2008
REGISTRATION DOCUMENT

ACCOR

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The original French version of this translated Reference Document was filed with the Autorité des Marchés Financiers on April 8, 2009 in accordance with article 212-13 of the General Regulations of the Autorité des Marchés Financiers. It may be used in connection with a financial transaction in conjunction with an Information Memorandum approved by the Autorité des Marchés Financiers.

Board of Directors Report

Operations and Strategy

CORE BUSINESSES

Accor, the European leader and a major global group in hotels, as well as the global leader in services to corporate clients and public institutions, operates in nearly 100 countries with 150,000 employees. It offers to its clients over 40 years of expertise in two core businesses:

ACCOR Hospitality

- **Hotels,** with the Sofitel, Pullman, MGallery, Novotel, Mercure, Suitehotel, Ibis, All seasons, Etap Hotel, Formule 1 and Motel 6 brands, representing 4,000 hotels and nearly 500,000 rooms in 90 countries, as well as strategically related activities, such as Lenôtre.

ACCOR Services

- **Services,** with 32 million people in 40 countries benefiting from Accor Services products in employee and constituent benefits, rewards and motivation, and expense management.

Hotels

Accor is uniquely positioned in the global hotel market, with 3,982 hotels and 478,975 rooms in 90 countries around the world at December 31, 2008. Covering every segment, from luxury to budget, we are a major operator in luxury accommodations with Sofitel and upscale hotels with Pullman. We are also the world leader in the midscale segment with Novotel, Mercure and Suitehotel, in economy lodging with All seasons and Ibis and in the budget segment with the Etap Hotel, Formule 1 and Motel 6 chains.

A portfolio structured to meet demand, from luxury to budget

Luxury and upscale

Sofitel, "Life is Magnifique"
As part of Sofitel's repositioning in the luxury segment, two brands have been created: "Sofitel Legend" for prestigious properties like the Metropole in Hanoi and "So by Sofitel" for smaller boutique hotels offering chic, contemporary, designer accommodations. The brand blends elegance "*à la française*" with deep roots in each local culture.

Network: 149 hotels, 34,521 rooms in 47 countries.

Customers: 65% business – 35% leisure.

Pullman, "Check In, Chill Out"
Our new upscale chain, Pullman, offers business travelers environments designed as comfortable, inviting spaces for meeting and interacting with the community. Located in business centers or near airports, they combine high-technology and a people-friendly, homelike atmosphere. The network is expected to comprise 59 hotels by the end of 2009.

Network: 30 hotels, 7,558 rooms in 10 countries.

MGalley, "The Art of Staying"
This new collection combines upscale hotels—each with a highly distinctive personality—that will delight travelers looking for premium services or venues with character. Whether located in city centers or leading tourist destinations, each hotel in the collection provides a unique environment for an exceptional experience, with a focus on pleasure and enjoyment.

Network: 40 hotels in 21 countries by year-end 2010.

Midscale

Novotel, "Designed for Natural Living"
With its contemporary, open spaces for relaxing, spacious rooms for work or rest, convenient services, and friendly, attentive staff, the Novotel brand is now positioned at the top of the midrange hotel segment. With properties located in major international cities and tourist destinations, the chain is committed to accommodating business and leisure travelers in an environment where they just naturally feel at home.

Network: 393 hotels, 71,456 rooms in 59 countries.

Customers: 65% business – 35% leisure.

Mercure, "Meet the Mercures"
The Mercure network brings together distinctively different hotels with common features: dedicated, attentive hospitality professionals, a warm atmosphere with a rebellious yet classical spirit, and comfortable living spaces. In city centers, at the seaside or in the mountains, each Mercure hotel derives its personality from the local environment, inviting customers to discover authentic products and services that renew the experience of pleasure.

Network: 690 hotels, 85,969 rooms in 51 countries.

Customers: 60% business – 40% leisure.

Adagio City Aparthotel, "Just Like at Home, Throughout Europe"
Launched as a joint venture with Pierre & Vacances in early 2007, Adagio City Aparthotel is a chain of apartment hotels designed to meet the growing demand for medium to long stays for business or pleasure. Comprising apartments and located in large European cities, the chain's mid-range properties all offer hotel-like amenities.

Network: 22 apartment hotels, 2,962 rooms in three countries.

Customers: 70% business – 30% leisure.

Suitehotel, "A New Way of Hotel Living"
Offering space, flexibility, amenities and a friendly atmosphere, Suitehotel is designed for people on the move. Its 30-square-meter suites feature work and leisure areas that can be adapted to individual desires or needs. Located in Europe and targeting medium and long-stay guests, Suitehotel is our solution for people who feel that the hotel is their "home away from home."

Network: 23 hotels, 2,945 rooms in four countries.

Customers: 70% business – 30% leisure.

Economy

All seasons, "All is All You Need"
A new chain of non-standardized economy hotels located in city centers and major business areas, All seasons offers well-equipped hotels that combine charm and quality at an all-inclusive price.

Network: 49 hotels, 4,867 rooms in six countries.

Ibis, "Hotels the Way You Like Them"
A leader in the economy segment in Europe, Ibis hotels have also made quality a top priority. Certified ISO 9001, Ibis hotels always guarantee superior services and amenities in a welcoming, contemporary atmosphere, all at highly competitive rates. Ibis is also the world's first chain to earn ISO 14001 certification—for nearly 242 hotels—in recognition of its commitment to protecting the environment.

Network: 814 hotels, 94,742 rooms in 40 countries.

Customers: 55% business – 45% leisure.

Budget

	Etap Hotel "Be Smart, Stay Smart" Based in Europe, Etap Hotel provides cost-effective lodging in large metropolitan areas, with hotels in city centers, along major roadways or near airports. Outside Europe, hotels are operated under the Formule 1 banner in Brazil, South Africa, Australia, Japan, Indonesia and New Zealand. Etap Hotel network: 388 hotels, 32,508 rooms in 10 countries. Formule 1 network: 55 hotels outside Europe. Customers: 60% business – 40% leisure.
	hotelF1, "Pay Less, Travel More" With the creation of Formule 1 in 1984, Accor radically transformed the hotel industry, making hotels widely affordable with a comfortable room for one, two or three people priced at less than 100 francs (around 15 euros). Now the benchmark in low-cost hotels, Formule 1 is taking the concept to the next level with the new generation hotelF1 units in France. More dynamic than ever, the brand has revitalized the hotel interior with an attractive design, a new room concept, a new reception and breakfast area, and a new logo. Network: 271 hotelF1 units, totaling 20,100 rooms. Customers: 60% business – 40% leisure.
	Motel 6, "We'll Leave the Light On For You" Present across the United States and Canada, Motel 6 is known for providing value for money in low-cost lodging. Leveraging its high brand awareness, the Motel 6 network will focus on franchise-led expansion. Network: 951 hotels, 95,753 rooms in the United States and Canada.
	Studio 6, "Extend Your Stay, Not Your Budget" Studio 6 offers an all-inclusive rate covering such hotel amenities and services as housekeeping and provision of kitchenware and linen. This competitive advantage positions the brand as the benchmark in the budget extended-stay segment. Network: 52 hotels, 6,182 rooms in the United States and Canada.

A global presence in every market segment

Accor operates on five continents with a unique portfolio of nearly 4,000 hotels and a presence in every market segment.

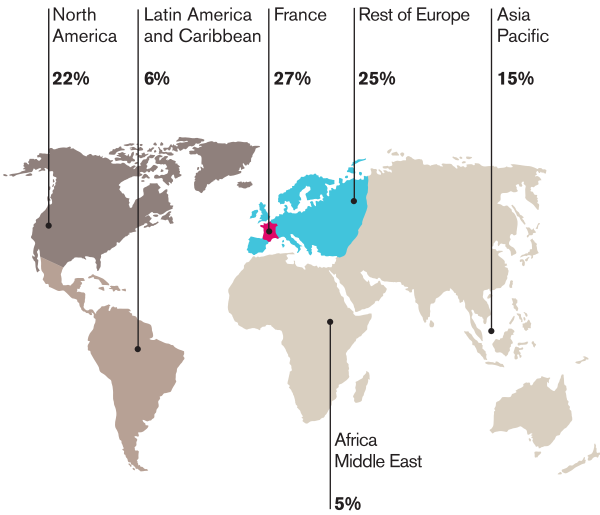
Hotel portfolio by region and brand at December 31, 2008

	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	18	2,418	27	5,958	10	3,193	14	2,183	30	6,447	50	14,322	149	34,521
Pullman	11	2,799	9	2,105	-	-	-	-	2	442	8	2,212	30	7,558
Novotel	123	16,234	140	26,304	7	1,957	17	2,747	21	4,236	85	19,978	393	71,456
Mercure	260	24,134	229	30,509	-	-	81	10,682	35	5,485	85	15,159	690	85,969
Adagio	19	2,708	3	254	-	-	-	-	-	-	-	-	22	2,962
Suitehotel	17	2,014	6	931	-	-	-	-	-	-	-	-	23	2,945
Coralia Club	1	444	-	-	-	-	1	385	6	1,452	-	-	8	2,281
Other brands	5	369	23	3,722	-	-	-	-	1	274	19	3,269	48	7,634
Luxury, upscale and midscale	**454**	**51,120**	**437**	**69,783**	**17**	**5,150**	**113**	**15,997**	**95**	**18,336**	**247**	**54,940**	**1,363**	**215,326**
All seasons	18	1,723	2	117	-	-	-	-	-	-	29	3,027	49	4,867
Ibis	377	33,096	296	37,747	-	-	54	8,231	25	3,533	62	12,135	814	94,742
Etap Hotel	278	21,385	110	11,123	-	-	-	-	-	-	-	-	388	32,508
Formule 1	271	20,100	35	2,524	-	-	10	2,905	24	1,668	25	2,400	365	29,597
Economy	**944**	**76,304**	**443**	**51,511**	**-**	**-**	**64**	**11,136**	**49**	**5,201**	**116**	**17,562**	**1,616**	**161,714**
Motel 6	-	-	-	-	951	95,753	-	-	-	-	-	-	951	95,753
Studio 6	-	-	-	-	52	6,182	-	-	-	-	-	-	52	6,182
US Economy	**-**	**-**	**-**	**-**	**1,003**	**101,935**	**-**	**-**	**-**	**-**	**-**	**-**	**1,003**	**101,935**
TOTAL	**1,398**	**127,424**	**880**	**121,294**	**1,020**	**107,085**	**177**	**27,133**	**144**	**23,537**	**363**	**72,502**	**3,982**	**478,975**

Accor is the largest hotel group in **Europe**, with a network of 2,278 hotels and 248,718 rooms accounting for 52% of the room base at December 31, 2008. In other regions, our expertise is deployed through 1,020 hotels (22% of the room base) in **North America**, 177 hotels (6%) in **Latin America** and the **Caribbean**, 144 hotels (5%) in **Africa** and the **Middle East**, and 363 hotels (15%) in **Asia** and the **Pacific**.

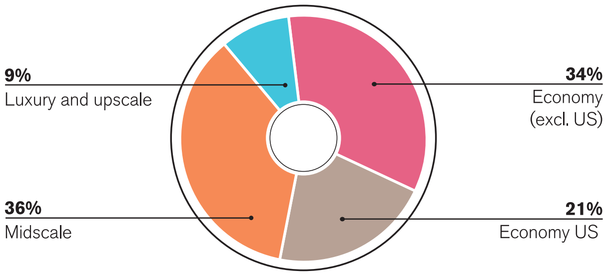
Hotel portfolio by region at December 31, 2008

(% based on number of rooms)



Hotel portfolio by segment at December 31, 2008

(% based on number of rooms)



Differentiated ownership structures

Accor's strategy is to tailor a specific hotel ownership structure to each market segment and host country, depending on return on capital employed and earnings volatility.

To optimize return on capital employed and reduce earnings volatility in more mature markets, we prefer low capital-intensive ownership structures based on management contracts in the upscale, variable-rent leases and franchise agreements in the midscale, variable or fixed-rent leases and franchise agreements in the European economy segment and franchise agreements in the US economy segment.

To expand in emerging markets, we focus on management contracts and the creation of joint ventures with local partners in the upper and midscale segments and on joint ventures (and sometimes acquisitions) in the economy segment.

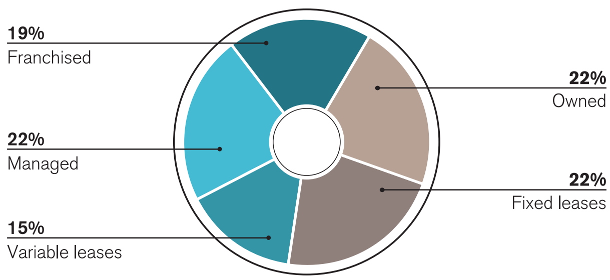
As of year-end 2008, 56% of the room base was operated under arrangements that limited earnings volatility, such as variable-rent leases, management contracts and franchise agreements.

Hotel portfolio by ownership structure and brand at December 31, 2008

	Owned		Fixed leases		Variable leases		Managed		Franchised		Total	
Brand	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**
Sofitel	22	3,267	9	1,947	11	1,902	100	25,291	7	2,114	149	34,521
Pullman	9	2,568	6	1,449	6	1,207	6	1,711	3	623	30	7,558
Novotel	68	11,340	66	12,478	109	18,176	108	23,925	42	5,537	393	71,456
Mercure	66	7,717	96	14,955	84	12,292	207	31,313	237	19,692	690	85,969
Adagio	-	-	2	181	-	-	19	2,670	1	111	22	2,962
Suitehotel	8	1,085	9	1,312	-	-	1	86	5	462	23	2,945
Coralia Club	1	444	-	-	-	-	7	1,837	-	-	8	2,281
Other brands	19	3,147	6	813	-	-	17	2,852	6	822	48	7,634
Luxury, upscale and midscale	**193**	**29,568**	**194**	**33,135**	**210**	**33,577**	**465**	**89,685**	**301**	**29,361**	**1,363**	**215,326**
All seasons	3	330	10	736	3	661	9	1,001	24	2,139	49	4,867
Ibis	122	16,161	136	17,349	210	27,843	77	13,458	269	19,931	814	94,742
Etap Hotel	65	5,463	59	6,008	75	6,761	5	677	184	13,599	388	32,508
Formule 1	204	14,983	95	7,504	10	2,991	11	1,228	45	2,891	365	29,597
Economy	**394**	**36,937**	**300**	**31,597**	**298**	**38,256**	**102**	**16,364**	**522**	**38,560**	**1,616**	**161,714**
Motel 6	335	38,024	321	35,699	1	72	-	-	294	21,958	951	95,753
Studio 6	12	1,363	28	3,757	-	-	-	-	12	1,062	52	6,182
US Economy	**347**	**39,387**	**349**	**39,456**	**1**	**72**	**-**	**-**	**306**	**23,020**	**1,003**	**101,935**
TOTAL	**934**	**105,892**	**843**	**104,188**	**509**	**71,905**	**567**	**106,049**	**1,129**	**90,941**	**3,982**	**478,975**

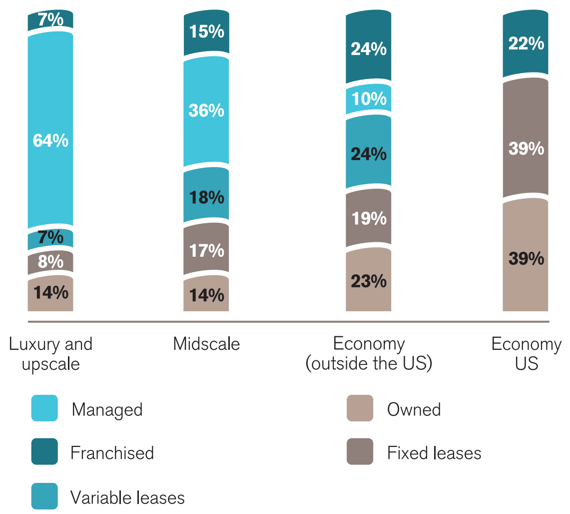
Hotel portfolio by ownership structure at December 31, 2008

(% based on number of rooms)



Hotel portfolio by segment and ownership structure at December 31, 2008

(% based on number of rooms)

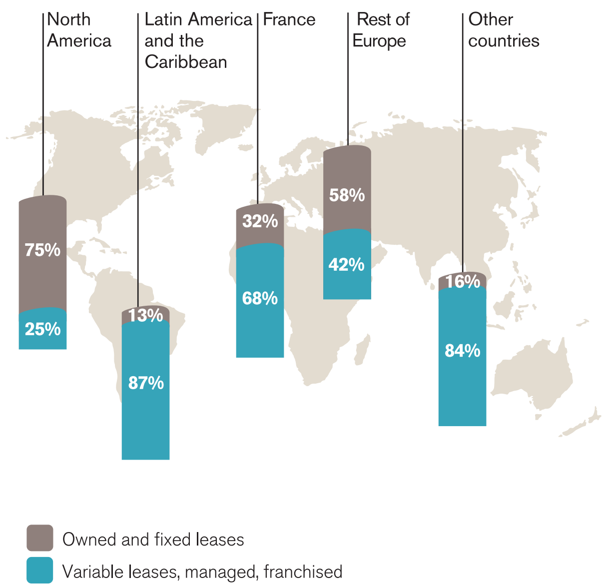


Hotel portfolio by ownership structure and region at December 31, 2008

	Owned		Fixed leases		Variable leases		Managed		Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
France	313	28,730	137	12,541	242	31,136	58	7,295	648	47,722	1,398	127,424
Rest of Europe	193	25,881	304	44,110	212	29,909	71	10,468	100	10,926	880	121,294
North America	351	40,572	349	39,456	1	72	13	3,965	306	23,020	1,020	107,085
Latin America and Caribbean	18	2,351	7	1,150	40	8,066	94	13,490	18	2,076	177	27,133
Rest of the world	59	8,358	46	6,931	14	2,722	331	70,831	57	7,197	507	96,039
TOTAL	**934**	**105,892**	**843**	**104,188**	**509**	**71,905**	**567**	**106,049**	**1,129**	**90,941**	**3,982**	**478,975**

Hotel portfolio by ownership structure and region

(% based on number of rooms)



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 €7,178 million at December 31, 2008. The carrying amount was €4,324 million, representing 37.9% of total consolidated assets at that date (see Note 20 to the consolidated financial statements, page 182).

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, 2008. Occupancy rates, average room rates and RevPAR (Revenue Per Available Room) are provided in the analysis of consolidated results on pages 54 and 55.

Hotel projects currently underway are presented in Note 2 to the consolidated financial statements on page 148.

Environmental issues are described in the Environmental Report on page 39.

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, 2008

Rank	Company	Number of hotels	Number of rooms
1	InterContinental	4,186	619,851
2	Wyndham WW	7,040	592,900
3	Marriott	3,178	560,000
4	Hilton	3,200	525,000
5	Accor	3,982	478,975

Source: Accor, company websites.

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

European hospitality companies by number of rooms at December 31, 2008 (27-country European Union)

Rank	Company	Number of hotels	Number of rooms
1	Accor	2,216	241,033
2	ICH Group	549	84,984
3	Best Western	1,265	84,334
4	Groupe du Louvre	855	59,490
5	Sol Melia	204	45,082

Source: MKG Hospitality database – March 2009.

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, 2008 (27-country European Union)

Rank	Chain	Number of hotels	Number of rooms
1	Best Western	1,268	84,537
2	Ibis	656	69,158
3	Mercure	497	56,831
4	Holiday Inn	287	44,459
5	Novotel	255	40,845
6	Premier Inn	572	38,695
7	NH Hotels	269	37,100
8	Hilton	135	35,253
9	Etap Hotel	384	31,948
10	Radisson	125	27,853

Source: MKG Hospitality database – March 2009.

Services

As the world's leading issuer of prepaid service cards and vouchers, Accor Services designs, develops and manages prepaid solutions that guarantee customers that the funds they disburse will be properly used and that make life easier for employees, constituents and consumers.

By improving both personal well-being and organizational performance, Accor Services is creating new sources of motivation and retention, delivering win-win solutions to everyone's mutual benefit, and helping to revitalize organizations.

Global presence and market leadership

Accor Service's flagship product is the Ticket Restaurant® meal voucher, which was created in the late fifties to enable employers who did not have a staff restaurant to offer employees a subsidized lunch. Now present in 40 countries with 32 million users, the business had 490,000 corporate and institutional customers and 1.2 million affiliates at December 31, 2008.

Accor Services operates in a global market comprised of city-dwelling employees and public service constituents, which is experiencing fast growth on the back of increasing urbanization and development of the services sector.

Service solutions

Accor Services improves the performance of companies and institutions with a range of solutions in three major areas:

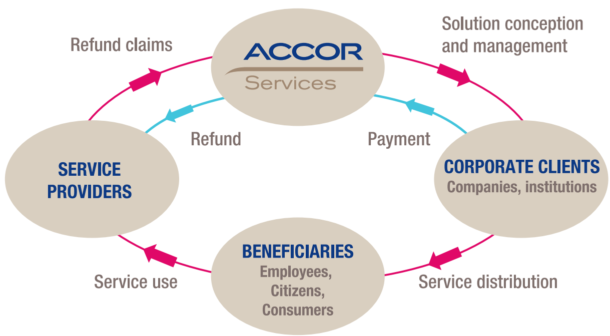
- **Benefits for employees and constituents:**
  - products to motivate and retain employees and improve their performance by optimizing their workplace environment and total compensation,
  - solutions to help local authorities and public institutions equitably allocate government assistance and benefits.
- **Rewards and motivation:** Distribution of rewards solutions and employee retention and motivation consulting, with products to motivate sales teams, incentivize distribution networks, and retain and deepen relations with customers;
- **Business expense management:** Solutions to make it easier for companies to control employee expense accounts.

These solutions are delivered through a wide variety of products:

- prepaid transaction-based products, marketed under the Ticket® umbrella brand. These products, which are Accor Services' core competency, are based on managing transactions with a concept that delivers win/win benefits for every stakeholder, including companies, local authorities, the national government, unions, affiliates and users;
- services and programs that add value to the transaction-based products by combining them into integrated solutions, such as incentive or loyalty campaigns, while providing customers with the support and control systems needed to manage them effectively.

Benefits for employees and constituents	
Ticket Restaurant® Ticket Alimentación®	Practical solutions to enable employers to help defray employee expenses on meals and groceries.
Ticket Childcare Vouchers®	Family assistance solutions to take care of young children.
Ticket Service®	To enable local authorities to manage and deploy welfare and assistance programs. In France, the Ticket à la Carte system helps to finance the cost of textbooks, sports and cultural activities.
Ticket CESU®	Solutions that enable company or government employees to pay for childcare, dependent care or housekeeping expenses. They may be financed by companies, local authorities, the national government, mutual insurance companies or retirement funds.
Rewards and motivation	
Ticket Compliments®	Gift voucher and card solutions designed for companies and works councils for employees, as well as public institutions for their social welfare programs.
Ticket Kadéos®	Accor is the French leader in closed-loop and open-loop gift solutions for businesses and consumers, with a portfolio comprising eight cards and nine vouchers.
Accentiv'	Accentiv' designs, deploys and manages programs to enhance customer loyalty, motivate employees and provide incentives for distribution networks.
Business expense management	
Ticket Car®	To manage company car maintenance and fuel costs.
Ticket Clean Way®	Solutions to simplify the management of workwear and uniform cleaning services.

How the service voucher principle works



Companies or institutions purchase vouchers from Accor at face value plus a service commission. They then distribute them to users, who sometimes pay a portion of the face value, within prescribed limits. In many countries, the vouchers also give rise to a tax rebate, which enhances their appeal for both employers and users. In the case of Ticket Restaurant® in France, for example, the rebate amounted to €5.19 per employee per working day as of January 1, 2009. The user spends the vouchers at face value at affiliated restaurants, merchants or service providers, which redeem them for the face value in local currency less a refund commission. Between the time the customers pay for the vouchers and the time the affiliate is repaid, the funds are invested and generate interest income, which, in addition to the service and refund fees, constitutes Accor Services' revenue.

Accor Services' performance is underpinned by this business model, which is profitable over the long term because it delivers sustained growth, is non-cyclical, generates a high operating margin and requires little capital investment.

Moreover, prepaid service vouchers have demonstrated their economic and social usefulness in both developed and emerging markets. In a recent publication on Food At Work[1], the International Labour Office pointed out the employee health benefits of using meal and food vouchers. This is why Accor Services is deploying "Gustino – Nutritional Balance", an innovative worldwide program that since 2006 has helped Ticket Restaurant®-affiliated restaurateurs encourage healthy eating practices among their customers.

Accor Services is also transitioning the vouchers from paper to electronic media, which are easier to use and more secure. This process continued apace in 2008, with a growing percentage of transactions handled via electronic media such as stored-value cards, websites and mobile phones. Together these new media are helping to nurture a new, closer, more responsive and therefore more personalized relationship with our customers, users and affiliates.

(1) Wanjek, Christopher. *Food At Work: Workplace Solutions for Malnutrition, Obesity and Chronic Diseases* (Geneva: International Labour Office, 2005).

Other businesses

Restaurants

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

As the Group's prestige food 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. In all, it has 52 locations in 13 countries: France, Germany, Spain, Morocco, Kuwait, Qatar, the United Arab Emirates, Saudi Arabia, China, Japan, South Korea, Thailand and the United States.

In France, Lenôtre manages a network of 18 gourmet boutiques, the prestigious Pré Catelan restaurant (three stars in the Michelin Guide), the Panoramique restaurant at the Stade de France sports stadium, the Café Lenôtre in Cannes and the Pavillon Élysée Lenôtre, which includes a cooking school for amateurs, a Lenôtre Café and a culinary design boutique. In 2008, a boutique and a tearoom were also opened in Nice, strengthening the company's presence on the Côte d'Azur.

Lenôtre trains nearly 3,000 foodservice professionals at its school in Plaisir every year and currently boasts ten 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, in particular through training programs.

Onboard train and catering services

With operations in Austria, France, Italy, Portugal, Spain and the United Kingdom, Compagnie des Wagons-Lits delivers a wide range of food and other services on high-speed and international overnight trains across Europe. It also provides related services designed to make traveling easier and more pleasant, as well as foodstuff management and procurement services.

Adapted to each country's culture and rail network, CWL's dining and other service concepts are also carefully aligned with ethical and environmental principles. They are also highly innovation-driven, in a commitment to effectively addressing the needs and expectations of customers whose travel styles and behavior are rapidly evolving.

The onboard services contract for the French TGV high-speed train network was not renewed in 2008 and will therefore end in March 2009. However, onboard services will continue to be provided on the TGV Est line. Following the launch of high-speed train service between Madrid and Valladolid on December 22, 2007, CWL's Spanish subsidiary was awarded a contract for onboard foodservices, as well as related logistics services, on the ***AVE Madrid-Barcelona*** line, effective February 20, 2008. In June 2008, Portuguese national railways renewed its contract with local CWL subsidiary Servirail, which began providing onboard foodservices on the ***Alfa Pendular*** high-speed train on October 1, 2008. The railway contract was also renewed in Austria, where the local subsidiary has been providing overnight services on national and international lines since December 15, 2008.

Groupe Lucien Barrière S.A.S.

Created in December 2004, Groupe Lucien Barrière SAS is 51%-owned by the Desseigne-Barrière family and 49% by Accor. It is a major player in the European gaming industry, with 40 casinos, notably in Deauville, Enghien, La Baule, Montreux, Bordeaux and Toulouse, and a leader in luxury accommodations in France, with 15 luxury hotels. It also has an extensive restaurant business that includes the famous Le Fouquet's on the Champs-Élysées in Paris.

With operations in six countries (France, Switzerland, Belgium, Malta, Egypt and Morocco), Groupe Lucien Barrière SAS is actively expanding and modernizing its portfolio of establishments. In 2008, for example, it opened its 39th and 40th casinos, in Leucate and Blotzheim, and completed development of the luxury Naoura Barrière hotel complex in Marrakech, which opened in January 2009.

The Majestic Barrière and Gray d'Albion hotels and the Barrière Croisette and Barrière Les Princes casinos in Cannes are not part of Groupe Lucien Barrière SAS from a legal standpoint. They remain the property of Société Fermière du Casino Municipal de Cannes (SFCMC), in which the Desseigne-Barrière family holds a more than 70% stake. Dominique Desseigne is Chairman of SFCMC, which has sales agreements with and receives technical support from Groupe Lucien Barrière S.A.S.

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.

1980

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

1981

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

1982

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

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).

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.

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.

1994

- Partnership between Carlson and Wagonlit Travel in business travel services.

1995

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

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.

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-rent 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 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.
- Red Roof Inn is sold to Citi's Global Special Situations Group and Westbridge Hospitality Fund II, L.P.
- The Italian foodservices business is sold to Barclays Private Equity.

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, 2008.

Consolidated financial highlights

(in million of euros)	2006	2007	2008
Consolidated revenue	7,607	8,121	7,739
EBITDAR	2,084	2,321	2,290
Operating profit before tax and non-recurring items	727	907	875
Net profit	534	912	613
Net profit attributable to shareholders	501	883	575

Per share data

(in euros)	2006	2007	2008
Earnings per share	2.23	3.92	2.60
Diluted earnings per share	2.17	3.78	2.59
Ordinary dividend per share	1.45	1.65	1.65(1)
Special dividend per share	1.50	1.50	-

(1) Submitted for approval at the Combined Ordinary and Extraordinary Shareholders' Meeting on May 13, 2009.

Total assets

(in million of euros)	2006	2007	2008
Total non-current assets	6,767	6,566	7,393
Total current assets	3,821	3,991	3,984
Assets held for sale	545	277	36
Total assets	11,133	10,834	11,413

Equity and net debt

(in million of euros)	2006	2007	2008
Equity attributable to shareholders	4,098	3,691	3,305
Equity attributable to minority interests	66	61	258
Equity	4,164	3,752	3,563
Net debt	469	204	1,072

STRATEGIC VISION, INVESTMENT STRATEGY AND OUTLOOK

In a challenging global economy, Accor remains solidly anchored in its two global core businesses, with a more resilient business model and a solid balance sheet providing the strength to successfully weather the crisis that emerged in 2008.

Firm resilience in Economy Hotels in Europe and growth in Prepaid Services

With 70% of EBIT derived from Prepaid Services and Economy Hotels outside the United States, Accor is now less sensitive to economic cycles.

In the second half of 2008, for example, EBIT rose 19.4% like-for-like in Prepaid Services and was stable in the Economy Hotels segment outside the United States, but declined 10.8% in Upscale and Midscale Hotels and 23.1% in Economy Hotels in the United States. All in all, on a like-for-like basis consolidated EBIT was stable in the second half compared with second half 2007.

A battle plan to overcome a challenging business environment

As the effects of the global economic downturn quickly spread to the Hotels business, especially in the fourth quarter, Accor pro-actively moved to attenuate the potential impact on earnings with measures in three key areas:

Measures to enhance operational responsiveness

In fighting the battle for revenue, Accor's marketing dynamic is based on such powerful drivers as a broad range of accommodations from budget to luxury, a marketplace strategy in 20 leading European cities and the A|Club loyalty card launched on September 15, 2008 and used by 1.7 million members worldwide by the end of February 2009.

In addition, a program has been implemented to reduce support costs by €100 million of which €75 million in 2009 and another €25 million in 2010. The savings will be primarily generated in marketing expenditure, purchasing and the cancellation or postponement of non-priority projects.

Responsive measures to preserve cash

Renovation capital expenditure was reduced by €25 million in the second half, with a further €125 million reduction scheduled for 2009. After four years of major capital expenditure, renovation projects will be more carefully selected, without diminishing quality of service.

The total hotel expansion capital expenditure budget, currently set at €500 million a year in 2009 and 2010, will be reduced to €400 million a year in 2011 and beyond. The €100 million reduction will be divided between the Upscale segment (for €55 million) and the Midscale segment (for €65 million). On the other hand, capital expenditure allocated to Economy Hotels in Europe will be increased by €20 million.

Measures to secure financing

In January 2009, the Group carried out a highly successful €600 million bond issue of five-year maturing February 4, 2014 with a 7.5% coupon. The issue helped to diversify the Group's sources of financing in addition to bank loans and extended the average maturity of its debt.

Staying the course and continuing to transform its two core businesses

Despite the recession, Accor is committed to pursuing the transformation of its two core businesses underway for the past three years.

Prepaid Services

Accor is continuing to grow its traditional prepaid products (employee and constituent benefits) and is committed to winning new contracts in the prepaid services market, which is experiencing very fast growth, especially in Europe.

In particular, expansion is focusing on five strategic markets:

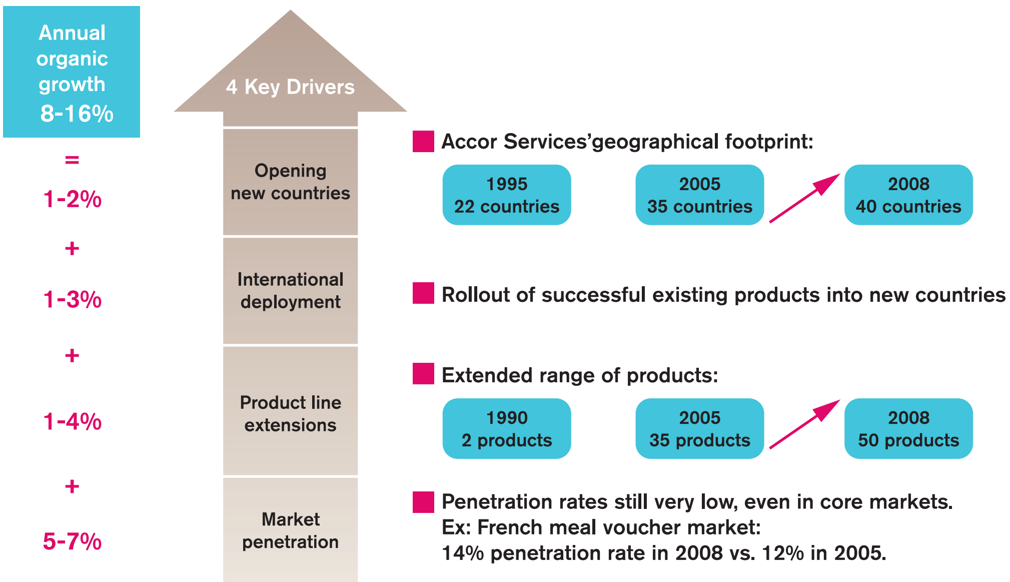
- **Employee and constituent benefits,** with meal and food vouchers and social benefit programs;
- **rewards and motivation,** with gift cards and vouchers;
- **expense management,** with Ticket Car®;
- **insurance claims settlements;**
- **payroll/UUB cards** for un- or underbanked employees.

Access to these new markets is being facilitated by the technological shift in payment media, from paper vouchers to smart cards, the Internet and mobile phones.

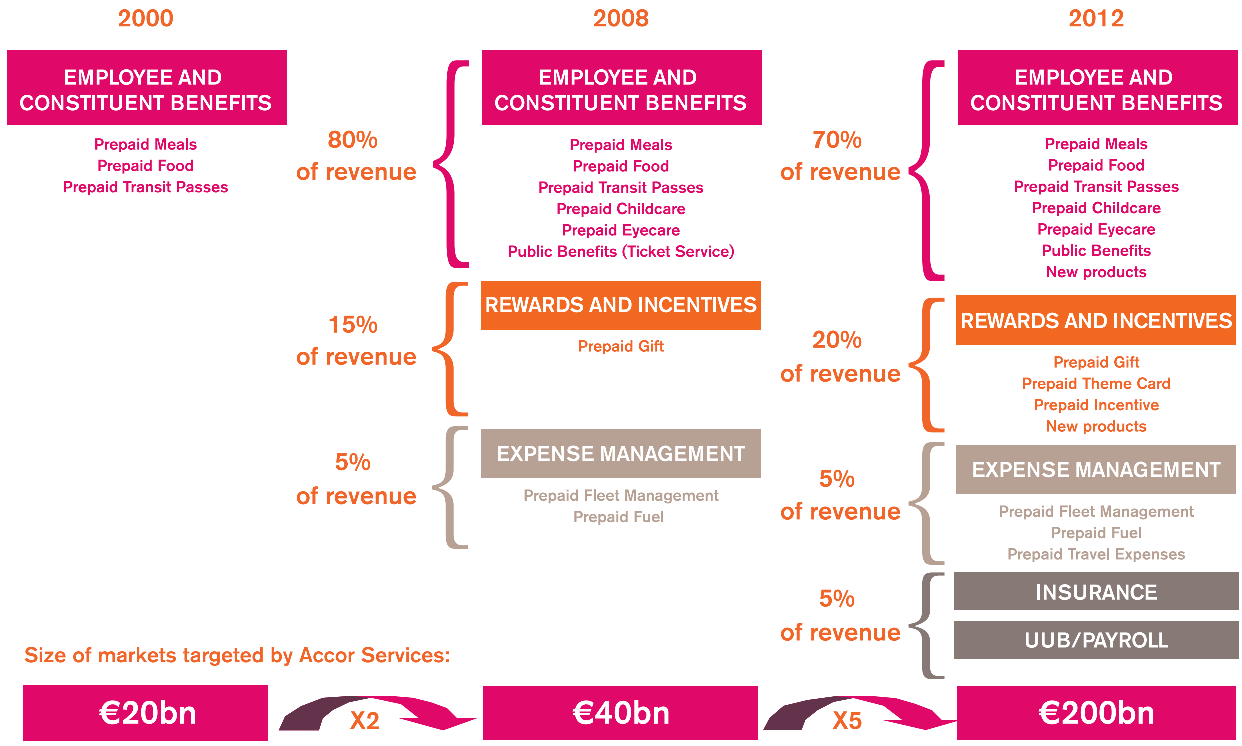
In addition, the growing diversity of merchant acceptance networks, with closed, filtered and open loop systems, is driving greater flexibility in product deployment.

Accor Services is committed to generating organic growth in revenue of 8 to 16% a year between 2006 and 2010.

This growth is being led by four key drivers:



In 2000, Accor Services derived almost all of its revenue from employee and constituent benefits products. By 2008, however, these products accounted for only 80% of revenue, with 15% coming from rewards and incentive products and the remainder from expense management products.



The projected changes in the product and services base by 2012 are expected to drive highly significant growth in the target market, to a potential €200 billion that year. This would represent a fivefold increase from 2008, when the market had already doubled from €20 billion between 2000 and 2008.

By creating PrePay Solutions in partnership with MasterCard, the technology platform based on PrePay Technologies, a UK-based company acquired in 2007, is going to see much faster growth. It provides access to an open-loop network of 28 million MasterCard affiliates and has a European license to issue e-money in 17 countries.

PrePay Solutions will primarily serve three types of customer: banks (MasterCard customers), corporates (Accor Services customers) and retailers (direct PrePay Solutions customers).

In addition, Watts, the in-house electronic payments platform already developed in Brazil, will be rolled-out across Latin America in 2009 and 2010.

By broadening and deepening the market, Accor Services expects to deliver 10 to 18% organic growth beyond 2010, once the pace of expansion has reached cruising speed. This compares with 8 to 16% from 2006 to 2010.

As a result, operating margin is targeted to exceed 40% in 2010, including the launch of new products, and could further improve in succeeding years.

Acquisitions also represent an important driver of future growth in Services and current plans call for the investment of €100 million a year to acquire market share or expertise.

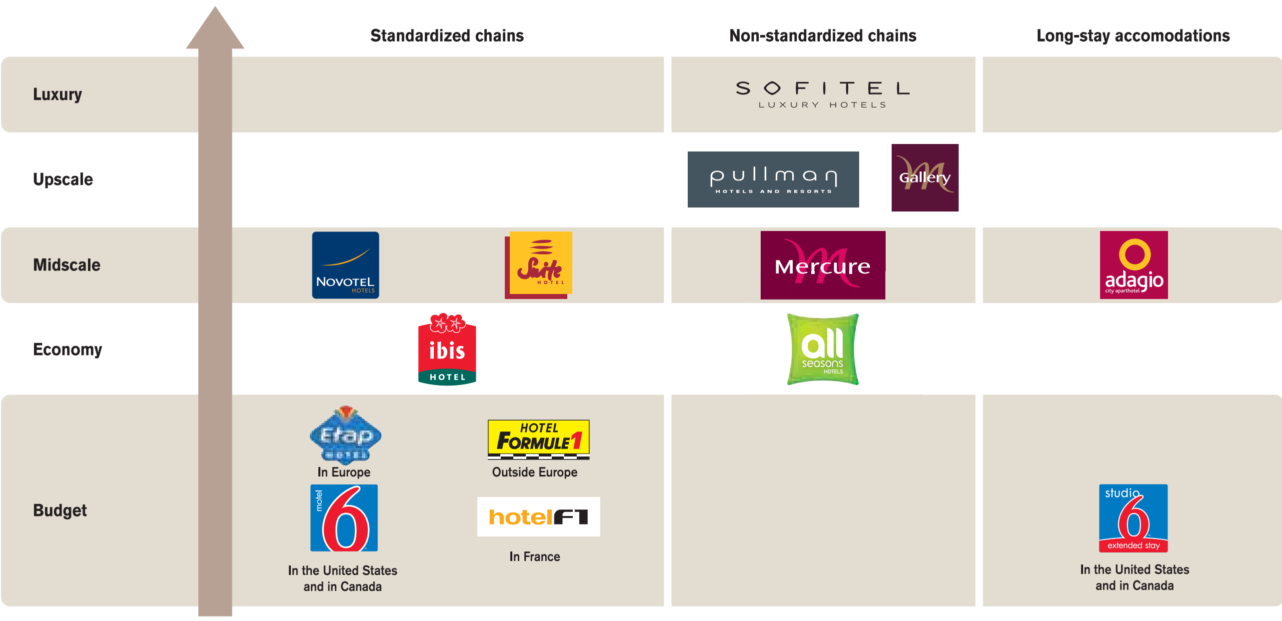
Hotels

Accor intends to continue transforming its Hotels business model, a process that has been well underway for the past three years. To become the world leader in economy lodging and a major player in the Upscale and Luxury segments, the Group is leveraging three strategic growth drivers:

A portfolio of powerful, repositioned brands

The brand portfolio has been reorganized and now covers every segment of the hotel market.

With **Sofitel**'s repositioning in the international luxury hotel segment, the launch of the **Pullman** and **MGallery** brands in the Upscale segment and the launch of the **All seasons** brand in the non-standardized economy segment, the network is fully aligned across the market.



As part of this process, Sofitel has been clearly repositioned in the international luxury hotel segment. Its new identity has led to the creation of two new brands, "*Sofitel Legend*" for a select number of prestigious properties like the Metropole Hanoi in Vietnam and "*So by Sofitel*" for a forthcoming portfolio of boutique hotels. Following the rebranding or disposal of certain units, Sofitel has now a network of 149 hotels.

Pullman, the new upscale brand targeted to business travelers that opened in late 2007, operated 30 hotels in 10 countries at year-end 2008. By the end of 2009, the network is expected to comprise 59 properties located in business districts or near airports and operated primarily through management contracts or franchise agreements.

MGallery is a new collection of remarkable upscale hotels in city-centers or popular tourist destinations, each with a highly distinctive personality that will appeal to travelers looking for premium services and venues with character. The network is expected to comprise 40 hotels in 21 countries by year-end 2010.

The first hotel under our new non-standardized economy brand, All seasons, opened in September 2007. By the end of 2008, the chain totaled 49 units in downtown and business district locations in six countries, with expansion driven mainly by franchising and rebranding.

An asset-right strategy designed to lower capital intensity and earnings volatility

By the end of 2008, 625 hotels had been restructured, leading to the disposal of more than €4 billion in hotel property assets. At that time, 56% of the rooms in the hotel base were held under variable-rent leases, management contracts or franchise agreements, corresponding to 60% of the objective.

The pace at which the remaining 40% is met will depend on the property environment.

* In mature markets.

In the upscale segment, this process involves selling hotel properties and business assets, then signing long-term management contracts and, sometimes, retaining around a 25% minority interest in the acquiring company. In the midscale segment, fixed-rent leases with an option to buy are being transformed into variable-rent leases, with rents based on a percentage of hotel revenue. This strategy requires finding investors with different profiles, depending on the market segment and country, but with the same ability to support the Group's expansion (see note 2 in notes to the consolidated financial statements pages 148 to 156).

From 2005 to the end of 2008, €4,082 million had been realized through the management of property assets (625 hotels), of which €2.1 billion in cash and €2.0 billion eliminated from off-balance sheet commitments [1] (see milestones pages 15 and 16).

In 2008, 55 hotel units were sold in France and Switzerland and leased back under variable-rent leases, while another 49 were sold and franchised back in France, Germany, the United States and Brazil. The Sofitel Amsterdam The Grand was sold under a management-back arrangement and 2 Mercure properties in Germany were sold and leased back under variable-rent leases. In addition, 12 hotels were sold outright. Lastly, 4 hotels were sold under management-back arrangements in France, Australia and New Zealand.

Detail of hotel property asset disposals in 2008 is as follows:

	Number of hotels	Number of rooms	Cash impact	Off-balance sheet impact	Total
Completed 2005-2007	502	63,967	€1,607m	€1,879m	€3,486m
Completed H1 2008	83	9,463	€390m	€93m	€483m
Completed H2 2008	40	4,916	€60m	€53m	€113m
Total 2008	123	14,379	€450m	€146m	€596m
Total 2005-2008	625	78,346	€2,057m	€2,025m	€4,082m

Expansion aligned with global demand

Depending on global demand, Accor is focusing its expansion capital expenditure on the Economy Hotels segment outside the US and emphasizing "asset-light" operating structures in the upscale and midscale segment.

Sustained expansion remains a priority, with 101,000 rooms in the pipeline and a commitment to opening 30,000 rooms in 2009, 35,000 in 2010 and 40,000 a year in the years afterwards. Those 40,000 rooms a year will represent an annual investment for Accor of €400 million.

The number of new rooms is explained page 156.

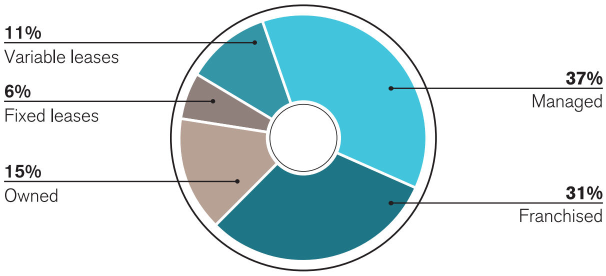
2008 Openings: 27,982 rooms and 209 hotels

Overall, 89% of the 28,000 rooms opened in 2008 were in the economy and midscale segments and 79% concerned low capital-intensive ownership structures based on management contracts, franchise agreements and variable-rent leases. 54% were opened in emerging markets and 29% in Europe.

(1) Minimum lease payments discounted at 8% to net present value.

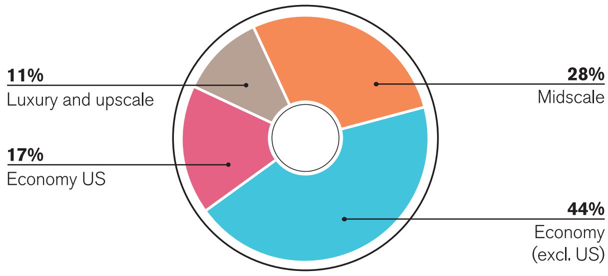
By ownership structure

(% based on number of rooms)



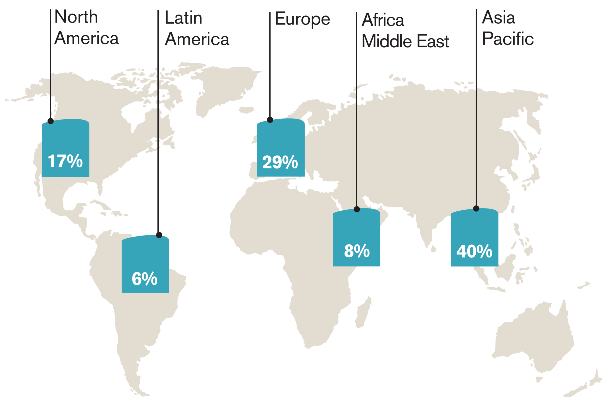
By segment

(% based on number of rooms)



By region

(% based on number of rooms)



Among the high profile openings in 2008 was the Pullman Olympic Park in Sydney, **Australia**, the Novotel Hyderabad in **India**, the 365-room Ibis Dubai City Center in **Dubai**, and a 175-room Ibis in **Kuwait**, Accor's first hotel in this emirate. In **China**, the Sofitel Macau at Ponte 16 and the Pullman Beijing South opened and the 280-room Ibis Shanghai Lianyong became the 800th Ibis opened in the world. In **Africa**, the 101-room Ibis Cotonou and the 151-room Ibis Moussafir Essaouira were opened.

The All seasons brand continued to expand in **France**, led by the opening of a unit in Bourges. The pace of Etap Hotel openings has gained momentum in the **United Kingdom** with the new 271-room Etap Hotel Manchester West, while Sofitel opened its London Heathrow property. In **Russia**, the new 221-room Ibis Saint Petersburg is the brand's first hotel in Russia and Accor's first unit outside Moscow.

Lastly, in Brazil, the major Ibis & F1 Sao Paulo Morumbi complex 376 and 378 rooms respectively; and two other F1 units: one in Belo Horizonte, Minas Gerais State, with 241 rooms and the other in Belem, Parà State, with 208 rooms.

Divestments of non-strategic businesses

Accor is refocusing on its core businesses, Hotels and Services, by divesting non-strategic assets, with more than €1.4 billion in assets sold since 2006.

In early February 2008, the remaining 50% interest in the Brazilian foodservice operations was sold to Compass Group for €114 million, generating a €32 million pre-tax capital gain. The business contributed €248 million to consolidated revenue in 2007 and €70 million over the first three months of 2008.

In all, non-strategic asset disposals totalled €110 million for the year, after tax and earn-out payments.

Optimizing the financial structure

As part of the €400 million share buyback program authorized by shareholders at the Annual General Meeting on May 13, 2008, shares in an aggregate amount of €62 million were purchased during the year and subsequently cancelled.

SIGNIFICANT EVENTS OF EARLY 2009

The following significant events have occurred since the end of 2008.

Completion of a €600 million bond issue

At end January, Accor successfully placed a fixed rate bond issue of €600 million, with a 5 year-maturity February 4, 2014 and a coupon of 7.50%.

The issue was carried out under satisfactory conditions, thanks to Accor's low leverage and BBB long-term rating with stable outlook from Fitch and Standard & Poor's. The bonds were placed with more than 200 European institutional investors.

The transaction enabled the Group to diversify its financing sources and increase the average maturity of its debt.

The underwriters of the issue were Deutsche Bank, Natixis and Société Générale Corporate Investment Bank.

Creation of a leading joint venture with MasterCard Europe in the European prepaid market

In mid-February, Accor Services and MasterCard Europe announced a strategic alliance resulting in the creation of a new company, PrePay Solutions. Accor Services owns a majority 67% stake in the joint venture, while MasterCard Europe holds a 33% stake.

The new company is designed to combine the prepaid and electronic payments expertise of both organizations for business players looking to benefit from the fast growing €130 billion European prepaid opportunity.

PrePay Solutions markets prepaid card-based solutions that enable corporations, the public sector and financial institutions to reduce costs and enhance efficiency. Both organizations and consumers benefit from the ease, security and convenience of card-based solutions in areas such as rewards and incentives, gifting, expense management and card payment for under-banked people.

By offering turnkey programs, PrePay Solutions provides customers the scale and resources to deliver a seamless prepaid solution including marketing support, transactions handling and customer support services. The flexibility of the MasterCard Worldwide Network to support prepaid solutions provides scalability options and speed to market in Europe.

The creation of PrePay Solutions is underpinned by PrePay Technologies Limited, a UK market leader in prepaid cards that was acquired in 2007 by Accor Services. PrePay Solutions will provide services to Accor Services and MasterCard, enabling each firm to develop solutions for its respective clients: corporate and government clients for Accor Services, banks and other financial institutions for MasterCard. At the same time, PrePay Solutions will market prepaid solutions direct to its own customers such as retailers.

Appointment of Gilles Pélisson, Chief Executive Officer, as Chairman of the Board of Directors

The Accor Board of Directors met on February 24, 2009 to approve the resolutions to be submitted to shareholders at the Annual General Meeting next May 13, 2009 in particular those concerning the re-election of Board members whose three-year terms were coming to an end.

A majority of the Board members having expressed their desire to reduce the number of seats on the Board and combine the positions of Chairman of the Board and Chief Executive Officer, the Chairman of the Board and five other Board members resigned.

Acknowledging this decision, the Board appointed Gilles Pélisson, Chief Executive Officer, as Chairman of the Board.

Composition of the future Board of Directors to be submitted to shareholders at the Annual Meeting on May 13, 2009

Meeting on Thursday, March 12, 2009 under the chairmanship of Gilles Pélisson, the Accor Board of Directors approved the list of people recommended by the Compensation and Appointments Committee for election to the Board. The list will be submitted to shareholders at the Annual General Meeting on May 13, 2009 (see resolutions on page 265).

- **Current Board members:**
  - **Thomas J. Barrack**, Founder, Chairman and Chief Executive Officer of Colony Capital LLC,
  - **Sébastien Bazin**, Chief Executive Officer Europe of Colony Capital SAS,
  - **Philippe Citerne**, Deputy Chief Operating Officer of Société Générale,
  - **Gabriele Galateri di Genola**, Chairman of Telecom Italia SpA,
  - **Gilles Pélisson**, Chairman and Chief Executive Officer of Accor,
  - **Alain Quinet**, Vice President Finance and Strategy and Member of the Executive Committee of Caisse des dépôts et consignations,
  - **Franck Riboud**, Chairman and Chief Executive Officer of Danone,
  - **Patrick Sayer**, Chairman of the Executive Board of Eurazeo.
- **New Board members:**
  - **Jean-Paul Bailly**, Chairman of the French Post Office (Groupe La Poste), will bring his experience in leading major mass market-oriented companies (i.e. the Paris Transit Authority, RATP) and managing large networks focused on human services (the French Post Office),
  - **Denis Hennequin**, President, McDonald's Europe, will bring his interna,submitted to shareholders' vote:
  - **Bertrand Meheut,** Chairman and CEO of Canal+ Group, will bring his background in manufacturing and his experience as Chairman of a high-profile European media group focused on culture, youth, sports and other major social issues.

A fourth representative of the Colony/Eurazeo concert group will also be submitted to shareholders' vote:

- **Virginie Morgon**, a member of the Eurazeo Executive Board.

Composed of 12 members, the new Board will comply with AFEP/MEDEF recommendations concerning the proportion of independent and non-independent members. Upon election, the new Board will determine whether each Board member is independent or not.

The future Board will be structured around three committees:

- the Audit and Risks Committee;
- the Compensation and Corporate Governance Committee;
- the Investments Committee.

In light of the future Board's smaller size, the Group's major strategic initiatives will be directly discussed by the Board members.

In addition, a Vice-Chairman of the Board of Directors will be appointed from among the independent members, as Lead Independent Director, in charge of relationships with shareholders who are not represented on the Board.

Appointment of Jacques Stern as Senior Executive Vice President of the Accor Group

On the recommendation of Gilles Pélisson, Chairman and Chief Executive Officer of the Accor Group, the Board of Directors, meeting on March 12, 2009 accepted the nomination of Jacques Stern as Senior Executive Vice President and Chief Financial Officer in charge of Finance, Strategy, Hotel Business Development and Information Technology.

Accor increases at 49% its stake in Groupe Lucien Barrière

Under the agreements signed in January 2004 between Colony Capital, the Desseigne Barrière family and Accor, 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 the independent experts, excluding the highest and the lowest valuations, in accordance with the agreements signed in 2004.

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

The impact on Accor's net debt should be €270 million based on the proportional consolidation of 49% of Groupe Lucien Barrière debt in the second half of 2009.

HUMAN RESOURCES

Key figures

Accor employed 158,162 people around the world as of December 31, 2008, compared with 172,695 the previous year and 170,417 at December 31, 2006.

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

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

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

Workforce by business and region at December 31, 2008

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	2008	2007	2006
Hotels	**18,658**	**29,924**	**16,083**	**10,181**	**69,833**	**144,679**	**134,852**	**131,010**
Upscale and Midscale	12,834	23,447	3,949	8,207	64,157	112,594	105,285	98,203
Economy	5,824	6,477	-	1,974	5,676	19,951	17,002	16,019
US Economy	-	-	12,134	-	-	12,134	12,565	16,788
Services	**1,018**	**1,663**	**43**	**2,297**	**805**	**5,826**	**5,355**	**4,593**
Other businesses	**4,233**	**3,017**	**-**	**407**	**-**	**7,657**	**32,488**	**34,814**
Restaurants	1,312	89	-	-	-	1,401	27,192	29,166
Onboard train services	2,093	2,838	-	-	-	4,931	4,379	4,194
Other	828	90	-	407	-	1,325	917	1,454
TOTAL	**23,909**	**34,604**	**16,126**	**12,885**	**70,638**	**158,162**	**172,695**	**170,417**

The total number of employees declined during the year, mainly due to the divestment of foodservice operations in Brazil. However, the Hotels business is experiencing very fast growth, particularly in the Asia-Pacific region.

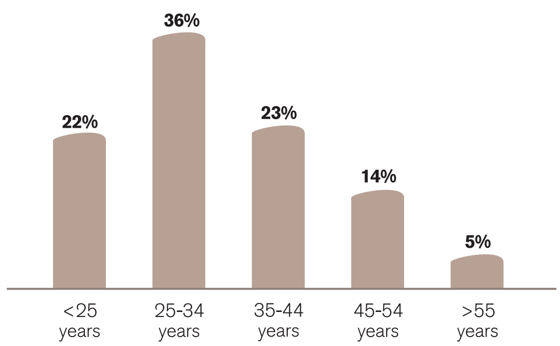
Human resources data at December 31, 2008

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	2008	2007
Number of Employees	**23,909**	**34,604**	**16,126**	**12,885**	**70,885**	**158,162**	**172,695**
% women	54%	55%	70%	50%	39%	49%	50%
% men	46%	45%	30%	50%	61%	51%	50%
% under permanent contracts	93%	79%	100%	91%	81%	85%	90%
% women under permanent contracts	53%	54%	70%	49%	40%	49%	51%
% of men under permanent contracts	47%	46%	30%	51%	60%	51%	49%
Management							
% of total workforce (1)	24%	12%	12%	12%	19%	17%	14%
% women	46%	46%	59%	42%	42%	45%	44%
% of men	54%	54%	41%	58%	58%	55%	56%
Training							
Training expenditure as a % of total payroll	1.4%	1.4%	1.5%	6.7%	3.8%	2.0%	2.4%
Number of days of training	27,946	52,217	41,972	52,531	161,716	336,382	333,529
Number of employees having attended at least one training course	11,345	16,515	22,670	13,379	97,032	160,941	153,921
Number of managers having attended at least one training course	4,840	3,402	1,420	1,413	15,533	25,608	24,800
Number of non-managers having attended at least one training course	6,505	13,113	21,250	11,966	82,499	135,333	129,121
Occupational accidents							
Lost-time incident frequency rate (LTIF)(2)	-	-	-	-	-	18.1	19.3
Number of fatal accidents in the workplace	-	-	-	-	1	1	2
Number of fatal accidents commuting	-	-	-	-	6	6	5

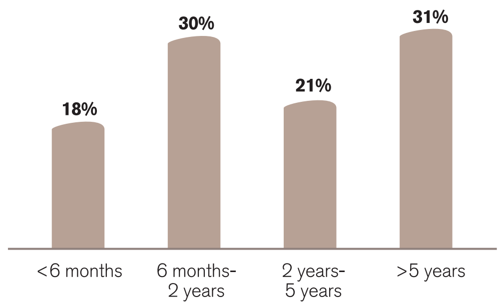
(1) A manager is defined as an employee who manages a team and/or has a high level of expertise.
(2) Number of workplace accidents with lost time (as defined in accordance with local legislation) per million hours worked.

Employees by age and seniority at December 31, 2008

Employees by age



Employees by seniority

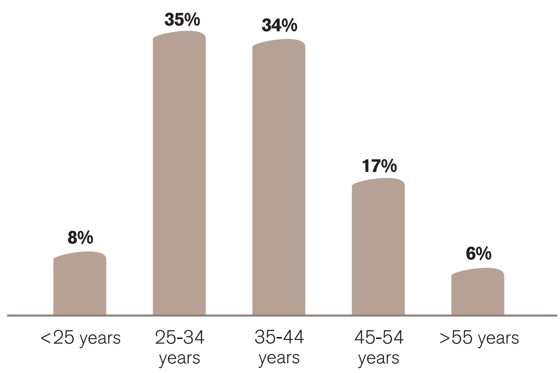


Accor continues to have a young workforce, with 58% of employees under 35 at year-end 2008. Of all new hires, 41% were less than 25 years old.

Managers by age at December 31, 2008

Accor managers are also young, with 43% under 35, two points more than in 2007. The Group has always favored promoting from within, offering the most talented employees career development opportunities and encouraging them to climb the corporate ladder. As part of this process, managers pay close attention to each team member's personal growth and performance, in order to identify and support high potentials and provide them with the training they need. Indeed, training plays a critical role in the process, helping to prepare high potentials to take on greater responsibilities.

Managers by age



Human resources indicators

Worldwide indicators are calculated on the basis of the full-scope data defined above.

Data for France are taken mainly from the Consolidated Corporate Report - France, which consolidates data from the 2008 corporate reports prepared, in compliance with French law, by French subsidiaries that are at least 50% owned and have at least 300 employees.

Management philosophy and values

The five values that have always informed the Accor spirit are:

- **innovation:** we want to observe, anticipate and act differently with the goal of imagining new solutions that will drive improvement;
- **the spirit of conquest:** we take risks and pursue a bold, entrepreneurial, aligned approach in order to grow and develop;
- **performance:** we all demand and give our best, both individually and as a team, to achieve superior results every day, in every thing we do;
- **respect:** we recognize and respect the diversity and dignity of people around the world, both inside and outside the organization;
- **trust:** we create a climate of confidence and trusting relationships for and among everyone.

It is by upholding these values that we are able to **make our customers smile, every day.**

Human resources marketing

To promote our job skills and enhance our image as a good place to work, a wide range of human resources marketing media has been developed for our country organizations.

A good example is the Accor recruitement guide posted online in 2008, which gives recruiters access to print advertising templates, job-fair stands, online banners, brochures and all the other hiring resources they may need.

Tailored to each country's job market, these materials leverage the first-hand accounts of employees who embody the recruitment campaign's key message: "Your smile, your future."

In addition, the Presentation Kit is available on the corporate intranet in French and English to help frontline managers worldwide present Accor, its brands and its businesses to high school and university students, with an emphasis of all the reasons why they should join the Accor team.

To broaden our recruitment reach, we are constantly introducing new media, such as the podcasts and videocasts available on accor.com with testimonials from employees around the world, talking about their successful careers in the Group. The website also has a questionnaire that applicants can use to discover which jobs are right for them.

Lastly, 38% of new hires are recruited through the AccorJobs website, which received 3.2 million visits in 2008.

The hiring challenge

Educational partnerships

Partnering with schools

In every host country, 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.

In France, a vocational and adult training agreement signed with the National Education Ministry is helping to **integrate changing hotel job skills into training and certification programs**. In 2008, for example, undergraduate degrees were created in aquatic fitness and wellness center management and foodservice concept management. The agreement also comprises hands-on programs to deepen cooperation with universities and to provide students with better information to help them choose careers in the hospitality and foodservices industry. In France, more than 3,200 trainees were hired as part of vocational or technological work/study programs.

A number of programs have been implemented to enable students and teachers to discover the hospitality industry. For example, 25 hotel management teachers attended Accor Académie seminars on changes in today's hospitality jobs, with a special emphasis on the revenue management process.

Accor representatives gave presentations on hospitality jobs in a large number of middle schools, where job orientation events were held for teachers, counselors and 2,800 students. In November, we actively participated in a week-long program designed to bring together vocational training institutions and companies. More than 40 hotels participated in the successful event, with more than 600 people coming to meet our teams.

In addition, Accor hotel managers and department heads regularly join vocational school teachers to give students additional information about hospitality jobs and lead role-playing exercises. As well, more than 150 training sessions are offered every year to vocational or technology teachers.

For hiring needs in **France**, operating managers can contact one of seven Regional Employment Delegations located in the country's main employment catchment areas, which coordinate and locally implement the various agreements signed with French government ministries.

