in 2007, a working group comprising 15 members of the Shareholders Club is exploring ways to encourage exchanges of views and opinions with our private shareholders and to improve the private shareholder relations process. At its two meetings in 2010, on April 13 and September 20, the group reviewed the demerger communications process, the Annual Shareholders' Meeting and the various resources used to keep shareholders informed, with in particular a critical analysis of the *Letter to Shareholders*. Members were also able to engage in frank discussions with Accor's management team concerning topical issues, such as the proposed Demerger at the April meeting and, at the September meeting, Accor's strategy now that it is refocused on its core business.

Investor and shareholder publications

All of the Group's financial news and publications can be accessed in the "Finance" section of the www.accor.com website, which serves as a comprehensive investor relations database. The site carries live and deferred webcasts of results presentations and Annual Shareholders' Meetings. The Accor share price can be tracked in real time on the site, which also features a dedicated section for private shareholders and members of the Shareholders Club.

A wide array of documents far exceeding regulatory requirements may be viewed in the "Finance" section of www.accor.com. These documents, which cover both current and previous years, include:

- the Registration Document filed with the *Autorité des Marches Financiers* (available in electronic form since 1997);
- the 2010 Annual Report;
- a corporate brochure describing the Group and its values;
- information memoranda filed with the *Autorité des Marches Financiers* concerning corporate actions;

- notices of Shareholders' Meetings, sent systematically to registered shareholders and on request to members of the Shareholders Club;
- the *Letter to Shareholders,* available on request and accessible via the corporate website;
- the Shareholders Club agenda and practical guide, available on request and accessible via the corporate website.

Legal documents may also be consulted at the Company's headquarters, Immeuble Odyssey, 110 avenue du France, 75210 Paris Cedex 13, France.

Since January 20, 2007, when the European Transparency Directive was transposed into French law, Accor has issued its regulatory filings through a professional disclosure service that complies with the criteria set out in the AMF's General Regulations. The filings are also available on the corporate website.

Shareholder hotline

Shareholders in France can call 0805 650 750 (calls charged at local rate) at any time to obtain general information about the Group, real-time share prices and the latest news, as well as practical guidelines for private shareholders. Operators are available to answer questions from 9:00 am to 6:00 pm from Monday to Friday. Messages left out of hours are answered as soon as possible.

Senior Vice President, Financial Communication and Investor Relations

Sébastien Valentin

Immeuble Odyssey

110, avenue de France

75210 Paris Cedex 13, France

Phone: + 33 1 45 38 86 26

Fax: + 33 1 45 38 85 95

Shareholder hotline (France only): 0 805 650 750 (local rate)

E-mail: comfi@accor.com

7.2. Persons responsible for the Registration Document and the audit of the accounts

Person responsible for the Registration Document

Denis Hennequin

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 Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I further declare that, to the best of my knowledge, the financial statements included in the Registration Document have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of Accor and its subsidiaries, and the Management Report represents a fair view of the business, results and financial position of Accor and its subsidiaries and provides a description of the main risks and uncertainties to which they are exposed.

The Statutory Auditors' Report on the consolidated financial statements for the year ended December 31, 2010, presented on page 122, contains an observation concerning the accounting impact of the Demerger of the group.

I obtained a statement from the Auditors at the end of their engagement affirming that they have read the whole of the Registration Document and examined the information about the financial position and the accounts contained therein.

Denis Hennequin

Persons responsible for information

Pascal Quint

Member of the Executive Committee – Corporate Secretary and Secretary of the Board of Directors

Phone: + 33 1 45 38 87 33

Sophie Stabile

Member of the Executive Committee – Global Chief Financial Officer

Phone: + 33 1 45 38 87 03

Sébastien Valentin

Senior Vice President, Financial Communication and Investor Relations

Phone: + 33 1 45 38 86 26

Auditors

Statutory Auditors

Ernst & Young et Autres

Member of the Ernst & Young network

Bruno Bizet

41, rue Ybry, 92200 Neuilly-sur-Seine, France

Date of first appointment: June 16, 1995

Re-appointed for six years at the May 14, 2007 Annual Shareholders' Meeting.

Deloitte & Associés

David Dupont Noel

185, avenue Charles-de-Gaulle, BP 136

92203 Neuilly-sur-Seine Cedex, France

Date of first appointment: June 16, 1995

Re-appointed for six years at the May 14, 2007 Annual Shareholders' Meeting.