They are tasked with:

- defining and implementing initiatives to promote our businesses and skills-sets;
- implementing commitments under national partnerships, such as the National Education Ministry agreements, the Apprenticeship Charter, the National Employment Agency agreements and the Diversity Charter;
- supporting the brands' employment policies;
- short-listing applicants and creating pools of potential new candidates in each catchment area;
- implementing the Group agreement concerning the hiring and retention of disabled employees;
- supporting employees in their job mobility and career development aspirations.

In 2008, the Regional Employment Delegations processed 10,000 résumés, conducted 5,000 pre-selection interviews with people and groups and participated in more than 40 job fairs.

The Delegations are also driving the wider use of role-playing techniques in the hiring process to assess the potential capabilities of people with few or unrelated professional skills. In 2008, 90 people were hired in France using this method, including the reception team at the new Ibis EuroMed hotel in Marseille.

In the rest of Europe, **Accor Spain**'s Human Resources Department and a number of hotel general managers participated in seminars organized by local hotel schools and universities, such as EUHT St Pol, CETT Barcelona and the Autonomous University of Barcelona, in order to present the Group and its businesses to students and to offer them internships in local Accor hotels.

An innovative recruitment policy was implemented in **Saudi Arabia** during the year, most notably with the creation of an international network of recruitment agency partners who adhere to our ethical principles and human resources policies. To be approved as a partner, the selected agencies have to comply with our quality and ethical standards, thereby helping to structure and improve the entire recruitment process. All of the local human resources departments, hotels and recruitment agencies are involved in the program.

To ensure the new policy's sustainability, an International Recruitment Guide has been prepared for hotel general managers and the HR teams. It describes each step of the hiring process and provides access to all the necessary documents and reference materials. For example, it explains how to prepare a standard contract between hotels and the recruitment agency partners.

In early 2009, the first Accor Middle East Recruitment Convention was organized in Jeddah, with 15 approved partners attending. The event provided an opportunity to educate these hiring ambassadors about our culture, brands and businesses.

Apprenticeships

Apprentice programs are a very important source of new employees, which are supported in all our host countries.

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 contact to facilitate the school-to-work transition. We are committed to helping young people develop marketable skills that will enhance their employability in Accor hotels. In 2008, **800 people were involved in work/study programs at our hotels in France**, of which 65% under apprenticeship contracts. In addition, apprentice orientation days were organized in Group hotels, along with roundtable events where graduating work/study employees can discuss their experience in the Group.

For the past five years, **Accor Hotels EMEA** has organized the annual "Professions Challenge," which celebrates the achievements of former hospitality and foodservice vocational students who are working as young professionals in Accor hotels in the region. In 2008, 49 contestants were chosen from among 800 candidates from 21 countries.

In **North America,** Accor Académie launched new online English courses for hotel employees whose native language is not English. It is being offered in addition to the existing program of Spanish classes.

Accor Morocco opened a new Apprentice Training Center in December similar to the one created in Agadir in 2007. It is offering a three-year program to train around 200 apprentices in housekeeping, reception, kitchen and foodservices skills. Participants spend 80% of their time in our Marrakech hotels and 20% in classroom courses. In January 2009, the selected apprentices began the introductory module designed to help them find their footing in the hospitality industry.

The first graduating class from the **Agadir** Apprentice Training Center received their degrees in June 2008 at a commencement ceremony attended by frontline and support managers from Accor Morocco. The 30 apprentices in the class have since been hired under regular employment contracts.

As part of the Career Builders and China National Management Trainees program, 50 **Accor Hospitality China** apprentices received their degrees at a ceremony in Shanghai. They had been selected from the 180 program participants on the basis of their excellent results during a two-year work-study program combining hotel experience with management classes. The Career Builders project is designed to train young Chinese employees to become department heads, hotel managers and other hospitality professionals, in line with our future hiring needs.

The brands are also implementing their own **dedicated apprenticeship initiatives.** In France, for example, Mercure has created a certification program for participating hotels, with certificates awarded to hotels demonstrating compliance with all of the brand's criteria. In their commitment and action, the hotel, the apprentice and his or her personal mentor are all bound by a moral contract, with practical milestones to gauge their successful progress. The contract is designed to set up a clear relationship based on each person's rights and responsibilities. In this way, the apprenticeship program becomes a structured course of study, clearly marked by gradual stages of improvement that ensure effective supervision and support.

Diversity

Accor has always been deeply committed to the principle of diversity, which is the source of our strength as a corporate community. In addition, we firmly believe that diversity is a major strength in fostering a sense of team co-destiny, attracting and retaining talent, driving innovation and encouraging the ability to embrace change.

Supporting diversity and preventing discrimination have long been major concerns. Back in 1997, for example, we made a formal commitment to employee representatives to fight all types of discrimination. This commitment, which engaged the highest levels of the organization, led **Accor France** to become one of the first companies to sign France's Diversity Charter **in 2004**.

A Group-wide agreement on diversity in France was signed with all of the employee representatives on January 10, 2007. In addition, diversity across the Group has been managed by a dedicated executive since **March 2008**.

In the rest of the world, Group diversity policies and commitments are being deployed by local human resources managers, while many country organizations have also introduced diversity programs aligned with local practices. Accor encourages this type of approach, which promotes diversity and diversifies teams while respecting local cultures.

Communicating about diversity helps to build awareness of these issues and highlight our commitment to addressing them. Aspects of the employee communication process include:

- opening an intranet site accessible to all employees on issues concerning the disabled;
- promoting respect as one of our key values, including respect for individual differences and for diversity;
- running an HR communication campaign on the diverse backgrounds of Accor's team members.

Externally, stakeholders are regularly informed of our commitment to promoting diversity.

Training

Sensitivity training is playing an essential role in deploying our diversity policies. To effectively meet the needs of front-line and support staff, a number of general and specific diversity training courses are provided at Accor Académie. Two examples include a training module for managers on inter-generational issues and age management techniques and a workshop for the human resources network focused on preventing discrimination and addressing diversity-related issues.

The anonymous résumé

In 2008, the AccorJobs website in France began offering the possibility of submitting anonymous résumés, in a clear and visible expression of our commitment to diversity. The use on these résumés 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, addresses and email addresses are hidden so as to preclude even subconscious discrimination due to age, sex or national origin.

Integrating the disabled

A commitment to integrating the disabled has been a vital part of our diversity action plan in France since the signing of the Group-wide agreement with all of the employee representatives in 2006. The Mission Handicap project is now deploying this commitment worldwide by sharing the vast pool of best practices, capitalizing on experience and efficiently promoting the inclusion of disabled employees in the workplace.

As part of the agreement, the Integrating the Disabled Project (MIPH) team carried out the following actions in 2008:

- 47 people were hired in Accor France operations, mostly under permanent contracts, in part thanks to video recruitment sessions during which 22 applicants posted their video résumés on the Mission Handicap intranet site;
- 39 training and awareness-building sessions were conducted in our hotels, in particular through partnerships with schools. These sessions were the first step to integration for four participants, who were offered job contracts.

In 2008, 17 employees were able to keep their jobs thanks to support from Mission Handicap, which analyzed workstation ergonomics for 10 of them, leading to improvements in design and equipment. Also during the year, 25 disabled people working in sheltered workshops were employed under a Group partnership program.

In France, a total of 462 disabled persons were employed at December 31, 2008, representing 3.47% of the workforce for the year.

Accor Services hired six disabled people under government contracts for on-the-job training in customer relationship management.

At the same time, a variety of sensitivity training initiatives were undertaken, including presentations at Accor Académie as part of the "Successful Recruiting" course, presentations at Directors of Operations meetings and the publication of a brochure entitled "Disabilities in My Hotel" for hotel managers.

In addition, steps were taken in cooperation with Le Grand Hotel de Cabourg and the Pullman Paris Charles de Gaulle Airport to prevent situations likely to cause or lead to disabilities. These initiatives, which focused on attenuating the risk of occupational accidents for housekeeping staff, were carried out with a workplace ergonomics consulting firm and financed by the MIPH project.

Following expiration of the first Group-wide disability agreement on December 31, 2008, a **new agreement covering the 2009 to 2011 period** was signed with all of the employee representatives in France. It reaffirmed all of the commitments of the prior agreement, in a reflection of our determination to hire and retain more individuals with recognized disabilities. It also highlighted our drive to broaden and deepen programs designed to prevent situations likely to cause or lead to disabilities.

The Etap Hotel/Formule 1 Diversity Action Plan was expanded in 2008 with the creation of the Diversity Manager Project, which is undertaking initiatives that support **the integration of disabled employees**. Best practices are shared during monthly conference calls attended by the entire project team. In addition, Diversity Manager Project correspondents attend regional meetings to assist their colleagues on matters concerning the disabled. Their role is to:

- raise awareness among hotel general managers about disabilities;
- speak frankly about disability issues and encourage open-mindedness;
- identify best practices in their regions;
- share best practices from other regions.

In late March 2009, a "Diversity Managers Day" was organized to promote all the best practices now in place.

These and other initiatives demonstrate that Accor is actively committed to promoting **gender equality, respect for people of diverse social, cultural and ethnic backgrounds, age diversity and the integration of people with disabilities.**

At every stage of an employee's professional journey, the hiring, career development and compensation processes are all based solely on his or her skills, in full respect of each one's individual background and lifestyle.

Providing opportunities to the underprivileged

Accor is committed to supporting equal opportunity in education and hiring for people from underprivileged backgrounds. In December 2006, for example, we signed **France's** Corporate Charter of Commitments for Equal Educational Opportunities, which is designed to facilitate the orientation and workplace integration of students from disadvantaged or from underprivileged backgrounds.

Accor is particularly in favor of developing programs that familiarize middle-school teachers and students with jobs and opportunities in the hospitality and foodservice industry. **In France**, our "School in the Hotel" program allows hotel school students and teachers to run a hotel for a day, while one of our hotel managers serves as mentor for a vocational high school class.

Accor is also 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 education 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.

As part of this social inclusion program, we inform students about hotel industry jobs and the vocational degrees and certifications they require. We also provide support and advice in writing résumés, preparing for job interviews and other critical job-seeking skills. Accor is currently involved with Second Chance Schools in Tours, Toulouse, Mulhouse, Marseille, Lille and Paris, as well as in the Paris suburb of Seine-St.-Denis. Furthermore, on December 11, 2008 we signed a national partnership agreement with Établissement Public d'Insertion de la Défense (EPIDE), a Ministry of Defense sponsored organization that assists young people with workforce reintegration.

In Thailand, Accor is partnering **UNICEF's Youth Career Development Program,** which aims to shield 17 to 20-year-olds from sexual exploitation through five months of classroom and onsite training in hotel industry jobs. Once they have completed the program, participants are often offered permanent or temporary jobs in the hotels. From the program's inception in 1999 to 2007, our hotels have sponsored 125 young people, 56 of whom have been hired under fixed-term contracts. In 2008, 28 new participants signed up for the program in one of our local hotels.

Gender equality in the workplace

Worldwide, women account for 49% of employees in the Hotels business and 53% in the Services business. In France, women account for 54% of all employees, 57% in Hotels and 63% in Services.

To promote gender equality in a male-dominated environment, from 2004 to 2007, Etap Hotel and HotelF1 ran a project called **"Managers Plurielles,"** which was designed to help improve job stability for women; encourage their move up to supervisory and management positions; develop their skills; and introduce work schedules that make it easier for women to serve in management positions.

In 2008, trial programs set up as part of the project were rolled out across the network. They included:

- reorganized work schedules making it easier for women to serve in management positions and helping all employees maintain a healthier work-life balance;
- proactive skills and career development programs for all employees.

During the year, agreements concerning the French hotel business were signed to promote workplace diversity, narrow the gender wage gap and recognize the impact of maternity and parental leave on salary levels.

Skills development

Training

Acting as a skills developer

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.

Training strategy is deployed through a network of 16 Accor Academies located in our main host regions. They work tirelessly to develop and deliver innovative solutions that guarantee the effectiveness of our skills development programs and facilitate knowledge management through the Group-wide sharing of experience and best practices.

The Accor Academies are dedicated to meeting the following three objectives:

- ensure that career and skills development opportunities are available to all of our more than 150,000 employees;
- meet local training needs while taking into account each host country's culture;
- instill our values and culture across the Group.

New skills programs introduced during the year included the RM Pass international development and training program that now enables hotel managers to earn certification in revenue management. The program is designed to:

- guarantee a certain level of revenue management capabilities and professionalism for every brand in every host country;
- develop and nourish a pool of revenue management talent to ensure staffing and succession in years to come;
- help professional revenue managers to grow in their jobs and develop their career opportunities.

The RM Pass program offers three different course levels, allowing everyone to acquire skills tailored to their revenue management responsibilities.

On-site training is also being expanded using e-learning technologies, which make it possible to reach an even wider population. In addition to these technologies, managers train their team members on a daily basis – an essential aspect of the services business and a particular priority for Accor.

In 2008, 336,382 days of training were conducted worldwide, funded at 2% of total payroll.

International mobility

To support our expansion around the world, a highly fulfilling international mobility process has been implemented to encourage employees to take postings outside their home country. Our presence in more than 100 countries offers a broad range of career opportunities in all of our businesses.

Today, international mobility has become a strategic objective of our human resources policies – one that the Expatriation and International Mobility Group is striving to meet by encouraging employees to "Broaden Your Horizons."

Created in 2006, the Group is responding to Accor's development objectives for the Hotels and Services businesses by finding managers with the right backgrounds, meeting employee demand for international job opportunities and coordinating the Group's expatriation and international mobility expertise.

It is organized into two sections:

- the international mobility section is comprised of mobility managers whose job is to streamline the management of international postings, while guaranteeing effective application of our expatriation policies. It is organized by region, so that the mobility managers remain in constant contact with their region's frontline managers and human resources network;
- the expatriation section consolidates all our cross-functional skills in managing expatriate assignments for all of our businesses and regions. These capabilities cover international compensation and benefits, health and repatriation insurance, and pension and other post-retirement benefits for expatriate employees.

A dedicated organization and assertive policies are now in place. There were 750 expatriate employees in 2008.

Compensation and benefits

Accor has defined an effective worldwide 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 men and women receive the same compensation for the same work;
- encourage employee savings and stock ownership;
- strengthen employee healthcare coverage and other benefits.

Compensation

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. In 2008, International Human Resources Network representatives from all of our businesses and host regions participated in an exhaustive review of the Group's bonus policy, designed to verify the policy's competitiveness with regard to market practices and to recommend changes for 2009 and beyond. In addition, a Group-wide study involving representatives from Accor Hospitality's main host regions was conducted during the year with the aim of devising a specific bonus system for hotel development employees and thereby support the Group's growth strategy with appropriate incentives.

To monitor implementation of compensation policy and its alignment with market practices, studies are regularly conducted for each skills cluster, business or region. In 2008, for example, relative salary levels were analyzed for the online sales teams at corporate headquarters, Accor Services subsidiaries in Turkey, Romania, Hungary, Austria, Argentina, Mexico and Venezuela and senior and executive managers at Compagnie des Wagons Lits in the brand's different host countries.

Similar studies are carried out with Accor Hospitality, including a compensation survey performed in core hotel and support skills clusters in Portugal, Italy, France, Germany, Tunisia, Saudi Arabia, the United States and India as well as in China for the Ibis brand. To effectively engage in the battle for revenue and support the development of revenue management expertise in France, a specific compensation study was conducted for the RM skills cluster. Every year key positions across the Group are classified by level of responsibility and organizational impact, then compared with equivalent positions in the local market. In 2008, steps were taken towards extending this approach to other management levels with four training sessions on classification and compensation conducted for International Human Resources Network representatives from the different businesses.

Employee savings and stock ownership

Every year since 1985, French employees have had the opportunity to invest in a Corporate Savings Plan, which now offers employees two investment possibilities. One is a conventional scheme, under which Accor contributes matching funds each time an employee invests in one of the plan's mutual funds. In 2008, more than 6,200 employees paid into this type of plan. The other possibility is a supplemental scheme called the Tesorus plan, which is more targeted to employees with little capital available for savings. Some 3,882 employees chose to benefit from this plan in 2008. The Tesorus plan 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 schemes are available on the Accor intranet site, on a dedicated Internet site and in a comprehensive brochure given to each employee.

Employees also receive profit-shares under a corporate agreement covering 132 companies in 2008. Non-discretionary profit-shares earned in 2007 and paid in 2008 amounted to an aggregate €12 million for 30,477 employees, or an average net amount of €384 for the year.

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. Discretionary profit-shares earned in 2007 and paid in 2008 amounted to an aggregate €21 million for 26,885 employees, or an average net amount of €802 for the year.

Employees in France and the rest of the world are regularly offered the opportunity to purchase Accor shares on preferential terms and conditions, as part of employee share issues. At the end of 2008, 22,408 employees owned shares in their company (for more details, please refer to page 118).

Insurance coverage

In France, a new group insurance agreement with supplemental health coverage was signed with all of the unions on April 24, 2008. In effect since July 1, the agreement consolidates all of the existing plans into a single document and simplifies plan management while ensuring compliance with new legal and regulatory requirements.

Aligning the agreement with current legislation offered an opportunity to update healthcare benefits at no extra cost to employees, in particular by partially covering the cost of a variety of treatments and by improving healthcare services with the introduction of long-term care solutions for managers.

In a similar measure to insure employees against serious risks, all employees are now fully covered in the event of hospitalization.

To provide additional information, brochures describing the existing coverage and claims procedures in detail were prepared and personally handed out to employees.

In the rest of the world, Accor is actively extending healthcare and other coverage, depending on local needs. Examples of benefits include death benefits for employee families and a complete range of healthcare coverage, including routine care, hospitalization, maternity benefits and eye care. In 2009, Accor will further enhance its proactive vigilance with regard to shortcomings in local healthcare coverage.

Retirement benefits

The Group Retirement Benefits Committee set up in 2007 continued its activities in 2008. 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.

During the year, it defined governance guidelines and best practices to be shared across the Group in 2009, in such areas as pensions and other employee benefits. Other issues were addressed in 2008 included:

- actuarial assumptions and changes in regulations concerning length-of-service awards in France and their related impact on the financial statements;
- the supplementary pension plan to be introduced at Lenôtre;
- the market positioning of pension plans for the Hotels business in the Europe, the Middle East and Africa;
- tracking the financial management of outsourced pension plan assets, particularly with regard to the global financial environment.

Employee working conditions

Organizing the workweek

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% increase taken in the form of additional time off.

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

In the Services business, at Compagnie des Wagons-Lits and at head offices, the workweek for non-managerial staff is 35 hours, with managers expected to work a set 218 days a year.

Worldwide, 85% of employees have permanent work contracts. Their working hours comply with local legislation and collective bargaining agreements.

At December 31, 2008, out of a total of 23,909 employees in France, 22,199 or 93% had permanent contracts.

Work-life balance

Employees increasingly express their desire to maintain a work-life balance. Employees in France can participate in the "Bien-Être à la Carte" corporate concierge program and its "Bien-Être Assistance" platform, operated as a joint venture between Accor Services and Europ Assistance. They enjoy free, confidential access to "Vie Pratique" advisors, who provide them with solutions that make their day-to-day lives easier in such areas as housing, family issues, administrative formalities and leisure activities.

Managing health and safety risks

In today's troubled, crisis-filled world, Accor is actively addressing the resurgence in threats to the security of local employees, expatriates and business travelers.

To protect employees and their families, the Group Security and Risk Management Departments carefully analyze risks, so as to respond effectively in complex geopolitical and cultural environments and deploy appropriate security and risk prevention policies.

Health/safety prevention programs

The incident frequency rate improved by 1.2 points in 2008 to 18.1.

Security intelligence

Every day, the Security and Risk Management Departments track the security situation in each country, reviewing the geopolitical situation, health conditions and threatening weather events. If necessary, they inform employees and ensure that appropriate security measures are taken.

The information is posted on the Risk Management intranet site and can be accessed by all employees.

Training

The Security and Risk Management Departments has also set up security training programs, such as the three seminars conducted in 2008 for Regional Directors, Directors of Operations, hotel general managers and Regional Technical Directors in the Middle East and Africa region. The managers were trained to respond to a variety of crises, such as terrorist attacks, robberies, outbreaks of food poisoning and fires. The seminars also addressed a number of other issues, such as site security, health security, diplomatic support for the security of expatriates, natural disasters and crisis communication.

The recommandations for the protection of business travelers

To help managers successfully carry out a foreign assignment, the Security, Risk Management, International Mobility and Internal Communication Departments worked together to produce a practical handbook for business travelers. It describes the precautions to take before leaving and while in-country. Each trip should be carefully prepared in every detail, based on the latest information and tailored to the traveler as necessary. The extent of preparation varies depending on the length of the stay, the location and the level of responsibility. Following simple rules of behavior will enable the manager to anticipate and respond to a wide range of incidents that may occur in a foreign country.

Crisis management

A crisis management system has been deployed at corporate headquarters, in the regional and country organizations, in the brands, in the businesses and at each hotel.

The system has been activated several times to provide security for local employees and/or expatriates during such serious events as the attempted coup d'état in Chad, the earthquake in China, the floods in Vietnam, attacks on employees, the Bangkok airport shutdown and the Mumbai terrorist attacks.

The fight against AIDS

The fight against AIDS is one of the eight priorities of our Earth Guest sustainable development program. Preventive actions are primarily focused on employees, particularly the ones most exposed to the virus, but sensitivity programs are regularly conducted for customers as well. **This is a long-standing commitment,** which began as a regional program in 2003 and since 2006 has been extended around the world, particularly in Africa. Action plans have been deployed in 32 hotels in 19 countries.

To express Accor's global commitment, in 2006 Gilles Pélisson signed the Declaration of Commitment of the Global Business Coalition on AIDS, Tuberculosis and Malaria, thereby pledging the Group's active participation in the fight against the disease, with two objectives in mind:

- extend the Group's commitments to all of its operations around the world;
- publicly affirm our commitment by encouraging other travel and tourism companies to follow our example.

To support roll-out of this policy in every hotel, the ACT-HIV DVD was introduced in 2007 to improve AIDS awareness and track our performance in fighting against the disease. In enhancing sensitivity to AIDS issues among operating managers in the Hotels and Services businesses, ACT-HIV integrates three fundamental Accor principles: confidentiality, non-discrimination and equal access to treatment The DVD explains to hotel managers why they should get involved and why the disease concerns all of us. It also presents a six-stage action plan.

ACT-HIV can be adapted to each local situation, depending on whether the country is already involved in a prevention program. The DVD is now being distributed worldwide with the support of country human resources managers. Each one is responsible for implementing an action plan to deploy the program in his or her country, preferably with the support of a non-governmental organization and, whenever possible, local occupational physicians (as is currently the case in France). In October 2008, ACT-HIV earned Accor the AXA Santé Award in the "companies with more than 5,000 employees" category. The AXA Santé awards are designed to showcase and celebrate public and private sector companies that have demonstrated their commitment to providing their employees with preventive healthcare.

To publicly share its commitment, Accor is leading a Global Business Coalition-backed working group of travel and tourism companies known as the Travel and Tourist Industry Dialogue on AIDS. Fourteen companies participated in the Dialogue in 2008, including Air France, Europe Assistance, the Ritz-Carlton Hotel Company and the Virgin Group.

Absenteeism

In France, the absenteeism rate is calculated by dividing the number of days absent by the theoretical number of days worked.

Reasons for absenteeism during the year were as follows:

Absenteeism rate [(1)] by cause

Sick leave	6.2%
Workplace accidents and accidents commuting to/from work	1.5%
Maternity, paternity or adoption leave	1.7%
Compensated absences (family events)	0.4%
Non-compensated absences (unpaid leave, parental leave)	3.3%
TOTAL	**13.1%**

(1) Number of days of employee absences divided by the theoretical number of days worked.

Illness remains the leading cause of absenteeism in France.

Redundancy plans

To preserve the competitiveness of the French Hotels accounting process while continuing to insource operations, the Hotels business in France decided to align the accounting organization with changes in the Group's standards and organization, so as to guarantee process reliability, compliance and the security of financial and investor relations data. As part of the reorganization, Hotels France accounting employees were offered two possibilities to remain with the Group but at a different location or in a different job. For the employees who refused these offers, a redundancy plan was negotiated and signed by the unions. The agreement, which provided for voluntary separation to pursue a professional or personal project, concerned 45 people, none of whom were dismissed.

Social dialogue

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

Employee relations

In 2008, a total of 79,024 hours were used for employee delegate activities.

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 the Accor establishments it covers, including employees' right to join the labor union of their choice. It also protects employees and their representatives against all forms of discrimination that might undermine the freedom to organize.

In France, union news and information have been communicated via a dedicated union intranet since 2002.

Collective agreements

Between June 1, 2007 and July 1, 2008, more than 30 company-wide agreements were signed with the unions in **France**, including a Group agreement on supplemental health insurance.

Salary agreements were signed with employee representatives for all Hotels, Services and head office employees in France.

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

In 2008, CWL signed three major agreements with the unions, concerning pension benefits, insurance coverage and job qualifications.

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 104 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

The biggest challenge in the area of outsourcing concerns companies that provide hotel-cleaning services, which account for most of our outsourcing costs.

In response, partner compliance with our workplace practices has been strengthened by the introduction, in 2003, of a protocol agreement on the objectives and conditions for using subcontractors. Union representatives and Accor management met to define the process of outsourcing room cleaning to subcontractors. It 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.

Of the 739 hotels that are owned and managed in France, approximately 79 used cleaning companies as of December 31, 2008.

Every year, the Human Resources Department verifies outsourcing contracts for compliance with our employee relations standards.

In 2002, a Sustainable Development Purchasing Charter was introduced to share our standards with suppliers. Based on reciprocal commitments, the sharing of best practices and transparent relationships, the Charter has been sent to all certified suppliers and subcontractors. It requires them to comply with carefully defined criteria in the areas of employee working conditions and environmental protection, in line with the International Labour Organization's fundamental conventions. Signing the Charter is one of the primary criteria for recertification.

The same process is followed for the certification of temporary employment agencies.

Summary Tables of Employee Data - France

Consolidated Corporate Report - France

In compliance with French legislation, this Report consolidates data from the 2008 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 81% of Accor employees in France.

This same scope has been used for most of the indicators shown in the first table.

The Report concerns 19,948 employees in service at December 31, 2008, irrespective of the type of employment contract.

	2008	2007
Number of Employees		
Total number of employees(1)	19,948	20,041
Percentage of women	54.0%	54.0%
Percentage of men	46.0%	46.0%
Average monthly number of employees	20,442	19,949
Employees by age		
Under 25	16.4%	16.7%
25 to 34	31.7%	31.8%
35 to 44	27.5%	27.6%
45 to 54	18.1%	17.5%
Over 55	6.3%	6.4%
Employees by seniority		
Under 6 months	11.6%	14.6%
6 months to 2 years	18.6%	15.5%
2 to 5 years	18.0%	18.9%
5 to 10 years	23.8%	22.0%
More than 10 years	28.0%	29.0%
Number of full-time employees under permanent contracts	14,116	14,226
Number of part-time employees under permanent contracts	4,005	4,067
Number of employees under fixed-term contracts	1,827	1,748
Number of non-French employees(2)	2,526	2,500
As a % of total employees	12.7%	12.5%
Hiring		
Number of persons hired under permanent contracts	4,391	4,815
Percentage of women	51.0%	50.0%
Percentage of men	49.0%	50.0%
Number of persons hired under fixed-term contracts	5,724	5,704
Number of people under 25 years old hired	4,943	5,268
Compensation		
2007 discretionary profit-shares paid in 2008		
Number of beneficiaries(3)	26,885	22,737
Average gross amount per beneficiary *(in euros)*	802	695
2007 non-discretionary profit-shares paid in 2008		
Special Employee Profit Sharing Reserve, net *(in millions of euros)*	12	9
Number of beneficiaries(3)	30,477	29,933
Average net amount per beneficiary *(in euros)*	384	303

(1) All employees on the payroll at December 31, regardless of the type of employment contract.

(2) Number of foreign employees working in France.

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

	2008	2007
Health and Safety Conditions		
Number of meetings of Health, Safety and Working Conditions Committees	403	512
Number of employees receiving onsite safety training	2,617	4,977
Employee Relations		
Collective agreements signed, June 2007 to July 2008	32	50
Total hours used for employee delegate activities	79,024	106,741
Number of meetings with employee representatives	1,274	1,645
Employee Benefits		
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. Employees may also seek assistance from the Group's social welfare officers.	
Works Council benefits budget *(in million of euros)*	2	2

Full-Scope Data in France

Full-scope data cover:

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

	2008	2007
Employees		
Total number of employees	23,909	24,650
Compensation		
Total gross payroll *(in million of euros)*	664	732
Employer payroll taxes *(in million of euros)*	273	275
Training		
Training expenditure as a percentage of total payroll(1)	1.4%	1.7%
Average training days per employee(2)	1.2	1.5

(1) Training budget as a % of total payroll.
(2) Total training days divided by total number of employees

In 2008, the sale of certain Group hotels to independent owners led to a decline both in the number of employees (without any job losses) and in training expenditure.

ENVIRONMENTAL REPORT

Introduction

In 2008, the scope of reporting on Hotel Environment Charter initiatives and water and energy use data widened as use of the Charter gradually spread across the Group, including franchised hotels, and the scope of water and energy use reporting was considerably extended in the owned, leased or managed hotel base.

The reliability of hotel environmental data was further enhanced in two ways: (i) wider deployment of the OPEN online environmental management application in all of the major host regions and (ii) the introduction of an environmental reporting protocol, which explains environmental data consolidation procedures, describes the internal control and verification process and identifies the people in charge of the various consolidation levels. The protocol and the water and energy data have all been audited by an outside audit firm, whose report is available in the sustainable development section of the Accor website.

Scope of reporting

✲ Indicators corresponding to Hotel Environment Charter action points are marked with a ✲ and concern Group hotels.

In 2008, data on Hotel Environment Charter actions were reported by 3,486 hotels. The proportion of Group hotels applying the Charter increased by 4% thanks to its introduction in a large number of franchised units in the United States.

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. In this case, the percentage of hotels having implemented these actions is calculated based solely on the total number of hotels concerned.

Percentage of Group hotels applying the Environment Charter

	2008
Owned/leased	96%
Managed	78%
Franchised	75%
TOTAL	**88%**

Regions covered

Europe, North America, Latin America and Caribbean, Asia-Pacific, Africa and Middle East.

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

- hotels in France, the rest of Europe, North America, Latin America and the Caribbean and the rest of the world (47 countries in Africa and the Middle East, in Asia and the Pacific);
- 16 seawater spas in France;
- operations at 23 CWL facilities in Austria, France, Italy, Portugal and Spain;
- operations of the Lenôtre production facility in Plaisir, France.

A total of 2,839 hotels reported water, energy and greenhouse gas indicators, more than 670 more than in 2007.

Percentage of Group hotels reporting other indicators (water, energy, greenhouse gases)*

	2008
Owned/leased	98%
Managed	94%
TOTAL	**71%**

Regions covered

Europe, North America, Latin America and Caribbean, Asia-Pacific, Africa and Middle East.

* *Not including franchised hotels.*

Energy

Energy use

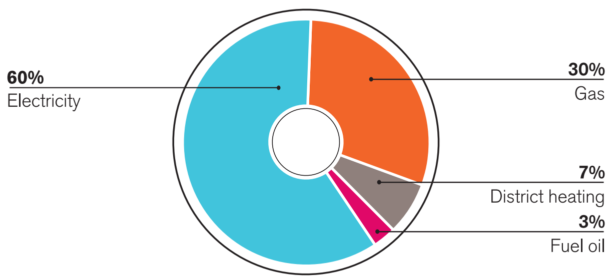
The table below shows total amount of energy used worldwide and by region. Gross energy use rose due to the wider scope of reporting, with more than 670 hotels added since 2007. Of the 2008 data, 82% were reported by hotels and 18% were estimates when measurements were unavailable or unreliable.

The indicator used to track energy use performance is kWh per available room. In 2008, energy use declined by 3.4% in the 1,796 owned and leased hotels in the scope of reporting in 2006, when the performance indicators were introduced. Energy use ratios are also presented in more detail on page 96 of the 2008 Annual Report.

✦ Energy use

	France		Rest of Europe		North America		Latin America and Caribbean		Rest of the world				
	Owned/ leased	Managed	Owned/ leased	Managed	Owned/ leased	Managed	Owned/ leased	Managed	Owned/ leased	Managed	Total 2008	Total 2007	Total 2006
Number of hotels reporting	**695**	**41**	**725**	**69**	**699**	**13**	**65**	**94**	**111**	**327**	**2,839**	**2,163**	**2,581**
Energy used (MWh)	639,862	64,792	1,155,008	191,509	661,559	128,206	92,698	129,592	187,717	1,507,789	4,758,732	3,394,528	3,710,496

✦ Energy used by type



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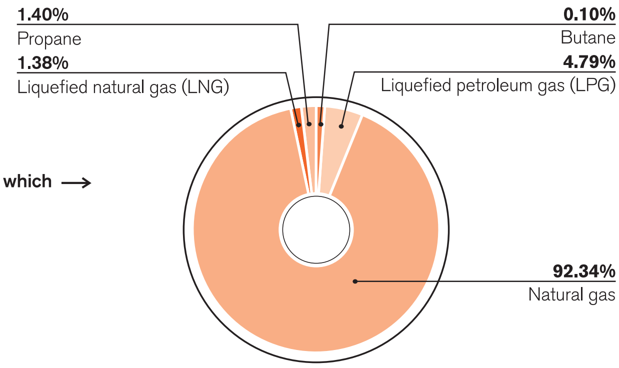


Improving energy efficiency

The energy efficiency indicators in place since 2006 enable the Group to accurately track hotel introduction of programs or technological solutions that address the environmental challenge of global warming.

There was little change in the energy management and monitoring indicators in 2008. The slight decline in "monitor and analyze monthly use" indicator was caused by the extension of the Environment Charter to franchised Motel 6 properties in North America, which have deployed the environmental stewardship process but do not yet use all of the OPEN environmental management application.

The proportion of owned or leased hotels using energy-efficient lamps rose again in 2008, to 80%, reflecting the Group's commitment to having 100% of owned or leased hotels equipped with these lamps by 2010.

Thanks to the preventive maintenance plan, the technical teams continued to build awareness of energy-efficient equipment and track usage in 86% of the hotels in the scope of reporting.

☼ Energy-efficiency improvement indicators

Managing energy use	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2008	Total 2007	Total 2006
Number of establishments	**1,222**	**801**	**914**	**162**	**387**	**3,486**	**3,292**	**3,228**
Set objectives for reducing use	70%	73%	77%*	80%	74%	74%	74%	77%
Monitor and analyze monthly use	83%	95%	78%*	95%	95%	86%	90%	89%
List potential technical improvements	38%	61%	78%*	60%	64%	57%	59%	61%
Organize preventive maintenance	80%	90%	89%	89%	92%	86%	84%	83%
Use low-energy lamps for permanent lighting	62%	81%	93%	81%	65%	76%	72%	71%
Use low-energy lamps in rooms	52%	60%	93%	70%	62%	67%	61%	44%
Insulate pipes carrying hot/cold fluids	72%	87%	76%	88%	69%	77%	56%	47%
Use energy-efficient boilers	35%	54%	1%	51%	37%	31%	33%	27%
Use energy-efficient air-conditioning systems	27%	37%	77%*	43%	33%	46%	50%	55%

** Although the scope of reporting was extended to franchised Motel 6 hotels in 2008, ten of the Charter's 65 questions were not included in their reporting. As a result, the franchised Motel 6 hotels are deemed not to have implemented any action starred with an asterisk (*).*

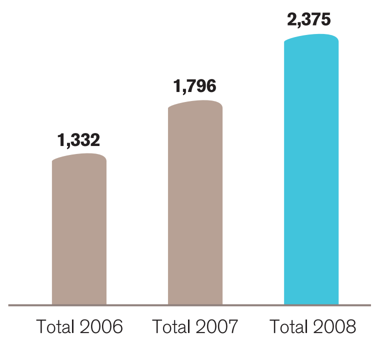
Encouraging the use of renewable energies

In line with our commitment to encouraging the use of renewable energies, Accor hotels are continuing to install solar panels to produce domestic hot water. At December 31, 2008, solar panels had been installed in 67 hotels worldwide, representing a total surface area of 5,978 square meters.

During the year, Accor opened five hotels as part of its commitment to equipping 100 hotels in France with solar panels, under a partnership with the country's Agency for Environment and Energy Management (ADEME).

The Ibis Clichy, built in 2003, is fitted with photovoltaic solar panels, whose electricity output is sold to France's EDF power utility.

✦ Solar power used to produce domestic hot water (MWh)



Water

Water use

The table below shows total volume of water used worldwide and by region. Gross water use rose sharply due to the wider scope of reporting, with more than 670 hotels added since 2007. Of the 2008 data, 82% were reported by hotels and 18% were estimates when measurements were unavailable or unreliable.

The indicator used to track water use is liter per occupied room. In 2008, this ratio declined by 0.6% in the 1,796 owned and leased hotels in the scope of reporting in 2006, when the performance indicators were introduced. Water use ratios are also presented in more detail on pages 96 and 97 of the 2008 Annual Report.

✦ Water use

	France		Rest of Europe		North America		Latin America and Caribbean		Rest of the world				
	Owned/ leased	Managed	Owned/ leased	Managed	Owned/ leased	Managed	Owned/ leased	Managed	Owned/ leased	Managed	Total 2008	Total 2007	Total 2006
Number of establishments	**695**	**41**	**725**	**69**	**699**	**13**	**65**	**94**	**111**	**327**	**2,839**	**2,163**	**2,581**
Water used *(thousands of cubic meters)*	5,483	392	6,949	1,020	11,972	786	1,255	2,094	2,008	18,772	50,731	37,334	42,601

Reducing water use

The water management indicators introduced in 2006 enable the Group to accurately track hotel introduction of programs or technological solutions that address the environmental challenge of the growing depletion of drinking water supplies.

There was little change in the water management and monitoring indicators in 2008. The slight decline in "monitor and analyze monthly use" indicator reflected the extension of the Environment Charter to franchised Motel 6 properties in North America, which have deployed the environmental stewardship process but do not yet use all of the OPEN environmental management application.

Water-saving equipment, such as flow regulators for showers and faucets, is being gradually installed across the Group, reflecting the commitment to equipping 100% of owned and leased hotels by 2010. In 2008, 87% of owned and leased hotels used flow-regulating faucets (with 85% using flow-regulating showerheads). In addition, the vast majority of hotels use water-efficient toilets. Their number rose a sharp 21% during the year due to the extension of reporting to the franchised Motel 6 units, most of which have already installed this type of equipment.

✲ Managing water use

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2008	Total 2007	Total 2006
Number of establishments	**1,222**	**801**	**914**	**162**	**387**	**3,486**	**3,292**	**3,228**
Set objectives for reducing use	63%	62%	77%*	80%	70%	68%	68%	72%
Monitor and analyze monthly use	83%	94%	78%*	93%	91%	85%	88%	88%
Use flow regulators on faucets	68%	80%	92%	69%	58%	76%	72%	71%
Use flow regulators on showers	62%	81%	92%	67%	58%	74%	71%	70%
Use water-efficient toilets	56%	68%	76%	63%	64%	65%	44%	35%
Suggest to customers that they reuse towels	61%	89%	99%	83%	90%	82%	75%	74%
Suggest to customers that they reuse sheets	57%	68%	99%	62%	72%	72%	65%	66%

Although the scope of reporting was extended to franchised Motel 6 hotels in 2008, ten of the Charter's 65 questions were not included in their reporting. As a result, the franchised Motel 6 hotels are deemed not to have implemented any action starred with an asterisk(*).

Other raw materials

Accor does not have any manufacturing operations and is not a direct user of raw materials other than water and energy.

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.

✦ Greenhouse gas emissions

	France		Rest of Europe		North America		Latin America and Caribbean		Rest of the world				
	Managed	Owned/ leased	Managed	Owned/ leased	Managed	Owned/ leased	Managed	Owned/ leased	Managed	Owned/ leased	Total 2008	Total 2007	Total 2006
Number of hotels reporting	**691**	**41**	**705**	**69**	**699**	**13**	**65**	**94**	**111**	**327**	**2,815**	**2,163**	**2,581**
Direct greenhouse gas emissions (tonnes of CO_2 equivalent)	30,354	2,706	72,614	14,211	56,018	10,023	5,497	8,757	11,765	92,552	304,497	260,977	253,542
Direct greenhouse gas emissions (tonnes of CO_2 equivalent)*	33,220	2,957	79,447	15,584	61,456	10,996	5,742	9,045	12,558	97,730	328,735	260,977	253,542
Indirect greenhouse gas emissions (tonnes of CO_2 equivalent)	43,258	4,569	322,023	43,291	200,041	37,287	10,901	17,321	89,110	729,632	1,497,432	997,865	1,135,354

** Direct emissions calculated using the same coefficients as in 2006 and 2007, at 201g CO2/kWh for gas and 264g CO2/kWh for fuel oil.*

Contrary to previous years when Greenhouse Gas Protocol Initiative coefficients (www.ghgprotocol.org) were used to calculate greenhouse gas emissions only from the generation of electricity, in 2008 they were used for all sources of energy, including fuel.

Also in 2008, the method of calculating direct greenhouse gas emissions was further refined, after improvements in the reporting process made it possible to collect data on each type of gas (see chart of gas used by type, above). Direct greenhouse gas emissions are now calculated using separate coefficients for natural gas, LPG and LNG, with emissions from butane and propane gas calculated using the coefficients for natural gas.

To visualize the impact of the change in coefficients, 2008 direct emissions have been presented according to both calculation methods.

Ozone-depleting cooling liquids

Cooling fluids present a small risk of coolant emissions in normal use. However, there is 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 and Caribbean	Rest of the world	Total 2008	Total 2007	Total 2006
Number of establishments	**1,222**	**801**	**914**	**162**	**387**	**3,486**	**3,292**	**3,228**
Eliminate installations containing CFCs	40%	58%	99%	46%	48%	61%	56%	58%
Verify that equipment containing CFCs, HCFCs and HFCs is leak-proof	48%	81%	100%	69%	75%	73%	70%	70%

Wastewater

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

Most of a hotel's wastewater pollution comes from foodservice operations. Given that 41% of the hotels that apply the Hotel Environment Charter have restaurants, it is important to control and manage the effluent they release into the local sewage system to avoid overloading the wastewater treatment plants. The practice of collecting cooking oils and fats was further extended in 2008.

☼ Wastewater

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2008	Total 2007	Total 2006
Number of establishments	**1,222**	**801**	**914**	**162**	**387**	**3,486**	**3,292**	**3,228**
Collect cooking oil	96%	96%	94%	83%	85%	92%	88%	86%
Collect fats	93%	90%	100%	81%	93%	91%	86%	83%

Waste

Types of waste

In 2008, the waste classification process was further developed by testing waste classifications audits at Studio 6 units in Canada. This was the first application outside France of the hotel waste production tracking campaign being deployed with the support of waste collection companies. An initial review of the system's performance was conducted in France in 2008, based on collection company data reported for 207 hotels producing a total 5,697 tonnes of waste.

Production of non-hazardous process waste	Number of hotels	Amount *(in tonnes)*	Amount per hotel *(in tonnes)*
Unsorted	161	4,893	30.39
Bio-degradable	2	7	3.26
Wood	2	1	0.51
Paper/cardboard	102	605	5.93
Plastic	5	6	1.18
Glass	48	117	2.43
Oil and fats	115	48	0.42
Production of hazardous waste	**Number of hotels**	**Amount** *(in tonnes)*	**Amount per hotel** *(in tonnes)*
Electrical and electronics	3	3.5	1.15
Light bulbs	115	5.6	0.05
Batteries	5	0.4	0.07
Fluorescent tubes	156	4.4	0.03
Hazardous waste	33	7.0	0.21

In addition, sorted waste collection is expanding very quickly among Accor hotels in Brazil, with collection and recycling often managed in collaboration with local social rehabilitation companies. In all, the 54 participating hotels recycled more than 200 tonnes of waste in 2008, as analyzed in the following table.

Recycled waste	Number of hotels	Amount *(in tonnes)*	Amount per hotel *(in tonnes)*
Paper	50	41	0.82
Magazines	36	15	0.42
Cardboard	46	42	0.92
Plastic	43	15	0.35
Tetra packs	8	1	0.16
PVC	7	0	0.06
PET	29	8	0.27
Aluminum	51	6	0.11
Other metals	28	6	0.20
Glass	27	27	0.99
Oil and fats	18	6	0.33
Fat separator residue	8	32	4.05
Light bulbs	8	0	0.01
Batteries	7	0	0.07

Waste resource recovery

Recycling, reusing and recovering resources from non-hazardous waste is one of the pillars of Accor's environmental stewardship. Improving sorting processes and reducing the amount of each hotel's unsorted waste helps to limit the risk of sending waste to treatment facilities without recycling and resource recovery capabilities, such as landfills and conventional incinerators.

Since 2006, the Hotel Environment Charter indicators have made it possible to track the effectiveness of hotel recycling and resource recovery programs. In 2008, for example, there was a sharp improvement in all of the non-hazardous waste sorting and recycling indicators.

☼ Waste resource recovery

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2008	Total 2007	Total 2006
Number of establishments	**1,222**	**801**	**914**	**162**	**387**	**3,486**	**3,292**	**3,228**
Recycle paper/cardboard packaging	70%	92%	58%	90%	72%	73%	62%	54%
Recycle paper, newspapers and magazines	60%	90%	49%	89%	70%	67%	57%	49%
Recycle glass packaging	66%	93%	59%	88%	66%	72%	59%	52%
Recycle plastic packaging	34%	69%	50%	85%	57%	51%	40%	35%
Recycle metal packaging	30%	64%	49%	85%	50%	48%	36%	29%
Recycle organic waste from restaurants	9%	52%	24%	23%	39%	32%	31%	31%
Recycle green waste from lawns and gardens	63%	62%	21%	25%	37%	45%	36%	30%
Organize waste sorting in hotel rooms	14%	16%	16%	60%	30%	19%	15%	12%

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.

☼ Management of hazardous industrial waste

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2008	Total 2007	Total 2006
Number of establishments	**1,222**	**801**	**914**	**162**	**387**	**3,486**	**3,292**	**3,228**
Dispose of hotel batteries safely	92%	95%	92%	87%	53%	88%	85%	61%
Dispose of customer batteries safely	60%	48%	72%	58%	19%	56%	35%	28%
Recycle electrical and electronic appliances	51%	80%	1%	49%	36%	43%	41%	34%
Recycle toner cartridges	94%	98%	83%	88%	73%	90%	71%	62%
Dispose of compact fluorescent tubes and light bulbs safely	76%	90%	91%	67%	42%	79%	75%	50%

Reducing waste volumes at the source

Accor makes a special effort to reduce waste volumes at the source. This requires the long-term cooperation of suppliers to identify ways to limit packaging when goods are being prepared for delivery. In 2008, for example, Novotel and Ibis introduced new lines of eco-designed complementary room products, which use less packaging and are delivered via dispensers.

Reducing waste upstream

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2008	Total 2007	Total 2006
Number of establishments	**1,222**	**801**	**914**	**162**	**387**	**3,486**	**3,292**	**3,228**
Limit the use of disposable packaging for hotel supplies	34%	49%	3%	48%	39%	30%	30%	25%
Limit individual packaging for hygiene products	18%	39%	98%	40%	23%	46%	41%	45%

Soil contamination

Accor's activities do not contaminate the soil.

Noise pollution and odors

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

Local impact and biodiversity

The vast majority of Accor hotels are located in downtown and suburban areas, where they have little impact on the local environment. Whenever a hotel may have a direct impact on an environmentally sensitive area, impact studies are carried out before it is built or renovated.

The Group's operations may have an indirect impact on biodiversity, however, which is why Accor partnered with the International Union for Conservation of Nature (IUCN) to produce the *Biodiversity: My Hotel in Action* handbook. Designed to help hotel owners and managers, the handbook provides management tips focusing on what can be done in a hotel's restaurants, furniture and fittings, grounds and gardens, spa and beauty-care products, souvenir shops and the surrounding community. It was financed by the French Environmental Ministry and Accor.

Accor is also continuing to work in partnership with several organizations that support biodiversity, such as the IUCN, the Bird Protection League (LPO) and the Kehati Biodiversity Foundation.

The growing sensitivity to biodiversity issues and the various partnerships are having a positive impact across the Group, as seen in the improvement in all of the Environment Charter's biodiversity indicators in 2008.

☼ Biodiversity

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2008	Total 2007	Total 2006
Number of establishments	**1,222**	**801**	**914**	**162**	**387**	**3,486**	**3,292**	**3,228**
Reduce the use of insecticides	40%	62%	1%	66%	47%	36%	33%	28%
Reduce the use of herbicides	34%	56%	1%	59%	46%	32%	29%	24%
Reduce the use of fungicides	26%	53%	0%	59%	39%	28%	26%	21%
Use organic fertilizers	54%	63%	1%	73%	48%	41%	37%	33%
Choose plants suitable to the local environment	42%	64%	42%	78%	65%	52%	40%	35%
Plant at least one tree a year	54%	59%	85%	80%	74%	67%	68%	40%
Support a local environmental initiative	32%	46%	46%	61%	65%	44%	31%	25%

Assessment and certification

Environmental management

Accor's environmental management systems are based on the Hotel Environment Charter. In 2008, 88% of our hotels participated in the environmental assessment process. The average number of Environment Charter initiatives underway rose sharply in 2008, by 3.8 initiatives.

☼ Environmental management

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2008	Total 2007	Total 2006
Number of establishments	**1,222**	**801**	**914**	**162**	**387**	**3,486**	**3,292**	**3,228**
Number of initiatives underway	33.1	40.4	39.7	39.0	34.2	36.8	33.0	31.0

A full presentation of the Hotel Environment Charter can be found on www.accor.com.

Assessment

To assess their environmental performance, hotels can use the intranet web-based OPEN environmental management application, which enables them to:

- monitor implementation of the Hotel Environment Charter in every host country, regardless of the hotel ownership structure. Each hotel completes an online questionnaire, specifying the action points implemented in accordance with the Charter. The application can also be used to create a datasheet to inform customers and employees of the hotel's environmental initiatives;
- track and control water and energy use. A growing number of hotels are managing use on OPEN, which provides both operational and support staff with access to data, enabling them to compare actual use or ratios (such as liters of water per room night or kWh per room built) from one year to the next and among different hotels and brands;
- track bath linen use as part of the Plant for the Planet program, which asks guests to reuse their towels so that the resulting laundry savings can be invested in reforestation projects. With OPEN, hotels can track their laundry use and estimate both the number of trees to be replanted and the amount of water and electricity saved.

Certifications

ISO 14001 Certification

- 255 hotels have been certified ISO 14001:
  - 242 Ibis hotels in 12 countries, of which 149 in France, one in Luxemburg, four in Belgium, two in Spain, six in Hungary, 11 in the Netherlands, 13 in Portugal, one in Slovakia, eight in Switzerland, 44 in Brazil, two in Argentina and one in Uruguay,
  - nine Accor Thalassa spas in France,
  - the Sofitel Athèna Airport in Greece,
  - the Novotel London West in the United Kingdom,
  - the Novotel and Ibis Homebush Bay in Australia.
- Compagnie des Wagons-Lits headquarters in France and facilities in Spain, Portugal, Italy and Austria;
- Accor Services headquarters in France and the Netherlands.

Green Globe Certification

- 30 hotels around the world have earned Green Globe certification:
  - 27 Novotel hotels in 11 countries, of which five in Switzerland, three in the United Kingdom, one in France, six in Australia, two in New Zealand, one in Indonesia, one in Singapore, one in Thailand, one in Thailand, three in Brazil and three in Egypt,
  - three Sofitel hotels in Egypt.

HAC Green Key Eco-Rating Certification

- 11 hotels Canada have been Green Key Eco-Rated by the Hotel Association of Canada.

Compliance

Hotels in France are informed of environmental compliance requirements via the environment intranet. Compiled by a consultancy and updated every quarter, the list identifies the statutes that may be applicable to hotels and specifies compliance criteria for each one. This enables hotels to determine their compliance with each criterion and correct any shortcomings. In other regions, each country organization is responsible for keeping up with changing legislation. In the Asia-Pacific region, the United Kingdom, Brazil and Switzerland, for example, Accor hotels have developed applications to track the latest environmental legislation.

Environmental expenditure

The Sustainable Development Department's environmental budget, excluding operating costs, amounted to €186,750 in 2008. It was primarily committed to organizing the second Earth Guest day (an employee day devoted to sustainable development), launching the Plant for the Planet reforestation program, enhancing reporting systems and supporting partnerships. The budget did not include any costs incurred by the hotel brands or support functions, which are not consolidated.

Environmental policy organization

Environmental policies are defined by the Sustainable Development Department, which reports to the Executive Vice President, Hotel Design and Construction, Group Purchasing and Group Sustainable Development, member of the Executive Committee.

The Department defines environmental policies and coordinates cross-functional initiatives with the units concerned, such as human resources, purchasing, marketing, legal affairs and technical services. Promotion of these sustainable development policies and the exchange of best practices are managed by 100 sustainable development liaison officers.

Introduced in 2006, the Earth Guest program is pursuing eight priorities, four of which – water, energy, waste and biodiversity – relate to the environment. Objectives for 2010 have been set for each one, as presented in the table on pages 96 and 97 of the 2008 Annual Report, with performance and progress tracked by the Sustainable Development Department.

Raising environmental awareness among employees

☼ Raising employee awareness

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2008	Total 2007	Total 2006
Number of establishments	**1,222**	**801**	**914**	**162**	**387**	**3,486**	**3,292**	**3,228**
Raise environmental awareness among employees	85%	91%	91%	90%	84%	88%	86%	86%
Integrate environmental protection into all job categories	74%	87%	92%	81%	77%	82%	79%	78%

Created in 2006, Sustainable Development Committees bring together support teams and operating divisions to encourage cross-functional discussions of action points and practices that should be implemented across the Group.

On April 22, 2008, Accor held its second Earth Guest day to build employee awareness of sustainable development issues. 77 country organizations celebrated the event, with nearly 100,000 employees participating in local activities.

In addition, environmental sensitivity programs were organized throughout the year.

Raising environmental awareness among customers

☼ Educating customers

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2008	Total 2007	Total 2006
Number of establishments	**1,222**	**801**	**914**	**162**	**387**	**3,486**	**3,292**	**3,228**
Raise environmental awareness among customers	64%	67%	96%	84%	82%	76%	70%	70%
Provide customers with environmentally friendly transportation alternatives	54%	77%	13%	27%	55%	47%	44%	34%

To enhance customer awareness of environmental issues, we often work with partners like France's Agency for Environment and Energy Management (ADEME) and Bird Protection League (LPO).

In addition, in response to customer expectations, we considerably increased access to environmentally friendly means of transportation in 2008.

Organization created to respond to accidental pollution whose consequences extend beyond Group establishments

Accidental pollution risks are very low in light of the Group's operations, which involve very little toxic or hazardous products. In seawater spas, however, procedures have been introduced to alert public authorities in the event of non-compliant wastewater analyses.

Provisions and guarantees for environmental risks

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.

Objectives assigned to foreign subsidiaries

The environmental policy applies to all establishments outside France that are directly operated by Accor and its subsidiaries.

Financial Review

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

Accor reported operating profit before tax and non-recurring items of €875 million in 2008, in line with the Group's target. Excluding changes in scope of consolidation and exchange rates this performance represented a like-for-like increase of 13.0% on 2007 before the impact of the return to shareholders. The picture was mixed over the year, however, with growth for the first and second six months coming in at 25.3% and 4.3% respectively. At 29.6%, operating margin for 2008 was 1.0 point higher on a reported basis and up 0.4 points like-for-like.

Accor is staying on course and continuing to transform its two core businesses through the growing use of new media and development of new products for Prepaid Services while at the same time pursuing the transformation of its Hotels business model – a process that is already well underway.

Revenue

Consolidated revenue totaled €7,739 million in 2008, up 2.8% like-for-like but down 4.7% on a reported basis. The overall revenue figure reflects the following factors:

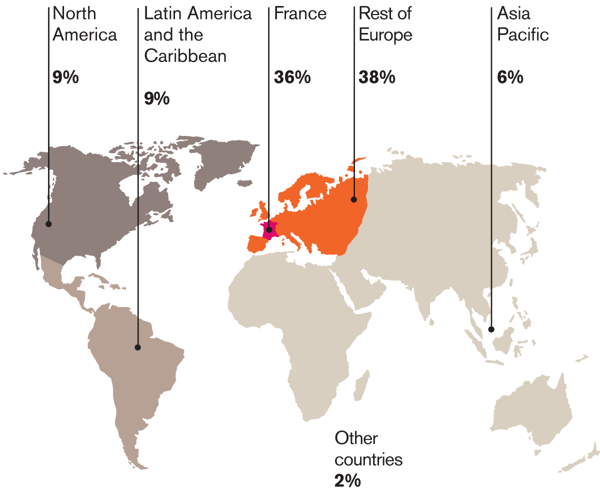
- the strategic refocusing on the Hotels and Prepaid Services businesses (with the disposals of Red Roof Inn, Go Voyages and the Italian and Brazilian foodservices operations) as well as the continued deployment of the asset-right strategy, which altogether trimmed €865 million or 10.6% off 2008 revenue;
- the expansion strategy which boosted revenue by €422 million, or 5.2%, including the consolidation of Orbis in the third quarter;
- the negative 2.1% currency effect resulting from the weakness of the dollar, British pound and most South American currencies against the euro.

Revenue by business

(in millions of euros)	2006	2007	2008	2007-2008 % change (reported)	2007-2008% change (like-for-like)[1]
Hotels	**5,410**	**5,827**	**5,767**	**-1.0%**	**+2.1%**
Upscale and Midscale	2,927	3,323	3,448	+3.7%	+2.6%
Economy	1,492	1,663	1,719	+3.4%	+3.2%
Economy US	991	841	600	-28.7%	-2.1%
Prepaid Services	**760**	**885**	**978**	**+10.5%**	**+12.9%**
Other businesses	**1,437**	**1,409**	**994**	**-29.4%**	**-0.6%**
Casinos	336	346	346	-0.1%	-4.3%
Restaurants	575	574	187	-67.4%	+1.0%
Onboard train services	265	273	306	+12.3%	+3.3%
Holding companies and other	261	216	155	-28.2%	-3.6%
TOTAL	**7,607**	**8,121**	**7,739**	**-4.7%**	**+2.8%**

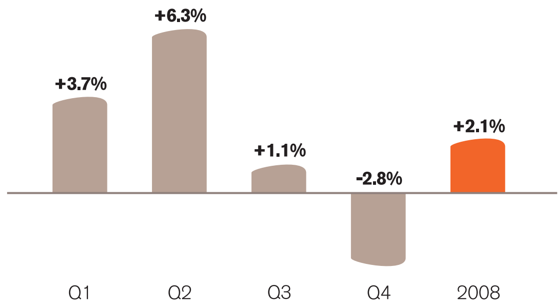
(1) Excluding changes in scope of consolidation and exchange rates.

Revenue by region – 2008

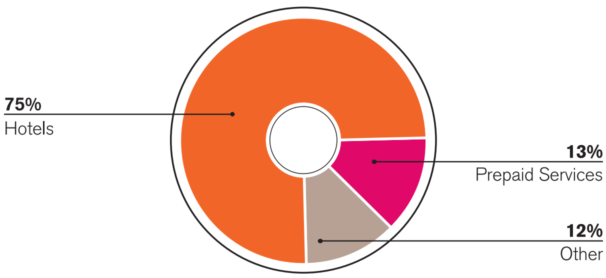


The expansion strategy added €267 million, or 4.6%, to annual revenue, of which €108 million from the consolidation of Orbis (€93 million in the Upscale and Midscale Hotels segment and €15 million in the Economy Hotels in Europe segment). In all, 28,000 rooms were opened during the year.

Quarter-by-quarter changes in Hotels revenue (like-for-like)



Revenue by business - 2008



Hotels

Revenue generated by the Hotels business rose 2.1% like-for-like in 2008 but edged back 1.0% on a reported basis.

The 5.1% like-for-like increase in the first six months of the year, when the economy was still favorable, was followed in the third quarter by the first signs of a slowdown, with growth easing to just 1.1% like-for-like on a decline in demand, notably in the United States and Southern Europe. Business conditions further deteriorated in the final quarter, when Hotels revenue contracted by 2.8%.

The sale of Red Roof Inn and other hotel units as part of the asset-right strategy had a negative impact of €316 million, or 5.4%, on revenue for the year.

The currency effect was a negative 2.3%, stemming mainly from the stronger euro against the dollar and British pound.

Upscale and Midscale Hotels

Revenue from upscale and midscale hotels amounted to €3,448 million in 2008, representing a like-for-like increase of 2.6% (2.9% excluding the impact of the Rugby World Cup) and 3.7% as reported.

In a challenging economy, Upscale and Midscale Hotels revenue retreated 3.3% like-for-like in the fourth quarter, compared with a 6.2% increase in the first half and a 1.8% gain in the third quarter.

In France, which accounts for almost 38% of Upscale and Midscale Hotels revenue, full-year growth came to 7.0% on a reported basis and 2.2% like-for-like.

While business for upscale and midscale hotels in European countries other than France was hit by the global financial crisis, with like-for-like revenue coming in on a par with 2007, Africa, Latin America, the Caribbean and Asia proved more resilient.

Economy Hotels (outside the United States)

Revenue from economy hotels outside the US was up 3.2% like-for-like and 3.4% as reported. It eased back 0.5% like-for-like in the fourth quarter after expanding 6.1% in the first half and 1.7% in the third quarter.

The main growth drivers during the year were France – which reported a 3.4% like-for-like rise in revenue – Northern Europe and Latin America. Excluding operations in Spain, Portugal and Italy, Economy Hotel revenue outside the US rose 3.8% on a like-for-like basis.

Economy US Hotels

Revenue from economy hotels in the United States contracted 2.1% like-for-like and 28.7% on a reported basis (due to the disposal of Red Roof Inn). The like-for-like decline was particularly pronounced in the fourth quarter (6.5%) following on from a 0.4% dip in the first half and a 2.7% decrease for the third quarter. Motel 6 outperformed the competition despite the tough economic conditions that marked the end of the year.

Cumulative RevPAR at December 31, 2008 by segment

	Occupancy rate		Average room rate		RevPAR			
	Subsidiaries (reported)		Subsidiaries (reported)		Subsidiaries (reported)		Subsidiaries (like-for-like)[1]	Subsidiaries & managed (reported)
	(in %)	*(change in pts)*		*(change in %)*		*(change in %)*	*(change in %)*	*(change in %)*
Upscale and Midscale Europe *(in euros)*	64.8	-2.6	105	+2.0%	68	-1.8%	+1.3%	-2.3%
Economy Europe *(in euros)*	71.6	- 2.3	58	+4.6%	41	+1.3%	+2.4%	+1.1%
Economy US *(in $)*	64.4	-2.4	45	+0.6%	29	-3.0%	-3.6%	-3.0%

(1) Excluding changes in scope of consolidation and exchange rates.

Upscale and Midscale Hotels: Cumulative RevPAR at December 31, 2008 by country

	Occupancy rate		Average room rate		RevPAR			
	Subsidiaries (reported)		Subsidiaries (reported)		Subsidiaries (reported)		Subsidiaries (reported)	Subsidiaries (like-for-like)[1]
(in local currency)	*(in %)*	*(change in pts)*		*(change in pts)*		*(change in pts)*	*(change in %)*	*(change in %)*
France	66.1	-1.0	116	+5.2%	77	+3.6%	+2.7%	+3.1%
Germany	63.7	-1.2	95	+5.4%	61	+3.5%	+3.0%	+3.4%
Netherlands	65.4	-3.2	108	+2.4%	71	-2.3%	-2.4%	-6.8%
Belgium	71.1	-0.4	108	+6.2%	77	+5.6%	-0.3%	+4.7%
Spain	62.3	-4.2	98	-1.3%	61	-7.5%	-7.5%	-7.5%
Italy	58.6	-3.6	116	-1.4%	68	-7.1%	-4.2%	-7.1%
UK	77.4	-0.9	89	+4.5%	69	+3.3%	+1.8%	-0.3%
USA	91.6	-2.3	260	+1.7%	238	-0.8%	-0.8%	-6.4%

(1) Excluding changes in scope of consolidation and exchange rates.

Economy Hotels: Cumulative RevPAR at December 31, 2008 by country

	Occupancy rate		Average room rate		RevPAR			
	Subsidiaries (reported)		Subsidiaries (reported)		Subsidiaries (reported)		Subsidiaries (reported)	Subsidiaries (like-for-like)(1)
(in local currency)	*(in %)*	*(change in pts)*		*(change in pts)*		*(change in pts)*	*(change in %)*	*(change in %)*
France	71.9	-1.7	51	+7.6%	37	+5.1%	+3.8%	+5.2%
Germany	69.8	-1.5	59	+4.7%	41	+2.5%	+2.5%	+1.8%
Netherlands	73.8	-8.2	82	+6.4%	61	-4.3%	-5.9%	-4.3%
Belgium	77.0	-1.1	69	+6.3%	53	+4.8%	+4.6%	+4.8%
Spain	70.3	-7.7	56	+3.6%	40	-6.6%	-6.9%	-6.6%
Italy	61.5	-2.2	73	-0.6%	45	-4.1%	-4.4%	-4.1%
UK	74.3	-2.8	56	+5.1%	41	+1.3%	+4.2%	+1.1%
USA	64.4	-2.4	45	+0.6%	29	-3.0%	-3.6%	-3.0%

(1) Excluding changes in scope of consolidation and exchange rates.

Prepaid Services

Revenue from the Prepaid Services business amounted to **€978 million** in 2008, an increase of **10.5% as reported** and of **12.9% like-for-like.**

Revenue growth tracked the increase in issue volume, which rose 11.0% to €12,696 million from €11,436 million in 2007.

Acquisitions added 3.7% to growth for the year. However, the currency effect was a negative 2.8%, mainly due to the weakness of the British pound and Latin American currencies.

Other businesses

Reported revenue from the other businesses was down 29.4% in 2008, primarily due to the disposal of the Brazilian foodservices business which offset the positive impact of the respective €44.0 million and €24.9 million contributed by Orbis Travel and Orbis Transport since their consolidation on July 1, 2008.

Casinos revenue contracted 4.3% like-for-like, partly reflecting the impact of France's new anti-smoking legislation that came into force on January 1, 2008. The Restaurant business (mainly Lenôtre) saw a 1.0% like-for-like increase in revenue. Revenue from Onboard Train Services rose 12.3% on a reported basis, led by the increasing passenger numbers on the TGV Est high-speed line.

EBITDAR

Earnings before interest, taxes, depreciation, amortization, provisions and rental expense (EBITDAR) represents a key financial performance indicator. It totaled €2,290 million in 2008, representing a decline of 1.3% on 2007, broken down as follows:

- like-for-like revenue growth: €93 million;
- business expansion: €79 million;
- currency effect: €(62) million;
- disposals: €(141) million.

EBITDAR by business

(in millions of euros)	2006	2007	2008	2007-2008 % change	2007-2008 % change (like-for-like)(1)
Hotels	**1,670**	**1,852**	**1,817**	**-1.9%**	**+2.2%**
Upscale and Midscale	751	908	957	+5.4%	+2.8%
Economy	538	608	631	+3.8%	+5.0%
Economy US	381	336	229	-31.8%	-4.4%
Prepaid Services	**310**	**377**	**426**	**+12.9%**	**+16.6%**
Other businesses	**104**	**92**	**47**	**-48.9%**	**-11.2%**
TOTAL	**2,084**	**2,321**	**2,290**	**-1.3%**	**+4.0%**

(1) Excluding changes in scope of consolidation and exchange rates.

EBITDAR corresponded to 29.6% of consolidated revenue in 2008, up 1.0 point on 2007 or 0.4 points like-for-like, representing a record high for the Group. In 2007 and 2006 EBITDAR margin was 28.6% and 27.4% respectively. The increase was driven by the combined impact of the improved operating performance turned in by the Prepaid Services business, disposals of non-strategic operations and the asset-right strategy.

EBITDAR margin in the Hotels business narrowed to 31.5% from 31.8% in 2007 but widened 0.1 point on a like-for-like basis. In **Upscale and Midscale Hotels,** EBITDAR margin improved by 0.1 point like-for-like to 27.8%, with a flow-through rate(1) of 29.8%.

In the **non-Economy US Hotels business** EBITDAR margin rose 0.6 points like-for-like to 36.7% with a flow-through rate(1) of 56.6%, while the margin for the **Economy US Hotels business** contracted 1.3 points like-for-like to 38.2%.

EBITDAR for **Prepaid Services** climbed to 43.5% from 42.6% in 2007, representing a 1.4-point like-for-like increase. The flow-through rate(1) for this business was 54.7%.

EBIT

EBIT, corresponding to EBITDAR after rental expense, depreciation, amortization and provisions, edged back 3.1% to €941 million from €971 million in 2007, breaking down as follows:

(in millions of euros)	2006	2007	2008	2007-2008 % change	2007-2008 % change (like-for-like)(1)
EBITDAR	2,084	2,321	2,290	-1.3%	+4.0%
Rental expense	(836)	(931)	(903)	+3.0%	-2.9%
Depreciation, amortization and provisions	(436)	(419)	(446)	-6.4%	-0.5%
EBIT	**812**	**971**	**941**	**-3.1%**	**+6.6%**

(1) Excluding changes in scope of consolidation and exchange rates.

Depreciation, amortization and provisions represented 9.2% of the carrying amount of property, plant and equipment and intangible assets.

(1) The flow-through rate corresponds to the like-for-like change in EBITDAR expressed as a percentage of the like-for-like change in revenue.

Operating profit before tax and non-recurring items

Operating profit before tax and non-recurring items – corresponding to EBIT less net financial expense plus share of profit of associates – represents the result of operations after the cost of financing Group businesses and before tax. In 2008 it totaled €875 million, in line with the Group's target range given in October 2008. This figure represents a 3.5% year-on-year contraction as reported but a 13.0% increase on a like-for-like basis and excluding the impact on financial expense of the return to shareholders.

(in millions of euros)	2006	2007	2008	2007-2008 % change	2007-2008 % change (like-for-like)(1)
EBIT	812	971	941	-3.1%	+6.6%
Net financial expense	(96)	(92)	(86)	+6.7%	N/A
Share of profit of associates	11	28	20	N/A	N/A
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS	**727**	**907**	**875**	**-3.5%**	**+6.8%**

(1) Excluding changes in scope of consolidation and exchange rates.

Net financial expense declined to €86 million from €92 million in 2007. Total fixed asset holding costs (rental expense plus depreciation and interest) contracted to €1,435 million from €1,442 million. They represented 18.5% of revenue compared with 17.8% for the previous year.

Share of profit of associates totaled €20 million, down from €28 million in 2007 primarily as a result of the first-time full consolidation of Orbis as from July 1, 2008.

Net profit, Group share

(in millions of euros)	2006	2007	2008	% change 2007-2008
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS	**727**	**907**	**875**	**-3.5%**
Restructuring costs	(69)	(58)	(56)	
Impairment losses	(94)	(99)	(57)	
Gains and losses on management of hotel properties	109	208	111	
Gains and losses on management of other assets	15	188	12	
OPERATING PROFIT BEFORE TAX	**688**	**1,146**	**885**	**-22.8%**
Income tax expense	(258)	(234)	(272)	
Profit or loss from discontinued operations	104	-	-	
CONSOLIDATED NET PROFIT	**534**	**912**	**613**	**-32.8%**
NET PROFIT, GROUP SHARE	**501**	**883**	**575**	**-34.9%**
EARNINGS PER SHARE *(in euros)*	**2.23**	**3.92**	**2.60**	
MINORITY INTERESTS	**33**	**29**	**38**	

Restructuring costs totaled €56 million for the year, compared with €58 million in 2007. In 2008, these costs primarily concerned various reorganization measures.

Impairment losses amounted to €57 million, versus €99 million in 2007, and mainly resulted from reviews of the carrying amounts of residual goodwill and property, plant and equipment.

Gains and losses on the management of hotel properties – corresponding to capital gains and losses on disposals carried out during the year as part of the hotel asset management strategy – represented a net gain of €111 million. They primarily comprised (i) an €87 million gain on sale and variable lease-back transactions carried out in France and Switzerland (55 hotels); (ii) a €9 million gain on sale and franchise-back transactions in France; and (iii) €12 million in gains arising on sales of non-strategic hotels in Europe.

Gains and losses on the management of other assets relate to disposals of non-strategic assets carried out during the year as part of the Group's strategy of refocusing on its two core businesses. In 2008, the net gain amounted to €12 million, mainly reflecting the combined impact of (i) a €32 million gain on the sale of the Brazilian foodservices business; and (ii) an additional €23 million provision recognized on the Club Méditerranée shares held by the Group.

Income tax expense (excluding tax on the profits of associates and discontinued operations) came to €272 million, versus €234 million in 2007. The effective tax rate (expressed as a percentage of operating profit before tax and non-recurring items) was 26.7% in 2008, compared with 26.0% the year before.

After minority interests of €38 million, the Group ended the year with **net profit attributable to shareholders** of €575 million versus €883 million in 2007.

As a result, **earnings per share** came to €2.60 compared with €3.92 in 2007, based on the weighted average 221,237,466 shares outstanding in 2008.

Dividend and payout ratio

	2006	2007	2008	% change 2007-2008
Operating profit after tax[1] *(in million of euros)*	**518**	**642**	**603**	**-6.0%**
Weighted average number of ordinary shares *(in millions)*	225	225	221	N/A
Operating profit after tax per share *(in euros)*	2.30	2.86	2.73	-4.5%
Ordinary dividend per share *(in euros)*	**1.45**	**1.65**	**1.65**[2]	**-**
Total ordinary dividend payout *(in million of euros)*	**325**	**366**	**363**	**N/A**
Payout ratio[3]	**63%**	**58%**	**60%**	**N/A**

(1) Operating profit after tax = Operating profit before tax and non-recurring items less operating tax and minority interests.
(2) Submitted for shareholder approval at the Annual Shareholders' Meeting to be held on May 13, 2009.
(3) The payout ratio is calculated based on operating profit after tax.

At the Annual Shareholders' Meeting to be held on May 13, 2009, shareholders will be asked to approve the payment of a dividend per share amounting to €1.65, unchanged from 2007 and payable either in cash or in shares at the discretion of shareholders.

Cash flows

(in millions of euros)	2006	2007	2008
Funds from operations before non-recurring items	1,024	1,112	1,111
Renovation and maintenance expenditure	(454)	(466)	(488)
FREE CASH FLOW	**570**	**646**	**623**
Expansion expenditure	(671)	(1,198)	(1,086)
Expenditure on assets held for sale	(95)	(26)	(5)
Proceeds from disposals of assets	1,459	1,635	560
Ordinary dividends paid	(276)	(344)	(387)
Special dividends paid	-	(336)	(332)
Proceeds from issue of share capital	227	710	8
Return to shareholders	(485)	(1,200)	(62)
Decrease (increase) in working capital	265	388	25
Other	(43)	(10)	(212)
DECREASE/(INCREASE) IN NET DEBT	**951**	**265**	**(868)**

At €1,111 million, funds from operations before non-recurring items were on a par with the €1,112 million recorded for 2007.

Renovation and maintenance expenditure amounted to €488 million (€466 million in 2007) and represented 6.3% of revenue for the year.

Free cash flow came to €623 million, 3.6% lower than the previous year.

Expansion expenditure totaled €1,086 million, versus €1,198 million in 2007, with the Hotels business accounting for €1,014 million, Casinos for €20 million and Prepaid Services for €19 million.

Proceeds from disposals of assets came to €560 million, down from €1,635 million the year before, primarily reflecting the following:

- €110 million from non-strategic assets, including €83 million from the sale of the Group's Brazilian foodservices business;
- €450 million from the sale of hotel assets including (i) €267 million on sale and variable lease-back transactions; (ii) €78 million on sale and management-back transactions; (iii) €50 million on sale and franchise-back transactions; and (iv) €55 million from outright sales.

The change in working capital includes an €82 million increase for the Hotels business (€22 million decrease in 2007) and a €106 million decrease for Prepaid Services (€174 million in 2007), as well as a €140 million increase arising from currency fluctuations (€49 million in 2007). Note that the aggregate figure for 2007 also included the French State's refund of €192 million in précompte withholding tax.

As a result of the above cash flows, net debt increased by €868 million over the year.

Financial ratios

All of the Group's main financial ratios improved, reflecting the solidity of its balance sheet at December 31, 2008.

Gearing ratio

Net debt increased to €1,072 million from €204 million at December 31, 2007, pushing up the gearing ratio to 30% from 5% a year earlier.

Funds from operations before non-recurring items

The ratio of adjusted funds from ordinary activities 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 25.8% at December 31, 2008, versus 26.2% one year earlier.

An analysis of this ratio is provided in the consolidated financial statements on page 133.

Return on capital employed

Return on capital employed (ROCE), corresponding to EBITDA expressed as a percentage of non-current assets at cost plus working capital, rose to 14.1%[2] from 13.6% in 2007 (see analysis provided in the consolidated financial statements on page 135).

Value creation

Value creation is calculated as follows:

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

Based on a ROCE after tax of 11.27%, a weighted average cost of capital of 7.69% and capital employed of €10.1 billion, the Economic Value Added (EVA®) created by Accor totaled €360 million in 2008, versus €229 million in 2007.

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

(2) ROCE Hotels: 12.9% in 2008 versus 13.3% in 2007. ROCE Services: 23.3% in 2008 versus 21.3% in 2007.

REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

Activities of Accor SA

Accor SA **owns** the Novotel, Mercure, Ibis, Etap Hotel, Hotel F1, Formule 1, All seasons, Pullman and Ticket Restaurant brands and receives royalties from the licensing of these brands.

In March 2008, the last three hotels to be operated directly by the Company (All seasons Paris Bercy, Mercure Paris Etoile and Novotel Lille Flandres) were transferred under business leases. At December 31, 2008, 61 Novotel units, two Pullman units, three Mercure units, three Ibis units, one All seasons unit, and the Quiberon, Oléron and Biarritz sea water spas were managed by dedicated French subsidiaries under business leases.

Accor SA **supplies IT, purchasing, management, advertising, marketing and advisory services** to other Group companies, as well as providing them with treasury guarantees and seconding Accor SA staff to them as required. Billings for these services correspond either to a percentage of the subsidiary'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 development.

Review of 2008 results

Total revenue from all of the Company's activities, including hotel royalties, business lease revenues and service fees, totaled €644.8 million in 2008, up 1.1% from the €637.7 million reported the previous year.

Breakdown of Accor SA revenue

(in millions of euros)	2007	2008	% of total
Hotel revenues	20	1	0%
Rent and business lease revenues	85	95	15%
Royalties from subsidiaries	224	194	30%
Other service fees	223	277	43%
Guarantee fees	16	16	2%
Royalties from non-Group companies	70	62	10%
TOTAL	**638**	**645**	**100%**

Other income, reversals of depreciation, amortization and provisions and expense transfers amounted to €21.1 million, compared with €37.6 million in 2007.

EBIT was a negative €46.0 million in 2008, versus a negative €52.0 million the year before.

Operating expenses decreased 2.1%, or €15.4 million, to €711.8 million from €727.2 million.

External expenses were scaled back by €19.2 million to €479.1 million in 2008, primarily reflecting a decrease in fees paid during the year and lower marketing costs.

Payroll costs rose by €10.9 million to €149.8 million from €138.9 million in 2007.

Additions to provisions for impairment in value of non-current assets came to €28.8 million compared with €35.7 million in 2007.

Additions to provisions for pensions and other post-employment benefits amounted to €7.0 million versus €5.2 million one year earlier.

Net financial income came to €154.8 million, an increase of €20.6 million compared with the €134.2 million recorded in 2007.

Total provision movements included in net financial income, corresponding mainly to write-downs of investments in subsidiaries, represented a net charge of €64.4 million versus a €153.8 million net charge in 2007. The main addition to these provisions in 2008 corresponded to a €36.3 million write-down of the shares held by the Company in Club Méditerranée. In 2007 the main additions to these provisions were respective €11 million and €150 million write-downs of the Company's investments in the US-based subsidiaries ALNA and IBL.

Investment income amounted to €380.4 million, versus €454.8 million in 2007, reflecting the higher dividend paid in 2007 by French subsidiaries in the Hotels business as a result of capital gains realized on refinancing transactions.

Operating profit before tax and non-recurring items stood at €108.7 million in 2008 versus €82.1 million the year before.

Non-recurring items represented net income of €322.5 million in 2008 compared with €658.7 million in 2007. The 2008 total included the aggregate €298.9 million gain arising on the sale of Accor SA's interests in Accor Services entities (in Sweden, Hungary and the Czech Republic) to Group subsidiaries in Belgium and Italy.

In 2007, net non-recurring income mainly comprised (i) an aggregate €412.1 million gain on the sale to Group subsidiaries of Accor SA's interests in Accor Services entities in Belgium, Slovakia and Turkey, and (ii) a €196.7 million gain on the sale of Go Voyages.

The Company recorded an **income tax benefit** of €52.2 million in 2008 versus €64.7 million in 2007, reflecting the results of the subsidiaries included in the French tax group. The number of companies in the tax group was 122 at December 31, 2008.

Net profit for the year came to €482.4 million, versus €805.4 million in 2007.

Non-deductible provisions and accrued expenses carried in the balance sheet at December 31, 2008 amounted to €64.1 million, up from €50.0 million at the previous year-end.

The Board of Directors is recommending the payment of a €1.65 dividend per share for 2008. The 2007 dividend amounted to €1.65 per share plus a special dividend of €1.50 and the 2006 dividend was €1.45 per share plus a special dividend of €1.50.

Details of management compensation and the other directorships and positions held by the members of the Company's Board of Directors are provided in the Corporate Governance section of this registration document, on page 105.

2008 business review

In 2008, the Company continued to provide services to subsidiaries while pursuing its investment strategy in France and worldwide.

Main transactions for the year

The Group investment policy has remained the same in France and throughout the world. The main operations on shares are listed below:

Asset transfers

On January 1, 2008 Accor SA transferred all the assets and liabilities making up its Sofitel business line to SoLuxury HMC, a wholly-owned Accor subsidiary. The transferred assets corresponded to the brand name and related rights such as domain names, as well as management and franchise agreements. The €10.2 million consideration for the transfer was received by Accor SA in the form of 10,226,352 SoLuxury shares with a par value of €1 each.

Hotels

During the year Accor SA raised its stake in The NewGen Hotels AG to 99.47% of the company's capital by purchasing €10.2 million worth of shares from minority shareholders.

In February 2008, Accor SA sold its entire interest in Athens Airport Hotel Company (Sofitel Athens Airport) for €7.2 million. Taking into account a provision reversal, this sale generated a gain of €8 million for Accor SA.

In April 2008, Accor SA sold all the shares and receivables it held in Sotouso (Coralia Club Sénégal) for €2.4 million, giving rise to a €0.6 million loss.

In June 2008, Accor SA sold its entire interest in Tanit International based in Tunisia, for €5.4 million. This sale gave rise to a €23.5 million loss which was almost fully offset by a €22.5 million provision reversal. Also in June the Company acquired a 27.5% interest in Tunisia Hotels & Resort at a cost of €0.8 million and sold its entire stake in Financière Baltimore (Mercure Baltimore Hotel - Paris) for €4.3 million, giving rise to a €0.4 million loss.

In September 2008 Accor SA raised its interest in the Polish hotel operator Orbis to 45.01% from 40.48%, at a cost of €34.5 million.

In November 2008, Accor SA sold all of the shares it held in Santa Clara (Sofitel Cartagena in Colombia) for €3.9 million. Taking into account the related provision reversal this sale generated a gain of €2.3 million for the Company.

Prepaid Services

In May 2008 Accor SA divested its entire interest in Ergonomia in Greece for €0.6 million and sold all of the shares it held in Luxembourg-based Accor TRL to its Belgian subsidiary TRB for €1.4 million.

In June 2008 Accor SA sold to its Italian subsidiary, Accor Services Italia, its entire interest in (i) Accor Services Czech Republic, (ii) Voucher Services Greece and (iii) Accor Services Hungary for an aggregate amount of €210 million.

In December 2008, Accor SA sold all of the shares it held in Sweden-based Rikskuponger to its Belgian subsidiary TRB for €95.7 million.

Transactions in Accor SA shares

Pursuant to the authorizations granted at the Annual Shareholders' Meeting of May 13, 2008, the Company purchased 1,837,699 Accor shares during the year at a cost of €62 million.

Also during 2008 Accor SA reduced its capital by canceling 10,227,849 treasury shares, representing €539.9 million.

At December 31, 2008 the Company no longer held any treasury shares.

During the year Accor SA issued a total of 204,578 shares following the exercise of stock options and warrants held by employees, representing €7.5 million.

All of these transactions are described in detail on page 116 of this registration document.

The Company's ownership structure is described in the "Capital and Ownership Structure" section on page 120.

Financing transactions

In accordance with its strategy of increasing the maturity of its borrowings, in July 2008 Accor SA swapped €119 million worth of floating-rate borrowings for fixed-rate debt with a five-year term.

In August 2008 Accor SA took out two new loans with five-year terms, representing €75 million at fixed rate and €114 million at floating rate. The floating rate debt has been swapped for fixed rate until maturity.

Other significant events

In October 2008 Accor SA acquired the business assets of its subsidiary Accor Centre Contact Client, corresponding to the technical and administrative management of the company's booking operations. The price of this transaction was €10.6 million.

On June 19, 2008 Accor SA sold for €4.7 million the lease relating to the Mercure Lyon Saxe Lafayette hotel. This transaction formed part of the measures undertaken by the Group to sell the leases and real estate assets relating to 39 hotels in France.

On June 30, 2008 the Company exercised its option to purchase the Pullman hotels at Bercy and La Défense in France at the end of the related leases, for €123 million.

Information on Accor's legal dispute concerning withholding tax payments (*précompte*) is provided in Note 41 to the consolidated financial statements on page 217.

Information about subsidiaries

Accor SA holds 50% or more of the capital of 204 companies. The main equity interests – based on historical cost – are as follows:

- **CIWLT** (€1,150 million). Belgium-based Compagnie Internationale des Wagons-Lits et du Tourisme (CIWLT) provides on-board train services in Europe, directly and through subsidiaries.

  CIWLT reported 2008 revenue of €151.7 million compared with €137.1 million the previous year, and net profit of €30.9 million versus €33.4 million. Dividends paid by CIWLT to Accor SA in 2008 amounted to €12.1 million, unchanged from 2007;

- **IBL** (€1,052 million). IBL owns 37.9% of Accor Lodging North America, the holding company for the Accor Group's Hotels business in the United States. It does not have any other activities. Its profit varies depending on the interest received from Accor Lodging North America on current account advances, and on the amount of any dividends received from this company. In 2008 IBL received a €22.7 million dividend from Accor Lodging North America and it reported net profit of €28.1 million versus a €142.5 million net loss in 2007. This improvement mainly reflects the €150 million euro addition to provisions made in 2007 for impairment of Accor Lodging North America shares.

  IBL did not pay a dividend to Accor SA in 2008 whereas in 2007 it paid out €5.2 million;

- **Accor Lodging North America** (€1,138 million), the holding company for the Accor Group's Hotels business in the United States.

  In 2008, the Hotels Division of Accor Lodging North America (ALNA) reported consolidated revenue of $941.5 million, down 22.5% on 2007 due mainly to the sale of Red Roof Inn on September 5, 2007.

  The Division's pre-tax profit was 16.0% lower than in 2007, coming in at $121.0 million against $144 million.

  Accor Lodging North America also owns 98.3% of the capital of Accor Services North America;

- **Accor Services France** (€412 million), a provider of meal vouchers and other prepaid corporate products and services in France.

  In 2008, issuing volume rose 8.6%, spurred by an increase in the number of vouchers and a higher exemption cap for payroll taxes on meal vouchers. Net revenue climbed 13.1% year-on-year to €73.6 million.

Operating profit before tax and non-recurring items came to €36.1 million, compared with €36.0 million the previous year and net profit for the year was €27.2 million versus €34.9 million, reflecting non-recurring income reported in 2007.

Accor Services France paid a €27.4 million dividend to Accor SA in 2008 whereas it did not pay any dividend in 2007;

- **Accor Hôtel Belgium** – AHB (€1,002 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 Participacoes, a Brazilian holding company, and 50% of the Portugal-based hotel operator AHS.

AHB reported €37.9 million in net profit in 2008, representing a year-on-year increase of €4.6 million, attributable mainly to the company's debt reduction following a €650 million capital increase in April 2008. The company did not pay any dividends in 2008 or 2007.

The other interests held by Accor SA are listed in the table of subsidiaries and affiliates presented after the condensed parent company financial statements page 248.

Risk Management

RISK FACTORS

Liquidity and counterparty risk

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

Financing policies are designed to ensure that 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 29B to the consolidated financial statements, page 196). At December 31, 2008, the amounts available under these lines of credit totaled €1,345 million, of which €1,065 million expire in June 2012.

In addition, Accor has €1,054 million in cash investments with an average maturity of three months that can be converted into liquidity at any time and which are primarily intended to finance the Hotels business (see Note 29E to the consolidated financial statements, page 199). These investments consist mainly of term deposits and negotiable debt securities issued by leading financial institutions.

The Group manages its counterparty risk by:

- ensuring that it has a diversified portfolio of counterparties;
- setting credit ceilings per counterparty;
- regularly tracking each counterparty's credit ratings.

At December 31, 2008, Accor had a total of €2,400 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.

In January 2009 Accor issued €600 million worth of bonds in order to strengthen its liquidity.

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

In light of these facilities, the Group is not exposed to any liquidity risks.

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 €1,981 million in consolidated debt, only €1,185 million worth is subject to acceleration clauses.

In addition, none of Accor's 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, not commercial debt, and only if material amounts were concerned.

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. Risk management policies are based on three core principles: protection, liquidity and cost-effectiveness. Interest rate and currency risks are managed by the Corporate Treasury, Financing and Credit Management Department, which reports directly to the Senior Executive Vice President and Chief Financial Officer in charge of Finance, Strategy, Hotel Business Development and IT, who is also a member of the Executive Committee. 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 Group's 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 197).

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

In the Prepaid Services business, which has a major presence in Latin American countries, Accor limits earnings erosion from the devaluation of local currencies by hedging cumulative earnings in the region in hard currencies, using instruments such as currency swaps and forward purchases.

There is little need to hedge currency risks in the other businesses as the volume of intercompany transactions in foreign currencies is limited and revenues are denominated in the same currency as the related costs.

The volume of forward sales and purchases of foreign currencies represented €131 million and €785 million respectively at December 31, 2008. All of these futures expire in 2009.

Management of interest rate risks

Consolidated borrowings include both fixed and floating rate debt denominated in various currencies (see Note 29D to the consolidated financial statements, page 198). Target breakdowns between fixed and floating rate debt are determined separately for each currency, giving due regard to anticipated trends in interest rates and to changes in the composition of debt as a result of new borrowings and the repayment of existing borrowings.

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

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

The volume of interest-rate hedges represented €267 million at December 31, 2008, of which €235 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.

Equity risk

Accor does not hold any shares in listed or unlisted companies, except for strategic investments. At December 31, 2008, the Group's only strategic investment in a listed company corresponded to shares held in Club Méditerranée. As part of its strategy of refocusing on the Hotels and Services businesses, the Group sold the bulk of its stake in Club Méditerranée in 2006. As a result, the remaining Club Méditerranée shares – representing 6% of Club Méditerranée's capital – were no longer consolidated at December 31, 2008, but instead were recognized at fair value in an amount of €14 million under "Other financial investments", in accordance with the Group's accounting policies (see Note 23 to the consolidated financial statements, page 187).

Business 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.

The Services business is subject to national regulations, particularly tax rules, and changes in these regulations could impact its operations either positively or negatively. However, this type of risk is not concentrated as the Services business operates in a wide range of countries.

The Group is not subject to any other specific business risks thanks to the following strategies:

- Accor SA and a number of its wholly-owned subsidiaries own the trademarks used by the Group. These trademarks are registered with local intellectual property organizations, such as INPI and OMPI. The period of legal protection in each case depends on local legislation;
- Accor also owns the assets and contractual rights necessary to operate its business.

In addition, no governmental, economic, budgetary, monetary or political factors other than the one mentioned above in this Document have been identified that could significantly impact business operations and the Group is not subject to any specific confidentiality obligations.

Accor also has a Risk Management Committee, reporting to the Executive Committee, which defines the Group's risk management objectives and prepares the related action plans.

Legal risks, litigation and arbitration procedures

Accor operates on a global scale and no specific regulations are applicable across all of its businesses. However, Accor SA and its subsidiaries are naturally subject to local legislation and regulations governing the hotel, restaurant and prepaid service vouchers businesses. For example, in each country:

- the Hotels business is required to comply with the regulations applicable to establishments open to the public;
- the Prepaid Services business has to tailor its products to local tax and labor laws and other legal requirements.

To the best of the Group's knowledge, no regulatory or legal changes are planned that would have a material effect on its business.

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 41 to the consolidated financial statements. To the best of the Group's knowledge, no other claims or litigation are in progress or pending that could have, or have had in the recent past, a material effect on the Group's financial position, business or results of operations.

Liabilities are recognized and provided for in accordance with the applicable accounting standards (see Note 1.I to the consolidated financial statements, page 143).

Provisions for claims and litigation are recorded by the Group 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 provided in Note 33 to the consolidated financial statements on page 204. In light of the large number of small claims, only claims for material amounts – representing an aggregate €59 million out of total provisions of €127 million – are presented in detail.

Accor has not given any material commitments under shareholder agreements except as explained in Note 42 to the consolidated financial statements on page 218.

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. Only 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 it launched its insurance tender process in 2006 the Group was able to negotiate favorable long-term programs which 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 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.

The rarest risks – but of higher severity – are covered by leading international insurers and reinsurers.

Local insurance programs have been set up in certain major countries or regions, such as the United States, 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 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. 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 was completed in 2008. This new IT system has enabled the Group to more closely track its loss experience, allowing the Underwriting Department to swiftly reduce the related risk exposure.

The amount paid in insurance premiums in 2008 represented approximately 0.35% 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 limit insurance costs and ensure the quality of purchased coverage.

The Group has a Risk Prevention Committee which reports to the Corporate Secretary. Its roles and responsibilities are described in the Report of the Chairman of the Board of Directors on internal control procedures.

Environmental risks

Potential environmental risks in the Hotels business mainly concern the storage of gas and fuel oil in or near the hotels, the malfunction of a PCB transformer, spillage of cleaning products, contamination from cooling towers, and the risk of fire. Specific risk prevention policies have been set up in relation to these issues. In 2008, for example, an environmental liability audit was added to certain on-site risk prevention inspections carried out by the Group's insurers. These audits enable the assessed hotels – which are located in Europe – to identify any potential environmental damage that may be caused by their operations as well as the methods available to attenuate these risks.

Due to their location, Accor's businesses are more likely to be exposed to external environmental risks, such as industrial accidents and oil spills, than to be the source of environmental risks themselves.

Guarantees and collateral

Collateral for Accor SA borrowings is not material. It is not Group policy to give collateral to lenders. Under certain leases, the Group 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 42 to the consolidated financial statements on page 218.

SENSITIVITY ANALYSIS

Based on reported 2008 data, sensitivity analyses have been performed to measure the impact on operating profit before tax and non-recurring items of any changes in (i) the euro exchange rate against the Group's main operating currencies, (ii) interest rates and (iii) revenue per available room (RevPAR, as calculated by occupancy times average room rate).

Prepaid Services

- A 0.5% change in interest rates would have a €10 million impact on operating profit before tax and non-recurring items;
- A 10% increase or decrease in exchange rates would have the following impact on operating profit before tax and non-recurring items:

Sensitivity to exchange rates

Currency		Impact of a 10% increase/decrease in exchange rates
BRL	Brazil	€7 million
RON	Romania	€3 million
MXN	Mexico	€2 million

Hotels

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

Sensitivity to RevPAR

	Upscale and Midscale	Economy outside the US	Economy US	Total
Impact	€17 million	€10 million	€5 million	€32 million

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

Sensitivity to exchange rates

Currency		Impact
USD	US	€5 million
GBP	UK	€3 million
BRL	Brazil	€1 million

Group

A 50-basis point decline in interest rates would feed through to a €3 million reduction in consolidated net debt, reflecting the net result of a €10 million decrease in operating profit before tax and non-recurring items in the Prepaid Services business and a €13 million increase in operating profit before tax and non-recurring items in the Hotels and Other businesses.

Corporate Governance

GOVERNANCE STRUCTURES

On January 9, 2006, shareholders approved the change in the Company's governance structure to a Board of Directors, replacing the Supervisory Board and Management Board structure in place since 1997. The same day, the Board of Directors elected to separate the functions of Chairman of the Board and Chief Executive Officer. On February 24, 2009, the Board decided to combine these functions again with one person holding the position of Chairman and Chief Executive Officer.

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 Board meetings, ensures that the Company's corporate governance structures function effectively, and obtains assurance that directors are in a position to fulfill their responsibilities.

He also 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 the exercise of the Chairman and Chief Executive Officer's powers is subject to the prior approval of the Board of Directors are detailed in the Report of the Chairman and Chief Executive Officer prepared pursuant to Article L. 225-37 of the French Commercial Code.

The Company is governed by a Board of Directors, whose main roles and responsibilities are to determine the Company's strategy and oversee its implementation, examine any and all issues concerning the efficient running of the business, and make 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 based on their attendance record.

Accor complies with the AFEP/MEDEF Corporate Governance Code for listed companies as amended in December 2008.

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 with 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 a shareholder owns 10% or more of the corporation's capital or voting rights, the Board of Directors should systematically review whether that shareholder may be qualified as independent based on a report issued by the appointments committee and taking into account the corporation'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.

In compliance with corporate governance principles in 2008, the Board of Directors is assisted in preparing its decisions by the following five Board Committees:

- **the Strategy Committee**, comprising seven members including three independent members: Serge Weinberg (Committee Chairman), Sébastien Bazin, Aldo Cardoso, Gilles Pélisson, Baudouin Prot, Franck Riboud and Augustin de Romanet de Beaune;
- **the Audit Committee**, comprising three members, including two independent members: Aldo Cardoso (Committee Chairman), Isabelle Bouillot and Patrick Sayer*;
- **the Commitments Committee**, comprising four members, including two independent members: Sébastien Bazin (Committee Chairman), Philippe Citerne, Gabriele Galateri di Genola and Alain Quinet*;
- **the Compensation and Appointments Committee**, comprising five members, including three independent members: Jérôme Seydoux (Committee Chairman), Aldo Cardoso, Augustin de

* *Since August 27, 2008.*

Romanet de Beaune, Patrick Sayer and Serge Weinberg. Since February 24, 2009 this committee has comprised five members, including four independent members: Jérôme Seydoux (Chairman), Philippe Citerne, Gabriele Galateri di Genola, Franck Riboud and Patrick Sayer;

- **the Corporate Governance Committee,** comprising three independent members: Jérôme Seydoux (Committee Chairman), Aldo Cardoso and Serge Weinberg.

The membership structure of these committees was reorganized following the resignation of six directors at the February 24, 2009 Board meeting.

On March 12, 2009 the Board of Directors decided to reduce the number of these Committees to three but to retain the membership structure until shareholders re-elect current directors or elect new directors at the Annual Shareholders' Meeting to be held on May 13, 2009.

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, 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' duties 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. In light of the other interests held by Eurazeo in the hotel industry and with a view to preventing any resulting potential conflict of interests, if a director is also a member of the senior management of Eurazeo he or she may have to comply with the specific rules concerning conflict of interests set out in the Board of Directors code of conduct on page 78.

The procedures for organizing and preparing the work of the Board during 2008 are described in the Report of the Chairman and Chief Executive Officer drawn up pursuant to Article L. 225-37 of the French Commercial Code.

In accordance with best corporate governance practices, in 2007 the Board of Directors implemented a process in conjunction with a specialized consulting firm in order to formally assess its own performance. 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.

BOARD OF DIRECTORS BYLAWS(1)

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

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

These Bylaws are intended for internal use only. Their objective is to supplement the Company Bylaws by specifying the Board of Directors' organizational and operating procedures. They may not be relied on by the shareholders or third parties in 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.

Composition

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, prior to calling the Annual Shareholders' Meeting, 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.

Meetings

As a rule, the Board of Directors shall hold at least six meetings per year, of which one dedicated to reviewing the budget and one dedicated to a strategic review of the Group's business. 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's Secretary.

The draft minutes of each meeting shall be sent to the directors concurrently with the notice of the next meeting. They shall be approved at this 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 periodically and in any event at least every three 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.

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.

(1) These Bylaws are a transition version, which will be updated by the new Board of Directors elected at the Annual Meeting on May 13. The new version will reflect the new corporate governance organization and Board committees.

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 on the Group.

At least once a year the Board shall be informed of the Group's overall human resources, organization and information systems policies 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 corporate officers. To do so, they must first file a request with the Chairman and Chief Executive Officer.

Powers of the Board of Directors

The Board of Directors shall deal 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 and 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" shall be 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;
- 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 into a new business or withdrawal from an existing business), whatever the amount of the commitment;
- any and all credit facilities obtained from a single bank or a banking pool for a cumulative amount of €2 billion, or any individual facility for a period of more than 15 years whatever the amount. The Chairman and Chief Executive Officer is required to notify the Board of Directors of any and all credit facilities of less than €2 billion obtained since the last disclosure. The Board's prior approval is not required for borrowings due in less than one year;
- 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 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) discuss and decide on any proposed changes to the Group's management structure and review information about the main organizational changes.

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 Company management or external consultants. 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 corporate officers being present. In this case also, the Chairman and Chief Executive Officer shall be informed in advance.

In 2008, there were currently five standing Board Committees:

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

On March 12, 2009, the Board of Directors decided to reduce the number of these Committees to three, as follows:

- the Audit and Risks Committee, which will take over the responsibilities of the current Audit Committee;
- the Commitments Committee, which will have the same responsibilities as the current Commitments Committee;
- the Compensation and Corporate Governance Committee, which will take over the responsibilities of the current Compensation and Appointments Committee and the current Corporate Governance Committee.

In light of the future Board's smaller size, the Group's major strategic initiatives will be directly by the Board members.

The Board of Directors will decide on the membership of these three Committees following the Annual Shareholders' Meeting of May 13, 2009.

The Board of Directors may also set up one or more special Committees.

Each Committee meeting shall be chaired by a Chairman – appointed from amongst the Committee members by the Board on the recommendation of the Chairman and Chief Executive Officer – or, if appropriate, by a Vice Chairman.

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.

The Strategy Committee

The Strategy Committee's role is to prepare the deliberations of the Board relating to the Group's main strategic paths, in particular the expansion policy and its financing, as well as to review changes in the Group's portfolio of businesses.

The Board may also refer to the Strategy Committee any important strategic matters even if such matters do not require the immediate deliberation of the Board of Directors. To that end, it shall prepare the Board's annual meeting devoted to a strategic review of the Group's businesses.

The Strategy Committee is comprised of no more than seven members, including the Chairman of the Board and the Chief Executive Officer if he/she is also a director. It is chaired by an independent director.

When invited by the Chairman of the Strategy Committee, the Founding Co-Chairmen may take part in the work of the Committee in an advisory capacity.

The notices of meetings are mailed by the Chairman of the Committee along with an agenda.

The Audit Committee

The Audit 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 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 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 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 Committee may make enquiries of the Statutory Auditors without the corporate officers 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 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 and in any event the meetings devoted to reviewing the financial statements.

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 of the Board of Directors.

The Commitments Committee's recommendations are adopted by a simple majority. The Commitments Committee's role is to prepare the Board of Directors' meetings and to issue recommendations to the Board of Directors on the following matters:

- any and all transactions that will have a material impact on the Group's business base;
- any proposed purchases, sales or other investments concerning assets that are (i) carried out in the normal course of business (i.e. related to the Hotels business) representing a commitment of more than €300 million – measured as either the purchase or sale price or the enterprise value of the entity concerned –, including the Company's major hotel banners, or (ii) not carried out in the normal course of business, representing a commitment in excess of €100 million (measured as the price or enterprise value). Transactions carried out in the normal course of business are defined as those related to 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 Compensation and Appointments Committee

The Compensation and Appointments Committee's role is to prepare the Board of Directors' decisions pertaining to the compensation of corporate officers and the policy for granting stock subscription and/or stock purchase options (as well as the policy for granting stock without consideration) and to prepare changes in the composition of the Company's management institutions.

To this end, it carries out the following tasks:

- it prepares recommendations, in conjunction with the Chairman and Chief Executive Officer, regarding the succession of the corporate officers and the selection of new directors. As part of the process for selecting directors, the Committee shall take into consideration the desirable balance of the Board's composition, ensure that each director being considered has the required experience and availability and ensure that the directors have a wide array of experience and skills in order to enable the Board of Directors to carry out its duties effectively with the necessary objectivity and independence vis-à-vis both General Management and a given shareholder or group of shareholders;
- it studies and prepares recommendations regarding both the fixed portion and variable portion of the corporate officers' compensation, the granting to them of stock subscription and purchase options by any Group company, the granting of stock without consideration, all the provisions regarding their retirement plans and all other in-kind benefits;
- it defines and implements the rules for setting the variable portion of the corporate officers' compensation while ensuring that said rules are consistent with the annual evaluation of corporate officers' performance and with the Group's medium-term strategy;
- it gives the Board an opinion regarding the overall policy for granting stock subscription and/or purchase options and the plans proposed by the Chief Executive Officer;
- it is kept informed of the compensation policy of the main non-corporate officer managers of the Company and other Group companies and reviews the consistency of such policy;

- it issues a recommendation to the Board on the overall amount of directors' fees that is proposed to the Company's Shareholders' Meeting. 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 capital increases reserved for employees;
- it reviews the insurance coverage taken out by the Company regarding corporate officer civil liability;
- it approves the information provided to shareholders in the Annual Report regarding corporate officer compensation and the principles and procedures used to set the compensation of such corporate officers, as well as stock subscription and/or purchase options granted to or exercised by them;
- in conjunction with the Chairman and Chief Executive Officer, it is tasked with issuing proposals on the implementation of corporate governance principles and in particular preparing the assessment of the Board's work;
- it periodically reviews whether the directors meet the independence criteria set forth by the Board and makes recommendations if it appears necessary to review the independent status of directors.

The Compensation and Appointments Committee is comprised of three to five members, the majority of whom must be directors qualified as independent by the Board of Directors. It shall be chaired by an independent director.

The Compensation and Appointments Committee meets at least three times per year. The notices of meeting and an agenda are mailed by the Committee Chairman. The Chairman and Chief Executive Officer may, at the Committee Chairman's request, attend meetings on matters on the agenda that do not involve him/her.

The Corporate Governance Committee

The roles and responsibilities of the Corporate Governance Committee are to:

- continuously monitor changes in the Company's shareholder base and determine how the Company's awareness of such changes could be improved, particularly through legal procedures;
- review 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 shareholders as a whole;
- in conjunction with the Appointments and Compensation Committee, review 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;
- in conjunction with the Appointments and Compensation Committee, review and issue recommendations on best corporate governance practices, particularly concerning the membership structure of the Board of Directors;
- prepare 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 Committee regularly reports to the Board of Directors on the above subjects and puts forward opinions, recommendations and proposals prior to Board meetings. It also advises the Board on best practices for disclosing information to the market regarding the Company's ownership structure and corporate governance.

The Corporate Governance Committee comprises no more than four members, all of whom are independent. It conducts its work in close cooperation with the Chairman and Chief Executive Officer and receives input from Accor's internal departments, notably Group Finance and the Corporate Secretary's Office. Where required it may also seek advice from outside counsel.

Calls to meetings of the Corporate Governance Committee are issued by the Committee Chairman and include the meeting agenda.

Secretary of 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 draw up the draft minutes of the meetings of the Board of Directors which are then submitted for approval to the Board. He is entrusted with the task of sending the working documents to the directors according to the procedure set forth in Article 3 of these Bylaws and in general makes himself available to directors for any information request pertaining to their rights and obligations, the Board's operation or the life of the Company.

His duties also include maintaining and updating the statements for the prevention of conflicts of interest 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 may also be entrusted with the task of sending the working documents to the Committee members.

Directors' fees

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

Distribution is based on the following principles:

- 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;
- the amount of directors' fees received by directors who also hold the position of Chief Executive Officer or Deputy Executive is taken into account as well as directors' fees received from other Group companies when calculating their compensation as determined by the Board of Directors upon a motion by the Compensation and Appointments Committee;
- directors' fees shall be paid no later than three months following the end of the previous fiscal year.

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 reason 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.

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.

DIRECTORS AND CORPORATE OFFICERS

Board of Directors

■ Members of Board of Directors at February 24, 2009.

▲ Members up for re-election at the Annual Meeting on May 13. The full list of candidates for election to the new Board of Directors is presented in the significant events of early 2009, page 25.

Thomas J. Barrack ■ ▲

- Thomas J. Barrack has been a director of Accor since January 9, 2006 and his term of office expires at the close of the Annual Meeting called to approve the accounts for the year ended December 31, 2008. He had been a member of the Supervisory Board since May 3, 2005. He holds 500 Accor shares.
- Founder, Chairman and Chief Executive Officer of Colony Capital LLC.
- Aged 61.
- Thomas J. Barrack is an attorney specialized in international financial law. He has also held the positions of President of Oxford Development Venture Inc., Senior Vice-President of E.F. Hutton & Co. in New York and Principal with the Robert M. Bass Group (RMBG), a company founded by Texas-based investor Robert M. Bass.

Sébastien Bazin ■ ▲

- Sébastien Bazin has been a director of Accor since January 9, 2006 and his term of office expires at the close of the Annual Meeting called to approve the accounts for the year ended December 31, 2008. He had been a member of the Supervisory Board since May 3, 2005. He holds 1,000 Accor shares.
- Chief Executive Officer Europe of Colony Capital SAS.
- Aged 47.
- Sébastien Bazin holds a Master of Business Administration from the Sorbonne University of Paris. Before joining Colony Capital in 1997, he was a Vice-President of the mergers and acquisitions group of Paine Webber in both London and New York, a director of Hottinguer Rivaud Finances and the Group Director and General Manager of Immobilière Hôtelière.

Isabelle Bouillot ■

- Isabelle Bouillot was a director of Accor from January 9, 2006 to February 24, 2009. She holds 500 Accor shares.
- Chairman of China Equity Links.
- Aged 59.
- Isabelle Bouillot graduated from the École Nationale d'Administration. She has held various positions in the French government, notably economic advisor to the French President from 1989 to 1991 and budget director in the Ministry of the Economy and Finance from 1991 to 1995. She joined Caisse des dépôts et consignations in 1995, where she served as Managing Director of the investment bank of the CDC-Ixis Group from 2000 to 2003.

Philippe Camus

- Philippe Camus was a director of Accor from January 9, 2006 to September 2, 2008. He holds 500 Accor shares.
- Co-Managing Partner of Lagardère Group.
- Aged 60.
- Philippe Camus graduated from the École Normale Supérieure and the Institut d'Études Politiques de Paris. He began his career in the Finance Department of Caisse des dépôts et consignations. In 1982, he joined the general management team of Lagardère Group and was appointed Managing Director and Chairman of the Finance Committee in 1993. He supervised the planning that led to the creation of EADS, where he served as Chief Executive Officer from 2000 to 2005. Philippe Camus has been Co-Managing Partner of Lagardère Group since 1998 and was appointed Chairman of the Board of Directors of Alcatel-Lucent in September 2008.

Aldo Cardoso ■

- Aldo Cardoso was a director of Accor from January 9, 2006 to February 24, 2009. He holds 2,000 Accor shares.
- Corporate director.
- Aged 52.
- Aldo Cardoso holds a PhD in law and an MBA from the École Supérieure de Commerce de Paris. He spent 24 years with Andersen, where he held various operational positions, and from 2002 to 2003 he served as Chairman and Chief Executive Officer of Andersen Worldwide.

Philippe Citerne ■ ▲

- Philippe Citerne has been a director of Accor since January 9, 2006 and his term of office expires at the close of the Annual Meeting called to approve the accounts for the year ended December 31, 2008. Société Générale, represented by Philippe Citerne, had been a member of the Supervisory Board since June 28, 1983. He holds 500 Accor shares.
- Aged 60.

- Philippe Citerne earned a graduate degree from the École Centrale de Paris. After holding a number of positions in the French Finance Ministry, he joined Société Générale in 1979, where he has served successively as Vice-President Economic Studies, Vice-President Finance, Vice-President Human Relations and then Director and Chief Operating Officer since 1997.

Étienne Davignon

- Étienne Davignon was a director of Accor from January 9, 2006 to May 13, 2008 and had previously been a member of the Supervisory Board from May 16, 1990. He no longer holds any Accor shares.
- Vice-Chairman of Suez-Tractebel.
- Aged 76.
- Étienne Davignon holds a PhD in law. He was Vice-Chairman of the Commission of the European Communities from 1981 to 1985 before serving as Chairman of Société Générale de Belgique from 1988 to 2001. He was subsequently appointed as Vice-Chairman of Suez-Tractebel.

Gabriele Galateri di Genola ■ ▲

- Gabriele Galateri di Genola has been a director of Accor since January 9, 2006 and his term of office expires at the close of the Annual Meeting called to approve the accounts for the year ended December 31, 2008. He had been a member of the Supervisory Board since July 2, 2003. He holds 500 Accor shares.
- Chairman of Telecom Italia.
- Aged 61.
- Gabriele Galateri di Genola earned an MBA from Columbia University. He held various positions at Saint-Gobain, then at Fiat, beginning in 1977. Gabriele Galateri di Genola was appointed Managing Director of IFIL in 1986 and Chief Executive Officer in 1993 before becoming Chairman of Mediobanca, a position he held until June 2007.

Sir Roderic Lyne ■

- Sir Roderic Lyne was a director of Accor from January 9, 2006 to February 24, 2009. He holds 500 Accor shares.
- Former British ambassador.
- Aged 60.
- Sir Roderic Lyne graduated in History from the University of Leeds and has been awarded honorary doctorates by Leeds, Kingston and Heriot-Watt Universities, as well as four universities in Russia. He has served in British Embassies in several countries, notably in Eastern Europe and Senegal. He was private secretary to the British Prime Minister from 1993 to 1996, the United Kingdom's permanent representative to the World Trade Organization and United Nations from 1997 to 2000, and British ambassador to the Russian Federation from 2000 to 2004.

Dominique Marcel

- Dominique Marcel was a director of Accor from January 9, 2006 to August 27, 2008 and had previously been a member of the Supervisory Board from May 3, 2005. He no longer holds any Accor shares.
- Chairman of the Management Board of Compagnie des Alpes.
- Aged 53.
- Dominique Marcel is a graduate of the Institut d'Études Politiques de Paris and the École Nationale d'Administration (1983). He held a number of positions in the French government, including deputy private secretary to the Prime Minister in 2000 before joining Caisse des dépôts et consignations in 2003, where he was Vice-President Finance and Strategy and a member of the Executive Committee until August 2008.

Gilles Pélisson ■ ▲

- Gilles Pélisson has been Chairman and Chief Executive Officer of Accor since February 24, 2009, having previously served as a director and Chief Executive Officer since January 9, 2006. His term of office expires at the close of the Annual Meeting called to approve the accounts for the year ended December 31, 2008. He holds 14,641 Accor shares.
- Gilles Pélisson is the nephew of Accor's Co-Founder and Co-Chairman, Gérard Pélisson.
- Aged 51.
- Gilles Pélisson graduated from France's ESSEC business school and holds an MBA from Harvard Business School. He began his career with Accor in 1983, in the United States and then in the Asia-Pacific region, and served as Co-Chairman of the Novotel hotel chain. He was appointed Chief Executive Officer of Euro Disney in 1995 and Chairman and Chief Executive Officer in 1997. In 2000, he joined the Suez group, then Bouygues Telecom where he served as Chief Executive Officer and subsequently Chairman and Chief Executive Officer from February 2004 to October 2005.

Baudouin Prot ■

- Baudouin Prot was a director of Accor from January 9, 2006 to February 24, 2009. He holds 1,000 Accor shares.
- Director and Chief Executive Officer of BNP Paribas.
- Aged 57.
- Baudouin Prot graduated from the École des Hautes Études Commerciales and the École Nationale d'Administration (1976). He is an *Inspecteur Général des Finances* and held a number of positions in the French civil service before joining BNP. He has served as Chief Executive Officer of BNP Paribas since 2000.

Alain Quinet ■ ▲

- Alain Quinet was appointed by the Board as a director of Accor on August 27, 2008 to replace Dominique Marcel. His term of office expires at the close of the Annual Meeting called to approve the accounts for the year ended December 31, 2008. He holds 500 Accor shares.
- Vice-President Finance and Strategy and member of the Executive Committee of Caisse des dépôts et consignations.
- Aged 47.

- Alain Quinet is a graduate of the Institut d'Etudes Politiques de Paris and the École Nationale d'Administration. He is an *Inspecteur Général des Finances* and before joining Caisse des dépôts et consignations in April 2008, held a number of positions in the French government, including Deputy Director of Economic Affairs in the Prime Minister's office. Mr Quinet joined Caisse des dépôts et consignations as special advisor (*chargé de mission*) to Dominique Marcel. Since August 2008, he is Vice-President Finance and Strategy and a member of the company and group Executive Committees.

Franck Riboud ■ ▲

- Franck Riboud has been a director of Accor since January 9, 2006 and his term of office expires at the close of the Annual Meeting called to approve the accounts for the year ended December 31, 2008. He had been a member of the Supervisory Board since July 3, 2001. He holds 500 Accor shares.
- Chairman and Chief Executive Officer of Danone.
- Aged 53.
- Franck Riboud has an engineering degree from the École Polytechnique Fédérale in Lausanne, Switzerland. He has spent his entire career with the Danone Group, holding positions in finance, marketing and development and has served as Chairman and Chief Executive Officer since 1996.

Augustin de Romanet de Beaune ■

- Augustin de Romanet de Beaune was a director of Accor from May 14, 2007 to February 24, 2009. He holds 500 Accor shares.
- Chief Executive Officer of Caisse des dépôts et consignations.
- Aged 47.
- A graduate of the Institut d'Etudes Politiques de Paris and the École Nationale d'Administration, Augustin de Romanet de Beaune held various positions within the French Ministry of the Economy and Finance. He was managing partner of Oddo Pinatton Corporate before being appointed Deputy Director of the French Prime Minister's private staff, then Deputy Principal Private Secretary to the President of the Republic in 2005. In October 2006, he was appointed Senior Vice-President, Finance and Strategy and member of the Executive Committee of Crédit Agricole SA.

Patrick Sayer ■ ▲

- Patrick Sayer was appointed by the Board as a director of Accor on August 27, 2008 to replace Etienne Davignon. His term of office expires at the close of the Annual Meeting called to approve the accounts for the year ended December 31, 2008. He holds 500 Accor shares.
- Chairman of the Executive Board of Eurazeo.
- Aged 51.
- Patrick Sayer is a graduate of the École Polytechnique and École des Mines de Paris. He served as a senior partner at Lazard Frères et Cie in Paris and Managing Director of Lazard Frères & Co in New York. Between 1989 and 1993 he participated in the formation and early ventures of the Fonds Partenaires private equity fund. He then helped redefine the investment strategy of Gaz et Eaux which subsequently became Eurazeo and has been Chairman of Eurazeo's Executive Board since May 2002.

Jérôme Seydoux ■

- Jérôme Seydoux has been a director of Accor since January 9, 2006 and his term of office expires at the close of the Annual Meeting called to approve the accounts for the year ended December 31, 2008. He had been a member of the Supervisory Board since January 7, 1997. He holds 1,000 Accor shares.
- Chairman and Member of the Executive Board of Pathé SAS.
- Aged 74.
- Jérôme Seydoux holds an engineering degree from the École Nationale Supérieure d'Électronique, d'Électrotechnique et d'Hydraulique in Toulouse. He began his career as a financial analyst in New York and later served as a member of the Management Board of Banque Neuflize Schlumberger Mallet, Chief Executive Officer of Schlumberger, and Chairman of Chargeurs (1980-1996).

Theo Waigel

- Theo Waigel was a director of Accor from January 9, 2006 to December 17, 2008. He no longer holds any Accor shares.
- Former German Finance Minister.
- Aged 69.
- Theo Waigel has a PhD in law. He held several positions in the Bavarian State Ministry before becoming a member of the German Bundestag, where he served from 1972 to 2002. He was simultaneously named Chairman of the CSU group and Vice-Chairman of the CDU/CSU parliamentary group in 1982. He served as German Finance Minister from 1989 to 1998.

Serge Weinberg ■

- Serge Weinberg was Chairman of Accor's Board of Directors from January 9, 2006 to February 24, 2009. He holds 500 Accor shares.
- Chairman and Chief Executive Officer of Weinberg Capital Partners.
- Aged 57.
- Serge Weinberg graduated from the Institut d'Études Politiques de Paris and France's École Nationale d'Administration (1976). He has served as principal private secretary (*Chef de Cabinet*) to the Budget Minister, Chairman of Havas Tourisme and General Manager of Pallas Finances. He joined the Pinault-Printemps-Redoute Group in 1990 and served as Chairman of the Management Board from 1995 to 2005. In March 2005, he set up Weinberg Capital Partners, a private equity firm specialized in LBO financing.

To the best of the Company's knowledge, no officer of the company has been convicted of fraud during the past five years. No officer has served as an executive in a company that has filed for bankruptcy or had its assets seized or been placed in liquidation during the past five years. No member has been investigated and/or been the subject of disciplinary measures by any statutory or regulatory authority during the past five years. No officer has been barred by a court from serving as a member of the Board of Directors, Management Board, Supervisory Board or equivalent of an issuer or from participating in the management or conduct of the affairs of an issuer during the past five years. No officer of the Company has a service contract with the Company or any of its subsidiaries providing for the payment of any benefits.

Co-Founders and Co-Chairmen

Paul Dubrule

Born on July 6, 1934 in Tourcoing (France), Paul Dubrule graduated from the Institut des Hautes Études Commerciales, University of Geneva. Co-Founder and Co-Chairman of the Novotel chain in 1963 with Gérard Pélisson, Co-Chairman of the Novotel SIEH Group (1971-1983). Co-Founder and Co-Chairman of the Accor Group (1983-1997). Paul Dubrule is also Chairman of Entreprise et Progrès and Co-Founder of the World Travel and Tourism Council (WTTC). In 2002, the Paul Dubrule Chair in Sustainable Development was created at the INSEAD international business school. Paul Dubrule also personally set up a hotel school at Siem Reap, in Cambodia. On March 24, 2005, he was appointed Chairman of Maison de la France.

Gérard Pélisson

Born on February 9, 1932 in Lyon (France), Gérard Pélisson holds an engineering degree from the École Centrale des Arts et Manufactures, Paris, and a Master of Science in Industrial Management from the Massachusetts Institute of Technology (USA). Co-Founder and Co-Chairman of the Novotel chain in 1963 with Paul Dubrule, Co-Chairman of the Novotel SIEH Group (1971-1983). Co-Founder and Co-Chairman of the Accor Group (1983-1997). Gérard Pélisson has also served as Chairman of the Council on French Investment in Africa (CIAN), Chairman of the Union of French Citizens Abroad (UFE), Chairman of the Paul Bocuse Institute, Co-Founder and Vice-Chairman of the World Travel and Tourism Council (WTTC) and President of the École Supérieure de Commerce of Lyon (1990-1996).

Secretary of the Board of Directors

Pascal Quint

Executive Committee

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

Gilles Pélisson

Chairman and Chief Executive Officer

Philippe Adam

Executive Vice President for Hotel Design and Construction, and for Group Purchasing and Sustainable Development

Yann Caillère

Accor Hospitality – Chief Operating Officer France, Southern Europe, Africa, Middle East and Latin America, and CEO Sofitel Worldwide

Jean-Luc Chrétien (since September 2008)

Executive Vice President, Hotel Distribution

Michael Flaxman

Accor Hospitality – Chief Operating Officer, Northern, Central & Eastern Europe and Novotel North America

Michael Issenberg

Chief Operating Officer, Accor Asia Pacific

Cathy Kopp

Executive Vice President, Human Resources

Éric Lepleux

Executive Vice President, Hotel and Brand Marketing

Oswaldo Melantonio Filho (since September 2008)

Chief Operating Officer, Accor Services Brazil

Olivier Poirot (since September 2008)

Chief Executive Officer, Motel6/Studio 6 and Chief Operating Officer, Accor North America

Pascal Quint (since September 2008)

Corporate Secretary and Secretary of the Board of Directors

Serge Ragozin

Chief Operating Officer, Accor Services Worldwide

Jacques Stern

Senior Executive Vice President and Chief Financial Officer in charge of Finance, Strategy, Hotel Business Development and IT.

OTHER DIRECTORSHIPS AND POSITIONS HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS

Thomas J. Barrack

Directorships and positions currently held:

In France:

Director of Accor.

Outside France:

Australia:
Director of Challenger Financial Services Group Limited.

United States:
Chairman and Chief Executive Officer of Colony Capital LLC.

Former directorships and positions held in the past five years:

In France:

Member of the Supervisory Board of Accor.

Director of Lucia.

Outside France:

United States:
Director of the Board of Public Storage, Inc., Kennedy Wilson, Inc., Continental Airlines, Inc. and First Republic Bank.

Philippines:
Director of the Board of Megaworld Corporation.

Sébastien Bazin

Directorships and positions currently held:

In France:

Chief Executive Officer Europe of Colony Capital SAS.

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

Member of the Supervisory Board of ANF (Les Ateliers du Nord de la France) and Groupe Lucien Barrière SAS.

Chairman of Colwine SAS, Colfilm and Bazeo Europe SAS.

Chief Executive Officer of Toulouse Canceropole SAS.

Director of Accor SA (previously a member of the Supervisory Board), Moonscoop IP (formerly France Animation, Carrefour (previously a member of the Supervisory Board), Moonscoop SAS and SASP Paris Saint-Germain Football.

Legal Manager of CC Europe Invest SARL and Colmassy SARL.

Outside France:

Belgium:
Chairman of RSI SA.

Luxembourg:
Director of Sisters SA.

Former directorships and positions held in the past five years:

In France:

Chairman of the Board of Directors of Château Lascombes.

Chairman of the Board of Directors and Chief Executive Officer of Lucia.

Chairman of Colbison SAS, SAIP, SAS Spazio, Front de Seine Participation SAS, Coladria SAS, Financière Baltimore SAS, SAS Baltimore, Financière Le Parc SAS, SAS Le Parc, SAS ABC Hotels, SAS Défense CB3, Société Hotelière des Antilles Françaises SHAF (SAS), Financière Paris Astor SAS, SAS Paris Astor, Financière Castille SAS, SAS Castille, Financière Élysées Ponthieu SAS, SAS Élysées Ponthieu, Financière Terminus Nord SAS, SAS Terminus Nord, Financière Terminus Est SAS, SAS Terminus Est, SIHPP, Financière Libertel 2 SAS, SAS Libertel 2, Financière Libertel Ter SAS, SAS Libertel Ter, Financière Libertel Bis SAS, SAS Libertel Bis, Financière Libertel Quater SAS, SAS Libertel Quater, Financière Libertel 16 SAS, SAS Libertel 16, Coldif SAS, Coleven SAS, Financière Libertel Régions, SAS Libertel Régions, Financière Marignan Élysées, SAS Marignan Élysées, SAS Hôtel The Grand and Colony Capital SAS.

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

Legal Manager of Colony Santa Maria EURL, Colony Pinta SNC, Colony Santa Maria SNC and Colony Le Châlet EURL.

Permanent representative of Front de Seine Participations SAS, Managing Partner of Front de Seine Hôtel.

Permanent representative of Fineurogest SA, director of France Animation and Antefilms Production.

Permanent representative of Lucia, Managing Partner of SNC Immobilière Lucia et Compagnie, SNC Lucia 92 et Compagnie, SNC Immobiloisir Serre-Chevalier, Lucia Saint-Quentin 78 and SNC 10 Quai Paul-Doumer.

Permanent representative of Lucia, Chairman of Lucia Club CH, Lucia Investimmo and Lucia Invest Adria.

Permanent representative of Lucia, Legal Manager of Lusi Danton and Lusi Danton 2.

Permanent representative of Lucia, Chairman of SAS Lucia Investissement.

Permanent representative of Lucia, Legal Manager of SCI Clair Logis.

Permanent representative of Lucia, Liquidator of Eural, Société de Gestion Alimentaire and Elven.

Outside France:

Italy:
Director of RSI Italia SpA and RSI Group SpA.

Isabelle Bouillot

Directorships and positions currently held:

In France:

Chairman of China Equity Links.

Director of Compagnie de Saint-Gobain.

Managing Partner of IB Finance.

Outside France:

Belgium:
Director of Umicore.