Alternate Auditors

Auditex

Tour Ernst & Young – 11, allée de l'Arche

92037 Paris La Défense Cedex, France

Appointed for six years at the May 14, 2007 Annual Shareholders' Meeting.

BEAS

7 Villa Houssay

92200 Neuilly-sur-Seine, France

Date of first appointment: May 29, 2001

Re-appointed for six years at the May 14, 2007 Annual Shareholders' Meeting.

7.3. Fees paid to the Auditors

The fees paid to the Auditors and the members of their networks by the Group break down as follows:

	Deloitte				Ernst & Young			
	2010		2009		2010		2009	
(in millions of euros)	Amount	%	Amount	%	Amount	%	Amount	%
Audit services								
Statutory and contractual audit services								
France: Accor SA	0.7	14%	1.0	13%	0.5	12%	0.5	14 %
France: Subsidiaries	0.9	14%	0.9	11%	1.5	37%	1.8	47 %
Outside France: Subsidiaries	3.1	51%	4.9	64%	1.6	39%	1.5	39 %
Other audit-related services								
France: Accor SA	1.0	17%	0.2	3%	0.0	0%	0.0	0 %
France: Subsidiaries	0.0	0%	0.0	0%	0.3	8%	0.0	0 %
Outside France: Subsidiaries	0.1	2%	0.3	4%	0.1	2%	0.0	0 %
SUB-TOTAL	**5.7**	**98%**	**7.3**	**95%**	**4.0**	**98%**	**3.8**	**100 %**
Other services								
Legal and tax advice								
France	0.0	0%	0.0	0%	0.0	0%	0.0	0 %
Outside France	0.2	2%	0.4	5%	0.1	2%	0.0	0 %
Other services (representing more than 10% of the audit budget)								
France	0.0	0%	0.0	0%	0.0	0%	0.0	0 %
Outside France	0.0	0%	0.0	0%	0.0	0%	0.0	0 %
SUB-TOTAL	**0.0**	**0%**	**0.4**	**0%**	**0.1**	**2%**	**0.0**	**0 %**
TOTAL	**5.9**	**100%**	**7.7**	**100%**	**4.1**	**100%**	**3.8**	**100 %**

7.4. Information incorporated by reference

In accordance with Article 28 of European Commission Regulation (EC) **809/2004**, the Registration Document incorporates by reference the following information:

- the consolidated financial statements and the related Auditors' Reports contained in the update to the 2009 Registration Document filed with the *Autorité des Marchés Financiers* on **May 18, 2010** under no. **D.10-0201-A01** (pages **59 to 170** and page **58** respectively);
- the financial information contained in pages **28 to 33** of the update to the 2009 Registration Document filed with the *Autorité des Marchés Financiers* on **May 18, 2010** under no. **D.10-0201-A01;**
- the consolidated financial statements and the related Auditors' Reports contained in the 2009 Registration Document filed with the *Autorité des Marchés Financiers* on **April 1, 2010** under no**. D.10-0201** (pages **133 to 230** and page **132** respectively);
- the financial information contained in pages **114 to 122** of the 2009 Registration Document filed with the *Autorité des Marchés Financiers* on **April 1, 2010** under no. **D.10-0201;**
- the consolidated financial statements and the related Auditors' Reports contained in the 2008 Registration Document filed with the *Autorité des Marchés Financiers* on **April 8, 2009** under no. **D.09-219** (pages **127 to 224,** and **126** and **255 to 260** respectively).
- the financial information contained in pages **52 to 60** of the 2008 Registration Document filed with the *Autorité des Marchés Financiers* on **April 8, 2009** under no. **D.09-219.**

Sections of these documents that are not mentioned above are either not applicable to investors or are covered in another part of the Registration Document.