Former directorships and positions held in the past five years:

In France:

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

Philippe Camus

Directorships and positions currently held:

In France:

Co-managing Partner of the Lagardère Group.

Chairman of the Board of Directors of Alcatel-Lucent.

Vice-Chairman and Chief Operating Officer of ARJIL Commanditée – ARCO SA.

Director of Éditions P. Amaury SA and Crédit Agricole.

Member of the Supervisory Board of Lagardère Active SAS.

Permanent representative of Hachette SA on the Board of Directors of Lagardère Services SA (formerly Hachette Distribution Services).

Permanent representative of Lagardère SCA on the Board of Directors of Hachette SA.

Honorary Chairman of GIFAS.

Outside France:

United States:
Chairman and CEO of Lagardère North America.

Director of Cellfish Media, LLC and Schlumberger.

Senior Managing Director of Evercore Partners Inc.

Former directorships and positions held in the past five years:

In France:

Chairman of EADS France SAS and Groupement des Industries Françaises Aéronautiques et Spatiales (GIFAS).

Director of La Provence SA, Nice Matin SA, Hachette Filipacchi Medias SA, Crédit Lyonnais, Dassault Aviation SA and Accor.

Member of the Supervisory Board of Hachette Holdings SAS (formerly Hachette Filipacchi Médias).

Member of the Compensation Committee and the Partners Committee of Airbus SAS.

Permanent representative of Lagardère Active on the Board of Directors of Lagardère Active Broadcast (Monaco).

Outside France:

Netherlands:
Executive Co-Chairman of EADS N.V. and EADS Participations B.V.

Aldo Cardoso

Directorships and positions currently held:

In France:

Director of Gaz de France, Imerys, Rhodia and Gecina.

Non-voting director of Bureau Veritas and AXA Investment Managers.

Outside France:

Belgium:
Director of Mobistar.

Former directorships and positions held in the past five years:

In France:

Director of Accor, Penauille and Orange.

Philippe Citerne

Directorships and positions currently held:

In France:

Chief Operating Officer of Société Générale (to April 30, 2009).

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

Director of Accor, Sopra Group, Geneval, Grosvenor Continental Europe and Rexecode (not-for-profit research institute).

Outside France:

United States:
Director of TCW.

Russia:
Director of Rosbank.

Former directorships and positions held in the past five years:

In France:

Director of Crédit du Nord.

Member of the Supervisory Board of Sopra Group.

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

Permanent representative of Société Générale on the Board of Directors of TF1.

Outside France:

Italy:
Director of Unicredito Italiano.

United Kingdom:
Director of SG Hambros Bank Ltd Management.

Étienne Davignon

Directorships and positions currently held:

In France:

Director of GDF Suez.

Outside France:

Belgium:
Chairman of Compagnie Internationale des Wagons-Lits et du Tourisme, Compagnie Maritime Belge, Recticel, SN Air Holding and Palais des Beaux-Arts.

Vice-Chairman of Suez-Tractebel and Cumerio.

Director of Sofina.

Former directorships and positions held in the past five years:

In France:

Director of Pechiney.

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

Outside France:

Belgium:
Chairman of Sibeka.

Vice-Chairman of Société Générale de Belgique, Petrofina, Tractebel, Fortis and Umicore.

Director of Solvay, BIAC and RealSoftware.

Germany:
Member of the Supervisory Board of BASF.

Augustin de Romanet de Beaune

Directorships and positions currently held:

In France:

Chairman of the Board of Directors of Fonds Stratégique d'Investissements.

Director of Veolia Environnement and CDC Entreprises (SAS).

Chairman of the Supervisory Board of SNI.

Permanent representative of Caisse des dépôts et consignations on the Board of Directors of CNP Assurances.

Permanent representative of Caisse des dépôts et consignations on the Board of Directors of Icade.

Outside France:

Belgium:
Director of Dexia.

Former directorships and positions held in the past five years:

Director of Accor.

Gabriele Galateri di Genola

Directorships and positions currently held:

In France:

Director of Accor.

Outside France:

Italy:
Chairman of Telecom Italia SpA.

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

Vice-Chairman of Assicurazioni Generali SpA and RCS Mediagroup SpA.

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

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

Germany:
Member of the Central Advisory Board of Commerzbank.

Brazil:
Chairman of Tim Particiações SA.

Switzerland:
Member of the Supervisory Committee and Director of San Faustin N.V.

Former directorships and positions held in the past five years:

In France:

Director of Worms & Cie.

Member of the Supervisory Board of Accor.

Outside France:

United Kingdom:
Director of Arjo Wiggins Appleton.

Member of the International Advisory Board of Morgan Stanley.

Italy:
Chairman of Mediobanca SpA, Business Solution SpA, Ciao Web Srl, Emittente Titoli SpA, Fiat Auto SpA, Istituto Europeo Di Oncologia and Centro Cardiologico Monzino.

Vice-Chairman and Managing Director of Egidio Galbani SpA.

Director of Alpitour Italia SpA, Atlanet SpA, Birra Peroni Industriale SpA, IFI SpA, La Rinascente SpA, Siemens Italia, Toro Assicurazioni SpA and Pirelli & C. 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.

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.

Switzerland:
Vice-Chairman of IHF Internationale Holding Fiat SA.

Sir Roderic Lyne

Directorships and positions currently held:

Outside France:

United Kingdom:
Non-executive director of Aricom Plc. and the Russo-British Chamber of Commerce.

Member of the Board of Governors of Kingston University.

Senior Advisor to JP Morgan Chase Bank.

Special Advisor to BP Pcl.

Special Representative of ITE Group Plc.

Member of the Strategic Advisory Group of QucomHaps Holding Ltd.

Former directorships and positions held in the past five years:

In France:

Director of Accor.

Outside France:

United Kingdom:
Special Advisor to HSBC Bank.

Chairman of the Supervisory Board of Altimo.

Dominique Marcel

Directorships and positions currently held:

In France:

Chairman of the Management Board of Compagnie des Alpes.

Chairman of Compagnie des Alpes Domaines Skiables SAS.

Permanent representative of Compagnie des Alpes on the Board of Directors of Compagnie du Mont Blanc.

Director of Grévin et Compagnie, Eiffage and Société du Grand Théâtre des Champs-Élysées.

Outside France:

Germany:
Chairman of the Supervisory Board of CDC DI GmbH.

Former directorships and positions held in the past five years:

In France:

Vice-President Finance and Strategy and member of the Executive Committee of Caisse des dépôts et consignations.

Chairman and Chief Executive Officer of CDC Entreprises Capital Investissement, Financière Transdev and CDC Infrastructure (formerly Map Holding).

Chairman of the Board of of Directors of CDC Holding Finance and BAC Participations.

Chairman of the Supervisory Board of Compagnie des Alpes.

Vice-Chairman of the Supervisory Board and subsequently a director and Vice-Chairman of the Board of Directors of Dexia Crédit Local.

Director of Caisse des Dépôts Développement (C3D), CDC Entreprises SAS (formerly FP Gestion), CDC Entreprises Portefeuille, Icade (formerly Icade EMPGP) and Société Forestière de la CDC.

Member of the Supervisory Board of CDC Entreprises Holding (formerly CDC Entreprises), Crédit Foncier de France, Ixis Asset Management and Ixis CIB.

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

Director and subsequently permanent representative of Caisse des dépôts et consignations on the Board of Directors of Icade (merged into Icade EMPGP).

Member of the Supervisory Board and subsequently permanent representative of Caisse des Dépôts and Consignations on the Supervisory Board of Société Nationale Immobilière.

Representative of Caisse des dépôts et consignations as Chairman of Groupe Beture Cap Atrium (SASU).

Permanent representative of Caisse des dépôts et consignations on the Supervisory Board of CDC Ixis and Caisse Nationale des Caisses d'Épargne et de Prévoyance (CNCE).

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

Permanent representative of CDC Holding Finance on the Board of Directors of Compagnie Financière Eulia.

Non-voting director of Map Holding (formerly Financière Lille).

Belgium:
Director of Dexia.

Gilles Pélisson

Directorships and positions currently held:

In France:

Chairman and Chief Executive Officer of Accor.

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

Permanent representative of Accor on the Supervisory Board of Lenôtre.

Director of BIC SA and Télévision Française 1.

Chairman of the Accor Foundation.

Outside France:

Italy:
Director of Accor Services Italia S.r.l (formerly Gemeaz Cusin S.r.l), Sagar S.r.l and Accor Hospitality Italia S.r.l (formerly Sifalberghi S.r.l.).

Former directorships and positions held in the past five years:

In France:

Director and Chief Executive Officer of Accor (2006 to 2009)

Chairman and CEO of Bouygues Telecom (2004 to October 2005).

Chief Executive Officer of Bouygues Telecom (2001 to 2004).

Chairman of the Supervisory Board of ESSEC.

Director of TPS, RCBT (Réseau Clubs Bouygues Telecom) and Club Méditerranée.

Outside France:

Italy:
Director of Scapa Italia S.r.l.

Baudouin Prot

Directorships and positions currently held:

In France:

Director and Chief Executive Officer of BNP Paribas.

Director of Veolia Environnement and Pinault-Printemps-Redoute.

Outside France:

Belgium:
Director of Erbe.

Switzerland:
Director of Pargesa Holding SA.

Former directorships and positions held in the past five years:

In France:

Member of the Supervisory Board of Pinault-Printemps-Redoute.

Permanent representative of BNP Paribas on Accor's Supervisory Board and subsequently a director of Accor.

Outside France:

Italy:
Director of BNL.

Alain Quinet

Directorships and positions currently held:

In France:

Vice-President, Finance and Strategy and member of the Executive Committee of Caisse des dépôts et consignations.

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

Chairman of the Board of Directors of CDC Infrastructure.

Member of the Supervisory Board of Compagnie des Alpes and Compagnie Nationale du Rhône.

Director of Accor, CDC International, Dexia Crédit Local, Eiffage, CNP Assurances, Icade and Société Forestière de la Caisse des Dépôts.

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

Outside France:

Belgium:
Director of Dexia.

Former directorships and positions held in the past five years:

In France:

Director of Réseau Ferré de France.

Member of the Supervisory Board of Electricité Réseau Distribution France.

Franck Riboud

Directorships and positions currently held:

In France:

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

Chairman of the Board of Directors of Danone.Communities.

Director and Chairman of the Compensation Committee of Renault SA.

Director of Lacoste France, Renault SAS and Accor.

Groupe Danone representative on the National Sustainable Development Committee (*Conseil National du Développement Durable*).

Director of the Association Nationale des Industries Agro-alimentaires and the HEC International Advisory Board (not-for-profit organizations).

Outside France:

Spain:
Director of Bagley Latinoamerica SA and Danone SA.

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

India:
Director of Wadia BSN India Limited.

Morocco:
Director of ONA.

Former directorships and 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 and Eurazeo.

Director of Ansa, L'Oréal and Danone Finance.

Permanent representative of Générale Biscuit on the Board of Directors of LU France.

Member of the Advisory Committee of Banque de France.

Outside France:

Singapore:
Chairman and director of Danone Asia Pte, Ltd.

Indonesia:
Commissioner of P.T. Tirta Investama.

Belgium:
Director of Sofina.

United States:
Director of Quiksilver.

United Kingdom:
Director of Associated Biscuits International Ltd (ABIL), Scottish & Newcastle Plc. and ABI Holdings Ltd. (ABIH).

Patrick Sayer

Directorships and positions currently held:

In France:

Chairman of the Management Board of Eurazeo.

Chairman of Eurazeo Partners SAS.

Vice-Chairman of the Supervisory Board of ANF and Rexel SA.

Chairman of the Board of Directors of Legendre Holding 18.

Chief Executive Officer of Legendre Holding 19, Immobilière Bingen, Legendre Holding 11 and Legendre Holding 8.

Director of Europcar Groupe SA, Holdelis and Accor.

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

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

Outside France:

Germany:
Member of the Advisory Board of APCOA Parking Holdings Gmbh.

United Kingdom:
Director of Colyzeo Investment Advisors.

Italy:
Director of Euraleo and Gruppo Banca Leonardo.

Former directorships and positions held in the past five years:

In France:

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

Chairman of the Supervisory Board of Fraikin SA and Fraikin Groupe.

Vice-Chairman of the Supervisory Board of Financière Galaxie SA and Galaxie SA.

Director of Rexel Distribution SA, Eutelsat SA, Eutelsat Communications, IRR Capital, Rexel, Ipsos, Ray Holding SAS (renamed Rexel SA), Ray Acquisition SAS and SASP Paris Saint-Germain Football.

Member of the Supervisory Board of SatBirds SAS (renamed Eutelsat Communications), Eutelsat, Presses Universitaires de France and the B&B Hotels Group.

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 Advisory Board of Perpetuum Beteiligungsgesellschaft GmbH (renamed APCOA Parking Holdings GmbH).

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

United States:
Member of the Board of Lazard LLC.

Luxembourg:
Chairman of the Board of Directors of BlueBirds Participations SA.

Director of RedBirds Participations SA.

Joint Legal Manager of BlueBirds II Participations SARL.

Permanent representative of Lux Tiles SARL on the Management Board of Clay Tiles Sponsors.

Jérôme Seydoux

Directorships and positions currently held:

In France:

Chairman of Pathé SAS, Pathé Distribution SAS and Pathé Production SAS (formerly Pathé Renn Production SAS).

Chief Executive Officer of Pricel SAS.

Vice-Chairman and CEO and director of Chargeurs SA.

Director and Vice-Chairman of Olympique Lyonnais Groupe.

Director of Accor and Compagnie du Mont-Blanc.

Legal Manager of OJEJ SC, SOJER SC and EDJER EURL.

Permanent representative of Soparic Participations for Olympique Lyonnais SASP.

Former directorships and positions held in the past five years:

In France:

Chairman of the Supervisory Board of Mont-Blanc & Compagnie SA.

Legal Manager of JMS Films SNC and Pathé Image SNC.

Director of Compagnie Deutsch and Groupe Danone SA.

Member of the Executive Committee of Arena Films SAS and Galfin Productions SAS.

Member of the Supervisory Board of Accor.

Permanent representative of Pathé on the Board of Directors of Olympique Lyonnais Groupe.

Member of the Appointments Committee and Compensation Committee of Groupe Danone SA.

Vice-Chairman and director of Télé Monté Carlo SA (Monaco).

Theo Waigel

Directorships and positions currently held:

Outside France:

Germany:
Chairman of the Supervisory Board of NSM Löwen Entertainment GmbH.

Member of the Supervisory Board of AachenMünchener Versicherung AG, AachenMünchener Lebensversicherung AG, AGCO Fendt GmbH, Bayerische Gewerbebau AG and Deutsche Vermogensberatung AG.

Member of the Advisory Committee of BT GmbH & Co oHG, IVG Immobilien AG, Lexis Nexis, EnBW Energie Baden-Württemberg AG and Deutsche Vermogensberatung AG.

Austria:
Member of the Supervisory Board of Generali Vienna Holding AG.

United States:
Member of the Advisory Committee of Emerson Electric.

Italy:
Member of the General Council (Consiglio Generale) of Generali Assicurazioni SpA.

United Kingdom:
Member of the Advisory Committee of Eli Lilly Holdings Limited.

Former directorships and positions held in the past five years:

In France:

Director of Accor.

Serge Weinberg

Directorships and positions currently held:

In France:

Chairman of Weinberg Capital Partners SAS, Piasa Holding (SAS) and Financière Piasa (SAS).

Chairman of Corum (SARL).

Director and Vice-Chairman of Financière SASA (SAS) and Financière Poinsetia SAS.

Vice-Chairman of the Supervisory Board of Schneider Electric.

Director of FNAC, Rasec SAS, Team Partners Group, Alliance Industrie, VL Holding (SAS) and Rothschild Concordia (SAS).

Permanent representative of Weinberg Capital Partners on the Board of Directors of Sasa Industrie.

Member of the Board of Rothschild & Cie (limited partnership).

Member of the Supervisory Board of Amplitude Group (SAS) and Financière BFSA.

Member of the Management Committee of Pharma Omnium International (SAS).

Legal Manager of Adoval, Maremma and Alret.

Outside France:

Netherlands:
Member of the Supervisory Board of Gucci Group NV.

Former directorships and positions held in the past five years:

In France:

Chairman of the Board of Directors of Accor.

Chairman of the Management Board of Pinault-Printemps-Redoute.

Chairman of the Supervisory Board of Accor, France Printemps, Guilbert SA and Redcats.

Legal Manager of Serole.

Director of Rexel and Road Holding.

Permanent representative of Tennessee on the Board of Directors of Bouygues.

Permanent representative of PPR on the Supervisory Board of PPR Interactive.

Outside France:

Singapore:
Director of PPR Asia.

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 February 24, 2009. It was prepared in accordance with the document entitled "The Internal Control System: Reference Framework" 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 corporate governance practices on the Corporate Governance Code applicable to listed companies published by the AFEP and MEDEF in October 2003, as amended by the October 6, 2008 AFEP/MEDEF recommendations on executive directors' compensation. A consolidated version of this Code was issued in December 2008 and can be obtained either from the AFEP or MEDEF or from Accor's 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*), the Company's Bylaws and the Board of Directors Bylaws, which also describe the procedures of the Board committees. Details concerning membership of the Board of Directors, the criteria used to establish independence, are set out in the "Directors and Corporate Officers" and "Governance Structures" sections of the Board of Directors report.

Each Board member is required to comply with the Board of Directors Code of Conduct, which is also included in the Board of Directors Report.

The Board met eight times in 2008. 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.

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 80%.

In addition to fulfilling the duties attributed to it by law or in the Company's bylaws, the Board of Directors was informed by the Chief Executive Officer and, in some cases, by the senior executives concerned, of a large number of significant business achievements and projects.

The Board also plans to carry out a further assessment of its own performance following on from the first such assessment it performed in 2007. This matter will be discussed at Board meetings in 2009.

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. These Committees examine matters falling within their terms of reference, as well as any matters referred to them for consideration by the Chairman of the Board. They report regularly to the Board on their work and provide the Board with observations, opinions, proposals and recommendations.

To assist them in their work, the Board Committees may commission technical reports from management or external consultants. In both cases, the Chairman of the Board is notified in advance and informs the Chief Executive Officer. The Committees may also arrange Meetings with members of management responsible for the areas under review, without any executive directors necessarily being present. In this case also, the Chairman of the Board is notified in advance and informs the Chief Executive Officer.

There are five Board Committees:

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

The Board may also set up one or more special committees, each of which 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 Committee** met four times in 2008. 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 Committee are also attended by the Chief Executive Officer, the Chief Financial Officer and, where necessary, the Board Secretary and the Head of Internal Audit. The Statutory Auditors attend Audit Committee meetings held prior to the Board's approval of the financial statements.

The Audit Committee has between three and five members of all whom have 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 **Compensation and Appointments Committee** met five times in 2008. 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 March 28, 2008 and September 30, 2008 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 "Executive and Director Compensation" section of the report of the Board of Directors. As well as describing the policy for determining executive directors' compensation, this section provides details of the amount of their compensation, the amount of directors' fees paid to members of the Board, directors' transactions in the Company's shares, and directors' and employees' interests in the Company's capital (through stock option plans and incentive and profit-sharing schemes).

During the year, the Compensation and Appointments Committee reviewed in detail the recommendations issued by the AFEP and MEDEF on October 6, 2008 relating to executive directors' compensation and submitted proposals on how to implement these recommendations at the Board meeting held on December 16, 2008.

The Compensation and Appointments 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 **Strategy Committee** met twice in 2008. Its role is to (i) prepare the matters to be discussed by the Board relating to the Group's main strategic objectives, in particular expansion and financing; and (ii) review changes in the Group's business portfolio. It also prepares the Board's annual meeting devoted to a strategic review of the Group's businesses.

The Strategy Committee comprises up to seven members, including the Chairman of the Board and the Chief Executive Officer if he/she is also a director. It is chaired by an independent director.

The **Commitments Committee** met four times in 2008. 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 purchases, sales or other investments that are (i) carried out in the normal course of business (i.e. related to the Hotels business) whose price or enterprise value exceeds €300 million, including the Company's major hotel banners; or (ii) not carried out in the normal course of business, whose price or enterprise value exceeds €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, 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 of the Board of Directors.

The **Corporate Governance Committee** met three times in 2008. The roles and responsibilities of this Committee are to:

- continuously monitor changes in the Company's shareholder base and determine how the Company's awareness of such changes could be improved, particularly through legal procedures;
- review 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 shareholders as a whole;
- in conjunction with the Appointments and Compensation Committee, review 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;
- in conjunction with the Appointments and Compensation Committee, review and issue recommendations on best corporate

governance practices, particularly concerning the membership structure of the Board of Directors;

- prepare 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 Committee regularly reports to the Board of Directors on the above subjects and puts forward opinions, recommendations and proposals prior to Board meetings. It also advises the Board on best practices for disclosing information to the market regarding the Company's ownership structure and corporate governance.

The Corporate Governance Committee comprises no more than four members, all of whom are independent. It conducts its work in close cooperation with the Chief Executive Officer and receives input from Accor's internal departments, notably Group Finance and the Corporate Secretary's Office. When required it may also seek advice from outside consultants.

Calls to meetings of the Corporate Governance Committee are issued by the Committee Chairman and include the meeting agenda.

The attendance rate at meetings of all of these Committees was around 70% in 2008.

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

The Board of Directors had previously elected to separate the functions of Chairman of the Board and Chief Executive Officer in accordance with the option offered under Article L. 225-51-1 of the French Commercial Code. However, following the resignation of the Chairman of the Board of Directors, the Board decided at its February 24, 2009 meeting to combine the functions of Chairman and Chief Executive Officer with one person holding both positions.

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 Chief Executive 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 Chief Executive Officer prior to their implementation:

- any and all immediate or deferred financial commitments representing more than €100 million per transaction. "Financial commitments" shall be 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,
  - 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;
- 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 and all credit facilities obtained from a single bank or a banking pool for a cumulative amount of €2 billion, or any individual facility for a period of more than 15 years irrespective of the amount. The Chief Executive Officer is required to notify the Board of Directors of any and all credit facilities of less than €2 billion obtained since

the last disclosure. The Board's prior approval is not required for borrowings due in less than one year;

- 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) authorizing 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) 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 above-mentioned Internal Control Reference Framework issued by the AMF:

"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 information 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 Internal Control Reference Framework, internal control procedures cannot provide an absolute guarantee that the Company's objectives will be met, 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 parties responsible for overseeing the internal control system are as follows:

Executive Management

In accordance with the law and the Company's Bylaws, the 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 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 Chief Executive Officer has set up an Executive Committee including representatives of all the operating divisions and corporate functions. This Committee comprises the following members:

For Accor Hospitality:

- the Chief Operating Officer, France, Southern Europe, Africa, Middle East and Latin America and CEO of Sofitel Worldwide, who is in charge of the region that includes France, Spain, Portugal, Italy, Greece and Israel as well as the Africa/Middle East region and Latin America. He is also responsible for Sofitel operations in all regions;
- the Chief Operating Officer, Northern, Central and Eastern Europe, who is responsible for the region that includes the United Kingdom, Germany, Ireland, the Benelux countries, Scandinavia, Central Europe, Eastern Europe and Turkey;
- the Chief Operating Officer, Accor Asia Pacific, who is responsible for the region that includes Asia, Australia, New Zealand, India and the Pacific Islands;
- the Chief Executive Officer of Motel 6/Studio 6 and Chief Operating Officer Accor North America, who is in charge of Motel 6/Studio 6 for the United States, Canada and Mexico, as well as the cross-business functions of Accor North America.

For Accor Services:

- the Chief Operating Officer, Accor Services Worldwide;
- the Chief Operating Officer, Accor Services Brazil.

For the Support Functions:

- the Executive Vice President for Hotel Design and Construction and Group Purchasing and Sustainable Development;
- the Executive Vice President, Hotel Distribution;
- the Executive Vice President, Hotel and Brand Marketing;
- the Executive Vice President, Human Resources;
- the Corporate Secretary and Secretary of the Board of Directors;
- the Senior Executive Vice President and Chief Financial Officer in charge of Finance, Strategy, Hotel Business Development and IT.

The Communications and External Relations Department, as well as the Chairman of the Management Board of Lenôtre and the Chief Executive Officer of Compagnie des Wagons-Lits report to Accor's Chief Executive Officer.

Group Finance

The Senior Executive Vice President and Chief Financial Officer in charge of Finance, Strategy, Hotel Business Development and IT is responsible for implementing the Group's financial policies, 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 Group Tax Department, which is tasked with implementing and/or coordinating tax optimization measures, particularly relating to cross-border transactions;
- the Corporate Treasury, Financing and Credit Management Department, in charge of overseeing the Financing, Cash Management, Credit Management and Back Office Treasury units;
- the Investor Relations and Financial Communications Department, which is in charge of releasing details on the Group's strategy and results to the financial markets;
- the General Management Control Department, which oversees the Consolidation, Financial Control, Internal Audit, Corporate Accounting and Corporate Financial Information Systems units as well as the Back Office functions;
- the Corporate Finance and Real Estate Management Department, which supervises the following units: Mergers & Acquisitions and Real Estate Transactions, Financial Analyses, and Asset Management and Real Estate.

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.

Business Line Finance Departments

The Group has two Business Line Finance Departments:

- the Global Financial Support Department, which reports to the Executive Vice President for Hotel Design and Construction and Group Purchasing and Sustainable Development. The Global Financial Support Department monitors the financial operations of the Marketing, Distribution, IT, Innovation & Design, Technical, Purchasing and Sustainable Development departments;
- the Services Finance Department. The responsibilities of this Department – which were defined as part of the strategy approved by the Chief Operating Officer of Accor Services Worldwide and the financial strategy drawn up by the Chief Financial Officer – are as follows:
  - checking that the monthly, quarterly and half-yearly financial information provided by all of Accor Services' countries is valid and consistent before it is passed on to Group Finance,

- managing the processes relating to Accor Services' financial planning, operating budgets and/or commitments and results forecasts,
- ensuring that all of Accor Services' countries comply with the internal control system,
- as part of the capital expenditure procedure, validating the expansion projects put forward by the management teams of the various countries and subsequently implementing them and/or monitoring their completion.

Group Internal Audit

Group Internal Audit reports directly to the Group General Management Controller and has a dotted-line reporting relationship with the Group Internal Control Committee. As the cornerstone of the internal audit 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 audit work performed by the Statutory Auditors. It is also responsible for coordinating the activities of the local internal audit departments within the Divisions.

At December 31, 2008, Group Internal Audit had a staff of 19 auditors. Group Information Systems Internal Audit, which reports to the Group Information Systems and Telecoms Department, had a team of four 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.

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 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-2008 the local internal audit departments in the Divisions had a total of 33 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 automatic controls that trigger warnings in the event of incorrect data entries.

In addition, 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 containing best practices and reporting processes has been circulated internally.

Corporate values and principles

The Group's internal control system forms part of the corporate values expressed by the Board of Directors and Executive Management and communicated to all employees. The Group has prepared rules of conduct and integrity relating to employee behavior, customer relations, shareholders, business partners and competitors. It is currently updating its Ethics Charter.

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. 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 was signed by the Group's Chief Executive Officer, the Senior Executive Vice President and Chief Financial Officer in charge of Finance, Strategy, Hotel Business Development and IT, as well as by the Corporate Secretary, the Head of Group Internal Audit and the members of the Group Internal Control Committee. The structure and roles of this Committee are described in section 4.2.5.

Procedure manuals and accounting principles

A Finance Manual is issued to all Group Finance Departments, describing the closing process for the monthly management accounts and setting out the Group's charts of accounts, consolidation principles, 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 has been prepared by the General Management Control Department and provided to the Group employees concerned.

Lastly, consolidation instructions detailing the financial reporting schedule and specific points concerning restatement of 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 control assignment reports

A draft report is prepared after each internal audit assignment, setting out observations, identified risks and appropriate recommendations. This report is sent to the management team of each audited entity, which prepares an action plan when required. A summarized version of this draft report may also be sent to the members of the Executive Committee if they request so.

The final reports, which include the corrective action plans prepared by the audited entities, are then sent to the managers in charge of overseeing operational and financial matters for the entities concerned.

The reports prepared by the local internal audit departments are systematically 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.

Furthermore, the Audit Committee receives a quarterly synopsis of the assignments carried out by the internal audit teams, including a status report on the annual audit plan, internal control levels identified during the assignments, major 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 organizations.

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.

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 the Board of Directors' Report in this registration document. They mainly correspond to liquidity, interest rate, currency, equity, business, legal and environmental risks, as well as risks relating to litigation and arbitration procedures. 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.

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, headquarters units and Accor Services subsidiaries. Internal control self-assessment data are periodically centralized at Division level, with the assistance of the internal auditors when appropriate.

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 Audit Committee. A global risk map covering all internal and external risk factors has been developed by the Risk Management and Group Internal Audit Departments and the initial pilot tests have already been carried out. All of the Group's Operating Divisions will be consulted as part of this process, 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

The Risk Management Department is responsible for implementing procedures in association with the Executive Committee that anticipate and appropriately address the risks to which the Group is exposed. 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 tools designed 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 Group-wide crisis management systems.

The Group Safety and Security Department

The Group Safety and 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 Department monitors the safety and security situation in all of the host countries on a daily basis.

The Hotel Risk Prevention Department

This Department defines, promotes and coordinates personal safety procedures in the Group's hotels, and organizes and controls their application by the people concerned.

The Group Insurance Department

The Group Insurance Department ensures that the risks to which the Group is exposed are covered by the 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 and 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 main risks to which the Group is exposed;
- 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 Executive Vice President, Human Resources; the Corporate Secretary; the Executive Vice President, Information Systems and Telecoms; the Executive Vice President and General Counsel; the Vice President, Risk Management and his special assistants; the Vice President, Safety and 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 and Methods Department; the Chief Press Officer; the Vice President, Group Risk Assessment and Financing; and the Vice President, Information Systems Security.

The Committee meets on a quarterly basis and is assisted, where necessary, by working groups made up of line managers and, depending on the issues involved, the heads of the corporate functions concerned and external experts.

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 and authorizing projects representing amounts of between €5 million and €100 million (or €2.5 million for the acquisition of minority shareholdings). It comprises the Chief Executive Officer; the Senior Executive Vice President and Chief Financial Officer in charge of Finance, Strategy, Hotel Business Development and IT; the Senior Vice President, Corporate Finance and Real Estate Management; and the Chief Operating Officer, Accor Services Worldwide.

For capital expenditure projects in the Hotels business, the Chief Operating Officers of this business, who are also members of the Executive Committee, take part in the relevant Committee meetings depending on their availability and which projects are being discussed. The Senior Executive Vice President responsible for Hotel Development leads any discussions relating to development projects for the Hotels business.

The Chief Operating Officer, Accor Services Worldwide, who is also a member of the Executive Committee, leads any discussions relating to development projects for the Services business.

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 Chief Financial Officer prior to their review by the Audit Committee in preparation for approval by the Board of Directors.

Group Internal Audit assignments

Group Internal Audit carries out its control assignments based on an audit program validated by the Internal Control and Audit Committees. The main types of assignments, as described in the Internal Audit Charter, are as follows:

- **operations audits** are aimed at evaluating the security and effectiveness of the operating entities' internal control system, as well as ensuring that they comply with Group standards. They 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)** are designed to optimize the internal control procedures applied at the head office and ensure that the head office is able to carry out its role of overseeing and supporting operating entities as effectively as possible;
- **organizational and procedural audits** 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 the 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 Information Systems and Telecoms, this Internal Audit Department carries out assignments throughout the Group. The main types of audit are as follows:

- **information systems audits** 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** ensure 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** are designed to validate the implementation of best project management practices;
- **acquisition audits** 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** 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 suitably adapted to the Group's objectives, particularly in view of the risks specific to each business and the cost-effectiveness of the controls performed.

The main structures responsible for overseeing the internal control system are as follows:

The Audit Committee

The Board of Directors' Bylaws define the Audit 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 exposure. 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 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' term of office 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 Committee has between three and five members, all of whom have 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 Committee meets at least three times a year. One meeting – attended by the Head of Internal Audit – is devoted to reviewing the effectiveness of the system of internal control.

The Audit Committee may make enquiries of the Statutory Auditors without the corporate officers and/or the Chief Financial Officer being present, after first notifying the Chairman of the Board who in turn notifies the 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 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 Chief Executive Officer, Chief Financial Officer and Statutory Auditors attend the Audit Committee meetings devoted to reviewing the financial statements and any other meetings where required.

Group Internal Control Committee

The Group Internal Control Committee comprises the Chief Executive Officer, members of the Executive Committee (see list in the "Directors and Corporate Officers" section of the Board of Directors' report), the Head of Internal Audit, the Head of Information Systems Audit, and the Finance Directors of the main Divisions. 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 Group Internal Control 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 the significant audit issues for the current year, for 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 meets once or twice a year.

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 Department, as well as a representative of 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.

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, 2008

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, 2008.

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 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 internal control procedures related to the preparation and processing of financial and accounting 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 procedures related to the preparation and processing of financial accounting information. These procedures included:

- examining the internal control 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 undertstanding 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 the procedures performed, we have no matters to report concerning the information provided on the Company's internal control 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 L. 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 10, 2009

The Statutory Auditors

DELOITTE & ASSOCIÉS	ERNST & YOUNG et Autres
David Dupont-Noel	Bruno Bizet

EXECUTIVE AND DIRECTOR COMPENSATION

Executive compensation policy

Compensation policy for the Chairman of the Board of Directors and the Director and Chief Executive Officer(1)

Compensation policies for Accor corporate officers comply with AFEP/MEDEF corporate governance recommendations, including the recommendations on executive directors' compensation published on October 6, 2008.

Compensation paid to the Chairman of the Board of Directors and to the Director and Chief Executive Officer is determined by the Board based on the recommendation of the Compensation and Appointments Committee, and reflects comparative surveys of compensation practices among large French companies.

- gross compensation paid to Serge Weinberg, Chairman of the Board of Directors, for 2008 amounted to €500,000, entirely in base salary. This amount was unchanged from 2007. On February 24, 2009, the Board of Directors decided that the same amount would be payable for 2009. As Serge Weinberg resigned the same day with immediate effect, his compensation for 2009 will amount to €83,333;
- the gross base salary paid to the Director and Chief Executive Officer for 2008 amounted to €1,000,000. On February 24, 2009, the Board decided that the same amount would be payable for 2009;
- the Director and Chief Executive Officer's gross incentive bonus amounted to €750,000 in 2008, based on the percentage achievement of the performance objectives set by the Board of Directors on the recommendation of the Compensation and Appointments Committee. These performance objectives were notably based on (i) operating profit before tax and non-recurring items(2) reported by the Group; and (ii) earnings per share.

  Based on the recommendation of the Compensation and Appointments Committee, the Board of Directors has determined that the incentive bonus payable to the Director and Chief Executive Officer in respect of 2009 will be based on (i) the percentage achievement of the Group's financial objectives for the year (notably in terms of operating profit before tax and non-recurring items and revenue growth for the Services business); and (ii) the achievement of qualitative objectives. The percentage range of the bonus will be unchanged from 2008, varying from 0% to 150% of the annual base salary, with the bonus amounting to 100% if the objectives are fully met.
- in line with the principles set by the Board of Directors, based on the recommendation of the Compensation and Appointments Committee, the Chairman of the Board and the Director and Chief Executive Officer are not paid any directors' fees.

Change in management structure

Following the resignation of the Chairman during the meeting of February 24, 2009, the Board decided to reorganize the way the Company is managed and supervised by combining the positions of Chairman and Chief Executive Officer.

The aim of this decision was to enable the management team to be more responsive, backed by a leaner Board of Directors. The Board then appointed Gilles Pélisson as Chairman and Chief Executive Officer for the remainder of his term of office as director. The change was effective on February 24, 2009 but had no impact on Gilles Pélisson's compensation package as described herein.

Post-directorship benefits

Supplementary retirement benefits

Like several dozen other corporate officers and senior executives, the Director and Chief Executive Officer was the beneficiary in 2008 of a supplementary retirement plan comprising both a defined contribution scheme (Article 83) and a defined benefit scheme (Article 39).

- except in specific cases provided for by law, if a beneficiary leaves the Group before the date of retirement, he or she will retain only the rights accrued under the defined contribution scheme (i.e. an annual employer contribution of up to 5% of five times the annual social security cap(3) and will lose the rights accrued under the defined benefit scheme;

(1) Chairman and Chief Executive Officer as from February 24, 2009.

(2) Operating profit before tax and non-recurring items = EBIT less net financial expense plus share of profit of associates.

(3) Employer contributions paid by Accor under the defined contribution scheme in relation to the Director and Chief Executive Officer amounted to €7,673 in 2008.

- under the defined benefit scheme, if a corporate officer is still part of the Group on retirement he or she would be entitled to a life annuity calculated as a percentage of the beneficiary's reference compensation subject to a limit of 60 times the annual social security cap. A different percentage is applied to each bracket of compensation, with the average rate representing 2% or less than 2% of the compensation depending on the year concerned. Any benefits paid under the above-mentioned defined contribution scheme would be deducted from the annuity payable under the defined benefit scheme;
- the Director and Chief Executive Officer's total replacement rate (government-sponsored basic pension plus Accor supplementary plans) upon retirement is capped at 35% of the average of the three highest annual compensations (base salary plus bonus) over the ten years prior to the date of retirement.

Termination benefits

- conditions governing the termination by the Company of the Director and Chief Executive Officer's functions were defined by the Board of Directors on January 9, 2006 and approved by shareholders on May 10, 2006. They were amended by the Board on February 26, 2008 in order to comply with Article 17 of the French Act dated August 21, 2007. Compensation payable to the Chief Executive Officer on the termination of his functions – except in the event of gross or willful misconduct – would represent the equivalent of 36 months' worth of the base salary and incentive bonus received in his capacity as Chief Executive Officer during the last full year prior to the termination of his term of office. However, this termination benefit will only be payable if the Group's average annual operating profit before tax and non-recurring items for the years corresponding to his term of office as Chief Executive Officer is higher than that generated in the three years preceding the start of his term, i.e. €573 million;
- additional conditions introduced as a result of the AFEP/MEDEF recommendations issued on October 6, 2008 – applicable from the renewal of Gilles Pélisson's term of office on May 13, 2009:

  In line with the AFEP/MEDEF's October 6, 2008 recommendations, on December 16, 2008 the Board of Directors decided that the termination benefit payable to the new Chairman and Chief Executive Officer (except in the event of gross or willful misconduct) will be reduced to 24 months' base salary and incentive bonus received in his capacity as Chairman and Chief Executive Officer during the last full year prior to the termination of his term of office. The payment of this termination benefit will be subject to the following performance conditions set by the Board of Directors at its meeting of February 24, 2009:

  - the Group's return on capital employed must be higher than its cost of capital as published in the Registration Document for the previous three years;
  - Accor Services must report like-for-like growth of more than 8% for at least two of the three previous years;
  - the Hotels business must have positive free cash flow for at least two of the three previous years;
  - the annual average Accor share price multiplied by 100 must be more than 85% of the annual average CAC 40 index for the previous three years.

These performance conditions would have the following impact on the amount of the termination benefit due:

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

Unemployment insurance

A private insurance scheme has been set up with the "Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise" (GSC), under which compensation would be payable to the Chairman and Chief Executive Officer if he became unemployed. This insurance coverage will only be effective once the Company has paid contributions for an unbroken period of 12 months, i.e. as from January 1, 2010. The compensation would initially be paid for a period of 12 months as from the 31st day of unbroken unemployment. However, this period will be increased to 24 months after the first year of membership of the insurance scheme, when the Company will be entitled to take out the corresponding additional coverage. The unemployment compensation paid will be based on the net taxable income generated from the beneficiary's professional activity for the previous year, subject to an annual cap of €109,785 for 2009. Shareholders will be asked to approve this private unemployment insurance scheme in the twenty-first resolution tabled at the Annual Shareholders' Meeting of May 13, 2009, which is presented on page 268 of this document.

Executive compensation

Compensation paid to corporate officers

The following tables provide a summary of the total gross compensation and benefits paid by Accor SA to the Chairman of the Board of Directors and the Director and Chief Executive Officer in 2007 and 2008, as well as stock options and performance shares granted in those years:

Table 1 – Compensation, stock options and performance shares granted to corporate officers in 2007 and 2008

Gilles Pélisson **Director and Chief Executive Officer** *(in euros)*	2007	2008
Compensation for the year (see Table 2 below)	2,371,950	1,774,571
Value of stock options granted during the year (see Table 6 below)(1)	1,878,750	721,875
Value of performance shares granted during the year (see Table 9 below)(2)	552,457	725,938
TOTAL	**4,803,157**	**3,222,384**

(1) The value of these stock options corresponds to the theoretical value of the options at the grant date calculated using the Black & Scholes option pricing model in accordance with the AFEP/MEDEF Corporate Governance Code for listed companies, rather than to actual compensation received. 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. At December 31, 2008, only some of the applicable performance conditions had been met but this fact is not reflected in the figure in the above table. Further details on stock option grants and the applicable exercise periods are provided in Table 5 on page 111.

(2) The value of these performance shares corresponds to the theoretical value of the shares at the grant date, in accordance with the AFEP/MEDEF Corporate Governance Code for listed companies, rather than to actual compensation received. The beneficiary may receive these shares only if he is still a member of the Group when they vest and if the applicable performance conditions have been met. At December 31, 2008, only some of the applicable performance conditions had been met but this fact is not reflected in the data in the above table. Further details on performance shares grant plans and the applicable vesting dates are provided in Table 9 on page 113.

Serge Weinberg **Chairman of the Board of Directors** *(in euros)*	2007	2008
Compensation for the year (see Table 2 below)	500,000	500,000
Value of stock options granted during the year	-	-
Value of performance shares granted during the year	-	-
TOTAL	**500,000**	**500,000**

Table 2 – Breakdown of compensation and benefits paid to corporate officers

Gilles Pélisson **Director and Chief Executive Officer** *(in euros)*	Due for the year 2007	Due for the year 2008	Paid during the year 2007	Paid during the year 2008
Base salary(1)	900,000	1,000,000	900,000	1,000,000
Incentive bonus(2)	1,350,000	750,000	1,100,000	1,350,000
Exceptional bonus(3)	100,000	-	-	100,000
Directors' fees(4)	15,000	17,395	25,000	5,000
Benefits-in-kind(5)	6,950	7,176	6,950	7,176
TOTAL	**2,371,950**	**1,774,571**	**2,031,950**	**2,462,176**

The amounts shown in this table are presented on a gross pre-tax basis.

(1) The base salary due for the year is paid in the same year.

(2) The incentive bonus due for one year is set and paid at the beginning of the following year.

The criteria used to determine the Director and Chief Executive Officer's incentive bonus for 2008 are described on page 105.

(3) The Board of Directors awarded Gilles Pélisson an exceptional bonus of €100,000 on February 26, 2008, in recognition of the successful implementation of the asset-right strategy in 2007.

(4) These directors' fees were paid to Gilles Pélisson in his capacity as a director of Sagar, a wholly-owned subsidiary based in Italy. The amount paid in 2007 covers the period from April 28, 2006 through December 31, 2007. Mr Pélisson will not receive any Directors' fees for the period after April 30, 2008..

Mr Pélisson will also receive €12,395 in directors' fees for 2008 in his capacity as Vice-Chairman of the Supervisory Board of Groupe Lucien Barrière.

(5) Company car.

Serge Weinberg Chairman of the Board of Directors *(in euros)*	Due for the year		Paid during the year	
	2007	2008	2007	2008
Base salary(1)	500,000	500,000	500,000	500,000
Incentive bonus	-	-	-	-
Exceptional bonus	-	-	-	-
Directors' fees	-	-	-	-
Benefits-in-kind	-	-	-	-
TOTAL	**500,000**	**500,000**	**500,000**	**500,000**

The amounts shown in this table are presented on a gross pre-tax basis.

(1) The base salary due for the year is paid in the same year.

Table 3 – Commitments given to corporate officers

Corporate officer	Employment contract	Supplementary retirement plan(1)	Compensation or benefits due or that may be due on appointment or termination or following a change of position(2)	No-compete indemnity
Gilles Pélisson Director and Chief Executive Officer Term: January 9, 2006 through May 13, 2009	Yes	Yes	Yes	No
Serge Weinberg Chairman of the Board of Directors Term: January 9, 2006 through February 24, 2009	No	No	No	No

(1) The supplementary retirement schemes of which the Director and Chief Executive Officer was a member in 2008 are described on page 105.

(2) The compensation and benefits payable or may be payable on the termination or a change in the functions of the Director and Chief Executive Officer are described on page 106.

The Company entered into an employment contract with Gilles Pélisson in October 2005, which was suspended when he was appointed as Director and Chief Executive Officer in January 2006. At its meeting on February 24, 2009, the Board of Directors has decided that subject to Mr Pélisson's term of office as director and Chairman and Chief Executive Officer being 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 defined benefit retirement scheme (Article 39) described on page 105. This employment contract will, however, be amended by way of an addendum removing any clauses giving Mr Pélisson any rights in excess of those provided for by law and the applicable collective bargaining agreement. This addendum states that if Mr Pélisson's employment contract is terminated within six months of the loss of his corporate officer's position, the legal severance pay that may be due as a result of the termination of his employment contract cannot be combined with any termination benefits received as a result of the loss of his corporate office. The addendum was signed on March 9, 2009 on the Company's behalf by Jérôme Seydoux, as authorized by the Board of Directors, and will come into force when Mr Pélisson's term of office as director and Chairman and Chief Executive Officer is renewed. In accordance with Article L. 225-38 of the French Commercial Code, shareholders will be asked to ratify the signature of this addendum in the twenty-second resolution tabled at the Annual Meeting called to approve the 2008 accounts (see page 268).

The Board of Directors reached its decision on this issue on the grounds that, as the applicable regulations currently stand, there is a serious risk that a corporate officer without an employment contract would not be entitled to the rights arising under a defined benefit supplementary retirement scheme if his corporate office is terminated when he is between the age of 55 and the statutory retirement age. As Gilles Pélisson is currently 51 this question is particularly relevant in his case. Because the purpose of maintaining his employment contract – which has been suspended for the duration of his corporate office – is purely to preserve the Chairman and Chief Executive Officer's rights under the Company's defined benefit supplementary retirement scheme, the Board of Directors concurred with the recommendation of the Compensation and Appointments Committee that the termination of Mr Pélisson's employment contract would have been particularly unfair and would not have been of any particular benefit to the Company.

Compensation paid to other Group executives

The total gross compensation and benefits paid in 2008 by the Company and the various other Group entities to the 12 members of the Executive Committee (except for the Chief Executive Officer, whose compensation is described above) amounted to €7.161 million, including €2.553 million in gross incentive bonuses.

Provisions for pensions and other post-employment benefits for executives at December 31, 2008 are presented in Note 48 to the consolidated financial statements (page 224).

Directors' fees

Total directors' fees payable by Accor SA for 2006 were set at €590,000 by shareholders at the Combined Ordinary and Extraordinary Shareholders' Meeting of January 9, 2006 and remained unchanged for 2008. The fees for 2008 were paid in March 2009 and correspond solely to amounts 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 of the Board and the Director and Chief Executive Officer are not paid any directors' fees;
- the Chairmen and members of the Board Committees receive a fixed amount for serving on these Committees: €5,000 for being a Committee member; €10,000 for chairing the Compensation and Appointments Committee and the Commitments Committee; and €15,000 for chairing the Audit Committee;
- of the balance, 50% is shared equally among all the members of the Board (€12,000 per director) and 50% is allocated prorata to each member's attendance record at Board meetings during the year (including attendance by teleconference link).

Directors' fees paid to members of the Board of Directors by the Company are as follows:

Table 4 – Directors' fees and other compensation received by members of the Board of Directors (excluding the Chairman and Director and Chief Executive Officer)

Board of Directors	Due for the year		Paid in the year	
(in euros)	2007	2008	2007	2008
Thomas J. Barrack	15,280	27,225	24,887	15,280
Sébastien Bazin	56,516	57,450	52,775	56,516
Isabelle Bouillot	39,957	39,838	42,775	39,957
Philippe Camus	44,957	34,225	34,887	44,957
Aldo Cardoso	66,516	67,450	62,775	66,516
Philippe Citerne	36,677	36,031	42,775	36,677
Étienne Davignon	46,516(1)	18,613(1)	38,479	46,516(1)
Gabriele Galateri Di Genola	46,516	43,644	38,479	46,516
Sir Roderic Lyne	38,236	42,450	37,775	38,236
Dominique Marcel	36,677	23,919	29,887	36,677
Francis Mayer †	N/A	N/A	30,591	N/A
Gilles Pélisson	N/A	N/A	N/A	N/A
Alain Quinet	N/A	12,113	N/A	N/A
Augustin de Romanet de Beaune	28,559	37,225	N/A	28,559
Baudoin Prot	33,398	28,419	38,479	33,398
Franck Riboud	30,118	43,644	38,479	30,118
Patrick Sayer	N/A	17,113	N/A	N/A
Jérôme Seydoux	44,957	41,031	47,775	44,957
Theo Waigel	25,118	19,613	29,183	25,118
Serge Weinberg	N/A	N/A	N/A	N/A

(1) In 2008, Mr Davignon was also paid €45,692 in directors' fees due for the year for his functions as Chairman of Compagnie Internationale des Wagons-Lits et du Tourisme (€45,578 due for and paid in 2007).

At its meeting of March 12, 2009, the Board of Directors decided to recommend that the aggregate amount of directors' fees be decreased in line with the reduction in the number of directors on the Board. At the Annual Meeting to be held on May 13, 2009, shareholders will therefore be asked to approve the allocation of a total of €420,000 in directors' fees for 2009 (see the seventeeth resolution on page 267).

DIRECTORS' AND EMPLOYEES' INTERESTS

Stock option plans

Accor regularly grants stock options to corporate officers, executives and middle managers.

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 the Chief Executive Officer has been set by the Board of Directors based on the recommendation by the Compensation and Appointments Committee.

The plan issued on March 28, 2008 granted options to purchase new shares to 1,022 corporate officers, executives and middle managers.

The exercise price of €46.46 corresponds to the average opening Accor share price over the 20 trading days preceding the date of grant, without any discount.

On September 30, 2008, the Group issued options to purchase new shares to six new executives including one member of the Executive Committee. The exercise price of €42.70 corresponds to the average opening Accor share price over the 20 trading days preceding the date of grant, without any discount.

The options issued in 2008 have a seven-year life, with a four-year vesting period.

Table 5 – Stock options granted to employees and corporate officers

Date of Management Board or Board of Directors Meeting	Total potential number of new shares: Number of options granted	Of which to corporate officers	Of which to the top 10 employee grantees	Number of grantees	Exercisable from	Expiry date	Exercise price *(in euros)*	Number of options exercised in 2008	Number of new shares issued at Dec. 31, 2008	Number of options cancelled[1]	Options outstanding at Dec. 31, 2008
Options to purchase new Accor shares											
March 30, 2000	690,125	-	98,900	809	March 30, 2005	March 30, 2008	37.00	139,819	567,652	122,473	-
Jan. 4, 2001	1,957,000	895,000	575,000	32	Jan. 4, 2004	Jan. 4, 2009	40.58	-	1,252,450	70,000	634,550
Jan. 8, 2002	3,438,840	435,000	290,000	2,032	Jan. 8, 2005	Jan. 8, 2010	37.77	26,845	1,961,592	85,400	1,391,848
Jan. 3, 2003	148,900	30,000	96,000	67	Jan. 4, 2006	Jan. 3, 2011	31.83	740	92,650	-	56,250
Jan. 7, 2004	1,482,900	265,000	145,000	1,517	Jan. 8, 2007	Jan. 7, 2012	35.68	30,731	309,639	17,500	1,155,761
Jan. 12, 2005	1,298,950	265,000	129,000	903	Jan. 13, 2009	Jan. 12, 2012	32.42	2,600[2]		19,450	1,276,200
Jan. 9, 2006	1,231,200	250,000	295,000	191	Jan. 10, 2010	Jan. 9, 2013	46.15	-	-	7,000	1,224,200
March 24, 2006	666,950	-	61,500	818	March 25, 2010	March 24, 2013	49.10	-	1,300	11,400	654,250
March 22, 2007[3]	1,492,845	62,500	127,500	958	March 23, 2011	March 22, 2014	68.65	-	-	22,180	1,470,665
May 14, 2007[4]	95,000	31,250	63,750	11	May 15, 2011	May 14, 2014	71.72	-	-	-	95,000
March 28, 2008[5]	1,409,400	62,500	138,500	1,022	March 29, 2012	March 28, 2015	46.46	-	-	10,650	1,398,750
Sept. 30, 2008[6]	75,000	-	75,000	6	Oct. 1, 2012	Sept. 30, 2015	42.70	-	-	-	75,000
TOTAL OPTIONS	**13,987,110**								**4,188,583**	**366,053**	**9,432,474**
Stock savings warrants[7]											
July 12, 2002	104,361			3,890	July 12, 2005	July 12, 2009	39.10	694	29,858		74,503
July 9, 2004	88,131			3,390	July 9, 2007	July 9, 2012	33.94	1,529	4,621		83,510
Sept. 13, 2007	1,403			40	Sept. 13, 2010	Sept. 13, 2015	60.44	-	-		1,403
TOTAL STOCK SAVINGS WARRANTS	**193,895**							**2,223**	**34,479**		**159,416**
TOTAL	**14,181,005**								**4,223,062**	**366,053**	**9,591,890[8]**

(1) Options cancelled due to beneficiaries leaving the Group or the vesting conditions not being met.
(2) Options exercised following the death of the grantee.
(3) Granted by the Chief Executive Officer as authorized by the Board of Directors on March 6, 2007.
(4) Performance stock options.
(5) Granted by the Chief Executive Officer as authorized by the Board of Directors on February 26, 2008.
(6) Granted by the Chief Executive Officer as authorized by the Board of Directors on August 27, 2008.
(7) Options to purchase new shares issued in connection with Accor employee share issue programs.
(8) Representing 4.36% of Accor common stock at December 31, 2008.

Gilles Pélisson was the only corporate officer to be granted stock options in 2006, 2007 and 2008.

The stock option plans were approved by shareholders as follows:

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

Under the terms of the authorizations given at the Shareholders' Meetings of January 9, 2006 and May 13, 2008, the number of options granted may not be exercised for shares representing more than 2.5% of the Company's share capital at the date of said meetings.

Table 6 – Stock options granted to and exercised by the Director and Chief Executive Officer in 2008

	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 Director and Chief Executive Officer	Gilles Pélisson	March 28, 2008	Options to purchase new shares	721,875(1)	62,500	46.46	From March 29, 2012 to March 28, 2015
Options exercised during the year by the Director and Chief Executive Officer							-

(1) The value of these stock options corresponds to the theoretical value of the options at the grant date calculated using the Black & Scholes option pricing model in accordance with the AFEP/MEDEF Corporate Governance Code for listed companies, rather than to actual compensation received. The stock options may only be exercised if the beneficiary is still a member of the Group on the exercise date..

The 62,500 options to purchase new shares granted in 2008 to the Director and Chief Executive Officer represented 0.028% of the Company's share capital at December 31, 2008.

The Director and Chief Executive Officer will be required to hold in registered form a number of the shares allotted to him on exercise of the options received under the March 28, 2008 plan until he leaves the Accor Group. The number of shares that must be held will represent 40% of the net capital gain on the exercised options.

Table 7 – 2008 stock option data concerning the top ten employees other than corporate officers who received/exercised the largest number of options

	Number of options	Weighted average exercise price *(in euros)*
Options granted in 2008 to the top ten employees other than corporate officers who received the largest number of options	182,500(1)	45.22
Options exercised in 2008 by the ten employees other than corporate officers who exercised the largest number of options	41,100(2)	36.59

(1) Of which 122,500 options granted on March 28, 2008 and 60,000 on September 30, 2008.

(2) Of which 20,600 options granted on March 30, 2000, 9,000 on January 8, 2002, 8,900 on January 7, 2004, and 2,600 on January 12, 2005.

Performance stock grant plans

On March 28, 2008, Accor set up a performance stock grant plan for Group executives for the second year running. The plan has a four-year term (corresponding to a two-year vesting period followed by a two-year lock-up period) and concerns 92 Group executives. The applicable performance conditions are described in Note 25 to the consolidated financial statements.

The number of performance shares granted to the Chief Executive Officer was set by the Board of Directors based on the recommendation of the Compensation and Appointments Committee.

Table 8 – Performance shares granted to employees and/or corporate officers

	Number of shares not yet vested[1]							
Date of Board of Directors' Meeting	Number of shares granted	Of which to corporate officers	Of which to the top 10 employee grantees	Number of shares cancelled[2]	Number of grantees	Vesting date	End of lock-up period	Performance conditions
Performance stock grant plans								
May 14, 2007	56,171	7,813	15,938	1,290	102	May 14, 2009	May 14, 2011	ROCE and operating profit after tax[4]
March 28, 2008[3]	107,034	15,625	33,625	-	92	March 28, 2010	March 28, 2012	ROCE and operating profit after tax[4]
TOTAL NUMBER OF SHARES GRANTED	**56,171**			**1,290**				

(1) The shares granted under these plans had not vested at December 31, 2008 as they are subject to a two-year vesting period as from the grant date.

(2) Shares cancelled due to beneficiaries leaving the Group or performance conditions not being met.

(3) Granted by the Chief Executive Officer as authorized by the Board of Directors on February 26, 2008.

(4) Operating profit after tax = Operating profit before tax and non-recurring items less current taxes and minority interests.

The Director and Chief Executive Officer Gilles Pélisson was the only corporate officer to be granted performance shares under the 2007 and 2008 plans.

The 2007 and 2008 performance stock grant plans were authorized at the Combined Ordinary and Extraordinary Shareholders' Meeting of January 9, 2006. The number of shares granted under this authorization may not represent more than 0.5% of the Company's share capital at that date.

Table 9 – Performance shares granted to the Director and Chief Executive Officer in 2008

	Grantee	Grant date	Number of shares	Value of shares calculated based on the method used in the consolidated financial statements *(in euros)*	Vesting date	End of lock-up period	Performance conditions[1]
Performance shares granted to the Director and Chief Executive Officer in 2008	Gilles Pélisson	March 28, 2008	15,625	725,938[2]	March 28, 2010	March 28, 2012	ROCE and operating profit after tax[3]
Performance shares granted to the Director and Chief Executive Officer for which the lock-up period expired in 2008							-

(1) Further details of the applicable performance conditions are provided in Note 25 to the consolidated financial statements on page 189.

(2) The value of these performance shares corresponds to the theoretical value of the shares at the grant date, in accordance with the AFEP/MEDEF Corporate Governance Code for listed companies, rather than to actual compensation received. The beneficiary may receive these shares only if he is still a member of the Group when they vest and if the applicable performance conditions have been met. At December 31, 2008, only some of the applicable performance conditions had been met but this fact is not reflected in the data in the above table. Further details on performance shares grant plans and the applicable vesting dates are provided in Table 9 on page 113.

(3) Operating profit after tax = Operating profit before tax and non-recurring items less current taxes and minority interests.

The 15,625 performance shares granted in 2008 to the Director and Chief Executive Officer represented 0.007% of the Company's share capital at December 31, 2008.

The Director and Chief Executive Officer will be required to hold in registered form 25% of the number of shares vested (based on the achievement of the applicable performance conditions) until he leaves the Accor Group.

Performance shares granted in 2008 to the top ten employee grantees (other than corporate officers)

	Number of shares
Performance shares granted in 2008 to the ten employees other than corporate officers who received the largest number of shares	33,625

Discretionary and non-discretionary employee profit-sharing programs

Non-discretionary profit-sharing

In France, a Group-level non-discretionary profit-sharing program 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 (net profit – 5% of equity) x (salaries/value added)

Based on this formula, a gross amount of €13 million was allocated to the profit-sharing reserve for 2007 (paid in 2008).

Amounts allocated to the special profit-sharing reserve in previous years were:

- €10 million for 2006 (paid in 2007) and
- €7 million for 2005 (paid in 2006).

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 order to qualify for tax and social security exemptions, the amounts allocated to the profit-sharing reserve are invested in corporate mutual funds and are only available to beneficiary employees after a period of five years. In accordance with the French Act of February 8, 2008 aimed at increasing purchasing power, during the year more than 6,000 employees were able to lift this five-year ban on resale and realize their investment.

Discretionary profit-sharing

Due to the Group's organization structure and compensation policy, a large number of discretionary profit-sharing plans have been set up at the level of Accor SA, its subsidiaries and the operating units.

These profit-shares are determined based on whether the subsidiary or entity concerned achieves or exceeds its profit targets, with the calculation method based on quantitative criteria specified in each related agreement. The amounts vary from year to year and are capped. In the case of Accor SA, the amount of discretionary profit-sharing is dependent on the Group achieving its net profit target.

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
Person related to Thomas J. Barrack Jr and Sébastien Bazin	Forward financial instrument	18,151,383[(1)]
Person related to Thomas J. Barrack Jr and Sébastien Bazin	Share sale	240,000
Person related to Thomas J. Barrack Jr and Sébastien Bazin	Share purchase	6,535,846
Person related to Thomas J. Barrack Jr and Sébastien Bazin	Purchase of other financial instruments	20,800,000[(2)]
Person related to Thomas J. Barrack Jr and Sébastien Bazin	Sale of other financial instruments	5,500,000
Jacques Stern	Purchase of new shares	1,000
Jacques Stern	Share purchase	10,000
Jacques Stern	Share sale	15,898
Alain Quinet	Share purchase	100
Alain Quinet	Loan of shares	400
Aldo Cardoso	Share purchase	1,500
Gilles Pélisson	Share purchase	6,500
Gilles Pélisson	Share sale	5,500
Yann Caillère	Share purchase	910
Patrick Sayer	Share purchase	500

(1) Maximum number of shares that may be acquired in exchange for a financial instrument.
(2) Number of share put options.

Capital and Ownership Structure

CAPITAL

Share capital

At December 31, 2008, the Company's share capital amounted to €659,683,569, divided into 219,894,523 shares of common stock 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.

Share buyback program

Authorization granted by the Ordinary and Extraordinary Shareholders' Meeting of May 13, 2008

The Combined Ordinary and Extraordinary Shareholders' Meeting of May 13, 2008 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 14, 2007 Annual Meeting.

The maximum purchase price under this authorization is €100 and the minimum sale price is €45.

The number of shares acquired in treasury may not exceed 22,500,000, or 9.78% of the share capital at May 13, 2008.

The authorization may be used 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 be used 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 2008

Pursuant to the above authorization, on May 13, 2008 the Board of Directors decided to implement a €400 million share buyback program expiring on December 31, 2008, and to cancel the acquired shares.

In 2008, a total of 1,837,699 Accor shares were purchased at an average weighted price of €33.70, for a total cost of €61,924,498. The related transaction costs amounted to €53,987.

The Board of Directors decided to cancel a total of 10,227,849 shares on July 3 and December 16, 2008.

At December 31, 2008 Accor no longer held any shares in treasury.

Additional information can be found in the special report on the share buyback program authorized on May 13, 2008 and in the description of the share buyback program submitted for approval at the May 13, 2008 Annual Shareholders' Meeting (page 284).

Financial authorizations

At the Ordinary and Extraordinary Shareholders' Meetings of January 9, 2006, May 14, 2007 and May 13, 2008 shareholders granted the Board of Directors the following authorizations:

Type of authorization	Date of authorization	Nominal amount authorized	Term and expiry date	Utilization in 2008
Corporate actions				
Issuance of shares and share equivalents	Ordinary and Extraordinary Shareholders' Meeting of May 14, 2007 17th, 18th, 19th, 20th, 21st and 22nd resolutions		26 months – July 14, 2009	
With pre-emptive subscription rights		€200 million		
Without pre-emptive subscription rights		€100 million		
Issued in connection with a stock-for-stock offer		€100 million		
Issued in payment for contributed assets		10% of the Company's share capital		
Issued 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		
Stock option plans				
Employee stock option plans (purchase of new/existing shares)	Ordinary and Extraordinary Shareholders' meeting of January 9, 2006 30th resolution	2.5% of the Company's share capital at January 9, 2006	38 months – March 9, 2009	Board of Directors' meeting of February 26, 2008 1,410,000 stock options granted
	Ordinary and Extraordinary Shareholders' meeting of May 13, 2008 13th resolution	2.5% of the Company's share capital at May 13, 2008	38 months – July 13, 2011	Board of Directors' meeting of August 27, 2008 100,000 stock options granted
Employee share issues	Ordinary and Extraordinary Shareholders' Meeting of May 13, 2008 14th resolution	2% of the Company's share capital at May 13, 2008	26 months – July 13, 2010	
Stock grants	Ordinary and Extraordinary Shareholders' Meeting of January 9, 2006 31st resolution	0.5% of the Company's share capital at January 9, 2006	38 months – March 9, 2009	Board of Directors' meeting of February 26, 2008 115,000 shares granted subject to performance conditions
	Ordinary and Extraordinary Shareholders' Meeting of May 13, 2008 15th resolution	0.5% of the Company's share capital at May 13, 2008	38 months – July 13, 2011	

Employee stock ownership

The first "Accor en Actions" employee share issue, open to Group employees in France, was launched in 1999. A total of 7,900 employees subscribed to the issue.

In 2000 the Group launched its first international employee share issue in a total of 23 countries. The purpose of the issue was to offer 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.

In 2002, another international employee share issue was carried out in 25 countries, taken up over 12,600 employees.

A further employee share issue was carried out in 2004 for employees in some twenty countries. A total of 9,100 employees subscribed to the issue.

In 2007, a leveraged employee share issue was carried out for Group employees in 26 countries where permitted by local legislation. A total of 8,736 employees subscribed to the issue.

For each Accor share purchased by an employee, the partner bank for the transaction contributed nine additional shares. The purchased shares are subject to a five-year lock-up period, after which the employees are guaranteed to receive the amount they originally invested in the shares, as well as 100% of the average increase in the share price calculated based on all of the shares purchased directly by the employee and the additional shares received from the bank.

At December 31, 2007, 0.89% of the Company's capital was held by 26,928 employees through employee stock ownership plans.

At December 31, 2008, 0.93% of the Company's capital was held by 22,408 employees through employee stock ownership plans.

Share equivalents

Employee stock options

At December 31, 2008, a total of 9,591,890 stock options were outstanding.

Exercise of all of these options would lead to the issuance of 9,591,890 shares representing 4.36% of the Company's capital at December 31, 2008.

Securities not carrying rights to a share in the capital

There are no other share equivalents outstanding.

Changes in capital

Changes in capital over the past five years

Year	Transaction	Increase (decrease) in capital (in euros)		New capital (in euros)	New shares outstanding
2004	Exercise of stock options at €32.47	26,250	257,862	597,804,900	199,268,300
	Exercise of stock options at €15.46	255,000	1,059,100	598,059,900	199,353,300
	Exercise of stock options at €33.95	2,250	23,213	598,062,150	199,354,050
	Employee share issue at €24.48	815,469	5,838,758	598,877,619	199,625,873
	Employee share issue at €27.98	357,933	2,980,389	599,235,552	199,745,184
	Conversion of 1.75% 2003 OCEANE bonds	20,895,975	257,717,025	620,131,527	206,710,509
2005	Exercise of stock options at €32.47	3,899,100	38,302,159	624,030,627	208,010,209
	Exercise of stock options at €37.00	180,942	2,050,676	624,211,569	208,070,523
	Exercise of stock options at €33.95	335,169	3,457,827	624,546,738	208,182,246
	Exercise of stock options at €37.77	365,850	4,240,202	624,912,588	208,304,196
	Exercise of stock options at €40.58	120,000	1,503,200	625,032,588	208,344,196
	Exercise of stock savings warrants at €43.40	1,746	23,513	625,034,334	208,344,778
	Exercise of stock savings warrants at €39.10	30	361	625,034,364	208,344,788
	Conversion of 1.75% 2003 OCEANE bonds	26,762,958	332,306,729	651,797,322	217,265,774
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	42,465	510,996	659,838,390	219,946,130
	Exercise of stock savings warrants at €43.40	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

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

OWNERSHIP STRUCTURE

A Euroclear France survey of financial institutions holding at least 200,000 shares and of shareholders holding at least 250 shares at December 31, 2008 identified 12,162 shareholders owning an aggregate 60.16% of the Company's capital, representing 53.74% of the voting rights.

In addition, the Company had 3,100 registered shareholders at December 31, 2008, representing 35.67% of the Company's capital and 42.51% of the voting rights.

At December 31, 2008, the Company's capital consisted of 219,894,523 shares, representing a total of 246,192,579 voting rights, all of which were exercisable.

Shareholders at December 31, 2008

Analysis by shareholder category at December 31, 2008	% capital held in registered form	% capital held in bearer form	% of total capital	% of total voting rights
International institutions	1.58%	40.12%	41.70%	37.25%
French institutions	-	16.24%	16.24%	14.50%
Board members and Founders	32.12%	4.07%	36.19%	41.49%
Private shareholders	1.97%	3.90%	5.87%	6.76%
TOTAL	**35.67%**	**64.33%**	**100.00%**	**100.00%**

Sources: Euroclear France, Accor share register, additional survey and disclosures made to the Autorité des Marchés Financiers.

Among the international institutional shareholders, at December 31, 2008 investors based in the United States owned 19.44% of outstanding shares, the United Kingdom 9.16%, Canada 2.38%, Netherlands 1.93%, Switzerland 1.60%, other continental European countries 4.10% and other countries 3.09%.

Analysis of shares held by Board members and Founders, and free-float	Number of shares	Total number of voting rights	% capital	% voting rights
ColTime/ColDay/Legendre Holding 19(1)	50,231,228	50,231,228	22.84%	20.40%
Caisse des dépôts et consignations Group	18,695,060	34,512,731	8.50%	14.02%
Founders	6,018,028	11,518,444	2.74%	4.68%
Société Générale	3,381,760	3,381,760	1.54%	1.37%
BNP Paribas	1,227,080	2,454,160	0.56%	1.00%
Other	25,641	43,782	0.01%	0.02%
Board members and Founders	**79,578,797**	**102,142,105**	**36.19%**	**41.49%**
Other shareholders	140,315,726	144,050,474	63.81%	58.51%
TOTAL AT DECEMBER 31, 2008	**219,894,523**	**246,192,579(2)**	**100.00%**	**100.00%**

(1) Shareholders acting in concert: ColTime (Colony Capital, LLC), ColDay (Colony Capital, LLC) and Legendre Holding 19 (controlled by Eurazeo), which respectively hold 20,634,091, 6,535,846 and 23,061,291 shares and voting rights.

(2) All voting rights are exercisable.

There were 26,298,056 double voting rights outstanding at December 31, 2008.

At December 31, 2008, 22,408 employees held 3,191,466 shares (1.45% of the Company's capital) and 5,018,550 voting rights (2.04% of the total), of which 2,037,187 shares (0.93% of the capital) and 3,187,504 voting rights (1.29% of the total) were held under employee stock ownership plans.

Between January 1, 2008 and February 10, 2009, the following registered intermediaries and fund managers notified the *Autorité des Marchés Financiers* of changes in their interests, in accordance with disclosure threshold rules:

Disclosure date	AMF reference number	Registered intermediary or fund manager	Number of shares	% capital	Number of voting rights	% voting rights
January 31, 2008	208C0225	ColTime/Lifetime Holdings/Eurazeo	25,719,091	11.19%	25,719,091	10.03%
February 12, 2008	208C0C298	Crédit Suisse Groupe	11,687,623	5.08%	11,687,623	4.56%
May 6, 2008	208C0828	ColTime Sarl/ColTime & ColLife SNC	39,878,509	17.33%	39,878,509	15.54%
May 20, 2008	208C0941	Morgan Stanley	14,094,262	6.13%	14,094,262	5.49%
May 26, 2008	208C1007	Morgan Stanley	7,601,705	3.30%	7,601,705	2.96%
July 8, 2008	208C1302	Crédit Suisse Groupe	10,460,286	4.55%	10,460,286	4.08%
July 25, 2008	208C1434	ColDay/ColTime/Legendre Holding 19	48,441,228	21.05%	48,441,228	18.91%
December 29, 2008	208C2342	ColDay/ColTime/Legendre Holding 19	50,231,228	22.38%	50,231,228	20.04%
January 14, 2009	209C0066	ColDay/ColTime/Legendre Holding 19	55,135,776	25.07%	55,135,776	22.40%
January 21, 2009	209C0102	ColDay/ColTime/Legendre Holding 19	56,892,775	25.87%	56,892,775	23.11%
January 29, 2009	209C0144	ColDay/ColTime/Legendre Holding 19	61,690,968	28.18%	61,960,968	25.17%
February 10, 2009	209C0230	ColDay/ColTime/Legendre Holding 19	66,268,589	30.14%	66,268,589	26.92%

Changes in ownership structure over the past three years

	December 31, 2006			December 31, 2007			December 31, 2008		
		Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital
ColTime/ColDay/ Legendre Holding 19	-	-	-	24,504,368	10.66%	9.56%	50,231,228	22.84%	20.40%
Caisse des dépôts et consignations Group	18,695,460	8.80%	8.38%	18,695,460	8.13%	13.46%	18,695,060	8.50%	14.02%
Founders	6,858,602	3.23%	5.91%	6,069,825	2.64%	4.63%	6,018,028	2.74%	4.68%
Société Générale	3,556,760	1.67%	1.59%	3,381,760	1.47%	1.32%	3,381,760	1.54%	1.37%
BNP Paribas	1,227,580	0.58%	1.10%	1,227,080	0.53%	0.96%	1,227,080	0.56%	1.00%
Treasury stock*	882,581	0.43%	-	8,390,150	3.65%	-	-	-	-
Other shareholders	181,188,758	85.29%	83.02%	167,649,151	72.92%	70.07%	140,341,367	63.82%	58.53%
TOTAL	**212,409,741**	**100.00%**	**100.00%**	**229,917,794**	**100.00%**	**100.00%**	**219,894,523**	**100.00%**	**100.00%**

* *Shares held in treasury do not carry voting rights.*

Sources: Euroclear France, Accor share register, disclosures made to the Autorité des Marchés Financiers.

Accor has not identified any other material changes in its ownership structure during the past three years.

At December 31, 2008 Accor did not hold any treasury shares.

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.

The main clauses of the May 4, 2008 memorandum were 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's 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.

This 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, L.P. and Colyzeo Investors L.P., which are managed by Colony Capital, LLC.

(2) ColDay SARL is controlled by the investment funds Colony Investors VIII, L.P. and Colyzeo Investors II, L.P., 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.

DIVIDENDS

Year	Number of shares with dividend rights at December 31	Dividend for the year (in euros) Dividend	Total revenue	Paid on	Share price (in euros) High	Low	Year-end	Yield based on year-end closing price
2004	206,710,509	1.30(1)	1.30(1)	May 17, 2005	37.36	30.37	32.21	4.00%
2005	217,265,774	1.15	1.15	May 17, 2006	47.15	31.03	46.46	2.48%
2006	212,077,160(2)	2.95(3)	2.95(3)	May 16, 2007	59.25	42.30	58.70	5.03%
2007	229,917,794	3.15(3)	3.15(3)	May 20, 2008	75.32	52.21	54.70	5.80%
2008	219,894,523	1.65(4)	1.65(4)	June 17, 2009	56.30	24.23	35.11	4.70%

(1) Including a special dividend of €0.25.
(2) Shares carrying dividend rights at March 15, 2007.
(3) Including a special dividend of €1.50.
(4) Submitted for approval at the Combined Ordinary and Extraordinary Shareholders' Meeting of May 13, 2009.

No interim dividend was paid in 2008. 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 Annual Meeting of May 13, 2009 approve the payment of a dividend for 2008, amounting to €1.65 per share, with each individual shareholder being offered the option of reinvesting the dividend in new shares. The price of the new shares issued under the option will be equal to the average of the opening prices over the twenty trading days preceding the date of the Annual Meeting, less the amount of the dividend per share.

Due to the dividend reinvestment option, the dividend payment process will take place as follows:

- the ex-dividend date will be Wednesday, May 20, 2009;
- shareholders electing to reinvest their dividend may submit their request to their broker or banker at any time from Wednesday May 20 to close of business on Monday June 8, 2009;
- the dividend will be paid in cash or the new shares will be settled on June 17, 2009.

If the amount of the reinvested dividend does not correspond to a whole number of shares, the shareholder may purchase the next lower whole number of shares and receive the difference in cash.

The new shares will be subject to all the provisions of the law and the bylaws and carry dividend rights from January 1, 2009.

THE MARKET FOR ACCOR SECURITIES

The market for Accor shares

Accor shares are traded on Euronext Paris (segment A) and are included in the CAC 40 index.

Accor shares are also included in the four main socially responsible investment stock indexes, the Vigéo ASPI index, the FTSE4Good index, the Ethibel ESI index and the Dow Jones Sustainability Index.

At December 31, 2008, the Accor share closed at €35.11, and the Company's market capitalization was €7.7 billion.

Accor share prices and trading volumes (ISIN code FR0000120404)

(in euros)	Average price	High-Low		Trading volume
2007				
October	66.47	69.30	62.12	29,934,019
November	59.21	66.00	52.96	36,784,361
December	55.74	59.89	52.21	34,928,413
2008				
January	50.75	55.75	44.47	57,235,869
February	49.92	54.39	46.20	42,430,412
March	45.69	48.08	42.45	32,924,529
April	50.08	53.74	46.05	31,396,002
May	51.54	56.30	47.27	35,286,786
June	45.86	49.63	41.53	38,418,619
July	42.60	46.50	38.44	41,495,614
August	45.70	48.36	42.30	25,646,235
September	42.26	47.23	36.99	34,017,110
October	30.81	38.21	24.23	53,759,661
November	28.60	32.25	24.85	27,206,899
December	32.91	35.50	28.00	21,887,149
2009				
January	31.86	37.50	28.05	41,717,548
February	31.29	34.62	27.70	25,032,726

Source: Euronext.

Registrar

Shareholder services are provided by:

Société Générale

32, rue du Champ-de-Tir

BP 81236

44312 Nantes Cedex 3, France

Financial Statements

Consolidated Financial Statements and Notes

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

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 on the year ended December 31, 2008 on:

- the audit of the accompanying consolidated financial statements of Accor;
- the justification of our assessments;
- the specific verification required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated 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 consolidated 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 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, 2008 and of the results of its operations for the year then ended in accordance with the IFRSs as adopted by the European Union.

II. Justification of our assessments

The accounting estimates used to prepare the consolidated financial statements for the year ended December 31, 2008 have been made in the context of a financial crisis and uncertain economic outlooks. These conditions are described in Note 1 to the consolidated financial statements. It is in this context and in accordance with Article L. 823-9 of the French Commercial Code (Code de commerce), that we conducted the following assessments which we bring to your attention:

- Note 1.D.6 and 1.D.4 to the consolidated financial statements set forth the accounting methods and rules relating to (i) the recoverable amount of items of property, plant & equipment and intangible assets and (ii) the accounting treatment of finance leases and finance lease arrangements. We have verified the appropriateness of the accounting methods applied and the disclosures provided in the notes to the consolidated financial statements, examined the consistency of the underlying assumptions, the quantified impact thereof and available documentation, and assessed on this basis the reasonableness of the estimates made;
- Note 41 to the consolidated financial statements describes the legal proceedings currently underway concerning the tax audits of CIWLT and the claim relating to the dividend withholding tax. This note sets forth the positions of senior executive management concerning these proceedings. Our work consisted in assessing the reasonableness of the elements on which these evaluations are based and verifying that the note to the consolidated financial statements provides appropriate disclosures.

These assessments were performed as part of our audit approach for the consolidated financial statements taken as a whole and contributed to the expression of our unqualified opinion in the first part of this report.

III. Specific verification

In accordance with the law, we also verified the information presented in the Group management report.

We have no matters to report regarding its fair presentation and consistency with the consolidated financial statements.

Neuilly-sur-Seine, March 10, 2009

The Statutory Auditors

Deloitte & Associés	Ernst & Young et Autres
David Dupont-Noel	Bruno Bizet

CONSOLIDATED INCOME STATEMENTS

(in million of euros)	Notes	2006 (*)	2007	2008
Revenue		7,533	8,025	7,610
Other operating revenue		74	96	129
CONSOLIDATED REVENUE	**3**	**7,607**	**8,121**	**7,739**
Operating expense	4	(5,523)	(5,800)	(5,449)
EBITDAR	**5**	**2,084**	**2,321**	**2,290**
Rental expense	6	(836)	(931)	(903)
EBITDA	**7**	**1,248**	**1,390**	**1,387**
Depreciation, amortization and provision expense	8	(436)	(419)	(446)
EBIT	**9**	**812**	**971**	**941**
Net financial expense	10	(96)	(92)	(86)
Share of profit of associates after tax	11	11	28	20
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS		**727**	**907**	**875**
Restructuring costs	12	(69)	(58)	(56)
Impairment losses	13	(94)	(99)	(57)
Gains and losses on management of hotel properties	14	109	208	111
Gains and losses on management of other assets	15	15	188	12
OPERATING PROFIT BEFORE TAX		**688**	**1,146**	**885**
Income tax expense	16	(258)	(234)	(272)
Profit or loss from discontinued operations	17	104	-	-
NET PROFIT	**43**	**534**	**912**	**613**
NET PROFIT, GROUP SHARE		**501**	**883**	**575**
Net Profit, Minority interests	27	33	29	38
Weighted average number of shares outstanding *(in thousands)*	25	224,738	225,013	221,237
EARNINGS PER SHARE *(in euros)*		**2.23**	**3.92**	**2.60**
Diluted earnings per share *(in euros)*	25	2.17	3.78	2.59
DIVIDEND PER SHARE *(in euros)*		**1.45**	**1.65**	**1.65 (**)**
EXCEPTIONAL DIVIDEND PER SHARE *(in euros)*		**1.50**	**1.50**	**-**
Earnings per share from continuing operations *(in euros)*		1.77	3.92	2.60
Diluted earnings per share from continuing operations *(in euros)*		1.74	3.78	2.59
Earnings per share from discontinued operations *(in euros)*		0.46	N/A	N/A
Diluted earnings per share from discontinued operations *(in euros)*		0.43	N/A	N/A

(*) In accordance with IFRS 5, Carlson Wagonlit Travel (CWT) profits or losses have been recognised in Profit or loss from discontinued operations (see Note 17).
(**) Proposed to the Combined Ordinary and Extraordinary Shareholders' Meeting.

Financial Statements

CONSOLIDATED BALANCE SHEETS

Assets

(in million of euros)	Notes	Dec. 2006	Dec. 2007	Dec. 2008
GOODWILL	**18**	**1,735**	**1,967**	**1,932**
INTANGIBLE ASSETS	**19**	**390**	**369**	**512**
PROPERTY, PLANT AND EQUIPMENT	**20**	**3,506**	**3,321**	**4,324**
Long-term loans	21	269	107	78
Investments in associates	22	326	421	176
Other financial investments	23	244	182	149
TOTAL NON-CURRENT FINANCIAL ASSETS		**839**	**710**	**403**
Deferred tax assets	16	297	199	222
TOTAL NON-CURRENT ASSETS		**6,767**	**6,566**	**7,393**
Inventories		64	74	103
Trade receivables	24	1,308	1,598	1,313
Other receivables and accruals	24	727	715	824
Prepaid services voucher reserve funds		373	392	441
Receivables on disposals of assets	29 & 30	54	52	16
Short-term loans	29 & 30	28	22	34
Cash and cash equivalents	29 & 30	1,267	1,138	1,253
TOTAL CURRENT ASSETS		**3,821**	**3,991**	**3,984**
Assets held for sale	32	545	277	36
TOTAL ASSETS		**11,133**	**10,834**	**11,413**

Equity and Liabilities

(in million of euros)	Notes	Dec. 2006	Dec. 2007	Dec. 2008
Share capital		635	665	660
Additional paid-in capital		2,321	2,276	2,226
Retained earnings		100	(94)	158
Fair value adjustments on financial instruments reserve	26	524	66	(6)
Reserve related to employee benefits		32	59	82
Reserve for actuarial gains/losses		(23)	(19)	(23)
Currency translation reserve		8	(145)	(367)
Net profit, Group share		501	883	575
SHAREHOLDERS' EQUITY, GROUP SHARE	**25**	**4,098**	**3,691**	**3,305**
Minority interests	27	66	61	258
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTERESTS		**4,164**	**3,752**	**3,563**
Convertible or exchangeable bonds (OCEANE)	28, 29 & 30	635	-	-
Other long-term debt	29 & 30	490	1,056	1,927
Long-term finance lease liabilities	29 & 30	184	216	161
Deferred tax liabilities	16	245	170	199
Non-current provisions	33	125	118	131
TOTAL NON-CURRENT LIABILITIES		**5,843**	**5,312**	**5,981**
Trade payables	24	599	679	765
Other payables and income tax payable	24	1,422	1,557	1,602
Prepaid services voucher in circulation		2,289	2,894	2,587
Current provisions	33	242	248	191
Short-term debt and finance lease liabilities	29 & 30	449	109	165
Bank overdrafts	29 & 30	60	35	122
TOTAL CURRENT LIABILITIES		**5,061**	**5,522**	**5,432**
Liabilities of assets classified as held for sale	32	229	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**11,133**	**10,834**	**11,413**

CONSOLIDATED CASH FLOW STATEMENTS

(in million of euros)	Notes	2006 (*)	2007	2008
EBITDA		1,248	1,390	1,387
Net financial expense		(96)	(92)	(86)
Income tax expense		(266)	(252)	(277)
Non cash revenue and expense included in EBITDA		23	29	38
Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes		89	30	41
Dividends received from associates		5	7	8
Profit or loss from discontinued operations		21	-	-
FUNDS FROM ORDINARY ACTIVITIES	**34**	**1,024**	**1,112**	**1,111**
Cash received (paid) on non-recurring transactions (included restructuring costs and non-recurring taxes)		(84)	(85)	(86)
Decrease (increase) in working capital	35	265	388	25
Profit or loss from discontinued operations		(9)	-	-
NET CASH FROM OPERATING ACTIVITIES (A)		**1,196**	**1,415**	**1,050**
Renovation and maintenance expenditure	36	(454)	(466)	(488)
Renovation and maintenance expenditure on non-current assets held for sale	37	(95)	(26)	(5)
Development expenditure	37	(671)	(1,198)	(1,086)
Proceeds from disposals of assets		1,459	1,635	560
Profit or loss from discontinued operations		(6)	-	-
NET CASH USED IN INVESTMENTS/DIVESTMENTS (B)		**233**	**(55)**	**(1,019)**
Proceeds from issue of share capital		227	710	8
Capital reduction		(485)	(1,200)	(62)
Dividends paid		(276)	(680)	(719)
Repayment of long-term debt		(391)	(900)	(781)
Payment of finance lease liabilities		(142)	(50)	(65)
New long term debt		263	940	1,742
INCREASE (DECREASE) IN LONG-TERM DEBT		**(270)**	**(10)**	**896**
Increase (decrease) in short-term debt		(1,721)	(178)	23
Profit or loss from discontinued operations		(1)	-	-
NET CASH FROM FINANCING ACTIVITIES (C)		**(2,526)**	**(1,358)**	**146**
EFFECT OF CHANGES IN EXCHANGE RATES (D)		**35**	**(49)**	**(140)**
NET CHANGE IN CASH AND CASH EQUIVALENTS (E) = (A) + (B) + (C) + (D)	**30**	**(1,062)**	**(47)**	**37**
Cash and cash equivalents at beginning of period		2,306	1,207	1,103
Effect of changes in fair value of cash and cash equivalents		(1)	(1)	(9)
Profit or loss from discontinued operations		(36)	(56)	-
Cash and cash equivalents at end of period		1,207	1,103	1,131
NET CHANGE IN CASH AND CASH EQUIVALENTS	**30**	**(1,062)**	**(47)**	**37**

(*) *In accordance with IFRS 5, in the cash flow statement for the year ended December 31, 2006 the cash flow of 2006 discontinued operations are reported on a separate line (see Note 17).*

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

In € millions	Number of shares outstanding	Share capital	Additional paid-in capital	Currency translation reserve (1)	Fair value adjustments on Financial Instruments reserve (2)	Reserve related to employee benefits	Reserve for actuarial gains/losses	Retained earnings and profit for the period	Shareholders' equity	Minority interests	Consolidated shareholders' equity
AT DECEMBER 31, 2005	**216,287,043**	**649**	**2,567**	**192**	**547**	**19**	**(21)**	**348**	**4,301**	**95**	**4,396**
Change in reserve for employee benefits	-	-	-	-	-	13	-	-	13	-	13
Change in reserve for actuarial Gains/losses	-	-	-	-	-	-	(2)	-	(2)	-	(2)
Profit for the period	-	-	-	-	-	-	-	501	501	33	534
Recognised income and expense	-	-	-	-	-	*13*	*(2)*	*501*	*512*	*33*	*545*
Issues of share capital											
On conversion of equity notes (convertible bonds)	2,648,993	8	99	-	-	-	-	-	107	-	107
On exercise of stock options	2,819,581	8	100	-	-	-	-	-	108	-	108
Treasury stock	646,150	2	18	-	-	-	-	-	20	-	20
Club Méditerranée earn-out payable (3)	(436,000)	(1)	(13)	-	-	-	-	-	(14)	-	(14)
Change in fair value resulting from conversion of equity notes	-	-	-	-	(23)	-	-	-	(23)	-	(23)
Capital reduction (4)	(10,324,607)	(31)	(450)	-	-	-	-	-	(481)	-	(481)
Dividends paid	-	-	-	-	-	-	-	(248)	(248)	(28)	(276)
Currency translation adjustment	-	-	-	(184)	-	-	-	-	(184)	(3)	(187)
Effect of scope changes	-	-	-	-	-	-	-	-	-	(31)	(31)
AT DECEMBER 31, 2006	**211,641,160**	**635**	**2,321**	**8**	**524**	**32**	**(23)**	**601**	**4,098**	**66**	**4,164**
Change in reserve for employee benefits	-	-	-	-	-	27	-	-	27	-	27
Change in reserve for actuarial Gains/losses	-	-	-	-	-	-	4	-	4	-	4
Profit for the period	-	-	-	-	-	-	-	883	883	29	912
Recognised income and expense	-	-	-	-	-	*27*	*4*	*883*	*914*	*29*	*943*
Issues of share capital											
On conversion of equity notes (convertible bonds)	27,077,473	82	1,024	-	-	-	-	(31)	1,075	-	1,075
Reserved for employees	770,529	2	41	-	-	-	-	-	43	-	43
On exercise of stock options	1,916,434	6	69	-	-	-	-	(1)	74	-	74
Treasury stock	130,000	0	5	-	-	-	-	-	5	-	5
Club Méditerranée earn-out payable (3)	(114,000)	(1)	(3)	-	-	-	-	-	(4)	-	(4)
Change in fair value resulting from conversion of equity notes (2)	-	-	-	-	(458)	-	-	-	(458)	-	(458)
Capital reduction (4)	(19,893,952)	(59)	(1,181)	-	-	-	-	-	(1,240)	-	(1,240)
Dividends paid	-	-	-	-	-	-	-	(661)	(661)	(19)	(680)
Currency translation adjustment	-	-	-	(153)	-	-	-	-	(153)	(3)	(156)
Effect of scope changes	-	-	-	-	-	-	-	(2)	(2)	(12)	(14)
AT DECEMBER 31, 2007	**221,527,644**	**665**	**2,276**	**(145)**	**66**	**59**	**(19)**	**789**	**3,691**	**61**	**3,752**
Fair value adjustments on financial instruments	-	-	-	-	(72)	-	-	67	(5)	-	(5)
Currency translation adjustment	-	-	-	(222)	-	-	-	-	(222)	(45)	(267)
Change in reserve for actuarial Gains/losses	-	-	-	-	-	-	(4)	-	(4)	-	(4)
Profit for the period	-	-	-	-	-	-	-	575	575	38	613
Recognised income and expense	-	-	-	*(222)*	*(72)*	-	*(4)*	*642*	*344*	*(7)*	*337*
Issues of share capital											
On exercise of stock options	204,578	1	7	-	-	-	-	-	8	-	8
Capital reduction (4)	(1,837,699)	(6)	(57)	-	-	-	-	-	(63)	-	(63)
Dividends paid	-	-	-	-	-	-	-	(698)	(698)	(22)	(720)
Change in reserve for employee benefits	-	-	-	-	-	23	-	-	23	-	23
Effect of scope changes	-	-	-	-	-	-	-	-	-	226	226
AT DECEMBER 31, 2008	**219,894,523**	**660**	**2,226**	**(367)**	**(6)**	**82**	**(23)**	**733**	**3,305**	**258**	**3,563**

(1) Exchange differences on translating foreign operations for the year ended December 31, 2008, in the amount of (€222 million negative impact), mainly concern changes in exchange rates against the euro of the British pound (€105 million negative impact), the Brazilian real (€88 million negative impact), the Australian dollar (€59 million negative impact), the Polish Zloty (€31 million negative impact) and the US dollar (€72 million positive impact) statements were as follows:

	USD	GBP	BRL	PLN	AUD
December 2007	*1.4721*	*0.7334*	*2.6144*	*3.5935*	*1.6757*
December 2008	*1.3917*	*0.9525*	*3.2436*	*4.1535*	*2.0274*

(2) 2007 change corresponding mainly to the redemption in equity of the ORA equity notes issued to Colony Capital.

(3) Corresponding to the reversal of the provision set up at the time of acquisition of Club Méditerranée, covering part of the stock-based earn-out payment due to Caisse des dépôts et consignations (see Note 2.A.3).

(4) Capital reductions resulting from the cancellation of shares acquired under the 2006, 2007 and 2008 buyback programs (see Note 2.F).

Number of Accor's shares is detailed as follows:

Details on shares	Dec. 2006	Dec. 2007	Dec. 2008
Total number of shares authorized	212,409,741	229,917,794	219,894,523
Number of fully paid shares issued and outstanding	212,409,741	229,917,794	219,894,523
Number of shares issued and outstanding not fully paid	-	-	-
Par value per share (in euros)	3	3	3
Treasury stock	882,581	8,390,150	-
Number of shares held for allocation on exercise of stock options and grants	-	-	-

The change in the number of outstanding share capital between January 1, 2008 and December 31, 2008 breaks down as follows:

Outstanding Accor's share capital at January 1, 2008	**221,527,644**
Shares from conversion of stock option plans	204,578
Number of shares bought back and cancelled during the period	(1,837,699)
Outstanding Accor's share capital at December 31, 2008	**219,894,523**

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

Accor's share capital at December 31, 2008	**219,894,523**
Outstanding Accor's share capital at December 31, 2008	**219,894,523**
Stock option plans (see Note 25.3)	9,591,890
Performance shares granted to employees (see Note 25.3)	132,936
Potential number of shares	**229,619,349**

Full conversion would have the effect of reducing debt at December 31, 2008 as follows:

(in million of euros)	
Theoretical impact of conversion of stock option plans (*)	433
Theoretical impact on net debt of converting all equity instruments	**433**

(*) Based on a conversion of 100% of the outstanding options.

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

Accor's share capital at December 31, 2008	**219,894,523**
Outstanding Accor's share capital at December 31, 2008	**219,894,523**
Adjustment from stock option plans exercised during the period	(51,740)
Adjustment from shares bought back during the period	1,394,683
Weighted average number of ordinary shares during the period (see Note 25)	**221,237,466**
Number of potential ordinary shares resulting from conversion of Stock option plans	766,589
Impact of dilutive performance shares at December 31, 2008	72,984
Weighted average number of shares used to calculate diluted earnings per share (see Note 25)	**222,077,039**

KEY MANAGEMENT RATIOS

	Note	Dec. 2006 (*)	Dec. 2007	Dec. 2008
Gearing	(a)	11%	5%	30%
Adjusted Funds from Ordinary Activities/Adjusted Net Debt	(b)	22.2%	26.2%	25.8%
Return On Capital Employed	(c)	11.9%	13.6%	14.1%
Economic Value Added (EVA ®) (in million *of euros)*	(d)	232	229	360

(*) Key management ratios presented above have been adjusted to exclude Carlson Wagonlit Travel (CWT), 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:

	Dec. 2006 (*)	Dec. 2007	Dec. 2008
NET DEBT AT END OF THE PERIOD	**469**	**204**	**1,072**
Debt restatement prorated over the period	19	(120)	(51)
AVERAGE NET DEBT	**488**	**84**	**1,021**
8% discounted rental commitments (**)	5,149	5,155	4,141
TOTAL ADJUSTED NET DEBT	**5,637**	**5,239**	**5,162**
FUNDS FROM ORDINARY ACTIVITIES	**1,024**	**1,112**	**1,111**
Rental amortization	229	258	219
ADJUSTED FUNDS FROM ORDINARY ACTIVITIES	**1,253**	**1,370**	**1,330**
ADJUSTED FUNDS FROM ORDINARY ACTIVITIES/ADJUSTED NET DEBT	**22.2%**	**26.2%**	**25.8%**

(*) Key management ratios presented above have been adjusted to exclude Carlson Wagonlit Travel (CWT), 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.

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

At December 31, 2007, the difference between the value of future minimum lease payments discounted at 8% (€4,569 million), and the value used in the above table to calculate adjusted net debt (€5,155 million) corresponds to 8/12ths of Red Roof Inn's future minimum lease payments, discounted at 8%, recognized prior to the company's disposal. Note that at the same time, eight months of Funds from Ordinary Activities were recognized in consolidated funds from operations before non-recurring items in 2007.

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

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

Financial Statements

2006, 2007 and 2008 Economic Value Added (EVA) have been calculated as follows:

	Dec. 2006 (*)	Dec. 2007	Dec. 2008
Cost of equity (1)	7.71%	8.88%	9.00%
Cost of debt (after tax)	3.33%	3.50%	3.35%
Equity/debt weighting			
Equity	89.88%	94.84%	76.85%
Debt	10.12%	5.16%	23.15%
WEIGHTED AVERAGE COST OF CAPITAL (WACC) (2)	**7.26%**	**8.60%**	**7.69%**
ROCE AFTER TAX (3)	**9.41%**	**10.76%**	**11.27%**
CAPITAL EMPLOYED *(in million of euros)*	**10,807**	**10,606**	**10,089**
ECONOMIC VALUE ADDED *(in million of euros)* (4)	**232**	**229**	**360**

(*) Key management ratios presented above have been adjusted to exclude Carlson Wagonlit Travel (CWT), in accordance with IFRS 5.

(1) The Beta used to calculate the cost of equity for 2006, 2007 and 2008 was 1 and the 10-year OAT rate as at each year-end has been used as the risk-free rate.

(2) WACC is determined as follows:

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

(3) ROCE after tax is determined as follows:

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

At December 31, 2008 the data are following ones:

EBITDA:	*€1,423 million (see ROCE hereafter)*
Depreciation, amortization and provisions:	*€ 446 million*
Notional tax rate:	*29.3% (see Note 16.2)*
Capital employed:	*€10,089 million (see ROCE hereafter)*

(4) EVA is determined as follows:
(ROCE after tax – WACC) x Capital employed.
A 0.1 point increase or decrease in the Beta would have had a €36 million impact on 2006 EVA, a €45 million impact on 2007 EVA and a €43 million impact on 2008 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 interest);
- Capital Employed: for each business, the average cost of 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 2008, ROCE stood at 14.1% versus 13.6% in fiscal 2007 and 11.9% in fiscal 2006.

(in million of euros)	Dec. 2006 (*)	Dec. 2007	Dec. 2008
Capital employed	10,779	10,519	10,308
Adjustments on capital employed (1)	78	44	(316)
Effect of exchange rate on capital employed (2)	(50)	43	97
RESTATED AVERAGE CAPITAL EMPLOYED	**10,807**	**10,606**	**10,089**
EBITDA	1,248	1,390	1,387
Interest income on external loans and dividends	17	9	8
Share of profit of associates before tax (see Note 11)	18	38	28
RESTATED ADJUSTED EBITDA	**1,283**	**1,437**	**1,423**
RESTATED ROCE (ADJUSTED EBITDA/CAPITAL EMPLOYED)	**11.9%**	**13.6%**	**14.1%**

(*) ROCE presented above have been adjusted to exclude Carlson Wagonlit Travel (CWT), in accordance with IFRS 5.

(1) 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.

(2) 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) over a 12-month rolling period is as follows, by business segment:

	Dec. 2006 (*)		Dec. 2007		Dec. 2008	
Business	Capital Employed	ROCE	Capital Employed	ROCE	Capital Employed	ROCE
	(in million of euros)	*%*	*(in million of euros)*	*%*	*(in million of euros)*	*%*
HOTELS	**7,862**	**11.1%**	**7,482**	**13.3%**	**7,477**	**12.9%**
Upscale and Midscale Hotels	3,903	8.7%	3,924	11.6%	4,258	10.8%
Economy Hotels	1,753	19.2%	1,674	21.5%	1,778	21.1%
Economy Hotels United States	2,206	9.0%	1,884	9.6%	1,441	9.1%
PREPAID SERVICES	**1,172**	**25.3%**	**1,710**	**21.3%**	**1,761**	**23.3%**
OTHER BUSINESSES						
Casinos	451	10.0%	473	9.7%	471	9.4%
Restaurants	262	13.0%	257	12.9%	138	7.5%
Onboard Train Services	139	12.4%	145	10.4%	110	8.3%
Holding Companies and other	921	1.6%	539	(3.3)%	132	N/A
RESTATED GROUP TOTAL	**10,807**	**11.9%**	**10,606**	**13.6%**	**10,089**	**14.1%**

(*) ROCE presented above have been adjusted to exclude Carlson Wagonlit Travel (CWT), in accordance with IFRS 5.

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 2008 Accor Group consolidated financial statements for the year ended December 31, 2008 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union as of that date. They include comparative interim and annual financial information for 2006 and 2007, prepared in accordance with the same standards.

At December 31, 2008, the accounting standards and interpretations adopted by the European Union were the same as International Financial Reporting Standards (including IFRSs, IAS and Interpretations) published by the International Accounting Standards Board ("IASB"), with the exception of:

- IAS 39, which was only partially adopted;
- IFRIC 11 "IFRS 2: Group and Treasury Share Transactions" which is applicable from January 1, 2008 only by European Union companies whose financial year begins on or after March 1, 2008;
- IFRIC 12 "Service Concession Arrangements" which has not yet been adopted;
- Interpretation IFRIC 14 "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" which is applicable by European Union companies from the first financial period beginning after December 31, 2008;
- the revised version of the Amendment to IAS 39 and IFRS 7 "Reclassification of Financial Instruments: effective date and transition".

The Group decided to early adopt IFRIC 11: the effect of applying this interpretation was not material.

The differences between the standards and interpretations published by the IASB and those adopted by the European Union do not have a material impact on the Accor Group's financial statements for the following reasons:

- application of IAS 39 and IFRIC 12 and IFRIC 14 will have no impact on the Group's financial statements when they are adopted by the European Union and become applicable by the Group;
- Accor has not applied the Amendment to IAS 39 and IFRS 7, which has since been revised and allows the reclassification of certain financial assets.

As a result, the Group's consolidated financial statements have been prepared in accordance with International Financing Reporting Standards as published by the IASB.

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, 2008 and applicable after that date:

		Application Date (period beginning on or after)	Measurement of the possible impact on the Accor Group consolidated financial statements in the period of initial application
IFRS 8	"Operating Segments"	January 1, 2009	This standard is currently not expected to have material impact on the presentation of the financial statements.
IAS 1 revised	Revised version of IAS 1 "Presentation of Financial Statements"	January 1, 2009	This standard is currently not expected to have any impact on the consolidated financial statements, except for certain presentation changes.
Amendment to IFRS 2	"Vesting Conditions and Cancellations"	January 1, 2009	
Amendments to IAS 32 and IAS 1	"Puttable financial instruments and obligations arising on liquidation"	January 1, 2009	
Amendments to IFRS 1 and IAS 27	"Cost of an investment in a subsidiary, jointly controlled entity or associate"	January 1, 2009	These standards are currently not expected to have a material impact on the consolidated financial statements.

		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
Amendments to IAS 39	"Financial Instruments: Recognition and Measurement: Eligible Hedged Items"	July 1, 2009	These standards are currently not expected to have a material impact on the consolidated financial statements.
IFRS 1 revised	Revised version of IFRS 1 "First-time Adoption of International Financial Reporting Standards"	July 1, 2009	
IFRIC 15	"Agreements for the Construction of Real Estate"	January 1, 2009	
IFRIC 16	"Hedges of a Net Investment in a Foreign Operation"	October 1, 2008	
IFRIS 17	"Distributions of Non-cash Assets to Owners"	July 1, 2009	
IFRIC 18	« Transfers of Assets from Customers »	July 1, 2009	
Amendment to IAS 23	"Borrowing costs"	January 1, 2009	Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are already capitalized as part of the cost of that asset and the amendment will therefore have no impact on the consolidated financial statements.
IAS 27 revised	Revised version of IAS 27 "Consolidated and Separate Financial Statements"	July 1, 2009	These standards will be applied prospectively to business combinations occurring on or after January 1, 2010.
IFRS 3 revised	Revised version of IFRS 3 "Business Combinations"	July 1, 2009	
IFRIC 13	"Customer Loyalty Programs"	July 1, 2008	This interpretation alters the accounting treatment of customer loyalty programs, by requiring recognition of the revenue corresponding to the awards to be deferred. The Group's current policy consists of recording a provision for the cost of its loyalty programs. The impact on equity of applying IFRIC 13 will not be material. It has been assessed by reference to the specific features of the Group's loyalty programs, which were revised in September 2008. This change will be made retrospectively, in line with IAS 8, by restating each prior period presented.

First-time adoption of IFRS

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

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

Basis for preparation of the financial 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 judgements 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 litigations 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.

It is not currently possible to accurately predict the magnitude and duration of the current economic and financial crisis beyond December 31, 2008. As a result, the 2008 consolidated financial statements have been prepared by reference to the current environment, particularly for the purpose of estimating the value of financial instruments, non-current assets and projected benefit obligations under retirement and other post-employment benefit plans as explained below:

- Following the financial crisis, in November 2008 the Group reviewed in detail the impairment testing process applied to property, plant and equipment and intangible assets in the first half in accordance with IAS 36 "Impairment of Assets". Assets whose value is assessed by reference to the long-term outlook were measured using assumptions that took into account an economic and financial crisis of limited duration, particularly in terms of its effects on future cash flows generated by the business. The financial parameters used for these valuations were nevertheless reviewed in order to reflect observed market conditions at the balance sheet date. No particular problems were encountered in assessing the fair value of assets;
- Application of IAS 32-39 and IFRS 7 on financial instruments: The Group does not carry out any trading transactions. Derivative instruments are used by the Group solely for hedging purposes and do not include any complex instruments. As a result, the Group had no need to apply the amendment to IAS 39 and IFRS 7 published and adopted in October 2008, which would have allowed certain financial assets to be reclassified during the second half of 2008. In addition, the Group did not encounter any specific problems in estimating the fair value of financial instruments at the balance sheet date;
- The Group also reassessed the appropriateness of the discount rates used to measure projected benefit obligations under pension and other post-employment benefit plans at the balance sheet date. The benchmark used to determine the discount rate in prior years (index-linked rate based on interest rates for over 500 corporate bond issues rated AA +) was considered appropriate at December 31, 2008. No specific problems were encountered in estimating the fair value of hedging instruments at the balance sheet date.

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 2008.

The main indicator used for capital management purposes is the gearing or debt-to-equity ratio (corresponding to net debt divided by equity: see Note "Key Management Ratios" and Note 29). Group policy consists of keeping this ratio below 100%. For the purpose of calculating the ratio, net debt corresponds to interest-bearing loans and borrowings, trade payables and other liabilities, cash and cash equivalents, and equity includes convertible preferred stock and unrealized gains and losses recognized directly in equity, but excludes minority interests. The Group has set a target of maintaining the Adjusted funds from ordinary activities/Adjusted net debt ratio at more than 20%.

The main accounting methods applied are as follows:

A. Consolidation methods

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

Companies controlled and operated jointly by Accor and a limited number of partners under a contractual agreement are proportionally consolidated.

Companies over which the Group exercises significant influence are accounted for by the equity method. Significant influence is considered as being exercised when the Group owns between 20% and 50% of the voting rights.

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

In accordance with IAS 27 "Consolidated and Separate Financial Statements", potential voting rights held by Accor that are currently exercisable (call options) are taken into account to determine the existence of control over the company concerned.

B. Goodwill

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

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

B.1. Positive goodwill

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

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

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

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

B.2. Negative goodwill

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

C. Foreign currency translation

The presentation currency is the euro.

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

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

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

D. Non-current assets

D.1. Intangible assets

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

Brands and lease premiums (droit au bail) in France are considered as having indefinite useful lives and are therefore not amortized. Their carrying amount is reviewed at least once a year and more frequently if there is any indication that they may be impaired. If their fair value determined according to the criteria applied at the acquisition date is less than their carrying amount, an impairment loss is recognized (see Note 1.D.6).

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

The clientele of hotels outside France is generally amortized over the life of the underlying lease.

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

D.2. Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, in accordance with IAS 16 "Property, Plant and Equipment".

Assets under construction are measured at cost less any accumulated impairment losses. They are depreciated from the date when they are put in service.

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

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

D.3. Borrowing costs

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

D.4. Leases and sale and leaseback transactions

Leases are analysed based on IAS 17 "Leases".

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

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

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

Lease payments under operating leases are recognized as an expense on a straight-line basis over the lease term. Future minimum lease payments under non-cancelable operating leases are disclosed in Note 6. Where sale and leaseback transactions result in an operating lease and it is clear that the transaction is established at fair value, any profit or loss is recognized immediately. Fair value for this purpose is generally determined based on independent valuations.

D.5. Other financial investments

Other financial investments, corresponding to investments in non-consolidated companies, are classified as "Available-for-sale financial assets" and are therefore measured at fair value. Unrealized gains and losses on an investment are recognized directly in equity (in Fair value adjustments on Financial Instruments reserve) and are recognized in 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 cost acquisition, including any goodwill arising. Their carrying amount is then increased or decreased to recognise the Group's share of the associate's profits or losses after the date of acquisition. The Group is in regular contact with the management of associates and also receives details of their budgets and business plans. Based on the information obtained through these contacts and close monitoring of actual performance against the budgets and business plans, the Group considers that none of its investments in associates are impaired.

D.6. Recoverable value of assets

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

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

Criteria used for impairment tests

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

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

Cash-generating unit

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

In the hotel business, all the property, plant and equipment incorporated to a hotel are grouped together to create a cash-generating unit.

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

The projection period is limited to five years. Cash flows are discounted at a rate corresponding to the year end weighted average cost of capital. The projected long-term rate of revenue growth reflects each country's economic outlook. For 2008, a long-term growth rate of 2% was used for developed countries.

Intangible assets except goodwill

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

Impairment loss measurement

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

D.7. Assets held for sale

In accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", as from January 1, 2005, assets or group of assets held for sale are presented separately on the face of the balance sheet, at the lower of their carrying amount and fair value less costs to sell.

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

This item groups together:

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

E. Inventories

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

F. Prepaid Services voucher reserve funds

Prepaid Services voucher reserve funds are held in special escrow accounts, to comply with legal requirements in France on the use of Ticket Restaurant operating funds. They require issuers of prepaid services vouchers to set aside the equivalent of the aggregate face value of outstanding vouchers in a special reserve fund.

G. Prepaid expense

Prepaid expenses correspond to expenses paid during the period that relate to subsequent periods. They also include the effect of recognizing rental expense on a straight-line basis over the life of the lease (see Note 6). Prepaid expenses are included in "Other receivables and accruals".

H. Employee benefits expense

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

I. Provisions

In accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, a provision is recognized when the Group has a present obligation (legal, contractual or implicit) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined based on the best estimate of the expenditure required to settle the obligation, in application of certain assumptions.

Provisions 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.

J. 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”.

K. Translation of foreign currency transactions

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

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

L. Deferred tax

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

A deferred tax liability is recognized for all temporary differences, except when it arises from the initial recognition of non-deductible goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and which, at the time of the transaction, affects neither accounting profit nor taxable profit. The only exception concerns deferred taxes arising from the difference in treatment of certain leases accounted for as finance leases in the consolidated accounts.

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

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

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

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

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

M. Share-based payments

M.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 eleven stock option plans set up between 2003 and December 2008. Ten of theses plans do not have any specific vesting conditions except for the requirement for grantees to continue to be employed by the Group at the starting date of the exercised period. One plan is a performance option plan with vesting conditions other than market conditions. As for the other plans, grantees must continue to be employed by the Group at the starting date of the exercised period.

The service cost representing consideration for the stock options is recognized in expense over the vesting period by adjusting equity. The expense recognized in each period corresponds to the fair value of the goods and services received at the grant date, as determined using the Black & Scholes option-pricing model. The grant date is defined as the date when the plan's terms and conditions are communicated to Group employees corresponding to the dates on which the Board of Directors approved these plans. Under IFRS 2, vesting conditions, other than market conditions, are not taken into account when estimating the fair value of the options but are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount, so that, ultimately, the amount recognized for goods and services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

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

Employee stock ownership plan

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

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

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

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

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

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

Accor Group subsidiaries' share-based payment plans

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

Performance shares plans

Performance shares plans are also recognized and measured in accordance with IFRS 2. The recognition and the measurement principles are those used to recognize and measure the stock option plans excepted for the measurement of the cost of the performance share plans corresponding to 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.

M.2. Treasury stock

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

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

N. Financial instruments

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

Fair Value Option" is not applicable to Accor because the Group has not elected to designate financial instruments as at fair value through profit or loss upon initial recognition. The Group did not elect to early adopt of IFRS 7 "Financial Instruments: Disclosures" which was adopted by the European Union on January 11, 2006 and is applicable from January 1, 2007.

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

N.1. Financial assets

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

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

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 and the fair value of unlisted equities and mutual funds corresponds to their net asset value. For unlisted securities, fair value is estimated based on the most appropriate criteria applicable to each individual investment (using 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.

N.2. Derivative financial Instruments

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

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

The fair value of interest rate derivatives is equal to the present value of the instrument's future cash flows, discounted at the interest rate for zero-coupon bonds. The fair value of currency derivatives is determined based on the forward exchange rate at the period-end.

N.3. Financial liabilities hedged by derivative instruments

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

Financial liabilities hedged by fair value hedges are measured at fair value, taking into account the effect of changes in interest rates. Changes in fair value are recognized in profit and are offset by changes in the fair value of the hedging instrument.

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

N.4. Bank borrowings

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

N.5. Convertible bonds

Convertible bonds are qualified as hybrid instruments comprising a host contract, recognized in debt, and an embedded derivative, recognized in equity. The carrying amount of the host contract or debt component is equal to the present value of future principal and interest payments, discounted at the rate that would be applicable to ordinary bonds issued at the same time as the convertible bonds, less the value of the conversion option calculated at the date of issue. The embedded derivative or equity component is recognized in equity for an amount corresponding to the difference between the nominal amount of the issue and the value attributed to the debt component. Costs are allocated to 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.

N.6. Other financial liabilities

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

O. Cash and cash equivalents

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

P. Liabilities of assets classified as held for sale

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

Q. Put Options granted by Accor

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

R. Income statement and cash flow statement presentation

R.1. Revenue

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

- for directly owned and leased hotels, all revenue received from clients for accommodation, catering and other services, and for managed and franchised hotels, all management and franchise fees;
- for the prepaid services businesses, fees received from client companies, contributions received from restaurant operators, royalties for the use of Group trademarks and technical assistance fees;
- for onboard train services, sleeping compartment and food services billed to railway operators and grants received;
- for casinos, gross gaming receipts (slot machines and traditional casino games).

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

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.

R.2. Other operating revenue

Other operating revenue consists of interest income on prepaid services voucher reserve funds. The interest corresponds to the prepaid services voucher business's operating revenue and is included in the determination of consolidated revenue.

R.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)

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

R.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 hotel businesses.

R.6. Restructuring costs

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

R.7. Impairment losses

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

R.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.

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

R.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.

R.11. Profit or loss from discontinued operations

Profit or loss from discontinued operations corresponds to:

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

R.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.

S. Earnings per share

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

T. Other information

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

- in the normal course of business; or
- within twelve months of the period-end.

The Board of Directors approved these financial statements for publication on February 24, 2009.

Note 2. Significant Events and Changes in Scope of Consolidation

A. Strategic refocussing on Hotels and Prepaid Services

In line with the Group strategy announced to the financial markets in 2006, various non-strategic assets were sold in 2006 for a total of €759 million. The Group sold non-strategic assets for an amount of €541 million during 2007 and an amount of €110 million during 2008. Details of the main divestments and acquisitions carried out in 2006, 2007 and 2008 are presented below:

A.1. Divestment of the stake in Compass in 2006

On March 7, 2006, Accor sold its entire 1.42% stake of 30,706,882 shares in Compass Group PLC for a total amount of €95 million, incurring a loss on the disposal of €4 million. Accor no longer holds shares in Compass.

A.2. Divestment of the stake in Carlson Wagonlit Travel in 2006

As part of the strategic review of its business portfolio, on August 2006, Accor Group sold for $465 million its entire 50% interest in Carlson Wagonlit Travel (CWT) to Carlson Companies and One Equity Partners LLC (OEP), a private equity affiliate of JP Morgan Chase & Co. Accor Group and Carlson Companies had each owned a 50% interest in CWT since 1997. As part of the transaction, Accor and CWT signed a three-year, renewable strategic partnership designed to secure preferred distribution of Accor hotels by CWT. At the same time, Accor confirmed CWT as the Group's preferred travel agency.

CWT was removed from the scope of consolidation in the second half of 2006. CWT represented a major separate line of business and was treated as such for segment reporting purposes. Consequently, at December 31, 2006, it was classified as a discontinued operation, in accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations". In accordance with IFRS 5, CWT's profit for the period up to its sale (€14 million) and the profit generated by the sale (€90 million) were reported under "Profit or loss from discontinued operations".

The sale of CWT led to a reduction in debt of €341 million in 2006.

A.3 Divestment of the stake in Club Méditerranée

A.3.1. History

In June 2004, Accor acquired 28.9% of the capital of Club Méditerranée, including 21.2% from the Agnelli Group (Exor/Ifil) and 7.7% from Caisse des dépôts et consignations (CDC).

Club Méditerranée was accounted for by the equity method at December 31, 2004 based on its financial statements for the fiscal year ended October 31, 2004, with no impact on 2004 consolidated profit. In 2005, profit was consolidated under the equity method.

A.3.2. 2006 events

As part of the strategic review of its financial investments, Accor decided to divest most of its stake in Club Méditerranée, 22.93% of the capital on a total stake of 28.93%. In order to perpetuate the synergies achieved between both groups, Accor committed, as part of the shareholders agreement, to maintain a 6% stake in Club Méditerranée for 2 years.

Consequently, on June 9, 2006, Accor sold 13.5% of its stake at a price of €44.9 per share to a group of investors bound up with a shareholders agreement of which Accor is a party. Then, on June 14, 2006, Accor sold 4% of its stake at a price of €44.9 per share to another investor. No share sales were carried out in the second half of the year and at December 31, 2006, Accor still owned 11.43% Club Méditerranée's capital.

The sale led to Club Méditerranée being excluded from the scope of consolidation at June 30, 2006. The remaining shares are carried in the consolidated balance sheet at fair value, under "Available-for-sale financial assets" in accordance with Group accounting policies (see Note 1.N).

The sale generated a loss of €6 million recognized in "Gains or losses on management of other assets". At December 31, 2006, the remaining shares were written down by €11 million, including €6 million through a charge against equity in respect of the shares for which Accor has signed a lock-up agreement.

A.3.3. 2007 events

During 2007, Accor sold 1,049,719 shares at a price of €42.97 per share. Following this transaction, the Group's interest in Club Méditerranée stood at 6%.

The sale generated a gain of €4 million recognized in "Gains or losses on management of other assets" (see Note 15). At December 31, 2007, the remaining shares for which Accor has signed a lock-up agreement expiring on June 8, 2008 were carried in the balance sheet in an amount of €37.2 million.

A.3.4. 2008 events

At December 31, 2008, the remaining shares were carried in the balance sheet in an amount of €14 million, corresponding to the share price at that date of €11.98 per share. The impairment loss was recognized in profit for the period.

A.4. Divestment of the stake in GO Voyages in 2007

As part of the disposal of its non-strategic assets, Accor sold, in February 2007, its entire 100% stake in GO Voyages to Financière Agache Investissement (Groupe Arnault) and to GO Voyages management for €280 million. To continue leveraging the synergies developed since 2002 between Accor and GO Voyages, a renewable marketing partnership was formed to ensure the preferred distribution of Accor hotels by GO Voyages.

As the sale of this stake was initiated prior to the December 31, 2006 closing, all of GO Voyages' current and non-current assets were reclassified as « Assets held for sale » in the consolidated balance sheet at December 31, 2006 for a net amount of €144 million and all its liabilities (excluding equity) were reclassified under "Liabilities related to assets classified as held for sale" for a net amount of €120 million.

The sale generated in 2007 a gain of €204 million recognized in « Gains or losses on management of other Assets » (see Note 15) and reduced the net debt of the period by €280 million.

The business contributed €118 million to 2006 consolidated revenue and €56 million to 2007 consolidated revenue. The business contributed €12 million to 2006 consolidated EBIT and €4 million to 2007 consolidated EBIT.

A.5. Divestment of the stake in Italian Food Services Business in 2007

As part of the disposal of its non-strategic assets, on October 11, 2007, Accor sold its Italian food services business to Barclay's Private Equity for €135 million.

As the sale was initiated prior to the December 31, 2006 closing, all of Italian food services business' current and non-current assets were reclassified as "Assets held for sale" in the consolidated balance sheet at December 31, 2006 for a net amount of €142 million and all its liabilities (excluding equity) were reclassified under "Liabilities related to assets classified as held for sale" for a net amount of €109 million.

This business contributed €312 million to Accor's full-year 2006 consolidated revenue and €249 million to Accor's consolidated revenue for the first nine months of 2007. The business contributed €16 million to Accor's full-year 2006 consolidated EBIT and €16 million to Accor's consolidated EBIT for the first nine months of 2007.

A.6. Divestment of the stake in Brazilian Food Services Business in 2008

As part of its strategy to refocus on its two core businesses, Prepaid Services and Hotels, in March 2008, Accor sold its remaining 50% stake in the Brazilian food services business to Compass Group. Compass had already acquired 50% of the business from Accor in 1998.

The sale price amounted to €114 million. The sale generated a gain before tax of €32 million.

This business contributed €248 million to 2007 consolidated revenue and €70 million to Accor's consolidated revenue for the first three months of 2008. The business contributed €11 million to Accor's full-year 2007 consolidated EBIT and €2 million to Accor's consolidated EBIT for the first three months of 2008.

B. Property strategy

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

* In mature markets.

Real estate policy since January 1, 2005

Since January 1, 2005, the operating structures of 625 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 & Management Back	22	624	374	315	689
Sales & Variable Lease Back	374	3,295	1,169	1,450	2,619
Sales & Lease Back	1	3	3	(5)	(2)
Sales & Franchise Back	135	158	140	138	278
Outright sales	93	453	371	127	498
TOTAL	**625**	**4,533**	**2,057**	**2,025**	**4,082**

(*) 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:

B.1. Upscale hotels (Sofitel/Pullman)

Sale and management-back transactions 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.

B.1.1. 2006: Sale and management-back of six Sofitel hotels

In 2006, Accor sold **six Sofitel hotels** under sale and management-back transactions in United States for $370 million (€295 million) to a joint venture comprised of GEM Realty, Whitehall Street Global Real Estate Limited Partnership and Accor. The six hotels, totalling 1,931 rooms, are located in the major metropolitan markets of Chicago, Los Angeles, Miami, Minneapolis, San Francisco Bay and Washington D.C.

Accor remains a 25% partner in the joint venture, which is accounted for by the equity method, and 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.

The sale of the 6 hotels generated a capital loss of €15 million. The impact on net debt is a decrease of €140 million.

B.1.2. 2007: Sale and management-back of four Sofitel hotels

In line with the strategy underlying the transactions carried out in 2006, at the beginning of January 2007, Accor sold **two US Sofitel** hotels for $255 million to a joint venture comprised of GEM Realty Capital, Whitehall Street Global Real Estate Limited Partnership and Accor. Created in March 2006 for the first transaction, the joint venture already owns six US Sofitel hotels. The two hotels sold in 2007, totalling 704 rooms, are located in New York and Philadelphia. Accor remains a 25% shareholder in the joint venture and will continue to manage the hotels under the Sofitel brand name under a 25-year contract. The transaction enabled Accor to reduce its debt by €83 million.

In late December 2007, a further **two Sofitel** units were sold to an external company, Stratom, under sale and management-back agreements. Both hotels are located in the French West Indies.

B.1.3. 2008: Sale and management-back of Sofitel "The Grand" in the Netherlands

On June 20, 2008, as part of the ongoing implementation of its "asset-right" strategy, Accor sold the **Sofitel The Grand** hotel in Amsterdam under a sale and management-back arrangement. The hotel offers 182 rooms and the transaction was based on an enterprise value of €92 million. Accor sold the Sofitel The Grand for a consideration of €60 million (€330,000 per room). The buyer has agreed to finance €32 million in renovation work. Including the renovation costs, the total price per room comes to €505,000.

Accor will continue to run the hotel under a 25-year management contract and retain a 40% interest in the company that owns the property.

The transaction will have a €69 million impact on adjusted net debt.

B.2. Midscale and Economy hotels

Reduce cyclical fluctuations in consolidated earnings by variabilizing hotel property carrying costs through Sale and variable Lease-back transactions

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

B.2.1. 2005: Sale and variable leaseback of 128 hotels in France with Foncière des Murs

In line with the Group's new property management strategy for the Midscale segment, in March 2005 an initial contract was signed with Foncière des Murs, a consortium made up of Foncière des Regions, Generali, Assurances Crédit Mutuel Vie and Prédica (Crédit Agricole Group), for the sale and variable leaseback of **128 hotels in France** worth €1,025 million.

The hotel contracts are for a period of 12 years, renewable four times per hotel at Accor's discretion. The average rent is equal to 15.5% of revenue, without any guaranteed minimum, reduced to 14.5% at the first renewal date (in the case of renewal at Accor's initiative after the first twelve-year period).

The transaction released **€146 million in cash and generated a €107 million capital gain net of transfer costs.**

Foncière des Murs has also agreed to finance a €112 million refurbishment program, which will help to speed up Novotel's repositioning with the new "Novation" room. Accor is committed to financing €71 million worth of construction expenditure of which €69 million was incurred at December 31, 2008 (see Note 42).

B.2.2. 2006: Sale and variable leaseback of 70 units in France and Belgium with Foncière des Murs

In line with the strategy underlying the transactions carried out in 2005, at March 6, 2006, Accor has signed a memorandum of understanding to sell 76 units including six spas in France and in Belgium to Foncière des Murs, for a market value of €583 million.

As of December 31, 2006, the sale of 70 units - **55 hotels and three spas in France and 12 hotels in Belgium** – for a total of €494 million had been completed.

Accor continue to manage the hotels through a 12-year contract per hotel, renewable four times per hotel at Accor's discretion. The rent is equal to 14% of revenue, without any guaranteed minimum, reduced to 13% at the first renewal date (in the case of renewal at Accor's initiative after the first twelve-year period).

In 2006, **the transaction generated capital gains of €143 million**, net of transfer costs, and reduced rental commitments discounted at 8% to an amount of €151 million.

Foncière des Murs also agreed to finance a €39 million refurbishment program (see Note 42). Accor is committed to financing €27 million worth of construction expenditure of which €25 million was incurred at December 31, 2008.

B.2.3. 2006: Other sale and variable leaseback transactions

During 2006, Accor also sold five hotels under sale and leaseback transactions: one Novotel unit in France, one Novotel unit in Romania, and three Ibis units in Mexico. All of these hotels are now operated under variable-rent leases.

B.2.4. 2007: Sale and variable leaseback of 29 units in the United Kingdom with Land Securities

In first-half 2007, Accor implemented a memorandum of understanding to sell and lease back 30 hotel properties (5,007 Ibis and Novotel Rooms) in the United Kingdom to Land Securities. These units were reported in the consolidated balance sheet at December 31, 2006 under "Assets held for sale" for a net amount of €82 million.

On June 30, 2007, **29 hotel properties were sold** (4,925 Ibis and Novotel rooms) for €683 million.

Accor will continue to operate the hotels under 12-year variable leases, at rents based on annual revenues of 21% on average, with no guaranteed minimum. The leases are renewable six times, for a total of 84 years. Expenses related to the land and hotel building – structural maintenance capex and insurance costs – will be paid by the new owner.

The transaction enabled Accor to report capital gains of €168 million, net of taxes in 2007 and to reduce its adjusted net debt (rental commitments discounted at 8%) by €526 million, of which €157 million were added to the Group's cash reserves. It had no impact on EBITDA but added around €11 million to 2007 operating profit before tax.