7.5. Regulatory filings

The following information [(1)] was published or made available to the public by Accor during the last twelve months (April 1, 2010 through March 30, 2011), 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*:

- 2009 Registration Document filed with the *Autorité des Marchés Financiers* on April 1, 2010 under no. D.10-0201;
- disclosure of number of shares and voting rights at March 31, 2010;
- press release dated April 20, 2010 on first-quarter 2010 revenue;
- press release dated April 20, 2010 on the Board of Directors' approval of the asset contribution-demerger agreement;
- disclosure of number of shares and voting rights at April 30, 2010;
- press release dated May 10, 2010 on the appointments of Sophie Stabile as Chief Financial Officer and Marc Vieilledent as Executive Vice President, Strategy, Asset Management, Mergers & Acquisitions;
- press release dated May 11, 2010 on the notice of the Annual Shareholders' Meeting;
- New Services prospectus filed with the *Autorité des Marchés Financiers* on May 12, 2010 under no. D.10-128;
- press release dated May 18, 2010 on New Services' new strategy to speed up the pace of growth, and publication of the prospectus;
- press release dated May 19, 2010 on Accor's new momentum;
- notice of meeting for the Ordinary and Extraordinary Shareholders' Meeting held on June 29, 2010, published in the French legal gazette *(Bulletin des annonces légales obligatoires)* on May 21, 2010;
- press release dated May 25, 2010 on Accor bondholders' approval of the proposed demerger of the two businesses;
- disclosure of number of shares and voting rights at May 31, 2010;
- final consolidated and parent company financial statements for 2009, Auditors' Report and appropriation of profit published in the *Bulletin des annonces légales obligatoires* on June 4, 2010;
- press release dated June 11, 2010 announcing Edenred's Board of Directors.
- press release dated June 29, 2010 on the approval of the Demerger project at the Combined Ordinary and Extraordinary Meeting of Accor shareholders;
- disclosure of number of shares and voting rights at June 30, 2010;
- press release dated July 7, 2010 on Accor's sale of Compagnie des Wagons-Lit's onboard rail catering operations to Newrest;
- Press release dated July 12, 2010 on Accor and Edenred's advisors for the demerger process;
- press release dated July 20, 2010 on first-half 2010 revenue;
- press release dated July 21, 2010 on a new hotel investment fund set up by Accor and InterGlobe aimed at further network growth in India;
- press release dated July 23, 2010 announcing a major European real estate transaction with the sale of 48 hotels in France, Belgium and Germany for €367 million;
- disclosure of number of shares and voting rights at July 31, 2010;
- press release dated August 28, 2010 on 2010 interim results;
- press release dated August 28, 2010 on Executive Committee appointments;
- disclosure of number of shares and voting rights at August 30, 2010;
- press release dated September 16, 2010 confirming Accor's intention to divest its stake in Groupe Lucien Barrière;
- press release dated September 29, 2010 on the withdrawal of Groupe Lucien Barrière's initial public offering;
- disclosure of number of shares and voting rights at September 30, 2010;
- press release dated October 20, 2010 on third-quarter 2010 revenue;
- disclosure of number of shares and voting rights at October 31, 2010;
- press release dated November 3, 2010 on the Board of Directors' announcement of a change in executive management;
- press release dated November 22, 2010 announcing the appointment of Sébastien Valentin as Senior Vice President, Financial Communications and Investor Relations;
- press release dated November 26, 2010 on the successful completion of a tender offer on two outstanding bonds for a total amount of €283 million;

(1) Informations available on the Company's website at www.accor.com/finance.

- disclosure of number of shares and voting rights at November 30, 2010;
- press release dated December 2, 2010 announcing the sale-and-franchise back of 18 hotels in Sweden;
- disclosure of number of shares and voting rights at December 31, 2010;
- press release dated January 10, 2011 confirming the existence of talks with Fimalac and Groupe Lucien Barrière;
- press release dated January 12, 2011 on Accor's sale of its stake in Groupe Lucien Barrière for €268 million;
- press release dated January 13, 2011 confirming the sale and variable leaseback transaction with Predica and Foncière des Murs;
- press release dated January 19, 2011 on fourth-quarter 2010 revenue;
- press release dated January 25, 2011 on the formation of a new Executive Committee;
- disclosure of number of shares and voting rights at January 31, 2011;
- press release dated February 22, 2011 on the appointment of a new director;
- press release dated February 23, 2011 on the 2010 full-year results;
- disclosure of number of shares and voting rights at February 28, 2011;
- press release dated March 4, 2011 on the completion of the sale of Accor's stake in Groupe Lucien Barrière.

7.6. Cross-Reference Table

The table below provides cross references between 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.

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7.7. 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.

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