The agreement also provides for a €36 million (£35 million) renovation program to be financed by the owner. Accor is committed to financing €17 million (£16 million) (see Note 42), of which €9 million was incurred at December 31, 2008.

B.2.5. 2007: Sale and variable leaseback of 86 units in Germany and in the Netherlands with Moor Park Real Estate

On June 29, 2007, Accor implemented a memorandum of understanding to sell and lease back 72 hotel properties in Germany (8,549 Novotel, Mercure, Ibis and Etap Hotel rooms) and 19 hotel properties in the Netherlands (3,600 Novotel, Mercure, Ibis and Etap Hotel rooms) to Moor Park Real Estate. These units were reported in the consolidated balance sheet at December 31, 2006 under "Assets held for sale" for a net amount of €77 million.

In 2007, **67 hotel properties** (7,539 Novotel, Mercure, Ibis and Etap Hotel rooms) **were legally sold in Germany and 19 hotel properties were legally sold in the Netherlands.**

The agreement with Moor Park Real Estate for €747 million provides for a €59 million renovation program to be financed by the owner. Accor is committed to financing €29 million (see Note 42), of which €12 million was incurred at December 31, 2008.

Accor will continue to operate the hotels under 12-year variable leases, at rents based on annual revenues of 18% on average, with no guaranteed minimum. The leases are renewable 6 times, for a total of 84 years. Expenses related to the land and hotel building – structural maintenance capex and insurance costs – will be paid by the new owner.

The transaction enabled Accor to report capital gains of €142 million, net of taxes in 2007 and to reduce its adjusted net debt (rental commitments discounted at 8%) by €536 million, of which €159 million was added to the Group's cash reserves. It had no impact on EBITDA but added around €3 million to operating profit before tax in 2007.

B.2.6. 2007: Other sale and variable leaseback transactions

In 2007, Accor also sold its Ibis Wembley hotel property through a sale and variable leaseback transaction in the United Kingdom and its Ibis Frankfurt Centrum hotel property through a sale and variable leaseback transaction in Germany.

B.2.7. 2008: Sale and variable leaseback of 55 units in France and Switzerland

As part of its real estate management strategy, during first-half 2008 Accor sold 46 hotels in France and 10 in Switzerland to a real estate consortium including Caisse des dépôts et consignations and two investment funds managed by AXA Real Estate Investment Managers. The Novotel, Mercure, Ibis, All seasons, Etap Hotel and Formule 1 properties involved in the transaction represent a total of 8,200 rooms.

The €518 million transaction includes a €50 million renovation program at the new owner's expense (see Note 42). Accor is committed to financing €27 million renovation program (see Note 42), of which €0.1 million was incurred at December 31, 2008.

Accor will continue to operate the hotels under the same brands through 12-year variable leases at rents based on an average of 16% of annual revenue with no guaranteed minimum. The leases are renewable six times, for a total of 84 years. Insurance premiums, property taxes and structural maintenance capex are now payable by the owner of the properties.

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

At December 31, 2008, contracts had been exchanged on **45 of the hotels in France and the 10 hotels in Switzerland.** The remaining was reclassified as "Property, plant and equipment" because the sale did not go through.

B.2.8. 2008: Other sale and variable leaseback transactions

In 2008, Accor also sold its Mercure Muenchen Am Olympiapark and its Mercure Koeln Severinshof hotel properties through a sale and variable leaseback transaction in Germany.

B.3. All segments

Optimizing operating profit by selling non-strategic assets

This program includes outright sales, "sale and franchise-back" transactions and "sale and management-back" transactions.

B.3.1. 2005 transactions

Outright sales: 17 hotels

In 2005, 17 hotels were sold outright. The transactions concerned three Red Roof Inn units and four Motel 6 units in United States, one Sofitel unit, five Mercure units and one Formule 1 unit. In Germany, one Mercure was sold and two Novotel leases were terminated under the program to rationalize the hotel portfolio following the acquisition of the stake in Dorint.

Sale and franchise-back transactions: 25 hotels

- The businesses of 22 leased German hotels – representing annual rental expense of €15 million – were sold and franchised back under the Mercure brand.
- Two overseas hotels that were previously directly owned were sold and franchised back under the Mercure and Novotel brands.
- One Ibis fixed-rent lease was sold and franchised back in Brazil.

Sale and management-back transactions: two hotels

In April 2005, one Novotel unit in China was sold under a management-back agreement and a lease in Spain was converted into a management contract.

B.3.2. 2006 transactions

Outright sales: 25 hotels

In 2006, 25 hotels were sold outright. The transactions concerned two Red Roof Inn units and five Motel 6 units in United States, one Sofitel unit, eight Mercure units, two Novotel units and one Etap Hotel unit. In addition, Accor sold its six leased hotels in Denmark.

Sale and franchise-back transactions: 27 hotels

- In France, Accor sold 13 French hotels that were previously directly owned and franchised them back under the Formule 1 (seven hotels), Etap Hotel (three hotels), Ibis (two hotels) and Sofitel (one hotel) brands. The business of one leased French hotel was sold and franchised back under the Ibis brand.
- Five leased Motel 6 were sold and franchised back in United States.
- Eight leased hotels were sold and franchised back in Germany (one Formule 1 unit, one Etap Hotel unit, one Ibis unit, one Mercure unit and four Novotel units).

Sale and management-back transactions: one hotel

In second-half 2006, Accor sold one Mercure unit in New Zealand under a sale and management-back agreement.

B.3.3. 2007 transactions

Outright sales: 39 hotels
In 2007, 39 hotels properties and leased hotels were sold outright. The transactions concerned four Motel 6 units in United States, six Sofitel units (in the United States, the Netherlands, France, Portugal, Belgium and Germany), six Mercure units, eight Novotel units, three Ibis units, three Etap Hotel units and nine Formule 1 units.

Sale and franchise-back transactions: 34 hotels

- In France, Accor sold 24 French hotels that were previously directly owned or leased and franchised them back under the Formule 1 (12 hotels), Etap Hotel (three hotels), Ibis (five hotels), Novotel (two hotels) and Mercure (two hotels) brands.
- Seven leased Motel 6, previously directly owned, were sold and franchised back in the United States.
- Two leased hotels were sold and franchised back in Germany (Mercure and Ibis brands).
- One leased hotel was sold and franchised back in Hungary (Etap Hotel brand).

Sale and management-back transactions: 4 hotels
In 2007, Accor sold and managed back one Mercure unit and one Novotel unit in Reunion, one Mercure unit in France and one Novotel unit in Guyana.

B.3.4. 2008 transactions

Outright sales: 12 hotels
In 2008, 12 hotels properties hotels were sold outright. The transactions concerned six Motel 6 units in United States, one Coralia unit in Senegal, two F1 units in France, one Mercure unit in Portugal and one Ibis and one Novotel units in the United Kingdom.

Sale and franchise-back transactions: 49 hotels

- In France, Accor sold 24 hotels that were previously directly owned and franchised them back under the Formule 1 (12 hotels), Etap Hotel (four hotels), Ibis (seven hotels) and Mercure (one hotel) brands.
- In Germany, Accor sold six hotels that were previously directly leased and one hotel that was previously owned and franchised them back under the Mercure, Ibis and Novotel brands.
- In the United-States, 17 Motel 6 hotels were sold and franchised back.
- In Brazil, Accor sold one hotel that was previously leased and franchised it back under the Ibis brand.

Sale and management back-transactions: four hotels
In 2008, Accor sold and managed back four hotels: the MGallery Paris Baltimore in France, the Ibis Christchurch in New Zealand, the Mercure Sydney Parramatta and the Novotel Melbourne St Kilda in Australia.

C. Divestment of the stake in Red Roof Inn in 2007

Based on the strategic review of its business portfolio, on September 10, 2007, Accor Group sold Red Roof Inn to a consortium comprised of Citi's Global Special Situations Group and Westbridge Hospitality Fund, L.P. for $1,320 billion. 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.

As the strategic review was still in progress at December 31, 2006, Red Roof Inn was fully consolidated in the Accor Group's accounts at that date. At June 30, 2007, the sale process was underway and all the Red Roof Inn's current and non-current assets were reclassified as "Assets held for sale" in the consolidated balance sheet for a net amount of €498 million and all its liabilities (excluding equity) were reclassified under "Liabilities related to assets classified as held for sale" for a net amount of €61 million.

The sale generated a loss of €174 million in 2007, recognized in "Gains and losses on management of hotel properties" (see Note 14) and enabled Accor to reduce its adjusted net debt by €751 million of which €425 million have been added to the Group's cash reserves.

The business contributed €289 million to Accor's full-year 2006 consolidated revenue and €183 million to its consolidated revenue for the first eight months of 2007.

D. Organic growth and acquisitions

D.1. Hotel Division development strategy

A total of 78,000 rooms were opened in the period 2006-2008 in line with the Group's stated intention to pursue its development program as set out in the strategic plan.

D.1.1 Investments in hotels (acquisitions and organic growth)
In 2008, the Group added 209 hotels (27,982 rooms) to its portfolio through acquisitions and organic growth. In addition, 98 hotels (12,037 rooms) were closed during the period.

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Hotel portfolio by brand and type of management at December 31, 2008

(in number of hotels)	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
Sofitel	22	9	11	100	7	**149**
Pullman	9	6	6	6	3	**30**
Novotel	68	66	109	108	42	**393**
Mercure	66	96	84	207	237	**690**
Adagio	-	2	-	19	1	**22**
Suitehotel	8	9	-	1	5	**23**
All seasons	3	10	3	9	24	**49**
Ibis	122	136	210	77	269	**814**
Etap Hotel	65	59	75	5	184	**388**
Formule 1	204	95	10	11	45	**365**
Motel 6/Studio 6	347	349	1	-	306	**1,003**
Other	20	6	-	24	6	**56**
TOTAL	**934**	**843**	**509**	**567**	**1,129**	**3,982**
TOTAL *(in %)*	**23.5%**	**21.2%**	**12.8%**	**14.2%**	**28.4%**	**100.0%**

(in number of rooms)	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
Sofitel	3,267	1,947	1,902	25,291	2,114	**34,521**
Pullman	2,568	1,449	1,207	1,711	623	**7,558**
Novotel	11,340	12,478	18,176	23,925	5,537	**71,456**
Mercure	7,717	14,955	12,292	31,313	19,692	**85,969**
Adagio	-	181	-	2,670	111	**2,962**
Suitehotel	1,085	1,312	-	86	462	**2,945**
All seasons	330	736	661	1,001	2,139	**4,867**
Ibis	16,161	17,349	27,843	13,458	19,931	**94,742**
Etap Hotel	5,463	6,008	6,761	677	13,599	**32,508**
Formule 1	14,983	7,504	2,991	1,228	2,891	**29,597**
Motel 6/Studio 6	39,387	39,456	72	-	23,020	**101,935**
Other	3,591	813	-	4,689	822	**9,915**
TOTAL	**105,892**	**104,188**	**71,905**	**106,049**	**90,941**	**478,975**
TOTAL *(in %)*	**22.1%**	**21.8%**	**15.0%**	**22.1%**	**19.0%**	**100.0%**

Hotel portfolio by region and type of management at December 31, 2008

(in number of hotels)	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
France	313	137	242	58	648	**1,398**
Europe excluding France	193	304	212	71	100	**880**
North America	351	349	1	13	306	**1,020**
Latin America & Caribbean	18	7	40	94	18	**177**
Other Countries	59	46	14	331	57	**507**
TOTAL	**934**	**843**	**509**	**567**	**1,129**	**3,982**
TOTAL *(in %)*	**23.5%**	**21.2%**	**12.8%**	**14.2%**	**28.4%**	**100.0%**

(in number of rooms)	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
France	28,730	12,541	31,136	7,295	47,722	127,424
Europe excluding France	25,881	44,110	29,909	10,468	10,926	121,294
North America	40,572	39,456	72	3,965	23,020	107,085
Latin America & Caribbean	2,351	1,150	8,066	13,490	2,076	27,133
Other Countries	8,358	6,931	2,722	70,831	7,197	96,039
TOTAL	**105,892**	**104,188**	**71,905**	**106,049**	**90,941**	**478,975**
TOTAL *(in %)*	**22.1%**	**21.8%**	**15.0%**	**22.1%**	**19.0%**	**100.0%**

Hotel portfolio by region and brand at December 31, 2008

(in number of rooms)	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Total
Sofitel	18	27	10	14	80	**149**
Pullman	11	9	-	-	10	**30**
Novotel	123	140	7	17	106	**393**
Mercure	260	229	-	81	120	**690**
Adagio	19	3	-	-	-	**22**
Suitehotel	17	6	-	-	-	**23**
All seasons	18	2	-	-	29	**49**
Ibis	377	296	-	54	87	**814**
Etap Hotel	278	110	-	-	-	**388**
Formule 1	271	35	-	10	49	**365**
Motel 6/Studio 6	-	-	1,003	-	-	**1,003**
Other	6	23	-	1	26	**56**
TOTAL	**1,398**	**880**	**1,020**	**177**	**507**	**3,982**
TOTAL *(in %)*	**35.1%**	**22.1%**	**25.6%**	**4.4%**	**12.7%**	**100.0%**

(in number of rooms)	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Total
Sofitel	2,418	5,958	3,193	2,183	20,769	**34,521**
Pullman	2,799	2,105	-	-	2,654	**7,558**
Novotel	16,234	26,304	1,957	2,747	24,214	**71,456**
Mercure	24,134	30,509	-	10,682	20,644	**85,969**
Adagio	2,708	254	-	-	-	**2,962**
Suitehotel	2,014	931	-	-	-	**2,945**
All seasons	1,723	117	-	-	3,027	**4,867**
Ibis	33,096	37,747	-	8,231	15,668	**94,742**
Etap Hotel	21,385	11,123	-	-	-	**32,508**
Formule 1	20,100	2,524	-	2,905	4,068	**29,597**
Motel 6/Studio 6	-	-	101,935	-	-	**101,935**
Other	813	3,722	-	385	4,995	**9,915**
TOTAL	**127,424**	**121,294**	**107,085**	**27,133**	**96,039**	**478,975**
TOTAL *(in %)*	**26.6%**	**25.3%**	**22.4%**	**5.7%**	**20.1%**	**100.0%**

Hotel development projects in progress at December 31, 2008

The number of new rooms represented by hotel development projects in progress at December 31, 2008 is as follows:

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
2009	4,742	1,942	3,804	11,945	5,789	**28,222**
2010	9,658	1,218	3,602	13,504	5,875	**33,857**
2011	4,703	1,363	4,147	13,713	615	**24,541**
2012 and after	1,581	460	-	11,899	-	**13,940**
TOTAL	**20,684**	**4,983**	**11,553**	**51,061**	**12,279**	**100,560**

D.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.

Goodwill arising from the acquisition will be determined in 2009.

The acquired items are as follows in million of euros and on a 100% basis:

	ORBIS
(in million of euros and at 100%)	Historical cost
NON-CURRENT ASSETS	532
Property, plant and equipment	403
Intangible assets	126
Financial assets	3
Cash and cash equivalents	21
Current assets (excluding cash and cash equivalents)	96
Non current liabilities	119
Current liabilities	132
NET ASSETS ACQUIRED	**398**

Revenue of the acquired company in 2008	328
Net Profit of the acquired company in 2008	26
Net Profit of the acquired company from the date of the acquisition	4

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

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

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

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

Their contribution to consolidated revenue and EBIT for the second half of 2007 was €44 million and €6 million respectively.

D.2. Prepaid Services Division development strategy

D.2.1. 2006 Acquisitions

In **February 2006**, Accor Services first acquired **Stimula**, an organizer of distribution network and sales force incentive programs. With this acquisition, Accor Services became the leading player in the French corporate incentive market, with revenues (including Stimula) of some €200 million and 200 employees in France. Stimula was acquired for €7.3 million, paid in cash. The business combination was accounted for by the purchase method, leading to the recognition of contractual customer relationships in intangible assets for €1.6 million and goodwill for €5.6 million.

In **March 2006**, Accor Services acquired **Commuter Check Services Corporation**, an American company issuing transit vouchers. These checks allow companies to help their employees finance their daily commuting expenses. Commuter Check Services Corporation is a major player in this market in the US, with business volumes of $79 million in 2005, a portfolio of around 3,700 customers and 110,000 users in 10 major American cities, including San Francisco, Boston and Philadelphia, in particular. Commuter Check Services Corporation was acquired for $35 million (€28.4 million) paid in cash. The business combination was accounted for by the purchase method, leading to the recognition of contractual customer relationships in intangible assets for €2.1 million and goodwill for €25.5 million. Commuter Check Services Corporation reported 2007 revenue of €6 million.

In **August 2006**, the acquisition of Italian meal voucher issuer **Serial** consolidated Accor Services Italy's leadership position. Since its creation in 1998, Serial had established a strong position in the small business segment, with an issue volume more than €97 million. Serial was acquired for €42.9 million, paid in cash. The business combination was accounted for by the purchase method, leading to the recognition of contractual customer relationships in intangible assets for €7.3 million and goodwill for €34.9 million. Serial reported 2007 revenue of €9 million.

D.2.2. 2007 Acquisitions

In **January 2007**, Accor Services acquired **Autocupon**, Mexico's second largest petrol cards seller from the Pegaso group. The acquisition cost included €7 million in cash and an estimated €1 million earn-out payment.

In **January 2007**, Accor Services acquired **Tintelingen B.V.**, a B2B issuer of Christmas gift cards in the Netherlands, offering a wide range of products and services. The acquisition cost included €3 million in cash and an estimated €4 million earn-out payment.

In **March 2007**, Accor Services acquired **Kadéos**, the PPR group's gift card and voucher business. This acquisition positions Accor Services as the leader of the gift card and voucher market in France. These products for businesses and consumers are sold in more than 82 chains and can be used in nearly 1,000 stores in France, as well as on e-commerce sites. Kadéos was acquired for €211 million, paid in cash. The difference between the cost of the business combination and the net assets acquired amounted to €218 million before deferred taxes. Of this, €19 million was recognized under "contractual customer relationships", €19 million was recognized under "brands", €18 million was recognized under "exclusive distribution rights" and €181 million was recognised under "goodwill". Kadéos generated €29 million in revenue in 2007.

In **June 2007**, Accor Services acquired **Surfgold**, Asia's leading provider of marketing services for €10 million paid in cash plus an estimated €4 million earn-out payment. By providing access to Surfgold's portfolio of leading Asian companies and to its incentive and loyalty program management platform, the acquisition enables Accor Services to professionalize and broaden the scope of its rewards and loyalty programs, especially its range of gift vouchers. The difference between the cost of the business combination and the net assets acquired amounted to €9 million before deferred taxes. Of this, €5 million was recognized under "contractual customer relationships".

In **September 2007**, Accor Services acquired **PrePay Technologies Ltd**, the UK's leading issuer of prepaid card solutions for a total of €57 million paid in cash plus an estimated €3 million earn-out payment at the end of 2008. This acquisition strengthens Accor Services leadership position and diversifies its portfolio of products and prepaid services in the UK. The difference between the cost of the business combination and the net assets acquired amounted to €53 million before deferred taxes. Of this, €14 million was recognized under "IT platform", €3 million was recognized under "contractual customer relationships", €2 million was recognized under "brands" and €1 million was recognized under "e-money user licence".

In **December 2007**, Accor Services acquired the 64% interest previously held by venture capital firm GeoCapital Partners in **Motivano UK**, a leading online employee benefits solution provider. Motivano UK's current management team will retain a 36% interest in the company. The acquisition will further strengthen Accor Services' position as a leading provider of solutions in the area of employee and constituent benefits. Motivano UK was acquired €6 million in cash. The difference between the cost of the business combination and the net assets acquired amounted to €10 million before deferred taxes. Of this, €2 million was recognized under "contractual customer relationships", €1 million was recognized under "IT Platform" and €1 million was recognized under "brands". Motivano UK reported 2008 revenue of €3 million.

D.2.3. 2008 Acquisitions

In **January 2008**, Accor Services acquired 80% of **Quasar**, a German reward and loyalty program operator, for € 10 million in cash. The difference between the cost of the business combination and the net assets acquired amounted to €9 million before deferred taxes. Of this, €2 million was recognized under "contractual customer relationships" and €1 million was recognised under "brands". Quasar generated €11 million in revenue in 2008.

D.3. Acquisition of 50% of Accor Brazil in 2006

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

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

The business combination was accounted for by the purchase method, leading to the recognition of goodwill for €163 million. Ticket Serviçios reported 2006 revenue of €365 million and net profit of €24.4 million.

D.4. Acquisition and restructuring of the Dorint AG

D.4.1. History

In 2002, Accor acquired a 30% interest in the Dorint AG hotel group for €49 million. The purpose of the transaction was to increase the Group's market share in Germany at the bottom of the cycle. The Dorint AG Management Board and Supervisory Board approved the creation of a strategic partnership with Accor based on franchise and marketing agreements. All the Dorint hotels were co-branded Dorint Sofitel or Dorint Novotel or converted to the Mercure brand, and the Dorint sales and marketing teams were integrated in the Accor network from February 1, 2003.

Accor negotiated an option to purchase an additional 25% of Dorint from its major shareholder, Dr. Herbert Ebertz, between March 31, 2009 and June 30, 2011, at a price corresponding to a multiple of EBITDA less consolidated net debt with a €45 million floor. In connection with the original transaction, Accor made a €35 million loan to Dr. Ebertz and gave Dorint AG a €25 million guarantee *pari passu* with Dr. Ebertz.

Finally, Accor gave a call option to Dr Ebertz for the purchase of Dorint shares representing 30% of the capital, at a fixed price. This call option can be exercised during the 6 months after the expiry of the Accor call option.

At the end of first-half 2003, Accor SA acquired a further 10.19% interest in Dorint AG for €13.2 million through a share issue underwritten jointly with Dr. Ebertz. Following this transaction, in second-half 2003 Dorint was accounted for by the equity method on a 40.19% basis.

In early 2004, Accor announced its support for the long-term plan proposed by the Dorint Management Board and approved by the Supervisory Board. The plan is designed to position the German hotel group to reap the full benefits of the future economic recovery in Germany.

It extends the measures taken in 2003 to reduce the operating expense through:

- a €42 million share issue;
- a further share issue in 2005 for €8.4 million;
- signature of a contract for the management of Dorint hotels by Accor Germany, with the aim of improving their marketing and operating performance as part of the co-branding strategy with the Sofitel and Novotel brands.

A US investment fund, Noonday, also took part in the 2004 share issue and became a shareholder of Dorint. At December 31, 2004, Noonday's interest in Dorint stood at 21.7%. After contributing €2.6 million to 2004 shares issue, Accor's interest stood at 26.0% at the end of December 2004.

At the time of the 2004 share issue, Accor granted put options on shares representing 35.1% of the capital to various Dorint shareholders. The put options are exercisable between July 1, 2009 and July 1, 2011 at a price based on a multiple of EBITDA less net debt (for 13.4% of the capital) and from June 30, 2009 for the remaining balance of the shares (21.7%). The put option granted to Noonday (21.7% of the capital), comprises an additional price component, on top of the EBITDA multiple less net debt, and may be exercised at any time if Accor's interest in Dorint falls below 25% or rises above 50% of the total capital.

At December 31, 2004, Accor had a call option on 15.2% of the capital owned by the Ebertz family, on the basis of a multiple of EBITDA less net debt with a minimum amount. Accor also had a call option on 21.7% of the capital owned by Noonday, exercisable between July 1, 2007 and June 30, 2010.

D.4.2. 2005 restructuring

During the second half of 2005, Dorint was still struggling, and a new restructuring plan was launched. The plan breaks down into four components, as follows:

- a 10% rent reduction for the next twenty years, in exchange for a commitment to pay higher rent if revenues improve (with comparable figures starting in 2005);
- withdrawing from three unprofitable lease contracts;
- the renegotiation of the management contracts with the two managers of the Dorint hotels, Accor and Intercontinental. Accor has agreed to reduce management fees from January 1, 2005 up to the end of 2009, with the amount of the fee reduction being capped at €20 million in the event that the minimum results target is not met. The amount was fully provided for in the 2005 accounts as a provision for risks;
- a €27 million shares issue.

Accor contributed €7 million to the €27 million share issue, raising its interest in Dorint to 29.08% as at December 31, 2005. Following this new capital increase, Noonday held 37.6% of Dorint as at December 31, 2005.

The effects of the third restructuring plan on the Group's consolidated financial statements can be summarized as follows:

- the estimated value of the put options granted to Dr. Ebertz, the Noonday investment fund and the Didenhofen family has been disclosed as an off-balance sheet item for a total amount of €105 million;
- a provision for risks in respect of the potential commitments to be paid to Noonday following the 2004 agreements has been recorded in Accor's accounts in an amount of €30.5 million.

The other consequences of this restructuring on the call and the put options between Accor and Dorint's other shareholders are detailed below:

- the put options granted by Accor now relate to 52.3% of the capital of Dorint. The put options on 8.35% of the capital of Dorint will be exercisable between July 1, 2009 and July 31, 2011 on the basis of a multiple of EBITDA less net debt. The put options on 6.41% of Dorint's capital will be exercisable between July 1, 2009 and December 31, 2011 on the basis of a multiple of EBITDA less net debt. Lastly, the put option granted to Noonday on 37.5% of the capital may be exercised as from July 1, 2007;
- the call option granted by Noonday relates to 37.5% of Dorint's capital;
- the 2002 call option granted by Dr Ebertz now relates to 9.6% of Dorint's capital and may be exercised up to June 30, 2012; the minimum purchase price no longer applies;
- the 2002 call option granted to Dr Ebertz now relates to 29.1% of the capital;

Furthermore, the dates for exercising the put option granted by Accor to the Noonday investment fund were modified. The put option may now be exercised as from July 1, 2007.

Lastly, the Group committed to underwrite the €23 million share issue planned in 2006, in an amount of €12.5 million. This amount was included in off-balance sheet commitments at December 31, 2005.

D.4.3. 2006 restructuring

In line with the undertaking given in 2005, during first-half of 2006 Accor contributed €12.5 million to the €22.7 million share issue by Dorint. Following this issue, the Group's interest in Dorint came to 34.35%, while that of the Noonday private equity fund stood at 39.3%. The loan to Dr. Ebertz was written down by €28 million during the year.

D.4.4. 2007 restructuring

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 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%. The new entity was fully consolidated at December 31, 2007.

Financially, the transaction enabled Accor to gain control of 52 hotels, which in 2007 generated €336 million in revenues, €13 million in EBITDA and €8 million in operating profit. In contrast, Accor recognized a loss of €7 million relating to its share in Dorint AG as accounted for by the equity method.

A provision of €31 million was recorded in Accor's 2006 consolidated financial statements to cover the impact of the demerger. From 2007, this company is fully consolidated into the consolidated financial statements, leading to the recognition of additional goodwill of €143 million.

D.4.5. 2008 events

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 now owns 99.46% of the company. After the end of the year, the Group launched a squeeze-out procedure (see Note 46 "Subsequent events").

E. Colony Capital/Eurazeo

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

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

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

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

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

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

On May 4, 2008, Colony Capital and investment group Eurazeo announced a five-year shareholders' agreement under which they will increase their combined stake in the Group's capital to 30%. The first phase of the agreement was completed on May 13 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, 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. As of February 9, 2009, Colony Capital and Eurazeo declared to hold together 30.14% of the capital and 26.92% of the voting rights.

F. €2.4 billion returned to shareholders at end-December 2008

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 legally cancelled. The remaining 7,207,150 shares had been cancelled during the second half of 2008.
- **on August 25, 2008, Accor announced a fourth program to buy back Accor SA shares.** This program was carried out pursuant to the authorization granted at the Shareholders Meeting held on May 13, 2008, which capped the buy-back price at €100 per share. During the second half of 2008, Accor bought back and cancelled 1,837,699 shares at a total cost of €62 million, representing an average price per share of €33.70.

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

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)	2008	2007	2006 (*)
HOTELS	**2,006**	**2,348**	**669**	**228**	**488**	**28**	**5,767**	**5,827**	**5,410**
Upscale and Midscale Hotels	1,296	1,567	69	129	359	28	3,448	3,323	2,927
Economy Hotels	710	781	-	99	129	-	1,719	1,663	1,492
Economy Hotels US	-	-	600	-	-	-	600	841	991
PREPAID SERVICES	**200**	**346**	**14**	**367**	**49**	**2**	**978**	**885**	**760**
OTHER BUSINESSES	**582**	**240**	**-**	**68**	**96**	**8**	**994**	**1,409**	**1,437**
Casinos	330	-	-	-	16	-	346	346	336
Restaurants	115	-	-	68	4	-	187	574	575
Onboard Train Services	137	169	-	-	-	-	306	273	265
Holding Companies and other	-	71	-	-	76	8	155	216	261
TOTAL 2008	**2,788**	**2,934**	**683**	**663**	**633**	**38**	**7,739**		
TOTAL 2007	**2,754**	**3,013**	**928**	**791**	**596**	**39**		**8,121**	
TOTAL 2006	**2,591**	**2,604**	**1,162**	**718**	**486**	**46**			**7,607**

(*) In accordance with IFRS 5, Carlson Wagonlit Travel (CWT) revenue has been recognised in Profit or loss from discontinued operations (see Note 17).
(1) "Worldwide Structures" corresponds to revenue (royalties) that is not specific to a single geographic region.

Consolidated revenue for December 31, 2008 totalled €7,739 million, compared with €8,121 million for the same period of 2007. The period-on-period decrease of €382 million or 4.7% breaks down as follows:

(in million of euros)		
▪ like-for-like growth	+228	+2.8%
▪ business expansion	+422	+5.2%
▪ currency effects	(167)	(2.1)%
▪ disposals	(865)	(10.6)%
DECREASE IN 2008 REVENUE	**(382)**	**(4.7)%**

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Decrease in 2008 consolidated revenue by business

	Δ Reported change	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
HOTELS	**(60)**	**+122**	**+2.1%**
Upscale and Midscale Hotels	+125	+85	+2.6%
Economy Hotels	+56	+54	+3.2%
Economy Hotels US	(241)	(17)	(2.1)%
PREPAID SERVICES	**+93**	**+114**	**+12.9%**
OTHER BUSINESSES	**(415)**	**(8)**	**(0.6)%**
Casinos	-	(15)	(4.3)%
Restaurants	(387)	+6	+1.0%
Onboard Train Services	+33	+9	+3.3%
Holding Companies and other	(61)	(8)	(3.6)%
GROUP TOTAL	**(382)**	**+228**	**+2.8%**

Decrease in 2008 consolidated revenue by region

	Δ Reported change	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
France	+34	+63	+2.3%
Europe (excl. France)	(79)	+33	+1.1%
North America	(245)	(14)	(1.5)%
Latin America & Caribbean	(128)	+94	+11.8%
Other Countries	+37	+53	+8.9%
Worldwide Structures	(1)	(1)	(2.6)%
GROUP TOTAL	**(382)**	**+228**	**+2.8%**

Revenue from managed and franchised hotels, included in the hotels' revenue presented above of €7,739 million, amounted to €222 million at December 31, 2008. This amount breaks down as follows:

(in million of euros)	Management fees	Franchise fees	2008	2007	2006
HOTELS					
Upscale and Midscale Hotels	138	29	167	160	150
Economy Hotels	16	28	44	38	33
Economy Hotels United States	-	11	11	10	17
TOTAL 2008	**154**	**68**	**222**		
TOTAL 2007	**143**	**65**		**208**	
TOTAL 2006	**136**	**64**			**200**

Note 4. Operating Expense

(in million of euros)	2006 (*)	2007	2008
Cost of goods sold (1)	(799)	(795)	(806)
Employee benefits expense (2)	(2,729)	(2,896)	(2,790)
Energy, maintenance and repairs	(389)	(403)	(386)
Taxes, insurance and service charges (co-owned properties)	(297)	(291)	(267)
Other operating expense (3)	(1,310)	(1,415)	(1,200)
TOTAL OPERATING EXPENSE	**(5,523)**	**(5,800)**	**(5,449)**

(*) In accordance with IFRS 5, Carlson Wagonlit Travel (CWT) operating expense has been recognised 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	2006	2007	2008
Full-time equivalent (**)	92,250	91,483	85,592
Ratio employee benefits expense/FTE (€k)	(30)	(32)	(33)

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

Employee benefits expense includes €22 million related to stock option plans and to performance shares plan.

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

Note 5. EBITDAR by Business and Region

(in million of euros)	France	Europe (excl. France)	North America	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2008	2007	2006 (*)
HOTELS	**603**	**798**	**251**	**52**	**126**	**(13)**	**1,817**	**1,852**	**1,670**
Upscale and Midscale Hotels	375	486	22	16	73	(15)	957	908	751
Economy Hotels	228	312	-	36	53	2	631	608	538
Economy Hotels US	-	-	229	-	-	-	229	336	381
PREPAID SERVICES	**66**	**184**	**3**	**180**	**16**	**(23)**	**426**	**377**	**310**
OTHER BUSINESSES	**52**	**20**	**-**	**(6)**	**7**	**(26)**	**47**	**92**	**104**
Casinos	44	-	-	-	6	-	50	52	50
Restaurants	10	-	-	4	-	-	14	41	42
Onboard Train Services	(2)	13	-	-	-	-	11	18	20
Holding Companies and other	-	7	-	(10)	1	(26)	(28)	(19)	(8)
TOTAL 2008	**721**	**1,002**	**254**	**226**	**149**	**(62)**	**2,290**		
TOTAL 2007	**711**	**995**	**360**	**205**	**127**	**(77)**		**2,321**	
TOTAL 2006	**624**	**775**	**430**	**180**	**119**	**(44)**			**2,084**

(*) In accordance with IFRS 5, Carlson Wagonlit Travel (CWT) EBITDAR has been recognised in Profit or loss from discontinued operations (see Note 17)

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

Consolidated EBITDAR for 2008 totalled €2,290 million compared with €2,321 million for the same period of 2007.

The period-on-period decrease breaks down as follows:

(in million of euros)		
▪ like-for-like growth	+93	+4.0%
▪ business expansion	+79	+3.4%
▪ currency effects	(62)	(2.6)%
▪ disposals	(141)	(6.1)%
DECREASE IN 2008 EBITDAR	**(31)**	**(1.3)%**

Decrease in 2008 EBITDAR by business

	Δ Reported change	**Like-for-like change**	
	(in million of euros)	*(in million of euros)*	*(in %)*
HOTELS	**(35)**	**+41**	**+2.2%**
Upscale and Midscale Hotels	+49	+26	+2.8%
Economy	+23	+30	+5.0%
Economy US	(107)	(15)	(4.4)%
PREPAID SERVICES	**+49**	**+62**	**+16.6%**
OTHER BUSINESSES	**(45)**	**(10)**	**(11.2)%**
Casinos	(2)	(4)	(7.1)%
Restaurants	(27)	-	+0.7%
Onboard Train Services	(7)	(5)	(25.9)%
Holding Companies and other	(9)	(1)	(11.4)%
GROUP TOTAL	**(31)**	**+93**	**+4.0%**

Decrease in 2008 EBITDAR by region

	Δ Reported change	**Like-for-like change**	
	(in million of euros)	*(in million of euros)*	*(in %)*
France	+10	+7	+1.0%
Europe (excl. France)	+7	+18	+1.8%
North America	(106)	(12)	(3.3)%
Latin America & Caribbean	+21	+39	+19.1%
Other Countries	+22	+25	+19.4%
Worldwide Structures	+15	+16	+21.1%
GROUP TOTAL	**(31)**	**+93**	**+4.0%**

Note 6. Rental Expense

Rental expense amounted to €903 million in 2008 compared with €931 million in 2007 and €836 million in 2006.

In accordance with the policy described in Note 1.D.4, the expense reported on this line only concern operating leases. Finance leases are recognized in the balance sheet as an asset and a liability. The amount of the liability at December 31, 2008 was €180 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 €903 million in rental expense corresponds to 1,352 hotel leases, including 33% 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)	2006 (*)	2007	2008
HOTELS	**(823)**	**(911)**	**(886)**
Upscale and Midscale Hotels	(432)	(520)	(529)
Economy	(206)	(237)	(258)
Economy US	(185)	(154)	(99)
PREPAID SERVICES	**(12)**	**(14)**	**(16)**
OTHER BUSINESSES	**(1)**	**(6)**	**(1)**
Casinos	(5)	(6)	(5)
Restaurants	(8)	(8)	(4)
Onboard Train Services	(3)	(3)	(3)
Holding Companies and other	15	11	11
TOTAL	**(836)**	**(931)**	**(903)**

(*) *In accordance with IFRS 5, Carlson Wagonlit Travel (CWT) rental expense has been recognised 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]	2008 rental expense	Fixed rental expense	Variable rental expense
Fixed rent with purchase option	446	(121)	(121)	-
Fixed rent without purchase option	327	(259)	(259)	-
Fixed rent with a variable portion [2]	70	(72)	(61)	(11)
Land rent	-	(16)	(12)	(4)
Office rental expenses (Hotels business)	-	(48)	(45)	(3)
Fees on intragroup rent guarantees on Hotels business	-	(19)	(18)	(1)
TOTAL HOTEL FIXED RENTAL EXPENSE	**843**	**(535)**	**(516)**	**(19)**
Variable rent with a minimum [3]	92	(71)	(59)	(12)
Variable rent with a minimum and cap [4]	8	(16)	(6)	(10)
Variable rent without a minimum [5]	409	(264)	-	(264)
TOTAL HOTEL VARIABLE RENTAL EXPENSE	**509**	**(351)**	**(65)**	**(286)**
TOTAL HOTEL RENTAL EXPENSE	**1,352**	**(886)**	**(581)**	**(305)**
Rental expense not related to hotels	-	(36)	(35)	(1)
Internal lease guarantee fees	-	19	18	1
TOTAL RENTAL EXPENSE	**1,352**	**(903)**	**(598)**	**(305)**

(1) Detail by brand and type of contract at December 31, 2008 is presented as follows:

Leased hotels at December 31, 2008	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	5	-	3	-	5	14
Pullman	-	5	2	4	-	4	15
Novotel	4	51	11	15	4	90	175
Mercure	9	69	20	16	1	68	183
Suitehotel	3	6	-	-	-	-	9
Ibis	20	101	15	50	2	158	346
All seasons	-	2	8	-	-	3	13
Etap Hotel	1	57	1	3	1	71	134
Formule 1	81	2	12	-	-	10	105
Motel 6	326	22	1	1	-	-	350
Other	1	7	-	-	-	-	8
TOTAL	**446**	**327**	**70**	**92**	**8**	**409**	**1,352**

(2) Fixed rent expense with a variable portion includes a fixed 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 (381 hotels), or a percentage of EBITDAR (28 hotels). None of the leases contains any minimum rent clauses.

C. Minimum rental commitments (cash basis)

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

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

Years	*(in million of euros)*	Years	*(in million of euros)*
2009	(531)	2018	(388)
2010	(526)	2019	(350)
2011	(514)	2020	(316)
2012	(502)	2021	(272)
2013	(490)	2022	(248)
2014	(476)	2023	(221)
2015	(466)	2024	(184)
2016	(451)	2025	(159)
2017	(426)	>2026	(607)
		TOTAL	**(7,127)**

At December 31, 2007, 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 €4,569 million.

Interest expense related to adjusted net debt, estimated at 8%, amounted to €366 million. The difference between the 2007 minimum rent (€595 million) and interest expense (€366 million) amounted to €229 million, corresponding to the implicit repayment of adjusted debt ("Standards & Poor's method").

At December 31, 2008, the present value of future minimum lease payments, considered as representing 8% of the minimum lease payments used to calculate the "Adjusted funds from operations/adjusted net debt" ratio, amounted to €4,006 million.

Interest expense related to adjusted net debt, estimated at 8%, amounted to €320 million. The difference between the 2008 minimum rent (€531 million) and interest expense (€320 million) amounted to €211 million, corresponding to the implicit repayment of adjusted debt ("Standards & Poor's method").

The decrease in lease commitments in 2008 was mainly due to the exercise of purchase options.

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)	2008	2007	2006 (*)
HOTELS	**384**	**341**	**150**	**16**	**58**	**(18)**	**931**	**941**	**847**
Upscale and Midscale Hotels	228	170	20	3	26	(20)	427	389	319
Economy Hotels	156	171	-	13	32	2	374	370	332
Economy Hotels US	-	-	130	-	-	-	130	182	196
PREPAID SERVICES	**62**	**178**	**3**	**178**	**13**	**(24)**	**410**	**364**	**297**
OTHER BUSINESSES	**40**	**19**	**-**	**(5)**	**8**	**(16)**	**46**	**85**	**104**
Casinos	37	-	-	-	8	-	45	46	45
Restaurants	7	-	-	3	-	-	10	33	34
Onboard Train Services	(4)	13	-	-	-	-	9	15	17
Holding Companies and other	-	6	-	(8)	-	(16)	(18)	(9)	8
TOTAL 2008	**486**	**538**	**153**	**189**	**79**	**(58)**	**1,387**		
TOTAL 2007	**488**	**538**	**205**	**172**	**59**	**(72)**		**1,390**	
TOTAL 2006	**427**	**416**	**225**	**153**	**59**	**(32)**			**1,248**

(*) In accordance with IFRS 5, Carlson Wagonlit Travel (CWT) EBITDA has been recognised in Profit or loss from discontinued operations (see Note 17).
(1) "Worldwide Structures" corresponds to revenue (royalties) and costs that are not specific to a single geographic region.

Consolidated EBITDA for 2008 totalled €1,387 million compared with €1,390 million for the same period of 2007. The period-on-period decrease breaks down as follows:

(in million of euros)		
▪ Like-for-like growth	+66	+4.8%
▪ Business expansion	+88	+6.3%
▪ Currency effects	(37)	(2.7)%
▪ Disposals	(120)	(8.6)%
DECREASE IN 2008 EBITDA	**(3)**	**(0.2)%**

Decrease in 2008 EBITDA by business

	Δ Reported change	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
HOTELS	**(10)**	**+15**	**+1.6%**
Upscale and Midscale Hotels	+38	+10	+2.7%
Economy	+4	+20	+5.4%
Economy US	(52)	(15)	(8.4)%
PREPAID SERVICES	**+46**	**+61**	**+16.8%**
OTHER BUSINESSES	**(39)**	**(10)**	**(11.8)%**
Casinos	(1)	(2)	(4.0)%
Restaurants	(23)	-	(1.0)%
Onboard Train Services	(6)	(5)	(29.7)%
Holding Companies and other	(9)	(3)	(38.6)%
GROUP TOTAL	**(3)**	**+66**	**+4.8%**

Decrease in 2008 EBITDA by region

	Reported change	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
France	(2)	0	0.0%
Europe (excl. France)	0	+12	+2.3%
North America	(52)	(12)	(5.9)%
Latin America & Caribbean	+17	+31	+18.2%
Other Countries	+20	+20	+34.9%
Worldwide Structures	+14	+15	+20.1%
GROUP TOTAL	**(3)**	**+66**	**+4.8%**

Note 8. Depreciation, Amortization and Provision Expense

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

(in million of euros)	2006 (*)	2007	2008
Depreciation and amortization	(426)	(407)	(442)
Provision	(10)	(12)	(4)
TOTAL	**(436)**	**(419)**	**(446)**

(*) In accordance with IFRS 5, Carlson Wagonlit Travel (CWT) depreciation, amortization and provision expense has been recognised in Profit or loss from discontinued operations (see Note 17)

Consolidation of Orbis had a €25 million impact on 2008 depreciation, amortization and provision expense.

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)	2008	2007	2006 (*)
HOTELS	**262**	**210**	**83**	**9**	**29**	**(26)**	**567**	**596**	**488**
Upscale and Midscale Hotels	148	81	16	(1)	5	(28)	221	202	138
Economy Hotels	114	129	-	10	24	2	279	281	243
Economy Hotels US	-	-	67	-	-	-	67	113	107
PREPAID SERVICES	**53**	**168**	**2**	**168**	**11**	**(23)**	**379**	**338**	**275**
OTHER BUSINESSES	**13**	**6**	**-**	**(8)**	**4**	**(20)**	**(5)**	**37**	**49**
Casinos	16	-	-	-	7	-	23	27	28
Restaurants	3	-	-	2	(1)	-	4	22	22
Onboard Train Services	(6)	10	-	-	-	-	4	9	12
Holding Companies and other	-	(4)	-	(10)	(2)	(20)	(36)	(21)	(13)
TOTAL 2008	**328**	**384**	**85**	**169**	**44**	**(69)**	**941**		
TOTAL 2007	**335**	**407**	**131**	**153**	**28**	**(83)**		**971**	
TOTAL 2006	**286**	**284**	**125**	**135**	**34**	**(52)**			**812**

(*) In accordance with IFRS 5, Carlson Wagonlit Travel (CWT) EBIT has been recognised in Profit or loss from discontinued operations (see Note 17).
(1) "Worldwide Structures" corresponds to revenue (royalties) and costs that are not specific to a single geographic region.

Consolidated EBIT for 2008 totalled €941 million compared with €971 million for the same period of 2007.

The period-on-period decrease breaks down as follows:

(in million of euros)		
▪ like-for-like growth	+64	+6.6%
▪ business expansion	+22	+2.2%
▪ currency effects	(29)	(3.0)%
▪ disposals	(87)	(8.9)%
DECREASE IN 2008 EBIT	**(30)**	**(3.1)%**

Decrease in 2008 EBIT by business

	Δ Reported change	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
HOTELS	**(29)**	**+11**	**+1.8%**
Upscale and Midscale Hotels	+19	+8	+3.8%
Economy	(2)	+15	+5.3%
Economy US	(46)	(12)	(10.5)%
PREPAID SERVICES	**+41**	**+60**	**+17.9%**
OTHER BUSINESSES	**(42)**	**(7)**	**(18.6)%**
Casinos	(4)	(2)	(6.2)%
Restaurants	(18)	-	(0.2)%
Onboard Train Services	(5)	(3)	(28.9)%
Holding Companies and other	(15)	(2)	(11.5)%
GROUP TOTAL	**(30)**	**+64**	**+6.6%**

Decrease in 2008 EBIT by region

	Δ Reported change	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
France	(7)	(2)	(0.7)%
Europe (excl. France)	(23)	+11	+2.7%
North America	(46)	(9)	(6.9)%
Latin America & Caribbean	+16	+29	+19.4%
Other Countries	+16	+18	+64.5%
Worldwide Structures	+14	+17	+20.6%
GROUP TOTAL	**(30)**	**+64**	**+6.6%**

Note 10. Net Financial Expense

(in million of euros)	2006 (*)	2007	2008
Net financial expense (1)	(98)	(86)	(102)
Other financial income and expense (2)	2	(6)	16
NET FINANCIAL EXPENSE	**(96)**	**(92)**	**(86)**

(*) In accordance with IFRS 5, Carlson Wagonlit Travel (CWT) net financial expense has been recognised 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)	2006	2007	2008
Net financial expense - cash	(79)	(84)	(99)
Net financial expense - non-cash	(19)	(2)	(3)
TOTAL NET FINANCIAL EXPENSE	**(98)**	**(86)**	**(102)**

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)	2006	2007	2008
Dividend income from non-consolidated companies *(Available for sale financial assets)*	3	2	1
Exchange gains and losses (excl. financial instruments at fair value)	(3)	(1)	12
Movements in provisions	2	(7)	3
TOTAL OTHER FINANCIAL INCOME AND EXPENSE	**2**	**(6)**	**16**

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

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

(in million of euros)	2006	2007	2008
Share of profit of associates before tax	18	38	27
Share of tax of associates	(7)	(10)	(7)
SHARE OF PROFIT OF ASSOCIATES AFTER TAX	**11**	**28**	**20**

The main contributions are as follows:

(in million of euros)	2006	2007	2008
Orbis (Hotels, Poland) (*) (Note 2.D.1.2)	6	18	9
Dorint (Hotels, Germany) (Note 2.D.4)	(7)	N/A	N/A
Asia/Australia Hotels	4	4	3
Sofitel Hotels US	1	(1)	2
Tunisian and Moroccan investment funds (STI and RISMA)	0	1	0
Sofitel London St James (Hotels, UK)	1	1	1
Société Hôtelière Paris les Halles	2	3	4
Other	3	2	1
SHARE OF PROFIT OF ASSOCIATES AFTER TAX	**11**	**28**	**20**

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

Note 12. Restructuring Costs

Restructuring costs can be analyzed as follows:

(in million of euros)	2006	2007	2008
Movements in Restructuring provisions	(16)	(10)	6
Restructuring costs	(53)	(48)	(62)
TOTAL	**(69)**	**(58)**	**(56)**

Restructuring costs in 2006, 2007 and 2008 correspond mainly to the costs linked to the reorganization of the Group.

Note 13. Impairment Losses

(in million of euros)	2006	2007	2008
Goodwill	(29)	(53)	(14)
Intangible assets	(3)	(5)	0
Property, plant and equipment	(3)	(36)	(43)
Financial assets	(59)	(5)	0
IMPAIRMENT LOSSES	**(94)**	**(99)**	**(57)**

The main assets and cash generating units for which impairment losses were recognized in 2006, 2007 and 2008 were as follows:

A. Impairment of goodwill

(in million of euros)	2006	2007	2008
HOTELS	**(19)**	**(4)**	**(10)**
Upscale and Midscale Hotels	(18)	(2)	(7)
Economy Hotels	(1)	(2)	(3)
Economy Hotels US	0	0	0
PREPAID SERVICES	**(3)**	**(13)**	**(2)**
OTHER BUSINESSES	**(7)**	**(36)**	**(2)**
Casinos	-	-	-
Restaurants	(1)	-	(1)
Onboard Train Services	-	-	-
Holding Companies and other	(6)	(36)	(1)
TOTAL	**(29)**	**(53)**	**(14)**

In 2006, impairment losses on goodwill primarily concerned Mercure Chopin in Warsaw for €12 million.

In 2007, impairment losses mainly concerned the fair value impact on the goodwill of a 4-star hotel in Paris.

In 2008, impairment losses resulted mainly from reviews of the recoverable amount of residual goodwill.

Sensitivity analysis:

A 0.25-point increase in the discount rate would have no impact on impairment losses recognized in 2008. A 0.50-point increase in the discount rate would have the effect of increasing impairment losses recognized in 2008 by approximately €15 million. A 1-point increase would have a €106 million impact, mainly on hotel assets in the United States.

B. Impairment of intangible assets with an indefinite useful life

In 2007, following the periodic review of the recoverable amount of intangible assets with an indefinite useful life, a €5.2 million impairment loss was recognized.

Impairments recognized in 2008 were not material.

C. Impairment of property, plant and equipment

(in million of euros)	2006	2007	2008
HOTELS	**6**	**(36)**	**(43)**
Upscale and Midscale Hotels	8	(31)	(21)
Economy Hotels	(1)	(5)	(14)
Economy Hotels US	(1)	-	(8)
PREPAID SERVICES	**-**	**-**	**-**
OTHER BUSINESSES	**(9)**	**-**	**-**
Casinos	-	-	-
Restaurants	(1)	-	-
Onboard Train Services	-	-	-
Holding Companies and other	(8)	-	-
TOTAL	**(3)**	**(36)**	**(43)**

In 2007, the €36 million in impairment losses on property, plant and equipment corresponded mainly to write-downs of non-strategic assets available for sale and to provisions booked on the basis of regular reviews of asset values. In 2007, expenses concerned 64 hotels for €37.1 million and recovery concerned 21 hotels for €1.4 million.

In 2008, the €43 million in impairment losses on property, plant and equipment corresponded mainly to provisions booked on the basis of regular reviews of asset values. Expenses concern 75 hotels for € (47) million and recovery concern 15 hotels for € 4 million.

D. Impairment of financial assets

In 2006, the loan to Dr. Ebertz was written down to fair value, giving rise to a €28.2 million provision for impairment (see. Note 2.D.4). In addition, the assets of the company created through the Dorint spin-off were marked to market, leading to the recognition of a €30.5 million impairment loss.

In 2007, impairments of financial assets mainly concerned the Group's investment in Société Calédonienne des Bains de Mer.

Note 14. Gains and Losses on Management of Hotel Properties

(in million of euros)	2006	2007	2008
Disposal gains and losses	140	238	109
Provisions for losses on hotel properties	(31)	(30)	2
TOTAL	**109**	**208**	**111**

In fiscal 2006, the total included:

- a €143 million gain on the sale to Foncière des Murs of 58 hotel properties in France and 12 hotel properties in Belgium under a sale-and-variable leaseback arrangement based on a percentage of revenue (see Note 2.B.2.2);
- a €15 million loss on the sale of 6 Sofitel units in the United States, under a sale-and-long-term management back arrangement (see Note 2.B.1.1);
- gains on disposal of non-strategic assets in Europe and the United States for €26 million (see Note 2.B.3);
- a €14 million loss on sale of all 6 hotels in Denmark;
- a €22 million provision for restructuring of the Dorint Group in Germany.

In fiscal 2007, the total included:

- a €319 million gain on the sale to Moor-Park and Land Securities of hotel properties in the Netherlands, in Germany (Moor Park) and in United Kingdom (Land Securities) under a sale-and-variable leaseback arrangement (see Notes 2.B.2.4 and 2.B.2.5);
- a €174 million loss on the sale of RRI (341 hotel properties) (see Note 2.C);
- a €26 million gain on the outright sale of Sofitel Le Parc;
- a €14 million gain on the sale of 2 Sofitel units in the United States, under a sale-and-long-term management back arrangement (see Note 2.B.1.2).

In fiscal 2008, the total included:

- a €87 million gain on the sale to AXA REIM of 55 units under a sale-and-variable leaseback arrangement based on a percentage of revenue (see Note 2.B.2.7);
- a €9 million gain on the sale in France of units under a sale-and franchise-back arrangement;
- a €12 million gains on disposal of non-strategic assets in Europe.

Note 15. Gains and Losses on Management of Other Assets

(in million of euros)	2006 (*)	2007	2008
Disposal gains and losses	20	243	41
Provision movements	26	(18)	(5)
Gains and losses on non-recurring transactions	(31)	(37)	(24)
TOTAL	**15**	**188**	**12**

(*) *In accordance with IFRS 5, Carlson Wagonlit Travel (CWT) gains and losses on management of other assets have been recognised in Profit or loss from discontinued operations (see Note 17).*

In fiscal 2006, disposal gains and losses mainly included the €15 million gain on the disposal of Casino Mandelieu, the €5 million gain on the disposal of Accor's stake in Compagnie du Mont-Blanc and the €4 million loss on the disposal of Compass.

In addition, a €6 million loss was recognized on the sale of part of the Group's interest in Club Méditerranée and a €5 million provision was recognized on the remaining 5.43% interest to be sold in the near future, based on the December 31, 2006 share price of €40.8 (see Note 2.A.3).

In fiscal 2007, disposal gains and losses mainly included:

- gains on disposals of non-strategic assets: GO Voyages (€204 million gain) and the Italian Food Services Business (€16 million gain) (see Notes 2.A.4 and 2.A.5);
- the costs linked to the exercise of purchase options on Motel 6 units in the United States previously operated under a fixed lease (€22 million loss).

In fiscal 2008, the total mainly included:

- net gains on disposals of non-strategic assets for €41 million, including the Brazilian Food Services Business (€32 million gain) and office properties (€7 million gain);
- an additional €23 million impairment loss recognized on the Club Méditerranée shares held by the Group.

Note 16. Income Tax Expense

Note 16.1 Income tax expense for the period

(in million of euros)	2006 (*)	2007	2008
Current tax	(266)	(252)	(253)
SUB-TOTAL, CURRENT TAX	**(266)**	**(252)**	**(253)**
Deferred taxes (expense) income on new temporary differences and reversals of temporary differences arising in prior periods	-	13	(20)
Deferred taxes arising from changes in tax rates or tax laws	8	5	1
SUB-TOTAL, DEFERRED TAX	**8**	**18**	**(19)**
INCOME TAX EXPENSE EXCLUDING TAX ON THE PROFITS OF ASSOCIATES	**(258)**	**(234)**	**(272)**
Tax on profits of associates	(7)	(10)	(7)
Tax on profits of discontinued operations	(8)	-	-
TAX OF THE PERIOD	**(273)**	**(244)**	**(279)**

(*) *In accordance with IFRS 5, Carlson Wagonlit Travel (CWT) income tax expense has been recognised in Profit or loss from discontinued operations (see Note 17).*

Note 16.2. Effective tax rate

(in million of euros)	2006 (1)	2007	2008
OPERATING PROFIT BEFORE TAX (A)	**688**	**1,146**	**885**
Non deductible impairment losses	18	53	(18)
Elimination of intercompany capital gains	2	417	298
Tax on share of profit (loss) of associates	7	10	7
Other	21	25	7
TOTAL PERMANENT DIFFERENCES (NON-DEDUCTIBLE EXPENSES) (B)	**48**	**505**	**294**
UNTAXED PROFIT AND PROFIT TAXED AT A REDUCED RATE (C)	**(182) (*)**	**(905) (**)**	**(422) (***)**
PROFIT TAXED AT STANDARD RATE (D) = (A) + (B) + (C)	**554**	**746**	**757**
STANDARD TAX RATE IN FRANCE (E)	**34.43%**	**34.43%**	**34.43%**
TAX AT STANDARD FRENCH TAX RATE (F) = (D) X (E)	**(191)**	**(257)**	**(261)**
Effects on tax at standard French tax rate of:			
Differences in foreign tax rates	17	40	39
Unrecognized tax losses for the period	(32)	(21)	(31)
Utilization of tax loss carryforwards	32	14	7
Changes in deferred tax rates	9	5	1
Share of profit (loss) of associates	7	10	7
Net charges to/reversals of provisions for tax risks	(46)	15	(6)
Other items	(24)	(31)	1
TOTAL EFFECTS ON TAX AT STANDARD FRENCH TAX RATE (G)	**(37)**	**32**	**18**
TAX AT STANDARD RATE (H) = (F) + (G)	**(228)**	**(225)**	**(243)**
TAX AT REDUCED RATE (I)	**(30) (*)**	**(9) (**)**	**(29) (***)**
INCOME TAX EXPENSE (J) = (H) + (I)	**(258)**	**(234)**	**(272)**
Pre-tax operating profit taxed at standard rate	554	746	757
Income tax expense	(174)	(217)	(222)
GROUP EFFECTIVE TAX RATE	**31.4%**	**29.1%**	**29.3%**

(1) In accordance with IFRS 5, Carlson Wagonlit Travel (CWT) amounts are not reported (see Note 17)

(*) In 2006, amounts mainly related to sales of real estate in France to Foncière des Murs (see Note 2.B.2).

Pre-tax profit for fiscal 2006 includes €143 million in capital gains. The French Capital gains (€25 million) qualify for taxation at a reduced rate of 16.5% under the SIIC (REIT-style) tax regime.

(**) In 2007, untaxed profit and profit taxed at a reduced rate mainly concerns real estate transactions in Germany and the Netherlands with Moor Park, and in the United Kingdom with Land Securities (see Note 2.B.2): the transaction with Moor Park in the Netherlands qualified for "tax ruling", while that with Land Securities in the United Kingdom was partially exempt.

The transaction with Moor Park in Germany gave rise to current income tax expense of €10.2 million.

At December, 31, 2007, changes in deferred taxes arising from temporary differences and consolidation adjustments amounted to a positive €24.6 million in the Netherlands, a positive €10.5 million in the United Kingdom and a negative €4.1 million in respect of the sold hotels in Germany.

In France, gains on the sale of investments (mainly GO Voyages) were not taxed except for the 5% of their amount qualified as corresponding to costs and expenses.

(***)In 2008, untaxed profit and profit taxed at a reduced rate mainly concerns real estate transactions in France and Switzerland with AXA Reim (see. Note 2.B.2.7). In France, €80.9 million in capital gains were taxed at the rate of 16.5% under the SIIC (REIT-style) tax regime, representing €13 million in tax, while in Switzerland, capital gains of €18.9 million were taxed in the amount of €6.8 million.

In addition, gains on sales of shares in France (mainly Accor Services shares transferred within the Group) were taxed at the reduced rate of 5%.

Note 16.3 Details of deferred tax (Balance Sheet)

(in million of euros)	2006	2007	2008
Timing differences between company profit and taxable profit	137	137	164
Timing differences between consolidated profit and company profit	78	40	53
Recognized tax losses	82	22	5
SUB-TOTAL, DEFERRED TAX ASSETS	**297**	**199**	**222**
Timing differences between company profit and taxable profit	66	25	40
Timing differences between consolidated profit and company profit	179	145	159
SUB-TOTAL, DEFERRED TAX LIABILITIES	**245**	**170**	**199**
DEFERRED TAX ASSETS, NET (LIABILITIES)	**52**	**29**	**23**

Note 16.4 Unrecognized deferred tax assets

Unrecognized deferred tax assets at December 31, 2008 amounts to €204 million (December 31, 2007: €190 million and December 31, 2006: €129 million).

Unrecognized deferred tax assets at December 31, 2008 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	-	(2)	-	(2)
Y +2	-	(1)	-	(1)
Y +3	-	(2)	-	(2)
Y +4	-	(13)	-	(13)
Y +5 and beyond	(1)	(13)	-	(14)
Evergreen	(5)	(167)	-	(172)
DEFERRED TAX, NET	**(6)**	**(198)**	**-**	**(204)**

(1) Unrecognized deferred tax assets at December 31, 2008 include €70 million corresponding to the tax loss carryforwards of the NewGen companies in Germany, France, Austria and Poland (see note 2.D.4).

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 operation; and
- the profit or loss recognised on the disposal of the assets constituting the discontinued operations.

In 2007 and 2008, no sale had been classified as discontinued operations.

In 2006, Carlson Wagonlit Travel's sale (CWT) had been classified as discontinued operations (see Note 2.A.2).

Detail of profit or loss from discontinued operations (CWT) is at follow:

(in million of euros)	2006
Profit or loss from discontinued operations before tax	22
Tax on Profit or loss from discontinued operation	(8)
Profit or loss recognised on the disposal of the assets constituting the discontinued operation	90
Tax on Profit or loss from discontinued operation	-
PROFIT OR LOSS FROM DISCONTINUED OPERATIONS	**104**

Detail of CWT consolidated income statement (including the profit recognised on the disposal) classified in profit or loss from discontinued operations in 2006 Accor consolidated Income Statements is as follow:

(in million of euros)	2006
Revenue	244
Other operating revenue	-
CONSOLIDATED REVENUE	**244**
Operating expense	(200)
EBITDAR	**44**
Rental expense	(15)
EBITDA	**29**
Depreciation, amortization and provision expense	(6)
EBIT	**23**
Net financial expense	(1)
Share of profit of associates after tax	-
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS	**22**
Restructuring costs	-
Impairment losses	-
Gains and losses on management of hotel properties	-
Gains and losses on management of other assets	90
OPERATING PROFIT BEFORE TAX	**112**
Income tax expense	(8)
NET PROFIT FROM DISCONTINUED OPERATIONS	**104**

Note 18. Goodwill

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
Goodwill (gross value)	2,187	2,417	1,932
Less impairment losses and amortization	(452)	(450)	-
GOODWILL, NET	**1,735**	**1,967**	**1,932**

(in million of euros)	Notes	Dec. 2006	Dec. 2007	Dec. 2008
HOTELS				
Motel 6		229	205	212
Germany	2.D.4	-	190	201
Upscale and Midscale France		244	184	184
Australia		192	174	144
Economy (excluding Motel 6 and Red Roof Inn)		87	93	91
Poland	2.D.1.2	-	-	95
Asia		44	39	41
Italy		33	33	33
Hungary		25	25	25
Egypt		24	24	24
Netherlands		21	21	13
Switzerland		9	17	11
Portugal		4	19	9
Red Roof Inn	2.C	150	-	-
Other hotels (< €6 million)		22	8	2
SUB-TOTAL HOTELS		**1,084**	**1,032**	**1,085**
PREPAID SERVICES				
France (Kadéos)	2.D.2.2	-	181	181
Brazil		122	139	111
United Kingdom		34	100	83
Romania		34	37	37
Italy		35	36	33
Mexico		31	35	31
USA		35	33	33
Sweden		22	19	19
Germany		-	-	14
Australia		10	11	11
Asia		-	8	10
Venezuela		7	7	9
Argentina		10	-	-
Other Prepaid Services (< €6 million)		72	74	73
SUB-TOTAL PREPAID SERVICES		**412**	**680**	**645**
OTHER BUSINESSES				
Casinos (Accor Casinos, SHCD and Groupe Lucien Barrière S.A.S.)		156	162	162
Lenôtre		24	24	25
Food Business, Brazil	2.A.6	29	37	-
Other businesses (< €6 million)		30	32	15
SUB-TOTAL OTHER BUSINESSES		**239**	**255**	**202**
GOODWILL, NET		**1,735**	**1,967**	**1,932**

During the year, accumulated goodwill impairment losses at the first time adoption of IFRSs, were written off by reducing the gross amount of the goodwill concerned.

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

(in million of euros)	Notes	Dec. 2006	Dec. 2007	Dec. 2008
CARRYING AMOUNT AT BEGINNING OF PERIOD		**1,897**	**1,735**	**1,967**
GOODWILL RECOGNIZED ON ACQUISITIONS FOR THE PERIOD AND OTHER INCREASES		**277**	**492**	**159**
Hotels, Poland (Consolidation of Orbis)	2.D.1.2	-	-	104
Hotels, Germany (Earn-Out Newgen)	2.D.4	-	189	10
Hotels, Portugal	2.D.1.3	-	15	-
Economy Hotels (excluding Motel 6)		6	11	1
Hotels, Switzerland		-	8	-
Upscale and Midscale Hotels France		-	1	11
Hotels, Brazil - Acquisition of Minority Interests		9	-	-
Prepaid Services, France (Acquisition of Kadéos)	2.D.2.2	-	181	-
Prepaid Services, United Kingdom (Acquisition of Prepay)	2.D.2.2	1	53	-
Prepaid Services, United Kingdom (Acquisition of Motivano)	2.D.2.2	-	-	8
Prepaid Services, Germany (Acquisition of Quasar)		-	-	8
Prepaid Services, Romania (Acquisition of 30% of Hungastro)		3	8	-
Other acquisitions of Prepaid Services		12	8	8
Prepaid Services, Asia (Surfgold)	2.D.2.2	-	4	-
Prepaid Services, Australia (Davidson & Trahaire)		-	-	4
Prepaid Services, Italy (Serial)	2.D.2.1	35	1	-
Prepaid Services, USA (Acquisition of Commuter Check Services - Transit Vouchers)	2.D.2.1	27	1	-
Prepaid Services, Brazil (Acquisition of Minority Interests)	2.D.3	124	-	-
Prepaid Services, Venezuela (Acquisition of Minority Interests)		-	-	2
Food Business, Brazil (Acquisition of Minority Interests)	2.D.3	27	5	-
Groupe Lucien Barrière S.A.S.		1	5	-
Lenôtre (Acquisition of stores)		-	1	1
GO Voyages		7	-	-
Time-Share Business, Australia		19	-	-
Other		6	1	2
DISPOSALS		**(8)**	**(167)**	**(79)**
IMPAIRMENT LOSSES		**(28)**	**(53)**	**(14)**
TRANSLATION ADJUSTMENT		**(63)**	**(38)**	**(64)**
RECLASSIFICATIONS ON PROPERTY, PLANT AND EQUIPMENT		**(25)**	**(18)**	**(27)**
RECLASSIFICATIONS OF ASSETS HELD FOR SALE		**(318)**	**-**	**-**
OTHER RECLASSIFICATIONS AND MOVEMENTS		**3**	**16**	**(10)**
CARRYING AMOUNT AT END OF PERIOD		**1,735**	**1,967**	**1,932**

Note 19. Intangible Assets

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
GROSS VALUE			
Motel 6 brand (1)	153	137	145
Red Roof Inn brand	91	-	-
Kadéos brand (2)	-	19	19
Other brands and networks (3)	30	57	92
Licenses, software	162	168	164
Other intangible assets (4)	167	222	338
TOTAL INTANGIBLE ASSETS AT COST	**603**	**603**	**758**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES			
Licenses, software	(116)	(126)	(120)
Other intangible assets	(97)	(108)	(126)
TOTAL ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	**(213)**	**(234)**	**(246)**
INTANGIBLE ASSETS, NET	**390**	**369**	**512**

(1) The decrease in value of the Motel 6 brand in 2008 was due to the change in the dollar/euro exchange rate (1.472 at December 31, 2007 versus 1.392 at December 31, 2008).
(2) The Kadéos brand was valued following the acquisition of this company in March 2007 (see Note 2.D.2.2).
(3) Including €52 million corresponding to land use rights for Ibis and Novotel hotels in China and € 9 million in time-share utilization rights in Australia.
(4) Including €162 million in lease premiums (of which €107 million increase in land use rights following the 2008 acquisition of Orbis) and the €49 million value attributed to customer lists (of which €19 million for Kadéos customer lists).

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

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
CARRYING AMOUNT AT BEGINNING OF PERIOD	**437**	**390**	**369**
Additions	8	30	13
Internally-generated assets	23	26	22
Intangible assets of newly consolidated companies	13	68	133 (*)
Amortization for the period	(35)	(37)	(42)
Impairment losses for the period	(3)	(5)	-
Disposals	(4)	(94)	(4)
Translation adjustment	(33)	(30)	(28)
Reclassifications	(16)	21	49
CARRYING AMOUNT AT END OF PERIOD	**390**	**369**	**512**

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

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

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
Motel 6 brand	153	137	145
Kadéos brand	-	19	19
Red Roof Inn brand	91	-	-
Other brands and Networks	30	57	92
CARRYING AMOUNT AT END OF PERIOD	**274**	**213**	**256**

The above brands and lease premiums have been qualified as having an indefinite useful life because the Group considers that there is no foreseeable limit to the period in which they can be used.

Contracts totalling €6 million have been signed for the purchase of intangible assets at December 31, 2008. They are not recognised in the balance sheet.

Note 20. Property, Plant and Equipment

Note 20.1. Property, plant and equipment by nature

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
Land	471	409	519
Buildings	2,268	2,074	2,639
Fixtures	1,949	1,739	2,089
Equipment and furniture	1,471	1,466	1,619
Constructions in progress	204	260	312
PROPERTY, PLANT AND EQUIPMENT, AT COST	**6,363**	**5,948**	**7,178**

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
Buildings	(774)	(691)	(768)
Fixtures	(999)	(876)	(981)
Equipment and furniture	(938)	(931)	(964)
Constructions in progress	(5)	(6)	(3)
TOTAL OF AMORTIZATION	**(2,716)**	**(2,504)**	**(2,716)**
Land	(8)	(5)	(6)
Buildings	(97)	(75)	(81)
Fixtures	(25)	(29)	(36)
Equipment and furniture	(8)	(11)	(12)
Constructions in progress	(3)	(3)	(3)
TOTAL OF IMPAIRMENT LOSSES	**(141)**	**(123)**	**(138)**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	**(2,857)**	**(2,627)**	**(2,854)**

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
Land	463	404	513
Buildings	1,397	1,308	1,790
Fixtures	925	834	1,072
Equipment and furniture	525	524	643
Constructions in progress	196	251	306
PROPERTY, PLANT AND EQUIPMENT, NET	**3,506**	**3,321**	**4,324**

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

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
NET CARRYING AMOUNT AT BEGINNING OF PERIOD	**3,891**	**3,506**	**3,321**
Property, plant and equipment of newly acquired companies	15	169	423
Capital expenditure	660	875	1,240 (*)
Disposals	(391)	(478)	(158)
Amortization for the period	(386)	(360)	(393)
Impairment losses for the period	(3)	(29)	(43)
Translation adjustment	(132)	(120)	(89)
Reclassification of assets held for sale (see Note 32)	(188)	(232)	44
Other reclassifications	40	(10)	(21)
NET CARRYING AMOUNT AT END OF PERIOD	**3,506**	**3,321**	**4,324**

(*) Including 9 hotels in France and 84 hotels in the United States acquired following the exercise of purchase options.

At December 31, 2008, contracts totalling €234 million have been signed for the purchase of property, plant and equipment. They are not recognised in the balance sheet. At December 31, 2007, contracts totalized €252 million.

In addition, under the Foncière des Murs transactions (see Note 2.B.2 and Note 42), Accor is committed to carrying out €98 million worth of work over the period 2005-2009 and Foncière des Murs is committed to carrying out €151 million worth of work over the same period.

At December 31, 2008, €94 million worth of work was carried out by the Group. Under the terms of the leases with Foncière des Murs, 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, Accor is committed to carrying out €27 million worth of work in France and Switzerland, under the AXA Reim transactions (see Note 2.B.2.7).

Borrowing costs included in the carrying amount of property, plant and equipment at December 31, 2008 came to €7 million (€8 million at December 31, 2007). The capitalization rate used to determine the amount of borrowing costs eligible for capitalization was 4.94% (Group average borrowing cost at December 31, 2007).

Note 20.2. Finance leases

At December 31, 2008, the carrying amount of finance leases recognized in the balance sheet in net value is €125 million (December 31, 2007: €107 million), as follows:

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
Land	27	20	24
Buildings	168	161	160
Fixtures	66	59	66
Equipment and furniture	29	11	15
PROPERTY, PLANT AND EQUIPMENT, AT COST	**290**	**251**	**265**
Buildings	(88)	(97)	(81)
Fixtures	(48)	(38)	(46)
Equipment and furniture	(24)	(9)	(13)
CUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	**(160)**	**(144)**	**(140)**
PROPERTY, PLANT AND EQUIPMENT, NET	**130**	**107**	**125**

Finance lease liabilities can be analyzed as follows by maturity:

(in million of euros)	**Debt Non Discounted**
2008	180
2009	161
2010	154
2011	145
2012	128
2013	115
2014	105
2015	97
2016	92
2017	82
2018	73
2019	63
2020	59
2021	54
> 2022	50

Note 21. Long-Term Loans

(in million of euros)	**Dec. 2006**	**Dec. 2007**	**Dec. 2008**
Gross value	305	125	96
Cumulated impairment losses	(36)	(18)	(18)
LONG-TERM LOANS, NET	**269**	**107**	**78**

(in million of euros)	**Dec. 2006**	**Dec. 2007**	**Dec. 2008**
Hotels, Asia-Pacific (1)	126	80	67
Hotels, Germany	13	-	-
Hotels, Netherlands	28	-	-
Hotels, United States/Canada	23	-	-
Hotels, United Kingdom	28	-	-
Front de Seine Participations (Novotel Paris Tour Eiffel)	26	-	-
Other	25	27	11
TOTAL	**269**	**107**	**78**

(1) Loans to hotels in the Asia-Pacific region mainly include loans to Tahl (an Australian property company) for €48 million at December 31, 2008.

Note 22. Investments in Associates

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
Orbis (Hotels, Poland) (Note 2.D.1.2) (1)	178	250	-
Accor Asia-Pacific subsidiaries (*)	55	96	94
Moroccan investment fund (RISMA) (2)	32	33	35
Société Hôtelière Paris Les Halles (3)	9	11	12
The Grand Real Estate (Sofitel The Grand, Hotels, Netherlands) (4)	-	-	10
Egyptian investment fund	11	10	12
Sofitel London St James (Hotels, United Kingdom)	4	5	4
Tunisian investment fund (STI) (5)	6	4	-
Front de Seine Participations (6)	1	-	-
Sofitel Hotels, USA (25%) (Note 2.B.1) (7)	14	(8)	(12)
Other	16	20	21
TOTAL	**326**	**421**	**176**

(*) *The Asia-Pacific investments primarily include Interglobe Hotels Entreprises Limited for €23 million, Ambassador Inc. and Ambatel Inc. (South Korea) for €12 million and Sofitel Mumbai for €9 million.*

(1) *Key figures for Orbis are as follows:*

Orbis (Hotels, Poland)

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
Revenue	275	307	N/A
Net profit (loss)	35	40	N/A
Net cash/(Net debt)	(54)	(45)	N/A
Equity	379	443	N/A
Market capitalization	759	891	N/A
Total assets	593	658	N/A
% interest held	40.58%	45.48%	N/A

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

(2) *Key figures for the hotel investment fund in Morocco (Risma) are as follows:*

Risma (Moroccan investment fund)

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
Revenue	68	83	98
Net profit (loss)	3	3	1
Net cash/(Net debt)	(34)	(119)	(138)
Equity	89	91	94
Market capitalization	240	238	163
Total assets	166	272	278
% interest held	34.92%	34.92%	34.92%

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

Société Hôtelière Paris Les Halles

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
Revenue	64	69	67
Net profit (loss)	6	8	12
Net cash/(Net debt)	(88)	(91)	(77)
Equity	15	24	35
Market capitalization	N/A	N/A	N/A
Total assets	131	141	137
% interest held	31.19%	31.19%	31.19%

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

The Grand Real Estate (Hotels, Netherlands) Sofitel The Grand

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
Revenue	N/A	N/A	11
Net profit (loss)	N/A	N/A	(4)
Net cash/(Net debt)	N/A	N/A	(6)
Equity	N/A	N/A	16
Market capitalization	N/A	N/A	N/A
Total assets	N/A	N/A	28
% interest held	N/A	N/A	58.00%(*)

This company was fully consolidated in 2007 and accounted for by the equity method in 2008 following a sale-and-management-back transaction.

(*) The percentage of control is 40%.

(5) Key figures for Société Tanit International are as follows:

Société Tanit International

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
Revenue	21	21	N/A
Net profit (loss)	(4)	(6)	N/A
Net cash/(Net debt)	(5)	(5)	N/A
Equity	18	12	N/A
Market capitalization	N/A	N/A	N/A
Total assets	30	23	N/A
% interest held	37.50%	37.50%	N/A

On May, 6, 2008 Accor sold its 37,5% interest in Société Tanit International.

(6) Key figures for Front de Seine Participations, owner of the Novotel Paris Tour Eiffel, are as follows:

Front de Seine Participations (Novotel Paris Tour Eiffel)

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
Revenue	44	18	N/A
Net profit (loss)	2	0	N/A
Net cash/(Net debt)	(99)	(96)	N/A
Equity	-	-	N/A
Market capitalization	N/A	N/A	N/A
Total assets	119	117	N/A
% interest held	40.00%	Sold	N/A

During 2007, Accor sold its 40% interest in Front de Seine Participations and signed a business lease with the new owner of the Novotel Paris Tour Eiffel building and the hotel business.

The business lease covers a period of 18 years and is renewable once for a further 18 years. Rents are based on a percentage of hotel revenue, with no guaranteed minimum.

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

Sofitel Hotels USA

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
Revenue	75	178	167
Net profit (loss)	3	(4)	8
Net cash/(Net debt)	(223)	(455)	(469)
Equity	57	(33)	(46)
Market capitalization	N/A	N/A	N/A
Total assets	309	464	481
% interest held	25.00%	25.00%	25.00%

Note 23. Other Financial Investments

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
Investments in non-consolidated companies (Available for sale financial assets)	192	171	157
Deposits (Loans and Receivables)	98	66	67
OTHER FINANCIAL INVESTMENTS, AT COST	**290**	**237**	**224**
Accumulated impairment losses	(46)	(55)	(75)
OTHER FINANCIAL INVESTMENTS, NET	**244**	**182**	**149**

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

Other financial investments break down as follows:

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
Club Mediterranée (1)	90	37	14
Other (2)	154	145	135
OTHER FINANCIAL INVESTMENTS, NET	**244**	**182**	**149**

(1) Accor holds 1,162,630 shares corresponding to 6% of Club Méditerranée share capital (cf. Note 2.A.3). At December 31, 2008, the remaining shares were carried in the balance sheet in an amount of €14 million, corresponding to the share price at that date of €11.98 per share.

(2) Including Moor Park for €28 million and TAHL (Australia) for €16 million.

Note 24. Receivables and Payables

Note 24.1. Trade receivables and related provision

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
Gross value	1,356	1,655	1,375
Provisions	(48)	(57)	(62)
NET	**1,308**	**1,598**	**1,313**

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. 2006	Dec. 2007	Dec. 2008
Recoverable VAT	207	218	305
Prepaid wages and salaries and payroll taxes	10	9	9
Other prepaid and recoverable taxes	57	40	24
Other receivables	257	342	345
Other prepaid expenses	216	125	159
OTHER RECEIVABLES AND ACCRUALS, AT COST	**747**	**734**	**842**
PROVISIONS	**(20)**	**(19)**	**(18)**
OTHER RECEIVABLES AND ACCRUALS, NET	**727**	**715**	**824**

Note 24.3. Details of other payables

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
VAT payable	104	117	186
Wages and salaries and payroll taxes payable	479	522	490
Other taxes payable (*)	171	313	327
Other payables (*)	328	426	434
Deferred income	340	179	165
OTHER PAYABLES	**1,422**	**1,557**	**1,602**

(*) Including €192 million of "precompte" (see Note 41).

Note 24.4. Analysis of other receivables/payables' periods

(in million of euros) at December 31, 2008	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Dec. 2008	Dec. 2007	Dec. 2006
Inventories	103	-	-	103	74	64
Trade receivables	1,313	-	-	1,313	1,598	1,308
Recoverable VAT	291	14	-	305	218	207
Prepaid payroll taxes	9	-	-	9	9	10
Other prepaid and recoverable taxes	24	-	-	24	40	57
Other receivables	321	6	-	327	323	237
CURRENT ASSETS	**2,061**	**20**	**-**	**2,081**	**2,262**	**1,883**
Trade payables	765	-	-	765	679	599
VAT payable	186	-	-	186	117	104
Wages and salaries and payroll taxes payable	468	20	2	490	522	479
Other taxes payable	327	-	-	327	313	171
Other payables	431	3	-	434	426	328
CURRENT LIABILITIES	**2,177**	**23**	**2**	**2,202**	**2,057**	**1,681**

Note 25. Potential Ordinary Shares

Note 25.1. Number of potential shares

At December 31, 2008, the Company's share capital was made up of 219,894,523 ordinary shares. The average number of ordinary shares outstanding during the period was 221,237,466. **The number of outstanding shares at December 31, 2008 was 219,894,523.**

In addition, employee stock options exercisable for 9,591,890 ordinary shares, representing 4.36% of the capital, were outstanding at December 31, 2008, as follows:

- 634,550 stock options exercisable at a price of €40.58 per share (Plan 5);
- 1,391,848 stock options exercisable at a price of €37.77 per share (Plan 6);
- 74,503 stock options (stock savings warrants) exercisable at a price of €39.10 per share (Plan 7);
- 56,250 stock options exercisable at a price of €31.83 per share (Plan 8);
- 1,155,761 stock options exercisable at a price of €35.68 per share (Plan 9);
- 83,510 stock options (stock savings warrants) exercisable at a price of €33.94 per share (Plan 10);
- 1,276,200 stock options exercisable at a price of €32.42 per share (Plan 11);
- 1,224,200 stock options exercisable at a price of €46.15 per share (Plan 12);
- 654,250 stock options exercisable at a price of €49.10 per share (Plan 13);
- 1,470,665 stock options exercisable at a price of €68.65 per share (Plan 14);
- 95,000 stock options exercisable at a price of €71.72 per share (Plan 15);
- 1,403 options stock options (stock savings warrants) exercisable at a price of €60.44 per share (Plan 16);
- 1,398,750 stock options exercisable at a price of €46.46 per share (Plan 17);
- 75,000 stock options exercisable at a price of €42.70 per share (plan 18).

In 2007 and 2008, Accor also made performance share grants to members of senior management, with vesting conditions based on the Group's results. On May 14, 2007, Accor made 56,171 performance share grants, with vesting conditions based on the Group's 2007 and 2008 results. On March 28, 2008, Accor made 107,034 performance share grants, with vesting conditions based on the Group's 2008 and 2009 results (see Note 25.3). The performance targets were only partly met in 2008, with the result that only 132,936 shares have vested.

Conversion of all of the potential shares presented above would have the effect of increasing the number of shares outstanding to 229,619,349.

Note 25.2. Diluted earnings per share

Based on the above number of potential shares and the average Accor share price for 2008 of €43.05, the diluted weighted average number of shares outstanding in 2008 was 222,077,039. Diluted earnings per share were therefore calculated as follows:

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
Net profit, Group share	501	883	575
Adjustment for OCEANE convertible bonds (1)	28	8	-
ADJUSTED NET PROFIT, GROUP SHARE	**529**	**891**	**575**
Weighted average number of ordinary shares *(in thousands)*	224,738	225,013	221,237
Number of shares resulting from the exercise of stock options	2,367	2,869	840
Number of shares resulting from the conversion of OCEANES	16,894	8,062	-
Fully diluted weighted average number of shares *(in thousands)*	243,998	235,944	222,077
DILUTED EARNINGS PER SHARE	**2.17**	**3.78**	**2.59**

(1) The adjustment for OCEANE convertible bonds breaks down as follows:

(in million of euros)	2006	2007	2008
Cancellation of interest expense on OCEANE convertible bonds, net of tax	25	8	-
Cancellation of redemption premiums on OCEANE convertible bonds, net of tax	3	-	-
TOTAL	**28**	**8**	**-**

The following instruments that may have a dilutive impact on basic earnings per share in the future have not been included in the calculation of diluted earnings per share because they did not have a dilutive effect on 2008:

- 1,224,200 stock options at a price of €46.15 exercisable from January 10, 2010 until January 9, 2013 (Plan 12);
- 654,250 stock options at a price of €49.10 exercisable from March 25, 2010 until March 24, 2013 (Plan 13);
- 1,470,665 stock options at a price of €68.65 exercisable from March 23, 2010 until March 22, 2014 (Plan 14);
- 95,000 stock options at a price of €71.72 exercisable from May 15, 2011 until May 14, 2014 (Plan 15);
- 1,403 stock options at a price of €60.44 exercisable from September 13, 2010 until September 13, 2015 (Plan 16);
- 1,398,750 stock options at a price of €46.46 exercisable from March 29, 2012 until March 28, 2015 (Plan 17);
- 75,000 stock options at a price of €42.70 exercisable from October 1st, 2012 until September 30, 2015 (Plan 18).

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, 2008, 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 3	March 30, 2000	8 years	690,125	from 30/03/05 until 30/03/08	809	€37.00	Equity
Plan 5	January 4, 2001	8 years	1,957,000	from 4/01/04 until 4/01/09	32	€40.58	Equity
Plan 6	January 8, 2002	8 years	3,438,840	from 8/01/05 until 8/01/10	2,032	€37.77	Equity
Plan 7 (*)	July 12, 2002	7 years	104,361	from 12/07/05 until 12/07/09	3,890	€39.10	Equity
Plan 8	January 3, 2003	8 years	148,900	from 4/01/06 until 3/01/11	67	€31.83	Equity
Plan 9	January 7, 2004	8 years	1,482,900	from 8/01/07 until 7/01/12	1,517	€35.68	Equity
Plan 10 (*)	July 9, 2004	8 years	88,131	from 9/07/07 until 9/07/12	3,390	€33.94	Equity
Plan 11	January 12, 2005	7 years	1,298,950	from 13/01/09 until 12/01/12	903	€32.42	Equity
Plan 12	January 9, 2006	7 years	1,231,200	from 10/01/2010 until 09/01/13	191	€46.15	Equity
Plan 13	March 24, 2006	7 years	666,950	from 25/03/10 until 24/03/13	818	€49.10	Equity
Plan 14	March 22, 2007	7 years	1,492,845	from 23/03/11 until 22/03/14	958	€68.65	Equity
Plan 15	May 14, 2007	7 years	95,000	from 15/05/11 until 14/05/14	11	€71.72	Equity
Plan 16 (*)	September 13, 2007	8 years	1,403	from 13/09/10 until 13/09/15	40	€60.44	Equity
Plan 17	March 28, 2008	7 years	1,409,400	from 29/03/12 until 28/03/15	1,022	€46.46	Equity
Plan 18	September 30, 2008	7 years	75,000	from 01/10/12 until 30/09/15	6	€42.70	Equity

(*) Plans 7, 10 and 16 are stock savings warrants.

Options granted under Plan 15 are performance options. The 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 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 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 and grantees will therefore receive a total of 23,750 options at the end of the vesting period, provided that they continue to be employed by the Group at that date.

The performance criteria were only partially met in 2008 and grantees are guaranteed to receive a total of 20,781 options at the end of the vesting period, provided that they continue to be employed by the Group at that date.

Changes in outstanding stock options during 2006, 2007 and 2008 are as follows:

	December 31, 2006		December 31, 2007		December 31, 2008	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
OPTIONS OUTSTANDING AT BEGINNING OF PERIOD	**10,174,625**	**€37.36**	**9,049,919**	**€39.15**	**8,472,298**	**€44.71**
Options granted	1,898,150	€47.19	1,587,845	€68.83	1,485,803	€46.28
Options cancelled or expired	(203,275)	€35.81	(249,032)	€41.72	(163,253)	€42.50
Options exercised	(2,819,581)	€38.35	(1,916,434)	€38.84	(202,958)	€36.81
OPTIONS OUTSTANDING AT END OF PERIOD	**9,049,919**	**€39.15**	**8,472,298**	**€44.71**	**9,591,890**	**€45.16**
OPTIONS EXERCISABLE AT END OF PERIOD	**4,323,588**	**€38.91**	**3,717,303**	**€37.38**	**3,396,422**	**€37.42**

Outstanding options at December 31, 2008 are as follows:

	Exercise price	Number of outstanding options	Remaining life of the options
Plan 5	€40.58	634,550	4 days
Plan 6	€37.77	1,391,848	1 year
Plan 7	€39.10	74,503	6 month
Plan 8	€31.83	56,250	2 years
Plan 9	€35.68	1,155,761	3 years
Plan 10	€33.94	83,510	3.6 years
Plan 11	€32.42	1,276,200	3 years
Plan 12	€46.15	1,224,200	4 years
Plan 13	€49.10	654,250	4.3 years
Plan 14	€68.65	1,470,665	5.3 years
Plan 15	€71.72	95,000	5.4 years
Plan 16	€60.44	1,403	6.8 years
Plan 17	€46.46	1,398,750	6.3 years
Plan 18	€42.70	75,000	6.8 years

Fair value of options

IFRS 1 allows the recognition in the accounts of equity-settled stock options only granted after 7 November 2002 that had not yet vested at January 1, 2005.

In the case of the Accor Group, IFRS 2 applies to options granted under eleven plans set up from 2003 to December 2008.

The fair value of these options at the grant date has been determined using the Black & Scholes option-pricing model.

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

	Plan 8	Plan 9	Plan 10	Plan 11	Plan 12	Plan 13	Plan 14	Plan 15	Plan 16	Plan 17	Plan 18
Accor share price at the option grant date	€30.50	€35.18	€33.71	€31.64	€49.80	€48.30	€70.95	€70.45	€62.35	€47.10	€37.12
Option exercise price	€31.83	€35.68	€33.94	€32.42	€46.15	€49.10	€68.65	€71.72	€60.44	€46.46	€42.70
Expected volatility (*)	39.58%	39.68%	39.18%	37.64%	35.36%	34.60%	31.73%	31.60%	27.57%	27.87%	26.72%
Contractual life of the options	8 years	8 years	8 years	7 years	7 years	7 years	7 years	7 years	8 years	7 years	7 years
Expected share yield (**)	3.54%	3.44%	3.55%	2.94%	3.13%	3.74%	3.94%	4.25%	4.15%	3.84%	4.03%
Fair value of options (***)	€8.91	€10.52	€10.07	€8.48	€14.11	€12.57	€20.38	€19.36	€16.66	€11.55	€7.00

(*) 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 and 16 and 2.53% for plans 17 and 18. These rates correspond to the average payout rate for the previous two or three years.

Maturities of stock options

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

- 35% of options exercised after 4 years;
- 20% of options exercised after 5 years;
- 35% of options exercised after 6 years;
- 5% of options exercised after 7 years – 10% for plans 11, 12, 13, 14, 15, 17 and 18;
- 5% of options exercised after 8 years;

Maturities stock options correspond to the options' expected lives.

Share price volatility

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

Cost of share-based payments recognized in the accounts

The total cost recognized in employee benefits expense by adjusting equity in respect of share-based payments amounted to €22 million at December 31, 2008 (December 31, 2007: €17 million, December 31, 2006: €14 million).

Employee Stock Ownership Plan

In April 2007, an employee rights issue was carried out under the Employee Stock Ownership Plan.

The issue was leveraged, meaning that for each share purchased between June 11 and 18, 2007 the bank that partnered Accor in the issue financed an additional nine shares on behalf of the employee.

At the end of the 5-year lock-up period, employees will receive a cash payment equal to the average increase in value of the Accor shares purchased with their own funds and with the financing provided by the bank. In addition, the employees' initial investment in the shares is guaranteed by the bank.

The plan's characteristics are as follows:

- reference share price: €68.61;
- employee discount: 18.9%;
- discounted subscription price: €55.64 (except in Germany where employees were not entitled to the discount but were awarded stock warrants).

At the close of the subscription period, the Group issued 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

In 2007 and 2008, Accor decided to grant performance shares to senior executives and certain employees.

A total of 56,171 performance shares were granted to senior executives and certain employees on May 14, 2007 and 107,034 performance shares on March 28, 2008.

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 for the first plan and for each of the years 2008 and 2009 for the second plan. 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 – amounts to €4 million for the first plan and €5 million for the second plan and is 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 is 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.

Certain performance targets were not met in 2008, leading to a reduction in the fair value of the share grants to €3.7 million for the first plan and €1.2 million for the second plan.

The performance targets were met in 2007 and grantees will therefore receive 28,085 performance shares at the end of the vesting period under the first plan, provided that they continue to be employed by the Group at that date. In 2008, only one of the two performance criteria was met and grantees are therefore guaranteed to receive a total of 51,333 shares at the end of the vesting period (24,575 shares under the first plan and 26,758 shares under the second plan), provided that they continue to be employed by the Group at that date.

Note 26. Cumulative Unrealized Gains and Losses on Financial instruments

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
OCEANE convertible bonds (1)	94	66	-
Equity notes	433	-	-
Mutual fund units	2	-	-
Interest rate and currency swaps	1	-	(6)
Fair value adjustments to non-consolidated investments	(6)	-	-
Fair value adjustments to available-for-sale investments	-	-	-
IMPACT ON EQUITY	**524**	**66**	**(6)**

(1) This mainly corresponds to the equity component of the OCEANE convertible bonds.
The equity component of the €570 million 2002 OCEANEs and the €616 million 2003 OCEANEs initially amounted to €50 million and €75 million respectively.
The equity component was adjusted as the OCEANEs were converted or redeemed. The last OCEANEs were redeemed in full at the beginning of 2008.

Change in fair value adjustments on financial instruments recognized in equity

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
Available for sale Financial Assets	(9)	5	-
Gains (losses) recognised in Equity during the period	(9)	(1)	-
Gains (losses) reclassified to profit or loss	-	6	-
Cash flow hedges	2	(1)	(6)
Gains (losses) recognised in Equity during the period	2	(1)	(6)
Gains (losses) reclassified to profit or loss	-	-	-
CHANGES IN RESERVE	**(7)**	**4**	**(6)**

Note 27. Minority interests

(in million of euros)	
AT DECEMBER 31, 2005	**95**
Minority interests in profit for the period	33
Dividends paid to minority interests	(28)
Translation adjustment	(3)
Changes in scope of consolidation (1)	(31)
AT DECEMBER 31, 2006	**66**
Minority interests in profit for the period	29
Dividends paid to minority interests	(19)
Translation adjustment	(3)
Changes in scope of consolidation	(12)
AT DECEMBER 31, 2007	**61**
Minority interests in profit for the period	38
Dividends paid to minority interests	(22)
Translation adjustment	(45)
Changes in scope of consolidation (2)	226
AT DECEMBER 31, 2008	**258**

(1) Changes in minority interests correspond mainly to the buyout of minority interests in Brazil (see Note 2.D.3).

(2) The main change for the year concerned the full consolidation of the Orbis subsidiaries following the acquisition of a further 4.53% stake in the sub-group during the second half of 2008. Orbis was previously accounted for by the equity method. Minority interests in Orbis subsidiaries amounted to €179 million at December 31, 2008.

Note 28. Convertible or Exchangeable Bonds (OCEANE)

All of the 2002, 2003 and 2005 OCEANE convertible or exchangeable bonds were redeemed or exchanged in the period 2005 to 2008. No OCEANE bonds were outstanding at December, 31, 2008.

Note 29. Debt by Currency and Maturity

Note 29.A. Long and short-term debt

Long and short-term debt at December 31, 2008 breaks down as follows by currency and interest rate after hedging transactions:

	Effective rate 2006		Effective rate 2007		Effective rate 2008	
(in million of euros)	**Dec. 2006**	**%**	**Dec. 2007**	**%**	**Dec. 2008**	**%**
EUR	798	4.39	818	4.65	1,595	4.61
PLN	-	-	-	-	100	7.20
CNY	-	-	-	-	79	4.75
USD	381	5.24	11	5.40	50	2.01
AUD	101	7.69	55	7.30	43	5.54
Other currencies (1)	134	4.32	167	5.55	114	5.14
LONG AND SHORT-TERM BORROWINGS	**1,414**	**4.85**	**1,051**	**4.94**	**1,981**	**4.74**
Long and short-term finance lease liabilities	207	-	234	-	180	-
Purchase commitments	62	-	75	-	65	-
Changes in fair value of financial liabilities	-	-	-	-	-	-
Liability derivatives	1	-	15	-	87	-
Other short-term financial liabilities and bank overdrafts	135	-	42	-	62	-
LONG AND SHORT-TERM DEBT	**1,819**	**-**	**1,417**	**-**	**2,375**	**-**

(1) Including about JPY €27 million and CHF €25 million as at December 31, 2008.

At December 31, 2008, derivative instruments recorded in assets and held as hedges of debt amounted to €5 million.

(in million of euros)	**Dec. 2006**	**Dec. 2007**	**Dec. 2008**
Long-term debt	1,309	1,272	2,088
Short-term debt	510	145	287
TOTAL LONG AND SHORT-TERM DEBT	**1,819**	**1,417**	**2,375**

Note 29.B. Maturities of debt

At December 31, 2008, maturities of debt were as follows:

(in million of euros)	**Dec. 2006**	**Dec. 2007**	**Dec. 2008**
Year Y +1	510	145	287
Year Y +2	741	78	70
Year Y +3	216	85	168
Year Y +4	65	101	1,326
Year Y +5	89	798	346
Year Y +6	35	45	18
Beyond	163	165	160
TOTAL LONG AND SHORT-TERM DEBT	**1,819**	**1,417**	**2,375**

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

At December 31, 2008, Accor had several unused confirmed lines of credit with maturities of more than one year, for a total of €1,345 million, expiring between January 2010 and August 2013.

2008 financial costs amounted to €86 million. Future financial costs are estimated at €307 million for the period from December 31, 2008 to end-December 2012 and €11 million thereafter.

2007 financial costs amounted to €92 million. Future financial costs were estimated at €177 million for the period from December 31, 2007 to end-December 2011 and €21 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, 2008, long and short-term debt breaks down as follows before hedging transactions:

	Total debt		
(in million of euros)	**Amount**	**Rate**	**% of total debt**
EUR	1,726	4.68%	87%
PLN	100	7.20%	5%
CNY	79	4.75%	4%
AUD	4	8.27%	0%
USD	2	4.31%	0%
Other currencies	70	6.70%	4%
TOTAL LONG AND SHORT-TERM DEBT	**1,981**	**4.89%**	**100%**

Long and short-term debt after currency and interest rate hedging breaks down as follows at December 31, 2008:

	Total debt		
(in million of euros)	**Amount**	**Rate**	**% of total debt**
EUR	1,595	4.61%	81%
PLN	100	7.20%	5%
CNY	79	4.75%	4%
AUD	43	5.54%	2%
USD	50	2.01%	2%
Other currencies	114	5.14%	6%
TOTAL LONG AND SHORT-TERM DEBT	**1,981**	**4.74%**	**100%**

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

(in million of euros)	Total debt	
	Amount	Rate
December 2006	1,414	4.85%
December 2007	1,051	4.94%
December 2008	1,981	4.74%

At December 31, 2008, 20% of long and short-term debt was fixed rate, with an average rate of 5.31%, and 80% was variable rate, with an average rate of 4.60%.

At December 31, 2008, fixed rate debt was denominated primarily in EUR (92%) and in CHF (6%), while variable rate debt was denominated mainly in EUR (78%), PLN (6%) and CNY (5%).

The Group's loan agreements do not contain any rating triggers.

None of the Group's loan agreements contain any 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, 2008:

Forward sales and currency swaps *(in million of euros)*	Maturity 2009	December 31, 2008 Nominal amount	December 31, 2008 Fair value
USD	48	48	-
AUD	39	39	(1)
JPY	27	27	1
Other	17	17	-
FORWARD SALES	**131**	**131**	**-**

Forward purchases and currency swaps *(in million of euros)*	Maturity 2009	December 31, 2008 Nominal amount	December 31, 2008 Fair value
GBP	357	357	49
USD	156	156	11
SEK	75	75	6
CHF	68	68	(3)
Other	129	129	11
FORWARD PURCHASES	**785**	**785**	**74**
TOTAL CURRENCY HEDGING	**916**	**916**	**74**

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, 2008, currency instruments had a negative fair value of €74 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, 2008:

(in million of euros)	2009	2010	2011	Beyond	December 31, 2008 Notional amount	December 31, 2008 Fair value
EUR: Fixed-rate borrower swaps and caps	31	-	-	236	267	8
INTEREST RATE HEDGES	**31**	**-**	**-**	**236**	**267**	**8**

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, 2008, interest rate instruments had a negative fair value of €8 million.

3. Fair value of financial instruments

The carrying amount and fair value of financial instruments at December 31, 2008 are as follows:

(in million of euros)	December 31, 2008 Carrying amount	December 31, 2008 Fair value
FINANCIAL LIABILITIES	**2,375**	**2,375**
Bank borrowings	1,927	1,927
Finance lease liabilities	180	180
Other financial liabilities	181	181
Interest rate derivatives *(Cash Flow Hedge)* (1)	13	13
Currency derivatives *(Fair Value Hedge)* (1)	74	74
FINANCIAL ASSETS	**(1,303)**	**(1,303)**
Marketable securities (2)	(1,054)	(1,054)
Cash	(194)	(194)
Other	(50)	(50)
Interest rate derivatives *(Cash Flow Hedge)* (1)	(5)	(5)
NET DEBT	**1,072**	**1,072**

(1) 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).

(2) Marketable securities break down as follows:

(in million of euros)	December 31, 2008 Carrying amount	December 31, 2008 Fair value
Bonds and other negotiable debt securities (a)	(181)	(181)
Money market securities (b)	(858)	(858)
Mutual fund units convertible into cash in less than three months (*) (c)	(12)	(12)
Other	(3)	(3)
Total marketable securities	(1,054)	(1,054)

(*) The fair value of mutual fund units corresponds to their net asset value (level 1 valuation technique).
(a) Held to maturity investments.
(b) Loans and receivables issued by the Group.
(c) Held for sale financial assets.

Note 29.F Financial Risk Management

The Group's risk management objectives, policies and procedures (liquidity risk, credit risk, currency risk, interest rate risk, and equity risk) are described in the Management Report, which also includes interest rates and currency rates sensibility analyses.

Note 29.G Credit rating

At December 31, 2008, Accor credit ratings were as follows:

Rating Agency	Long-term debt	Short-term Debt	Last update of the rating	Outlook	Last update of the outlook
Standard & Poor's	BBB	A-2	November 3, 2008	Stable	November 3, 2008
Fitch Ratings	BBB	F2	January 23, 2009	Stable	January 23, 2009

Note 30. Net Debt and Net Cash

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
Convertible bonds	635	-	-
Other long-term debt	490	1,056	1,927
Long-term finance lease liabilities	184	216	161
Short-term borrowings	449	109	165
Bank overdrafts	60	20	35
Liabilities derivatives	1	15	87
TOTAL DEBT	**1,819**	**1,417**	**2,375**
Short-term loans	(28)	(22)	(34)
Marketable securities (1)	(944)	(841)	(1,054)
Cash	(314)	(297)	(194)
Asset derivatives	(10)	(1)	(5)
Short-term receivables on disposals of assets	(54)	(52)	(16)
FINANCIAL ASSETS (2)	**(1,350)**	**(1,213)**	**(1,303)**
NET DEBT	**469**	**204**	**1,072**

(1) See Note 29.E.
(2) Included €804 million related to Prepaid Services compared with €653 million at December 31, 2007.

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
NET DEBT AT BEGINNING OF PERIOD	**1,420**	**469**	**204**
Change in long-term debt	(296)	(10)	896
Change in short-term financial liabilities	(1,760)	(368)	37
Cash and cash equivalents change	1,063	104	(37)
Reclassifications	42	9	(28)
CHANGES FOR THE PERIOD	**(951)**	**(265)**	**868**
NET DEBT AT END OF PERIOD	**469**	**204**	**1,072**

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. 2006	Dec. 2007	Dec. 2008
BALANCE SHEET CASH AND CASH EQUIVALENTS	**1,267**	**1,138**	**1,253**
Bank overdrafts	(60)	(20)	(35)
Derivatives included in liabilities	(1)	(15)	(87)
CASH FLOW STATEMENT CASH AND CASH EQUIVALENTS	**1,206**	**1,103**	**1,131**

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

At December 31, 2008, financial assets and liabilities broke down as follows by category:

		Carrying amount			Fair value		
(in million of euros)	Category in the balance-sheet	Dec. 2006	Dec. 2007	Dec. 2008	Dec. 2006	Dec. 2007	Dec. 2008
HELD TO MATURITY FINANCIAL ASSETS		**104**	**151**	**181**	**104**	**151**	**181**
Bonds and other negotiable debt securities	Cash and cash equivalents	104	151	181	104	151	181
LOANS AND RECEIVABLES		**2,459**	**2,519**	**2,368**	**2,459**	**2,519**	**2,368**
Short-term loans	Short-term loans	28	22	34	28	22	34
Long-term loans	Long-term loans	269	107	78	269	107	78
Receivables on disposals of assets	Receivables on disposals of assets	54	52	16	54	52	16
Deposits	Other financial investments	98	65	66	98	65	66
Trade receivables	Trade receivables	1,308	1,598	1,313	1,308	1,598	1,313
Money Market securities	Cash and cash equivalents	701	673	858	701	673	858
Other		1	2	3	1	2	3
AVAILABLE FOR SALE FINANCIAL ASSETS		**284**	**132**	**94**	**284**	**132**	**94**
Investments in non-consolidated companies	Other financial investments	146	117	82	146	117	82
Mutual fund units convertible into cash	Cash and cash equivalents	137	10	12	137	10	12
Other		1	5	-	1	5	-
FINANCIAL ASSETS AT FAIR VALUE		**10**	**1**	**5**	**10**	**1**	**5**
Interest rate derivatives	Cash and cash equivalents	2	1	5	2	1	5
Currency derivatives		8	-	-	8	-	-
CASH AT BANK	Cash and cash equivalents	**314**	**297**	**194**	**314**	**297**	**194**
FINANCIAL ASSETS		**3,171**	**3,100**	**2,842**	**3,171**	**3,100**	**2,842**

(in million of euros)	Category in the balance-sheet	Carrying amount Dec. 2006	Carrying amount Dec. 2007	Carrying amount Dec. 2008	Fair value Dec. 2006	Fair value Dec. 2007	Fair value Dec. 2008
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		**1**	**15**	**87**	**1**	**15**	**87**
Currency derivatives	Bank overdrafts	1	15	74	1	15	74
Interest rate derivatives	Bank overdrafts	-	-	13	-	-	13
Other bonds	Bank overdrafts	-	-	-	-	-	-
FINANCIAL LIABILITIES AT AMORTISED COST		**2,417**	**2,061**	**3,018**	**2,417**	**2,061**	**3,018**
Convertible bonds/Equity Notes	Convertible or exchangeable bonds	845	-	-	845	-	-
Bank Borrowings	Other long-term debt	564	1,043	1,927	564	1,043	1,927
Finance lease liabilities	Long-term finance lease liabilities + short-term debt and finance lease liabilities	207	234	180	207	234	180
Other debts	Other long-term debt + short-term debt	202	105	146	202	105	146
Trade payables	Trade payables	599	679	765	599	679	765
CASH AT BANK	Bank overdrafts	**60**	**20**	**35**	**60**	**20**	**35**
FINANCIAL LIABILITIES		**2,478**	**2,096**	**3,140**	**2,478**	**2,096**	**3,140**

For cash and cash equivalents, trade receivables, receivables on disposal assets, loans, deposits, held to maturity, trades payables, other debts and finance lease liabilities, Accor considers their carrying amount to be the best proxy for market value.

The methods used to measure the fair value of derivative instruments and mutual fund unit convertible into cash are described in Note 29.

The methods used to measure the fair value of investments in non-consolidated companies are described in Note 1.N.1.

Note 32. Assets and Liabilities Held for Sale

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
DISPOSAL GROUPS CLASSIFIED AS "HELD FOR SALE" [(a)]	**287**	**-**	**-**
Hotels to be sold to *Foncière des Murs* in France and Belgium [(b)]	22	21	-
Hotels to be sold to AXA REIM in France and Switzerland [(c)]	-	218	-
Hotels to be sold to investors (France) [(d)]	12	2	3
Hotels to be sold in United States [(e)]	40	8	26
Hotels to be sold to investors (United Kingdom) [(f)]	86	19	-
Hotels to be sold in Germany	77	3	2
Other	21	6	5
TOTAL NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	**258**	**277**	**36**
TOTAL ASSETS CLASSIFIED AS HELD FOR SALE	**545**	**277**	**36**
TOTAL LIABILITIES CLASSIFIED AS HELD fOR SALE [(a)]	**229**	**-**	**-**

(a) *At December 31, 2006, as part of its review of assets, the Group decided to sell GO Voyages and its Italian food services business. As a result, the assets and liabilities of these two businesses were reclassified as "held for sale" in the balance sheet at that date.*

(in million of euros)	GO Voyages	Italian food services business	Total 2006
GROUPS CLASSIFIED AS "HELD FOR SALE"			
Goodwill	57	4	61
Intangible, tangible and financial assets	3	18	21
Current Assets	85	120	205
TOTAL ASSETS CLASSIFIED AS HELD FOR SALE	**145**	**142**	**287**
Non-current Liabilities	4	26	30
Current liabilities	115	76	191
Short-term Financial debt	1	7	8
TOTAL LIABILITIES CLASSIFIED AS HELD FOR SALE	**120**	**109**	**229**

(b) *During 2006, in line with the asset management policy, the Group decided to sell to Foncière des Murs 76 hotel properties, including 64 units in France and 12 units in Belgium. In 2006, 70 units were sold. The carrying amount of the remaining six units (€21 million) was reclassified in the 2007 consolidated balance sheet under "Assets held for sale". The sale of these assets did not go through and they were therefore reclassified as "Property, plant and equipment" at December 31, 2008.*

(c) *During 2007, in line with the asset management policy, the Group decided to sell hotels in France and in Switzerland to a Real Estate Consortium made up of Caisse des dépôts et consignations and two investment funds managed by AXA Real Estate Investment Managers. The €218 million carrying amount of these hotels was reclassified in the consolidated balance sheet at December 31, 2007 under "Assets held for sale", in accordance with IFRS 5. The hotels were sold in 2008.*

(d) *During 2008, in line with the asset management policy, the Group decided to sell 5 hotel properties in France. In accordance with IFRS 5, the €3 million carrying amount of these hotels was reclassified in the consolidated balance sheet at December 31, 2008 under "Assets held for sale".*

(e) *During 2008, in line with the asset management policy, the Group decided to sell 17 Motel 6 units and one Studio 6 unit. In accordance with IFRS 5, the €26 million carrying amount of these hotels was reclassified under "Assets held for sale".*

(f) *During 2007, in line with the asset management policy, the Group decided to sell four hotel properties in the United Kingdom. In accordance with IFRS 5, the €19 million carrying amount of these hotels was reclassified in the consolidated balance sheet at December 31, 2007 under "Assets held for sale". Two units were sold in 2008 and the remaining two were reclassified as "Property, plant and equipment" because the sale did not go through.*

Note 33. Provisions

Movements in long-term provisions between December 31, 2007 and December 31, 2008 can be analyzed as follows:

(in million of euros)	December 31, 2006	December 31, 2007	Equity impact (*)	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope (*)	December 31, 2008
Provisions for pensions	107	93	5	10	(8)	(1)	(1)	3	101
Provisions for loyalty bonuses	17	25	-	4	(2)	(2)	(3)	8	30
Provisions for claims and litigation and others contingencies	1	-	-	-	-	-	-	-	-
TOTAL LONG-TERM PROVISIONS	**125**	**118**	**5**	**14**	**(10)**	**(3)**	**(4)**	**11**	**131**

(*) See Note 33.C.

Movements in short-term provisions between December 31, 2007 and December 31, 2008 can be analyzed as follows:

(in million of euros)	December 31, 2006	December 31, 2007	Equity impact	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope	December 31, 2008
Tax provisions	47	31	-	9	(24)	(1)	(1)	3	17
Restructuring provisions	39	56	-	40	(40)	(3)	(1)	(5)	47
Provisions for claims and litigation and others contingencies	156	161	-	31	(58)	(11)	(2)	6	127
TOTAL SHORT-TERM PROVISIONS	**242**	**248**	**-**	**80**	**(122)**	**(15)**	**(4)**	**4**	**191**

At December 31, 2008, ordinary provisions for claims and litigation and others include:

- €31 million provisions for various claims;
- €28 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. 2006	Dec. 2007	Dec. 2008
EBIT	8	(8)	3
Finance cost, net	(1)	7	(3)
Provision for losses on hotel properties	16	39	(21)
Provision on other assets and restructuring provisions	(5)	5	(18)
Provision for tax	35	(18)	(17)
TOTAL	**53**	**25**	**(56)**

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 (16% of the obligation) and in Italy (8% of the obligation). The Netherlands plan is closed to new members and is fully funded, with the result that no provision has been recognized in the balance sheet. Pension benefit obligations are determined by reference to employees' years of service and end-of-career salary. They are funded by payments to external organizations that are legally separate from Accor Group.

B. Actuarial assumptions

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

		Europe excluding France								
2008	**France**	**Netherlands**	**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%	5.0%	3%-4%	2%-10%
Payroll tax rate	46%	23%	13%	22%	36%	29%	17%	40%	46%	9%-45%
Discount rate	5.50%	5.50%	5.90%	5.50%	5.50%	5.50%	3.25%	6.00%	5.50%	4% - 8.68%
Expected Rates of return on 2008 plan assets	2.20%-4.5%	4%-5%	5.5%	4.3%	4.5%	N/A	N/A	N/A	4.5%	N/A
Expected Rates of return on 2009 plan assets	2.20%-4.5%	4%-5.5%	5.5%	4.0%	4.5%	N/A	4.25%	N/A	4.5%	N/A

		Europe excluding France								
2007	**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	N/A	N/A	65 years	55-65 years
Rate of future salary increases	3.0%	3.0%	3.0%	2.3%	3.0%	2.0%	N/A	N/A	3%-4%	2%-10%
Payroll tax rate	46%	23%	13%	22%	36%	29%	N/A	N/A	46%	9%-45%
Discount rate	5%-5.25%	5.0%	5.8%	5.0%	5.0%	5.0%	N/A	N/A	5.0%	4% - 8.68%
Expected Rates of return on 2007 plan assets	2.20%-4.5%	4%-5%	5.5%	4.3%	4.5%	N/A	N/A	N/A	4.5%	N/A
Expected Rates of return on 2008 plan assets	2.20%-4.5%	4%-5%	5.5%	4.3%	4.5%	N/A	N/A	N/A	4.5%	N/A

The assumptions concerning the expected return on plan assets and the discount rate applied to calculate the present value of benefit obligations were determined based on the recommendations of independent experts. The discount rate is based on an analysis of investment grade corporate bond yields in each region. The calculation method is designed to obtain a discount rate that is appropriate in light of the timing of cash flows under the plan.

The French Social Security Financing Act for 2008 provides for an additional tax levy payable on retirement bonuses in the event of compulsory retirement before the age of 65. This additional tax is 25% in 2008 and 50% as of 2009. The Act also discontinues the favourable tax and social security regime for retirement bonuses negotiated with employees retiring before the statutory age of 65 and paid before 2010.

The Act has led the Group to adjust its assumptions concerning the rate of payroll taxes due on the benefits. In view of the difference in the employer contributions payable on compulsory and voluntary retirement, the corresponding benefit obligation is €11 million higher at December 31, 2007.

This increase in the obligation represents an actuarial loss that has been recognised in full in equity, in accordance with the Group's current policy for recognizing actuarial gains and losses.

The French Social Security Financing Act for 2009 eliminates compulsory retirement bonuses, with all retirements being on a voluntary basis. Consequently, the effects of the 2008 Social Security Financing Act recognized in the 2007 accounts have been cancelled in the 2008 accounts.

In Italy, under the 2007 Social Security Financing Act adopted in December 2006, all accruals for future termination benefits (TFR) must be paid into a pension plan rather than recorded as company book reserves. The implementing decrees in relation to this Act were issued on January 30, 2007.

In accordance with the new regulations, in companies with fifty or more employees, staff can actively designate an external fund for their TFR contributions paid from 2007. If no such fund is designated the TFR accruals will go automatically to the default pension fund.

This could be the industry-wide fund, a specific employer-sponsored plan or, otherwise, a fund managed by the Italian National Social Security Institute (INPS).

Whichever option chosen by the employee, the market consensus is to consider that this new funding system means that the employer has no defined benefit obligations as from 2007. The impact of the reform was accounted for as a curtailment which led to the recognition of a €5 million gain recorded in the income statement in 2007.

C. Funded status of post-employment defined benefit plans

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

At December 31, 2008

(in million of euros)	Pensions	Other post-employment benefits (*)	Total
Present value of funded obligation	116	-	116
Fair value of plan assets	(79)	-	(79)
EXCESS OF BENEFIT OBLIGATION/(PLAN ASSETS)	**37**	**-**	**37**
Present value of unfunded obligation	-	94	94
Unrecognized past service cost	-	-	-
LIABILITY RECOGNIZED IN THE BALANCE SHEET	**37**	**94**	**131**

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

At December 31, 2007

(in million of euros)	Pensions	Other post-employment benefits (*)	Total
Present value of funded obligation	103	-	103
Fair value of plan assets	(79)	-	(79)
EXCESS OF BENEFIT OBLIGATION/(PLAN ASSETS)	**24**	**-**	**24**
Present value of unfunded obligation	-	94	94
Unrecognized past service cost	-	-	-
LIABILITY RECOGNIZED IN THE BALANCE SHEET	**24**	**94**	**118**

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

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Evolution of the funded status of post-employment defined benefit plans by geographical area

Pensions

2008

(in million of euros)	France	Europe excluding France: Netherlands	United Kingdom	Germany	Belgium	Poland	Switzerland	Italy
ACTUARIAL DEBT AT THE BEGINNING	**32**	**31**	**7**	**8**	**9**	**0**	**-**	**16**
OTHER LONG-TERM BENEFITS RECLASSIFICATION	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Services Cost during year	2	0	0	0	0	0	-	0
Interest Cost	1	2	0	0	0	0	-	1
Employee contributions	0	0	-	-	0	-	-	-
Service cost/Change in regime	-	-	-	-	-	-	-	-
Reduction/Liquidation of plan	(0)	-	-	-	-	-	-	-
Acquisition/Sale	(0)	-	-	-	-	4	-	-
Benefits granted	(2)	(2)	(0)	(0)	(1)	(0)	-	(2)
Actuarial (Gains)/ Losses	0	(2)	1	(0)	(0)	(0)	7	(0)
Effect of exchange rates	0	-	(2)	-	-	(1)	0	-
Reclassification on Assets/Liabilities held for sale	-	-	-	-	-	-	-	-
Others	(0)	-	-	-	(0)	(0)	-	-
ACTUARIAL DEBT AT END OF PERIOD	**34**	**28**	**6**	**8**	**9**	**3**	**7**	**14**

(in million of euros)	France	Europe excluding France: Netherlands	United Kingdom	Germany	Belgium	Poland	Switzerland	Italy
FAIR VALUE ON ASSETS AT THE BEGINNING	**3**	**31**	**6**	**2**	**6**	**-**	**-**	**-**
Actual return of funds	0	(1)	(1)	(0)	-	-	5	-
Employers contributions	0	0	1	0	1	-	-	-
Employee contributions	0	0	-	-	0	-	-	-
Benefits paid	(0)	(2)	(0)	(0)	(1)	-	-	-
Liquidation of plan	-	-	-	-	-	-	-	-
Effect of exchange rates	0	-	(1)	-	-	-	0	-
Business combinations/Sale	(0)	-	-	-	-	-	-	-
Others	(0)	-	0	-	-	-	-	-
FAIR VALUE ON ASSETS AT END OF PERIOD	**3**	**28**	**4**	**2**	**7**	**-**	**5**	**-**

(in million of euros)	France	Europe excluding France: Netherlands	United Kingdom	Germany	Belgium	Poland	Switzerland	Italy
FINANCIAL SITUATION AT THE BEGINNING	**30**	**0**	**0**	**7**	**3**	**0**	**-**	**16**
Reclassification on Assets/Liabilities held for sale	-	-	-	-	-	-	-	-
FINANCIAL SITUATION AT END OF PERIOD	**32**	**0**	**2**	**6**	**2**	**3**	**2**	**14**

(in million of euros)	France	Europe excluding France: Netherlands	United Kingdom	Germany	Belgium	Poland	Switzerland	Italy
Services cost in the year	2	0	0	0	0	0	-	0
Interest cost	1	2	0	0	0	0	-	1
Expected return of assets	(0)	(2)	(0)	(0)	(0)	-	-	-
Service cost amortization	-	-	-	-	-	-	-	-
Curtailment/settlement (gains) losses	(0)	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Change in Actuarial (gains) losses	-	-	-	-	-	-	-	-
CHARGE OF THE PERIOD	**3**	**0**	**0**	**1**	**1**	**0**	**-**	**1**
CHANGE IN ACTUARIAL (GAINS) LOSSES	**0**	**0**	**2**	**(0)**	**(0)**	**(0)**	**2**	**(0)**

			Other benefits			
			2008	2008	2007	2006
Worldwide structures	Other	Total	Other benefits	Total	Total	Total
58	**10**	**171**	**25**	**196**	**193**	**235**
-	**-**	**-**	**-**	**-**	**-**	**18**
2	1	6	4	10	10	15
3	0	8	1	9	6	9
-	-	0	-	0	1	1
-	-	-	-	-	1	0
-	(0)	(0)	(0)	(0)	(14)	(2)
-	(1)	3	8	11	8	(43)
(2)	(2)	(12)	(2)	(14)	(13)	(19)
2	0	6	(3)	3	5	5
-	(0)	(2)	(3)	(4)	(0)	0
-	-	-	-	-	-	(27)
0	(1)	(1)	1	(1)	1	(1)
63	**7**	**180**	**30**	**210**	**195**	**192**

Worldwide structures	Other	Total	Other benefits	Total	Total	Total
30	**0**	**79**	**-**	**79**	**69**	**83**
2	0	5	-	5	3	2
0	0	2	-	2	12	14
-	-	0	-	0	1	1
(2)	-	(6)	-	(6)	(5)	(6)
-	-	-	-	-	-	-
-	(0)	(1)	-	(1)	(1)	0
-	-	(0)	-	(0)	0	(27)
-	(0)	(0)	-	(0)	-	2
30	**0**	**79**	**-**	**79**	**79**	**69**

Worldwide structures	Other	Total	Other benefits	Total	Total	Total
28	**9**	**93**	**25**	**118**	**124**	**170**
-	-	-	-	-	-	(27)
32	**7**	**101**	**30**	**131**	**118**	**124**

Worldwide structures	Other	Total	Other benefits	Total	Total	Total
2	1	6	4	10	10	15
3	0	8	1	9	6	9
(1)	(0)	(4)	-	(4)	(2)	(3)
-	-	-	-	-	1	0
-	(0)	(0)	0	(0)	(14)	(2)
-	-	-	-	-	0	(2)
-	-	-	(3)	(3)	-	(1)
3	**1**	**10**	**2**	**12**	**1**	**16**
2	**0**	**5**	**-**	**5**	**4**	**7**

Reconciliation of provisions for pensions between January 1, 2007 and December 31, 2008

(in million of euros)	Amount
PROVISION AT DECEMBER 31, 2006	**124**
Charge for the year	1
Benefits paid	(20)
Actuarial gains and losses	5
Changes in scope of consolidation (1)	8
PROVISION AT DECEMBER 31, 2007	**118**
Charge for the year	12
Benefits paid	(11)
Actuarial gains and losses	5
Changes in scope of consolidation (2)	11
Changes in exchange rates	(4)
PROVISION AT DECEMBER 31, 2008	**131**

(1) €7 million from the consolidation of NewGen entities and €1 million from the acquisition of Novotel Paris Tour Eiffel and Kadéos.
(2) €13 million from the consolidation of Orbis, €(1) million related to the sale of the Brazilian food services business and €(1) million related to the sale of Abidjan Catering.

Actuarial gains and losses related to changes in assumptions and experience adjustment

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
ACTUARIAL DEBT			
Actuarial gains and losses related to experience adjustment	6	4	6
Actuarial gains and losses related to changes in assumptions	-	2	-
FAIR VALUE ON ASSETS			
Actuarial gains and losses related to experience adjustment	1	(1)	(1)

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%	26%	15% - 25%
Bonds	75% - 80%	90%	26%	75% - 80%	75% - 80%	44%	75% - 80%
Other	0% - 5%	0%	19%	0% - 5%	0% - 5%	30%	0% - 5%

According to management's best estimate based on the information currently available, contributions in 2008 are €3 million.

Sensitivity analysis

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 €6.6 million reduction in the projected benefit obligation, a 0.5-point decrease in the discount rate would lead to a €6.6 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. 2006	Dec. 2007	Dec. 2008
Net Profit, Group share	501	883	575
Minority interests	33	29	38
Depreciation, amortization and provision expense	437	394	451
Share of profit of associates, net of dividends received	(7)	(21)	(12)
Deferred tax	(8)	(19)	19
Change in financial provisions and provisions for losses on asset disposals	207	197	69
FUNDS FROM OPERATIONS	**1,163**	**1,463**	**1,140**
(Gains) losses on disposals of assets, net	(251)	(480)	(150)
(Gains) losses on non-recurring transactions (included restructuring costs and exceptional taxes)	112	129	121
FUNDS FROM ORDINARY ACTIVITIES	**1,024**	**1,112**	**1,111**

Note 35. Working Capital, Prepaid Services Voucher in Circulation and Prepaid Services Voucher Reserve Funds

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008	Variation
Inventories	64	74	103	29
Trade receivables	1,308	1,598	1,313	(285)
Other receivables and accruals	727	715	824	109
Prepaid service voucher reserve funds	373	392	441	49
WORKING CAPITAL ITEMS - ASSETS	**2,472**	**2,779**	**2,681**	**(98)**
Trade payables	599	679	765	86
Other payables	1,422	1,557	1,602	45
Prepaid Services voucher in circulation	2,289	2,894	2,587	(307)
WORKING CAPITAL ITEMS - LIABILITIES	**4,310**	**5,130**	**4,954**	**(176)**
WORKING CAPITAL	**1,838**	**2,351**	**2,273**	**(78)**

DECEMBER 31, 2006 WORKING CAPITAL	**1,838**
DECEMBER 31, 2007 WORKING CAPITAL	**2,351**
Change in working capital [(1)]	25
Development Expenditure	(1)
Disposals	(11)
Translation adjustment	(96)
Reclassifications	5
NET CHANGE IN WORKING CAPITAL	**(78)**
DECEMBER 31, 2008 WORKING CAPITAL	**2,273**

(1) See cash flow statements.

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Note 36. Renovation and Maintenance Expenditure

The amounts reported under "Renovation and maintenance expenditure" correspond to capitalized costs for maintaining or improving the quality of assets held by the Group at the beginning of each period (January 1) as a condition of their continuing operation. This caption does not include development expenditure corresponding to the property, plant and equipment and working capital of newly consolidated companies and the purchase or construction of new assets.

Renovation and maintenance expenditure breaks down as follows:

(in million of euros)	Dec. 2006	Dec. 2007	Dec. 2008
HOTELS	**393**	**395**	**429**
- Upscale and Midscale Hotels	182	213	220
- Economy	78	89	139
- Economy US	133	93	70
PREPAID SERVICES	**17**	**18**	**24**
OTHER BUSINESSES	**44**	**53**	**35**
Casinos	15	13	15
Restaurants	12	11	6
Onboard Train Services	4	3	3
Holding Companies and other	13	26	11
RENOVATION AND MAINTENANCE EXPENDITURE	**454**	**466**	**488**

Note 37. Development Expenditure

Development expenditure corresponds to the property, plant and equipment, and working capital of newly consolidated companies (in accordance with IAS 7 "Cash flow statements") and includes the purchase or construction of new assets and the exercise of call options under sale-and-leaseback transactions, as follows:

Developement expenditure excluding assets held for sale

(in million of euros)	France	Europe (excl.France)	North America	Latin America & Caribbean	Other Coun-tries	Worldwide Structures (*)	2008	2007	2006
HOTELS	**278**	**337**	**269**	**27**	**102**	**1**	**1,014**	**821**	**342**
Upscale and Midscale Hotels (1)	254	227	7	13	43	1	545	527	240
Economy Hotels (2)	24	110	-	14	59	-	207	175	96
Economy Hotels US (3)	-	-	262	-	-	-	262	119	6
PREPAID SERVICES	**1**	**5**	**-**	**2**	**7**	**4**	**19**	**335**	**248**
OTHER BUSINESSES	**24**	**27**	**-**	**-**	**-**	**2**	**53**	**42**	**81**
Casinos	20	-	-	-	-	-	20	27	25
Restaurants	2	-	-	-	-	-	2	13	40
Onboard Train Services	-	4	-	-	-	-	4	1	-
Holding Companies and other (4)	2	23	-	-	-	2	27	1	16
TOTAL 2008	**303**	**369**	**269**	**29**	**109**	**7**	**1,086**		
TOTAL 2007	**356**	**541**	**121**	**37**	**141**	**2**		**1,198**	
TOTAL 2006	**110**	**118**	**36**	**224**	**176**	**7**			**671**

(*) "Worldwide Structures" corresponds to development expenditure that is not specific to a single geographic region.

(1) Including call options exercised on eight hotels in France (€223 million) as well as the Orbis acquisition in 2008 (€130 million).

(2) Including development expenditure on 50 new Ibis hotels in China (€49 million) as well as development expenditure on nine new Ibis hotels in the United Kingdom (€18 million), development expenditure on 20 new Ibis hotels in Spain and Portugal (€18 million) and the Orbis acquisition in 2008 (€30 million).

(3) Exercise of call options on 84 Motel 6 units (€235 million).

(4) Including the Orbis acquisition in 2008 (€23 million).

Development expenditure related to assets held for sale

This item includes €2 million in development expenditure on Orbis Travel and €2 million in development expenditure on Orbis Transport.

Note 38. Segment Information: Income Statement

The Group's primary and secondary reportable segments, under IAS 14 (Segment Reporting), are respectively the business segment and the geographical segment. This reflects the Group's organizational structure and internal financial reporting system, which are based on the nature of the products and the services delivered. Each segment represents a strategic business offering different products and serving different markets.

The Group has identified six business segments:

- hotels, with a portfolio of brands on every segment of the market and its 3,982 establishments in 90 countries comprises three sub-segments:
  - upscale and Midscale hotels, with the Sofitel, Pullman, Novotel, Mercure 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;
- prepaid services. Accor is a world-leading issuer of prepaid service vouchers and cards;
- restaurants. Accor offers a full range of gourmet dining activities, notably through its Lenôtre subsidiary;
- casinos. Organized around Groupe Lucien Barrière, the segment is specialized in casino management.;
- onboard train services, providing restaurant and hotel services to the railway sector;
- other activities, notably the Group Financial Managements.

The Group's geographical segments are determined by the location of its assets and operations.

Note 38.A. Income Statement by business segment

Segment revenues for each reportable segment are disclosed in Note 3.Consolidated Revenue by Business and by Region.

Segment result for each reportable segment is disclosed in Note 5. EBITDAR by Business and Region, in Note 7.EBITDA by Business and Region, and Note 9.EBIT by Business and Region.

Rental expense for each reportable segment is disclosed in Note 6. Rental Expense.

The aggregate of the entity's share of the profit or loss of jointly controlled entities of which substantially all of their operations are within a single segment is disclosed in Note 45.Additional Information about Jointly-controlled Entities.

Note 38.B. Income Statement by geographical area

Based on the Group's internal organization and the trends in various national markets, geographical segments have been defined as follows:

- France;
- Europe excluding France;
- North America;
- Latin America & Caribbean;
- Other Countries (Africa & Middle East, Asia/Pacific);
- Worldwide Structures ("Worldwide Structures" corresponds to revenue and costs that are not specific to a single geographic region).

Geographical revenues for each reportable segment are disclosed in Note 3.Consolidated Revenue by Business and by Region.

Geographical result for each reportable segment is disclosed in Note 5.EBITDAR by Business and Region, in Note 7.EBITDA by Business and Region, and Note 9.EBIT by Business and Region.

The aggregate of the entity's share of the profit or loss of jointly controlled entities of which substantially all of their operations are within a single segment is disclosed in Note 45.Additional Information about Jointly-controlled Entities.

Note 39. Segment Information: the Balance Sheet

Note 39.A. Balance Sheet by business segment

At December 31, 2008 *(in million of euros)*	**Hotels**	**Prepaid Services**	**Other Businesses**	**Eliminations**	**Total consolidated**
Goodwill	1,085	645	202	-	1,932
Intangible assets	360	110	42	-	512
Property, plant and equipment	4,003	30	291	-	4,324
Total non-current financial assets	425	162	374	(558)	403
Deferred tax assets	176	15	31	-	222
TOTAL NON-CURRENT ASSETS	**6,049**	**962**	**940**	**(558)**	**7,393**
TOTAL CURRENT ASSETS	**5,322**	**3,135**	**1,856**	**(6,329)**	**3,984**
Assets held for sale	30	-	6	-	36
TOTAL ASSETS	**11,401**	**4,097**	**2,802**	**(6,887)**	**11,413**
SHAREHOLDERS' EQUITY & MINORITY INTERESTS	**5,546**	**652**	**(2,635)**	**-**	**3,563**
TOTAL NON-CURRENT LIABILITIES	**584**	**135**	**1,699**	**-**	**2,418**
TOTAL CURRENT LIABILITIES	**5,271**	**3,310**	**3,738**	**(6,887)**	**5,432**
Liabilities related to assets classified as held for sale	-	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**11,401**	**4,097**	**2,802**	**(6,887)**	**11,413**

At December 31, 2008 *(in million of euros)*	Up and Midscale Hotels	Economy Hotels	Economy Hotels United States	Total Hotels
Goodwill	781	92	212	1,085
Intangible assets	148	52	160	360
Property, plant and equipment	2,076	1,101	826	4,003
Total non-current financial assets	382	20	23	425
Deferred tax assets	75	16	85	176
TOTAL NON-CURRENT ASSETS	**3,462**	**1,281**	**1,306**	**6,049**
TOTAL CURRENT ASSETS	**3,957**	**1,233**	**132**	**5,322**
Assets held for sale	-	4	26	30
TOTAL ASSETS	**7,419**	**2,518**	**1,464**	**11,401**
SHAREHOLDERS' EQUITY & MINORITY INTERESTS	**3,582**	**731**	**1,233**	**5,546**
TOTAL NON-CURRENT LIABILITIES	**433**	**140**	**11**	**584**
TOTAL CURRENT LIABILITIES	**3,404**	**1,647**	**220**	**5,271**
Liabilities related to assets classified as held for sale	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**7,419**	**2,518**	**1,464**	**11,401**

At December 31, 2008 *(in million of euros)*	Casinos	Restaurants	Onboard Train Services	Holdings & Other	Total Other Businesses
Goodwill	162	25	8	7	202
Intangible assets	9	1	1	31	42
Property, plant and equipment	155	28	18	90	291
Total non-current financial assets	1	3	-	370	374
Deferred tax assets	-	5	-	26	31
TOTAL NON-CURRENT ASSETS	**327**	**62**	**27**	**524**	**940**
TOTAL CURRENT ASSETS	**61**	**60**	**173**	**1,562**	**1,856**
Assets held for sale	-	3	2	1	6
TOTAL ASSETS	**388**	**125**	**202**	**2,087**	**2,802**
SHAREHOLDERS' EQUITY & MINORITY INTERESTS	**193**	**48**	**101**	**(2,977)**	**(2,635)**
TOTAL NON-CURRENT LIABILITIES	**110**	**3**	**15**	**1,571**	**1,699**
TOTAL CURRENT LIABILITIES	**85**	**74**	**86**	**3,493**	**3,738**
Liabilities related to assets classified as held for sale	-	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**388**	**125**	**202**	**2,087**	**2,802**

Note 39.B. Balance Sheet by geographical area

At December 31, 2008 *(in million of euros)*	France	Europe (excluding France)	North America	Latin America & Caribbean	Other countries and worldwide structures	Eliminations	Total Consolidated
Goodwill	623	605	246	171	287	-	1,932
Intangible assets	75	161	164	13	99	-	512
Property, plant and equipment	1,460	1,393	904	139	428	-	4,324
Total non-current financial assets	485	262	167	4	544	(1,059)	403
Deferred tax assets	24	52	95	24	27	-	222
TOTAL NON-CURRENT ASSETS	**2,667**	**2,473**	**1,576**	**351**	**1,385**	**(1,059)**	**7,393**
TOTAL CURRENT ASSETS	**2,267**	**2,108**	**112**	**1,053**	**1,393**	**(2,949)**	**3,984**
Assets held for sale	6	3	26	-	1	-	36
TOTAL ASSETS	**4,940**	**4,584**	**1,714**	**1,404**	**2,779**	**(4,008)**	**11,413**
SHAREHOLDERS' EQUITY & MINORITY INTERESTS	**2,594**	**1,642**	**1,453**	**503**	**(2,629)**	**-**	**3,563**
TOTAL NON-CURRENT LIABILITIES	**306**	**320**	**13**	**34**	**1,745**	**-**	**2,418**
TOTAL CURRENT LIABILITIES	**2,040**	**2,622**	**248**	**867**	**3,663**	**(4,008)**	**5,432**
Liabilities related to assets classified as held for sale	-	-	-	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4,940**	**4,584**	**1,714**	**1,404**	**2,779**	**(4,008)**	**11,413**

Note 40. Directors' Fees

Fees paid in 2008 by the Group to the members of the Supervisory Board for year 2007 amounted to €590,000.

Note 41. Claims and litigation

CIWLT tax audit

A tax audit was carried out on the permanent branch in France of Compagnie Internationale des Wagons Lits et du Tourisme (CIWLT), a Belgian company that is 99.65%-owned by Accor SA. Following the audit, the French tax authorities concluded that CIWLT's seat of management was located in France not in Belgium.

Accordingly, the French tax authorities added back CIWLT's profits in Belgium for the purpose of calculating income tax payable in France. At the end of 2003, the resulting reassessments, for a total of €217 million including late interest, were contested by CIWLT, on the basis of the notice received from the Belgian tax authorities confirming that its seat of management was in Belgium. The French tax authorities issued a notice ordering CIWLT to settle the €217 million in tax deficiencies for the years 1998 to 2003 for which a stay of payment had been requested. In conjunction with the request, CIWLT obtained a tax bond from its bank guaranteeing the payment of this amount.

CIWLT subsequently asked the Cergy Pontoise Administrative Court to rule on the contested reassessments. On December 12, 2008, the court found against CIWLT concerning the reassessments for the years 1998 to 2002 but has not yet issued a ruling on the 2003 reassessment. CIWLT has decided to appeal this ruling before the Versailles Administrative Court of Appeal.

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 are therefore currently payable, representing a total of €242.5 million including late interest.

This amount will be paid at the end of February 2009.

Based on advice from its legal and tax advisors, the company believes that it has strong arguments that should lead to a favourable outcome, considering that CIWLT is governed by Belgian tax laws.

Dividend withholding tax *(précompte)*

In 2002, Accor mounted a legal challenge to its obligation to pay withholding tax (précompte) on the redistribution of European source dividends.

Until 2004, French parent companies were entitled to a 50% tax credit on dividends received from French subsidiaries, which could be set off against the précompte withholding tax. However, no tax credit was attached to European source dividends. Accor contested this rule, on the grounds that it breached European Union rules.

In the dispute between Accor and the French State, on December 21, 2006 the Versailles Administrative Court ruled that Accor was entitled to a refund of the précompte dividend withholding tax paid in the period 1999 to 2001, in the amount of €156 million.

The amount of €156 million was refunded to Accor during the first half of 2007, together with €36.4 million in late interest due by the French State.

However, on March 8, 2007, the French State appealed the ruling before the Versailles Administrative Court of Appeal. The French State's appeal was rejected on May 20, 2008.

As the State has not yet exhausted all avenues of appeal, a liability has been recognized for the amounts received and the financial impact of the rulings by the Versailles Administrative Court and Court of Appeal has not been recognized in the financial statements at December 31, 2008.

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 various claims and litigation. The Company believes that these claims and litigations will not give rise to any material costs and will not have a material adverse effect on its financial position, business and/or results of operations.

Note 42. Off-Balance Sheet Commitments at December 31, 2008

Note 42.1 Off-balance sheet commitments given

Off-balance sheet commitments given at December 31, 2008 break down as follows:

(in million of euros)	Less than 1 year	1 to 5 years	Beyond 5 years	Dec. 2008	Dec. 2007	Dec. 2006
SECURITY INTERESTS GIVEN ON ASSETS (1)	**-**	**-**	**17**	**17**	**5**	**11**
▪ Groupe Lucien Barrière SAS (2)	140	-	-	140	140	140
▪ Novotel Paris Tour Eiffel	-	-	-	-	-	18
▪ Dorint	-	-	-	-	-	105
▪ Other purchase commitments	5	66	-	71	49	50
PURCHASE COMMITMENTS	**145**	**66**	**-**	**211**	**189**	**313**
▪ Construction performance bonds Novotel and Ibis (China) (3)	31	14	-	45	35	-
▪ Renovation commitment AXA Reim (France) (4)	16	4	-	20	-	-
▪ Renovation commitment AXA Reim (Switzerland) (4)	4	3	-	7	-	-
▪ Renovation commitment Moor Park (Germany and the Netherlands) (5)	16	1	-	17	25	-
▪ Property development projects in Spain (6)	14	-	-	14	14	12
▪ Renovation commitment Land Securities (United Kingdom) (7)	3	5	-	8	17	-
▪ Construction commitments Novotel and Ibis (Algeria) (8)	1	4	-	5	8	-
▪ Renovation commitment Novotel Paris Tour Eiffel (9)	-	5	-	5	13	-
▪ Renovation commitment Foncière des Murs transaction 1 (France) (10)	2	-	-	2	11	33
▪ Renovation commitment Foncière des Murs transaction 2 (France) (10)	2	-	-	2	12	24
▪ Other renovation commitments (11)	27	21	61	109	117	107
CAPEX COMMITMENTS	**116**	**57**	**61**	**234**	**252**	**176**
LOAN GUARANTEES GIVEN	**1**	**5**	**-**	**6**	**14**	**44**
COMMITMENTS GIVEN IN THE NORMAL COURSE OF BUSINESS (12)	**316**	**47**	**39**	**402**	**374**	**412**
CONTINGENT LIABILITIES	**-**	**2**	**-**	**2**	**-**	**-**
TOTAL 2008	**578**	**177**	**117**	**872**		-
TOTAL 2007	**128**	**580**	**126**		**834**	
TOTAL 2006	**170**	**391**	**395**			**956**

(1) Security interests given on assets correspond to pledges and mortgages valued at the net book value of the underlying assets.

(2) Under the agreements between Colony Capital, the Desseigne Barrière family and Accor, Colony Capital has a put option and Accor has a call option on Colony's 15% interest in Groupe Lucien Barrière SAS. Colony Capital's put option is exercisable in the 30 days following Groupe Lucien Barrière SAS's 2008 and 2009 fiscal year-ends (October 31). The option exercise price will be determined by independent experts based on market prices. The option is included in off-balance sheet commitments at December 31, 2008 for an amount of €140 million, corresponding to the valuation at the transaction date.

(3) In connection with development in China, Accor issued performance bonds to the developers of 37 Ibis hotels and 4 Novotel hotels. The related commitments at December 31, 2008 amounted to €45 million.

(4) In connection with the AXA REIM sale-and-variable leaseback transactions, Accor is committed to financing €27 million worth of renovation work in France and Switzerland. The transactions concern 45 hotels in France and 10 in Switzerland.

(5) In connection with the Moor Park sale-and-variable leaseback transaction, Accor is committed to financing €29 million worth of renovation work in Germany and the Netherlands. As of December 31, 2008, the remaining work amounted to €17 million.

(6) In connection with property development projects in Spain, Accor issued performance bonds to the developers of two Ibis hotels. The related commitments at December 31, 2008 amounted to €14 million.

(7) In connection with the Land Securities sale-and-variable leaseback transaction, Accor is committed to financing €17 million (£16 million) worth of renovation work in the UK. As of December 31, 2008, the remaining work amounted to €8 million.

(8) In connection with development in Algeria, Accor is committed to financing four hotel projects (Tlemcen, Oran, Bab Ezzouar and Constantine) representing a total of €15 million. As of December 31, 2008, the remaining work amounted to €5 million.

(9) In connection with the sale of Accor's 40% interest in Novotel Paris Tour Eiffel (H3546) under a lease-back arrangement, Accor is committed to financing €10 million worth of renovation work before the end of 2012. As of December 31, 2008, the remaining work amounted to €5 million.

(10) In connection with the Foncière des Murs sale-and-variable leaseback transactions, Accor is committed to financing €98 million worth of renovation work. As of December 31, 2008, construction work totalling €94 million had been carried out.

(11) Other commitments include €30 million in committed capital expenditure on Australian hotels and €63 million in commitments related to Groupe Lucien Barrière.

(12) At December 31, 2008, the corresponding commitment with CIWLT amounted to €260 million including late interest and penalties. The reassessments for the years 1998 to 2002 representing a total of €243 million will be paid on February 27, 2009 (see Note 41).

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 42.2 Off-balance sheet commitments received

Off-balance sheet commitments received at December 31, 2008 break down as follows:

(in million of euros)	Less than 1 year	1 to 5 years	Beyond 5 years	Dec. 2008	Dec. 2007	Dec. 2006
Irrevocable commitments received for the purchase of intangible assets and property, plant and equipment	-	5	-	5	-	-
Irrevocable commitments received for the purchase of financial assets (1)	-	140	11	151	140	141
Customer orders spanning several years	-	-	-	-	-	-
PURCHASE COMMITMENTS RECEIVED	**-**	**145**	**11**	**156**	**140**	**141**
Sellers' warranties received	-	1	-	1	1	2
Debt waivers granted with a clawback clause	-	-	-	-	-	-
Loan guarantees received	4	-	-	4	-	-
Other guarantees received in the normal course of business (2) (3) (4) (5) (6)	77	27	10	114	138	85
OTHER COMMITMENTS AND GUARANTEES RECEIVED	**81**	**28**	**10**	**119**	**139**	**87**
TOTAL 2008	**81**	**173**	**21**	**275**		
TOTAL 2007	**55**	**223**	**1**		**279**	
TOTAL 2006	**20**	**207**	**1**			**228**

(1) *Under the agreements between Colony Capital, the Desseigne Barrière family and Accor, Colony Capital has a put option and Accor has a call option on Colony's 15% interest in Groupe Lucien Barrière SAS (see Note 42.1).*

(2) *In connection with the two transactions with Accor, Foncière des Murs agreed to finance a €151 million renovation program. At December 31, 2008, Foncière des Murs made €141 million of renovation. The remaining work amounts to €10 million.*

(3) *In connection with transaction in the United Kingdom, Land Securities agreed to finance a €36 million (£35 million) renovation program. As of December 31, 2008, the remaining work amounts to €20 million.*

(4) *In connection with transaction in the Netherlands and in Germany, Moor Park agreed to finance a €59 million renovation program. As of December 31, 2008, the remaining work amounts to €27 million.*

(5) *In connection with the sale of Accor's 40% interest in Novotel Paris Tour Eiffel under a management-back arrangement, the owner of the hotel agreed to finance €5 million worth of renovation work before the end of 2011. As of December 31, 2008, the remaining work amounts to €4 million.*

(6) *In connection with transaction with Accor, AXA REIM agreed to finance a €50 million renovation program over three years. At December 31, 2008 the remaining work amounts to €43 million.*

Purchase options under finance leases are not included in this table.

Note 43. Consolidated Companies Net Profit

(in million of euros)	2006 (*)	2007	2008
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS	**727**	**907**	**875**
Cancellation of share of profit of associates after tax	(11)	(28)	(20)
CONSOLIDATED COMPANIES PROFIT BEFORE TAX	**716**	**879**	**855**
Restructuring costs	(69)	(58)	(56)
Impairment losses	(94)	(99)	(57)
Gains and losses on management of hotel properties	109	208	111
Gains and losses on management of other assets	15	188	12
Income tax expense	(258)	(234)	(272)
CONSOLIDATED COMPANIES NET PROFIT	**419**	**884**	**593**

(*) *In accordance with IFRS 5, Carlson Wagonlit Travel (CWT) amounts are not reported (see Note 17).*

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Note 44. Main Consolidated Companies at December 31, 2008

The main subsidiaries and associates represent 90% of consolidated revenue, 92% of EBITDAR and 88% of EBIT. The many other subsidiaries and associates represent individually less than 0.8% of consolidated revenue, EBITDAR and EBIT.

HOTELS			
France			
Académie Accor	France	IG	100.00%
All seasons Hotels	France	IG	100.00%
Exhotel	France	IG	100.00%
Etap Hotels	France	IG	96.00%
Hotexco	France	IG	100.00%
La Thermale de France	France	IG	100.00%
Mer et Montagne	France	IG	100.00%
Mercure International Hotels	France	IG	100.00%
Paris Suffren	France	IG	75.00%
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 Hôtelière du Nouveau Bercy	France	IG	100.00%
Société de Management International	France	IG	100.00%
SNC NMP France	France	IG	100.00%
Société d'Etude et de Promotion Hôtelière Internationale	France	IG	100.00%
Société Hôtelière de la Porte de Sèvres	France	IG	100.00%
Société Internationale de Services des Hotels Economiques	France	IG	100.00%
Société d'Exploitation d'Hôtels Suites	France	IG	100.00%
Société Hotelière 61 Quai de Grenelle	France	IG	100.00%
Sofitel Luxury Hotels France	France	IG	100.00%
Thalamer	France	IG	99.90%
Europe Excl. France			
Accor Hôtellerie Deutschland	Germany	IG	100.00%
The Newgen Hotels	Germany	IG	99.46%
Accor Austria AG	Austria	IG	100.00%
Accoordination	Belgium	IG	99.86%
Accor Hotels Belgium	Belgium	IG	100.00%
Accor Hoteles Espagne	Spain	IG	100.00%
Société Hôtelière Athènes Centre	Greece	IG	100.00%
Pannonia Hotels RT	Hungary	IG	99.94%
Sofitel Gestioni Alberghiere Italia	Italy	IG	99.66%
Sifalberghi	Italy	IG	96.28%
Motel Maatschappij Hollande	Netherlands	IG	100.00%
Nhere BV	Netherlands	IG	100.00%
Novotel Nederland	Netherlands	IG	100.00%
The Grand Real Estate	Netherlands	MEE	40.00%
Orbis	Poland	IG	50.01%
Portis	Portugal	IG	100.00%
Katerinska Hotels	Czech Republic	IG	100.00%
Accor UK Business & Leisure	United Kingdom	IG	100.00%
Accor UK Economy Hotels	United Kingdom	IG	100.00%
Accor Hotels Romania	Romania	IG	100.00%
Accor Hôtels Scandinavia	Sweden	IG	100.00%
Accor Gestion Hôtels	Switzerland	IG	99.98%
Accor Suisse	Switzerland	IG	100.00%
North America			
Accor Canada Inc.	Canada	IG	100.00%
Accor Business & Leisure North America Inc.	United States	IG	100.00%
IBL Limited	United States	IG	100.00%
Latin America and Caribbean			
Hotelaria Accor Brasil	Brazil	IG	99.99%
Other Countries			
Formula1 Pty	South Africa	IG	52.60%
Premier Lodge South Africa	South Africa	IG	100.00%
Saudi Hotels Management	Saudi Arabia	IG	99.97%
Accor Asia Pacific Corp.	Australia / Asia	IG	100.00%
Société Propriétaire de l'Hôtel de l'Union	Senegal	IG	100.00%
Société Abidjanaise	Ivory Coast	IG	99.99%
Accor Hotels SAE	Egypt	IG	89.30%
Risma	Morroco	MEE	34.92%

IG : fully consolidated

IP : consolidated using the proportional method

MEE : accounted for by the equity method

ACCOR S.A.

PREPAID SERVICES			
France			
Accor Services France	France	IG	99.32%
Accentiv'House	France	IG	99.03%
Kadeos	France	IG	99.32%
Europe Excl. France			
Accor Services Deutschland	Germany	IG	99.32%
Quasar	Germany	IG	79.45%
Accor Services Austria	Austria	IG	98.49%
Accor T.R.B.	Belgium	IG	99.32%
Accor Services Empresariales	Spain	IG	97.33%
Accor Services Hongrie	Hungria	IG	92.67%
Gemeaz	Italy	IG	94.64%
Serial	Italy	IG	90.50%
Euro Servicos Alimentares	Portugal	IG	99.14%
Accor Services CZ SRO	Czech Republic	IG	92.66%
Accor Services Roumania	Romania	IG	91.08%
Luncheon vouchers	United Kingdom	IG	99.32%
Capital Incentives & Motivation	United Kingdom	IG	99.32%
Employee Advisory Resource Limited	United Kingdom	IP	45.04%
Motivano	United Kingdom	IG	63.43%
Prepay	United Kingdom	IG	99.32%
Accor Services Slovakia	Slovekia	IG	98.65%
Rikskuponger	Sweden	IG	98.55%
North America			
Accor Services North America inc.	United States	IG	99.32%
Workplace Benefits	United States	IP	45.04%
Wirecommute	United States	IG	99.17%
Commuter Check Services Corporation	United States	IG	99.32%
Latin America and Caribbean			
Accor Argentina	Argentina	IG	99.40%
Ticket Brésil	Brazil	IG	99.31%
Accor Services Chili	Chile	IG	73.84%
Accor Servicios Empresariales	Mexico	IG	97.32%
Servicios Empresariales	Venezuela	IG	56.32%
Other Countries			
Accor Services Australia	Australia	IG	99.32%
Davidson & Trahaire	Australia	IG	99.32%
Royal Image Direct	India	IG	89.38%

OTHER SERVICES			
Accor centre de contacts clients	France	IG	100.00%
Devimco	France	IG	99.99%
Lenôtre	France	IG	99.98%
Société d'Exploitation des Résidences Hotelières Rail	France	IP	49.62%
Groupe Lucien Barrière	France	IP	30.19%

99.66%

Compagnie Internationale des Wagons Lits & du Tourisme (*)	Belgium		
Rail Restauration	France	IG	99.66 %
Treno	Italy	IG	99.66 %
WLT Mexicana	Mexico	IG	99.66 %

(*) *All entities are held directly by Accor SA, except for Compagnie des Wagon-Lits*

Note 45. 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	Net Profit [(*)]
Groupe Lucien Barrière	50	164	80	134	330	(322)	8
Australia (Allegiance Marketing and Reef Casinos Conso)	15	26	25	16	45	(38)	7

(*) Information presented in accordance with IAS 14 (Segment Reporting).

Above disclosed figures correspond to Group share.

Note 46. Subsequent Events

NewGen Hotels AG squeeze-out

On January 7, 2009, Accor completed the buyout of the remaining 0.54% minority interests in NewGen Hotels AG through a squeeze-out procedure launched in 2008. At December 31, 2008, NewGen Hotels AG was 99.46%-owned by Accor.

The squeeze-out price was set at €39 per share, based on a valuation performed in 2008.

Bond Issue

On January 28, 2009, Accor issued €600 million worth of 5-year 7.50% bonds due February 4, 2014.

Accor's low leverage together with its BBB long-term rating with stable outlook enabled the Group to place the bonds on satisfactory terms with more than 200 European institutional investors.

This bond issue aims to diversify the Group's financial resources and to extend the average maturity of its debt.

Announcement of a Strategic Alliance between Accor Services and MasterCard

On February 9, 2009, Accor Services and MasterCard announced a strategic alliance resulting in the creation of a new company, PrePay Solutions. This joint venture makes Accor Services the majority shareholder at 67 percent, while MasterCard Europe holds a 33 percent stake in the company. The creation of PrePay Solutions is underpinned by Accor Services' subsidiary PrePay Technologies – a UK market leader in prepaid cards – and acquired in 2007 by Accor Services.

The new company is designed to combine the prepaid and electronic payments expertise of both organisations PrePay Solutions markets prepaid card-based solutions that enable corporations, public sector and financial corporations to reduce costs and enhance efficiency.

Compagnie des Wagons-Lits

The French branch of Compagnie Internationale des Wagons Lits et du Tourisme (CIWLT) is involved in a dispute with the French tax authorities (see Note 41). Following a ruling against CIWLT handed down on December 12, 2008 by the Cergy Pontoise Administrative Court, CIWLT will settle the claimed tax deficiencies and late interest on February 27, 2009.

Put option on Groupe Lucien Barrière shares

The process of valuing Colony Capital's put option on Groupe Lucien Barrière shares has been launched. The results of the valuation will determine whether or not Colony Capital decides to sell the shares to Accor. If the put is exercised, Accor will hold 49% of Groupe Lucien Barrière.

Note 47. 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 44. 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 2008.

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 48.

Companies in which a member of the Executive Committee or the Board of Directors holds material voting rights

All transactions with companies in which a member of the Executive Committee or the Board of Directors holds material voting rights are conducted in the course of business on arm's length terms.

The related party transactions presented below correspond to the main transactions with companies in which a person holding material voting rights is a member of the Accor Board of Directors. Only material transactions are disclosed.

Related party transactions

(in million of euros)	Type of transaction	Transaction amounts			Related party receivables			Related party payables			Provisions for doubtful accounts			Off-balance sheet commitments		
		2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008
Colony Capital	Long-term loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GLB put option granted to Accor	-	-	-	-	-	-	-	-	-	-	-	-	140	140	140
	Bond issues	-	-	-	-	-	-	1,000	500	-	-	-	-	-	-	-

Note 48. Corporate Officers' Compensation

(in million of euros)	December 31, 2006		December 31, 2007		December 31, 2008	
	Expenses	Balance sheet amount	Expenses	Balance sheet amount	Expenses	Balance sheet amount
Short-term benefits received	13	5	13	6	12	6
Post-employment benefits	-	3	2	5	2	6
Other long-term benefits	-	-	-	-	-	-
Compensation for loss of office	-	-	-	-	5	-
Share-based payments	3	-	4	-	5	-
TOTAL COMPENSATION	**16**	**8**	**19**	**11**	**24**	**12**

Corporate officers are defined as members of the Executive Committee and the Board of Directors.

In 2008, compensation only concerned the members of the twelve-member Executive Committee.

Directors' fees paid to members of the Board of Directors are disclosed in Note 40. Members of the Board of Directors do not receive any compensation.

Note 49. Fees Paid to the Auditors

The table below shows the total fees billed by the Auditors recognized in the income statement in 2008 and prior years.

(in million of euros)	2006	2007	2008
Statutory and contractual audit fees	(10)	(10)	(11)
Fees for audit-related services	(2)	(2)	(1)
TOTAL FEES BILLED BY THE AUDITORS	**(12)**	**(12)**	**(12)**

Parent Company Financial Statements and Notes

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

ACCOR, S.A. YEAR ENDED DECEMBER 31, 2008

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, 2008 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. These 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, 2008 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

The accounting estimates used in the presentation of the financial statements for the year ended December 31, 2008 were prepared in a context of heavy market volatility and uncertain economic outlooks. These conditions are described in the Notes to the financial statements. It is in this context and in accordance with Article L.823.9 of the French Commercial Code (Code de Commerce) that we conducted our own assessments, which we bring to your attention:

Note 1.c to the financial statements sets forth the accounting 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 expression of our opinion in the first part of this report.

III. Specific verifications and disclosures

We have also performed the specific verifications required by law.

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 statement;
- the fair presentation of the information given in the management report with respect to the compensation and benefits paid to relevant corporate officers as well as commitments granted in their favor when they assumed, changed or terminated duties or subsequent thereto.

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 10, 2009

The Statutory Auditors

Deloitte & Associés	Ernst & Young et Autres
David Dupont-Noel	Bruno Bizet

Financial Statements

BALANCE SHEETS

Assets

(in million of euros)	Notes	2006 Net	2007 Net	2008 Net
FIXED ASSETS				
▪ Intangible assets	(2-3-4)	72	70	57
▪ Licenses, trademarks and leasehold rights	(2-3-4)	37	32	36
▪ Networks	(2-7)	1	2	1
OTHER INTANGIBLE ASSETS		**110**	**104**	**94**
TOTAL INTANGIBLE ASSETS				
▪ Property and equipment	(2-4)	7	12	50
▪ Land	(2-3-4)	31	28	111
▪ Buildings	(2-4)	3	4	4
▪ Machinery and equipment	(2-4)	39	29	29
▪ Other	**(2)**	**0**	**5**	**2**
▪ Assets under construction	(2)	2	1	2
PREPAYMENTS TO SUPPLIERS OF PROPERTY AND EQUIPMENT		**84**	**78**	**199**
TOTAL PROPERTY AND EQUIPMENT				
▪ Investments	(2-6-7-16)	5,508	5,845	6,724
▪ Shares in subsidiaries and affiliates	(2-7-11-15-18)	687	813	603
▪ Loans and advances to subsidiaries and affiliates	(2-6-7-15)	4	1	1
▪ Other investment securities	(2-7-11-18)	67	1	1
▪ Other loans	(2-7-18)	73	510	32
OTHER INVESTMENTS		**6,339**	**7,169**	**7,360**
TOTAL INVESTMENTS		**6,533**	**7,352**	**7,654**
TOTAL FIXED ASSETS				
Current assets	(7)	-	-	-
▪ Inventories and work-in-progress	(5)	2	2	1
Prepayments to suppliers				
▪ Receivables	(5-7-11-15-18)	212	218	229
▪ Trade receivables	(5-7-11-15-18)	999	554	546
Other receivables				
▪ Marketable securities	(8-11)	120	-	20
▪ Cash and cash equivalents	(11)	32	42	24
TOTAL CURRENT ASSETS		**1,366**	**817**	**821**
ACCRUALS AND OTHER ASSETS				
Prepaid expenses	(18)	6	5	9
Deferred charges	(9)	8	2	3
Unrealized foreign exchange losses	(10)	29	25	88
TOTAL ACCRUALS AND OTHER ASSETS		**43**	**32**	**100**
TOTAL ASSETS	**(1)**	**7,942**	**8,201**	**8,574**

Liabilities and shareholders' equity

(in million of euros)	Notes	2006 net	2007 net	2008 net
SHAREHOLDERS' EQUITY				
Share capital	(13)	637	690	660
Additional paid-in capital	(13)	2,206	2,577	2,075
Legal reserve	(13)	65	65	69
Untaxed reserves	(13)	9	9	9
Other reserves	(13)	112	112	112
Retained earnings	(13)	392	218	322
Net profit for the year	(13)	487	805	482
Untaxed provisions	(7-13)	4	3	3
TOTAL SHAREHOLDERS' EQUITY		**3,912**	**4,480**	**3,732**
PROVISIONS FOR CONTINGENCIES AND CHARGES				
Provisions for contingencies	(7)	64	17	20
Provisions for charges	(7)	51	47	64
TOTAL PROVISIONS FOR CONTINGENCIES AND CHARGES		**115**	**64**	**84**
LIABILITIES				
Convertible bonds	(12-15-17-18)	1,309	-	-
Bank borrowings	(11-12-17-18)	314	800	1,500
Other borrowings	(12-15-17-18)	2,087	2,433	2,759
Trade payables	(12-16-19)	114	119	125
Accrued taxes and payroll costs	(12-18)	67	227	230
Due to suppliers of fixed assets	(18)	-	1	-
Other payables	(12-18)	3	44	48
TOTAL LIABILITIES		**3,895**	**3,624**	**4,663**
ACCRUALS AND OTHER LIABILITIES				
Deferred income	(18)	-	4	2
Unrealized foreign exchange gains	(10)	19	29	93
TOTAL ACCRUALS AND OTHER LIABILITIES		**19**	**32**	**95**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**(1)**	**7,942**	**8,201**	**8,574**

INCOME STATEMENTS

(in million of euros)	Notes	2006	2007	2008
OPERATING REVENUES				
Sales of goods and services		592	638	645
NET REVENUE	**(19)**	**592**	**638**	**645**
Own work capitalized		1	1	1
Reversals of depreciation, amortization and provisions and expense transfers		39	36	19
Other income		1	1	2
TOTAL OPERATING INCOME		**633**	**675**	**666**
OPERATING EXPENSES				
Purchases of goods for resale		1	1	-
Purchases of raw materials and supplies		-	-	-
Other purchases and external charges	(16)	417	498	479
Taxes other than on income		15	16	15
Wages and salaries		112	100	106
Payroll taxes		45	39	44
Depreciation, amortization and provision expense				
▪ Depreciation and amortization of fixed assets	(4)	33	28	24
▪ Additions to provisions for fixed assets		1	7	5
▪ Additions to provisions for current assets		6	6	6
▪ Additions to provisions for contingencies and charges		30	21	30
Other expenses	(20)	2	9	3
TOTAL OPERATING EXPENSES		**663**	**727**	**712**
OPERATING PROFIT (LOSS)		**(30)**	**(52)**	**(46)**
FINANCIAL INCOME				
Dividend income	(15)	305	455	380
Income from investment securities and long-term loans		7	1	-
Other interest income	(15)	101	51	41
Provision reversals and expense transfers		40	125	38
Foreign exchange gains		13	12	38
TOTAL FINANCIAL INCOME		**467**	**645**	**498**
FINANCIAL EXPENSES				
Amortization and provisions - financial assets		176	279	102
Interest expense	(15)	219	205	202
Foreign exchange losses		15	26	40
TOTAL FINANCIAL EXPENSES		**410**	**510**	**343**
NET FINANCIAL INCOME		**57**	**134**	**155**
RECURRING INCOME BEFORE TAX	**(22)**	**27**	**82**	**109**
NON-RECURRING INCOME				
Non-recurring income from revenue transactions		1	1	-
Non-recurring income from capital transactions		737	912	363
Exceptional provision reversals and expense transfers		27	56	46
TOTAL NON-RECURRING INCOME		**765**	**969**	**409**

(in million of euros)	Notes	2006	2007	2008
NON-RECURRING EXPENSES				
Non-recurring expenses on revenue transactions		1	-	1
Non-recurring expenses on capital transactions		321	304	85
Exceptional additions to depreciation, amortization and provisions		22	6	1
TOTAL NON-RECURRING EXPENSES		**344**	**310**	**86**
NET NON-RECURRING INCOME	**(24)**	**422**	**659**	**322**
Income tax expense	(22)	(39)	(65)	(51)
TOTAL INCOME		**1,866**	**2,289**	**1,573**
TOTAL EXPENSES		**1,378**	**1,483**	**1,091**
NET PROFIT		**487**	**805**	**482**

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, 2008 before appropriation of profit, and to the income statement for the year then ended. The balance sheet total was €8,574 million and net profit amounted to €482 million.

The financial statements cover the 12-month period from January 1 to December 31, 2008.

The preparation of financial statements implies the consideration by the Company 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. The Company 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 judgements made by management in the preparation of financial statements concern the valuation and the useful life of intangible assets, property, plant and equipment and financial assets, the amount of provisions for claims, litigations and contingencies and the assumptions underlying the calculation of pension obligations.

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

It is not currently possible to accurately predict the magnitude and duration of the current economic and financial crisis beyond December 31, 2008. As a result, the 2008 financial statements have been prepared by reference to the current environment, particularly for the purpose of estimating the value of non-current assets (mainly shares in subsidiaries and affiliates) and projected benefit obligations under retirement and other post-employment benefit plans as explained below.

Notes 1 to 26 set out below form an integral part of the annual 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, contributed value or revalued cost, as applicable.

There were no changes in presentation or measurement methods in 2008.

The significant accounting policies used are as follows:

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.

Leasehold rights, networks and trademarks 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 an other-than-temporary impairment in value, a provision is recorded.

b) Property and equipment

Property and equipment are stated at cost and 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.

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. Where there is an indication that the value of an asset may be impaired, its value in use is assessed for the purpose of calculating the possible impairment charge.

c) Investments

Shares in subsidiaries and affiliates and other investment securities are stated at cost. They are written down to an amount corresponding to the Company's equity in the underlying net assets, where the company concerned is not certain of achieving operating profitability in the future.

The fair value 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.

The valuation process also takes into account 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).

Additional provisions may be recorded to write down advances to the company concerned and, where necessary, a provision for contingencies is also recorded.

d) Inventories

All inventories are stated at the lower of cost and 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 stated at nominal value. A provision is recorded to cover any risk of non-recovery.

g) Marketable securities

Marketable securities are stated at the lower of cost and market.

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 clients for accommodation, food services and other services, and for managed and franchised hotels, 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.

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 taken to shareholders' equity under "Excess tax depreciation".

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.

l) OCEANE bonds

OCEANE bonds (Obligations à option de Conversion ou d'Échange en actions Nouvelles et/ou Existantes) offer the issuer the option of exchanging the bonds for either new shares issued for this purpose or existing shares held in treasury or purchased on the market.

In 2006 and prior years, a provision was accrued over the life of the May 2002 OCEANEs for their possible redemption premium.

The last tranche of these bonds was redeemed on January 1, 2007.

m) 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.

n) 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.

o) 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.

p) Corporate income tax

Accor has elected for group relief in application of the 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 profit or loss is recorded in the balance sheet of Accor as the entity at the 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.

q) Performance stock option and stock grant plans

In accordance with the "Fillon 3 Act", the Company uses the fair values of performance stock options and shares measured in accordance with IFRS 2 as the basis for calculating the related contribution sociale surtax.

Since 2008, Accor has applied CRC 2008-15 on the accounting treatment of stock grant plans. In May 2007 and March 2008, Accor SA set up performance stock grant plans for certain Group employees with a two-year vesting period and expects to issue new shares when the rights vest. In line with CRC 2008-15, no provision has been recorded for the cost of these plans in the financial statements at December 31, 2008.

Note 2. Movements in fixed assets

(in million of euros)	Gross value at Jan. 1, 2008	Additions And inter-item transfers	Retirements and disposals and inter-item transfers	Other	Gross value at Dec. 31, 2008
INTANGIBLE ASSETS					
Licenses, softwares, trademarks and leasehold rights (1)	153	4	(1)	(10)	146
Networks	70	11	-	-	81
Other intangible assets	1	-	(1)	-	-
Prepayments to suppliers of intangible assets	1	1	(1)	-	1
TOTAL INTANGIBLE ASSETS	**225**	**16**	**(3)**	**(10)**	**228**
PROPERTY AND EQUIPMENT					
Land	13	38	-	-	51
Buildings	96	92	(9)	-	179
Machinery and equipment	31	2	(3)	-	30
Other	64	8	(12)	-	60
Assets under construction	6	2	(6)	-	2
Prepayments to suppliers of property and equipment	0	2	-	-	2
TOTAL PROPERT AND EQUIPMENT	**210**	**144**	**(30)**	**0**	**324**
INVESTMENTS					
Shares in subsidiaries and affiliates (2)	7,291	977	(73)	-	8,195
Loans and advances to subsidiaries and affiliates (3)	813	319	(529)	1	604
Other investment securities (2)	2	-	(1)	-	1
Other loans	13	-	-	-	13
Other investments	510	62	(540)	-	32
Including treasury shares	*478*	*62*	*(540)*	-	-
TOTAL INVESTMENTS	**8,629**	**1,358**	**(1,143)**	**1**	**8,845**
TOTAL FIXED ASSETS	**9,064**	**1,518**	**(1,176)**	**(9)**	**9,397**

(1) The €10 million decrease reported under "Other" corresponds to the transfer of assets and liabilities related to the management of the Sofitel brand in Franceto Soluxury HMC, a wholly-owned subsidiary of Accor.

(2) A breakdown of the €903 million change in these items is provided in note 6.

(3) The €1 million increase reported under "Other" corresponds to the reversal of 2007 translation adjustments and the recognition of translation adjustments for 2008.

Note 3. Property and equipment and intangible assets

- Licenses, softwares, trademarks and leasehold rights:

  This item mainly relates to the valuation of the Novotel trademark and rights granted to subsidiaries to use the Accor Group's trademarks

- Networks:

  Networks primarily correspond to the hotel networks of Novotel and Mercure.

- Building improvements, fixtures and fittings:

  This item mainly concerns fixtures and fittings related to hotels, headquarters premises and the Group's training center.

Note 4. Movements in depreciation and amortization

(in million of euros)	At Jan. 1, 2008	Increase	Decrease	At Dec. 31, 2008
INTANGIBLE ASSETS				
Licenses, softwares, trademarks and leasehold rights	82	8	(1)	89
Networks	32	1	-	33
Other intangible assets	0	-	-	-
TOTAL INTANGIBLE ASSETS	**114**	**9**	**(1)**	**122**
PROPERTY AND EQUIPMENT				
Buildings	68	6	(7)	67
Machinery and equipment	27	1	(2)	26
Other property and equipment	36	7	(12)	31
TOTAL PROPERTY AND EQUIPMENT	**131**	**14**	**(21)**	**124**
TOTAL	**245**	**23**	**(22)**	**246**

Note 5. Receivables (1)

(in million of euros)	Gross amount
Prepayments to suppliers	**1**
Trade receivables	**236**
Other receivables	**624**
Supplier-related receivables	1
Recoverable VAT and other taxes	98
Current accounts with subsidiaries	510
Other	15
TOTAL	**861**

(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 million of euros)*	% interest at Dec. 31, 2008
NEWGEN France	100,000	-	100.00% (a)
STRATOM	40,342	1	19.80% (d)
ADAGIO HOLDING	5,000	1	50.00% (b)
REAL ESTATE HOTEL CY SRL (Romania)	1,865	5	91.65% (a)
SIHLSA (Peru)	5,620,000	1	100.00% (a)
TOTAL		**8**	

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Additional investments	Number of shares acquired	% acquired	Amount *(in million of euros)*	% interest at Dec. 31, 2008
SCI PRESTIGE DE SCHILTIGHIEM	119	4.35%	0	99.23%
SOCIETE DE CONSTRUCTION DES HOTELS SUITE	753,059	-	13	100.00% (2)
CIE TOULONNAISE D'INVEST.ET DE DEVELOPT (CTID)	45,301	1.19%	7	99.99% (2)
SH 18 Suffren (ex. SNC CENTRE D'ARRAS)	99,000	98.01%	3	99.01% (2) (a)
SH TOULOUSE CENTRE	31,749	21.16%	4	51.44% (a)
SOCIETE D'INVESTISSEMENT ET D'EXPANSION TOURISTIQUE	912,062	-	29	100.00% (2)
MARINOTEL (SMIH)	-	-	2	99.95% (2)
CIE INTERN° DES WAGON-LITS ET DU TOURISME	9,081	0.22%	1	99.71%
ACCOR LODGING NORTH AMERICA (A.L.N.A)	209	-	154	62.12% (3)
ACCOR AFRIQUE	-	-	16	97.22% (2)
GOLF MEDOC PIAN	29,000	0.12%	2	49.94% (3)
SOGECOL (Colombia)	697,496	3.68%	2	87.14% (3)
ACC.HOT.BELGIUM (ex. NOV.BELGIUM)	-	-	650	100.00% (4)
TUNISIA HOTELS AND RESORT (Tunis)	2,747	27.47%	1	99.95%
ACCOR ARGENTINA (ex. Servicios Ticket Argentine)	8,547	16.02%	6	89.43%
ACCOR CHILE (Chile)	1,175,301	-	2	100.00% (3)
ORBIS (Poland)	2,087,335	4.53%	34	45.01%
ACCOR VENEZUELA	2,038,845	-	12	100.00% (3)
THE NEWGEN HOTELS AG ex. DORINT AG (Germany)	118,272	1.82%	10	99.47%
ACCOR SERVICES PARTICIPATIONS	128,480	9.52%	4	64.75% (1)
ROYAL IMAGE DIRECT MARKETING Private Limited (India)	410,304	19.66%	2	88.46%
CESTATICKET ACCOR SERVICES CA (Venezuela)	48,000	0.80%	2	55.30%
Other			2	
TOTAL			**958**	

Disposals	Number of shares sold	% sold	Carrying amount of sold shares *(in million of euros)*	% interest at Dec. 31, 2008
TANIT INTERNAT. (Tunisia)	2,250,000	37.50%	29	-
SPATA AIRPORT HOT.CY (Greece)	1,109,214	20.00%	3	-
SOTOUSO (Senegal)	50,000	99.99%	1	-
HOTEL SANTA CLARA SA (Colombia)	2,363,451	19.00%	4	-
FINANCIERE BALTIMORE Mercure	59,675	70.00%	5	-
ACCOR SERVICES PARTICIPATIONS	17,020	4.92%	1	59.83% (1)
ERGONOMIA (Greece)	6,530	65.30%	1	-
VOUCHERS SERVICES - AS (Greece)	22,425	49.79%	1	-
ACCOR SERVICES MAGYARORSZAG JEGY (Hungary)	86,080,000	96.72%	1	-
ACCOR SERVICES CZ (Czech Republic)	13,072	96.83%	1	-
RIKSKUPONGER - TR Sweden (ex. ISAB)	97,941	98.20%	6	-
ACCELERA SA (Romania)	19,259	48.15%	-	-
Other			1	
TOTAL			**54**	

Other movements	Cancelled or traded shares	Amount (in million of euros)	% interest at Dec. 31, 2008
MISCELLANEOUS			
ACCOR SERVICES PARTICIPATIONS - repayment of issue premium	-	(1)	59.83%
LIQUIDATIONS			
ID HOTEL (Ex THEF) - share cancellation	(1,029)	(4)	0.00%
GENOMER	(66,359)	(14)	0.00%
SALES OF ASSETS IN EXCHANGE FOR SHARES			
Sale to SOLUXURY HMC sarl			
Sale of the Sofitel brand	10,226,352	10	100.00%
MERGERS/DEMERGERS			
Merger Sté Internationale des Hôtels Novotel	**131,833**	**7**	**93.92%**
PRESTOTEL	(12,000)	(6)	-
Sté du Motel de l'Orléanais	(3,250)	(1)	-
Total impact of merger Société Internationale des Hôtels Novotel	N/A	-	N/A
Merger Sté Commerciales des Hôtels Economiques	**571,429**	**23**	**99.09%**
Sté Développement des Hôtels Economiques	(1,500,000)	(23)	-
Total impact of merger Sociétés Commerciales des Hôtels Économiques	N/A	-	N/A
Merger FINEXHOR	**817,433**	**8**	**99.99%**
Cie Hôtelière de Lyon	(403,000)	(7)	-
SCI Carrefour	(100)	(1)	-
Total impact of merger FINEXHOR	N/A	-	N/A
Merger PRADOTEL	**16,753**	**-**	**90.67%**
SCEH Bercy	(99)	-	-
Sagefih	(4)	-	-
Total impact of merger PRADOTEL	N/A	-	N/A
Merger DGR NMP	**1,861**	**-**	**99.98%**
SNC DGR Grand Ouest	(2,500)	-	-
SNC DGR Rhône-Alpes Méditerranée	(2,500)	-	-
Total impact of merger DGR NMP	N/A	-	N/A
TOTAL		**(9)**	
SUMMARY			
Total acquisitions		966	
Total disposals		(54)	
Total other movements		(9)	
Total movements		903	

(1) % 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.
(4) % interest held following a merger and before a sale - see previous section.
(a) Acquisition raising the Company's interest to over 50%.
(b) Acquisition raising the Company's interest to over 33.33%.
(c) Acquisition raising the Company's interest to over 20%.
(d) Acquisition raising the Company's interest to over 10%.

Note 7. Movements in provisions

(in million of euros)	At Jan. 1, 2008	Increase	Decrease: Surplus provisions	Decrease: Utilized provisions	At Dec. 31, 2008
UNTAXED PROVISIONS					
Excess tax depreciation	3	1	(1)	-	3
TOTAL UNTAXED PROVISIONS	**3**	**1**	**(1)**	**-**	**3**
PROVISIONS FOR CONTINGENCIES					
Claims and litigation	3	1	(3)	-	1
Foreign exchange losses	3	2	-	-	5
Other	11	4 (1)	-	(1)	14
TOTAL PROVISIONS FOR CONTINGENCIES	**17**	**7**	**(3)**	**(1)**	**20**
PROVISIONS FOR CHARGES					
Pensions and other post-retirement benefit obligations	21	7	-	(1)	27
Taxes	7	-	-	-	7
Other	19	22 (2)	-	(10) (3)	31
TOTAL PROVISIONS FOR CHARGES	**47**	**29**	**-**	**(11)**	**65**
TOTAL PROVISIONS	**67**	**37**	**(4)**	**(12)**	**88**
PROVISIONS FOR IMPAIRMENT IN VALUE					
Intangible assets	6	5	-	-	11
Property and equipment	2	-	(1)	-	1
Investments (*)	1,460	88	(64)	-	1,484
Trade receivables	7	2	(2)	-	7
Other receivables (*)	84	12	(17)	-	79
TOTAL PROVISIONS FOR IMPAIRMENT IN VALUE	**1,559**	**107**	**(84)**	**-**	**1,582**
TOTAL	**1,626**	**144**	**(88)**	**(12)**	**1,670**

(*) Recorded in accordance with the accounting policy described in Note 1c.
(1) Including €3 million relating to subsidiaries.
(2) Including €16 million for restructuring costs and €4 million for other operating expenses relating to head offices.
(3) Including €5 million in reversals of restructuring provisions and €3 million for future rental payments and charges following grouping of head offices.

Income statement impact of movements in provisions	Increase	Decrease
Operating income and expenses	41	(16)
Financial income and expenses	102	(38)
Non-recurring income and expenses	1	(46)
TOTAL	**144**	**(100)**

Note 8. Marketable securities portfolio

At December 31, 2008 *(in million of euros)*	Gross value
Certificates of deposit	20
TOTAL	**20**

No provisions for impairment in value have been set aside for marketable securities as their fair value exceeds their carrying amount.

Note 9. Accruals and other assets/liabilities

(in million of euros)	Net at Jan. 1, 2008	Increase	Decrease	Net at Dec. 31, 2008
DEFERRED CHARGES				
Debt issuance costs	2	1	-	3
TOTAL	**2**	**1**	**-**	**3**
PREPAID EXPENSES				
Prepaid IT rental and maintenance costs	3	2	-	5
Prepaid advertising expenses	1	-	-	1
Prepaid property rents	1	1	-	2
Other	-	2	(1)	1
TOTAL	**5**	**5**	**(1)**	**9**
DEFERRED INCOME				
Software licence fees	4	-	(2)	2
TOTAL	**4**	**-**	**(2)**	**2**

Note 10. Unrealized foreign exchange gains and losses

UNREALIZED FOREIGN EXCHANGE LOSSES

(in million of euros)	Amount
Decrease in receivables	82
Increase in payables	6
TOTAL	**88**

UNREALIZED FOREIGN EXCHANGE GAINS

(in million of euros)	Amount
Increase in receivables	5
Decrease in payables	88
TOTAL	**93**

Note 11. Accrued income

Accrued income is included in the following balance sheet items *(in million of euros)*	Amount
Loans and advances to subsidiaries and affiliates	6
Trade receivables	187
Current accounts with subsidiaries	7
Cash and cash equivalents	3
TOTAL	**203**

Note 12. Accrued expenses

Accrued expenses are included in the following balance sheet items *(in million of euros)*	Amount
Bank borrowings	14
Other borrowings	19
Trade payables	108
Accrued taxes and payroll costs	49
TOTAL	**190**

Note 13. Changes in shareholders' equity

(in million of euros)	At Dec. 31, 2007	Appropriation of 2007 net profit	Capital increase/ reduction	Other	2008 net profit	At Dec. 31, 2008
Number of shares making up the Company's capital (1)	229,917,794		(10,023,271)			219,894,523
Share capital	690	-	(30)	-	-	660
Additional paid-in capital	2,577	-	(502)	-	-	2,075
Legal reserve	65	4	-	-	-	69
Untaxed reserves	9	-	-	-	-	9
Other reserves	112	-	-	-	-	112
Retained earnings	218	77	-	26	-	322
Net profit for the year	805	(805)	-	-	482	482
Untaxed provisions	4	-	-	(1)	-	3
TOTAL SHAREHOLDERS' EQUITY	**4,480**	**(724)** (2)	**(532)** (3)	**25** (4) (5)	**482**	**3,732**

(1) With a par value of €3 per share.
(2) €724 million in dividends paid on May 20, 2008.
(3) Exercise of employee stock options and capital reduction through cancellation of 10,227,849 shares held in treasury stock.
(4) €26,4 million in dividends not paid on the 8,390,150 shares held in treasury.
(5) €1 million in excess tax depreciation mainly relating to the Hotels business.

POTENTIAL SHARES: if all employee stock options had been exercised at December 31, 2008, the number of issued shares would have been increased by 9,724,826, raising the Company's share capital by €433 million.

Note 14. Bonds

OCEANE bonds convertible/exchangeable for new or existing shares

MAY 2002 OCEANE BONDS	
Issue date	May 3, 2002
Face value per bond *(in euro)*	166.89

The final redemption premium on these bonds was paid on January 1, 2007 in the amount of €20 million.

OCTOBER 2003 OCEANE BONDS	
Issue date	October 24, 2003
Face value per bond (in euro)	40.25
Redemption date	January 1, 2008

Final coupon paid on January 1, 2008 in the amount of € 8,000.

OCTOBER 2005 CONVERTIBLE BONDS (ISSUE TAKEN UP IN FULL BY COLTIME SARL)	
Issue date	May 18, 2005
Face value per bond (in euro)	4,300
Conversion ratio	1 bond for 100 shares
Annual effective interest rate	3.25%
Redemption date	May 18, 2010

In July 2007, the bondholders requested that their bonds be converted into shares in advance of their redemption date.

MAY 2005 BONDS (ISSUE TAKEN UP IN FULL BY COLTIME SARL)	
Issue date	May 18, 2005
Face value per bond (in euro)	3,900
Conversion ratio	1 bond for 100 shares
Annual effective interest rate	4.50%
Redemption date	May 18, 2008

The bondholders have the option of converting their bonds into shares in April 2007.

Note 15. Related party items (1)

(in million of euros)	Gross amount
Shares in subsidiaries and affiliates	7,738
Loans and advances to subsidiaries and affiliates	603
Other investment securities	1
Trade receivables	132
Other receivables	509
Borrowings	2,325
Trade payables	27
Dividend income	335
Other financial income	62
Financial expenses	122

(1) Companies that are fully consolidated in the Accor Group consolidated financial statements are deemed to be related parties.

Note 16. Finance leases

Commitments under finance leases

	Lease payments made			Future lease payments				
(in million of euros)	2008	Prior years	Total	Due within 1 year	Due in 1-5 years	Due beyond 5 years	Total	Residual purchase price
Buildings	6	164	171				1	

Assets held under finance leases

		Depreciation				
(in million of euros)	Cost	2008	Prior years	Expected future depreciation	Total	Net
Buildings	314	2	189	122	313	1

Note 17. Borrowings by maturity and currency at December 31, 2008

(in million of euros)	Dec. 31, 2008
BORROWINGS BY MATURITY:	
Due within one year	2,716
Due beyond one year	-
Due in 1-2 years	-
Due in 2-3 years	-
Due in 3-4 years	1,005
Due in 4-5 years	538
Due beyond 5 years	-
TOTAL BORROWINGS	**4,259**
BORROWINGS BY CURRENCY:	
CHF	68
CZK	29
EUR	3,459
GBP	352
HKD	8
HUF	36
MXN	39
SEK	74
SKK	22
USD	156
OTHER	16
TOTAL BORROWINGS	**4,259**

Financing policy

At December 31, 2008, Accor had several confirmed lines of credit with maturities of more than one year. The unused portion of these facilities totaled €1,345 million, expiring between 2010 and 2013.

The unused portions of short-term facilities such as commercial paper and spot loans that the Company intends to roll over have been reclassified as long-term borrowings.

To finance the cash needs of the Group and its subsidiaries, Accor first has recourse to internal funds and then to external confirmed credit facilities such as bank borrowings and credit lines as well as unconfirmed facilities such as spot loans and commercial paper.

All of these transactions are carried out as part of the Company's policy to reduce to a minimum its exposure to foreign exchange and interest rate risks.

Note 18. Receivables and payables

(in million of euros)	Gross amount	Due within 1 year	Due beyond 1 year
RECEIVABLES			
Fixed assets:			
Loans to subsidiaries and affiliates (3)	604	260	344
Other loans (3)	13	1	12
Other investments (3)	32	-	32
Current assets:			
Trade receivables	236	229	7
Other receivables (3)	624	624	-
Prepaid expenses	9	9	-
TOTAL RECEIVABLES	**1,518**	**1,123**	**395**
PAYABLES			
Borrowings:			
Bank borrowings (1) (3)	1500	146	1,354
Other borrowings (1) (2) (3)	2,759	2,570	189
Operating payables:			
Trade payables (3)	125	125	-
Miscellaneous payables:			
Accrued taxes and payroll costs	230	230	-
Due to suppliers of fixed assets	-	-	-
Other payables	48	48	-
Deferred income	2	2	-
TOTAL PAYABLES	**4,664**	**3,121**	**1,543**

(1) Borrowings granted during the year: €973 million.
Borrowings repaid during the year: €231 million.

(2) Including €113 million due to related parties.

(3) Including the euro equivalent amounts below

	Receivables	Payables
AUD	39	-
CAD	12	-
CHF	-	68
CZK	-	29
GBP	-	352
HKD	-	8
HUF	-	36
JPY	27	-
MXN	-	39
NZD	9	7
SEK	-	74
SKK	-	22
USD	51	156
Other currencies	11	10
TOTAL EQUIVALENT	**149**	**801**

Note 19. Breakdown of net revenue

(in million of euros)	Dec. 2007	Dec. 2008
FRANCE		
Hotels	450	478
Food services	3	-
Holdings and Services	23	24
TOTAL FRANCE	**476**	**502**
INTERNATIONAL		
Hotels	105	60
Holdings and Services	56	82
TOTAL INTERNATIONAL	**161**	**142**
TOTAL NET REVENUE	**637**	**644**

Note 20. Payroll costs

Employee category	Number of employees
Managerial staff	922
Supervisors	278
Administrative staff	111
Apprentices	11
TOTAL	**1,322**

The Company had 1,322 employees at December 31, 2008, including 59 employees seconded to subsidiaries.

Attendance fees allocated to members of the Supervisory Board, Audit Committee and Compensation and Appointments Committee totaled €0.6 million.

Details of the total gross compensation and benefits paid to key members of Accor SA's management team are provided in the Management Report page 105.

Note 21. Financial commitments

Commitments given to subsidiaries concerning fixed and variable lease payments amounted to €2,313.3 million and €1,569.2 million respectively at December 31, 2008.

Commitments relating to investments are as follows:

- under the agreements between Colony Capital, the Barrière Desseigne family and Accor, Colony Capital has a put option and Accor has a call option on Colony Capital's 15% interest in Groupe Lucien Barrière SAS. Colony Capital's put option is exercisable in the 30 days after Groupe Lucien Barrière SAS's fiscal years ending on October 31, 2007, 2008 and 2009.

  The option exercise price will be determined by independent experts based on market prices. The option is included in off-balance sheet commitments at December 31, 2008 for an amount of €140.0 million, corresponding to the valuation at the transaction date.

  In relation to its Services business Accor has given commitments to make earn-out payments on business acquisitions and to purchase shares. At December 31, 2008, these commitments were valued at €12.4 million and €43.6 million respectively.

The Company's other commitments are as follows:

- following the tax audit of CIWLT, the French tax authorities issued a notice ordering CIWLT to settle part of the related tax deficiency, amounting to €218 million. At the end of December 2007, Accor provided the tax authorities with a €200 million tax bond issued by a bank in exchange for a stay of payment and in September 2008 acted as guarantor for the remaining €18 million claimed by the tax authorities. At December 31, 2008, the Group's commitment was valued at €260 million including late interest.
- In connection with the sale of 55 Swiss and French hotel properties to Axa Reim, Accor undertook to finance renovation work on the properties. This commitment totaled €27 million at December 31, 2008.
- In connection with the sale of French and Belgian hotel properties to Foncière des Murs, Accor undertook to finance renovation work on the properties. This commitment totaled €4 million at December 31, 2008.

  As part of the Olympique Lyonnais sponsorship contract, which runs from July 1, 2006 to June 30, 2009, Accor has undertaken to pay a fixed fee to the club. At December 31, 2008 the corresponding commitments totalled €4.5 million for the for the 2008/2009 season.

  In addition, Accor has undertaken to pay bonuses to the club based on its performance in certain national and international competitions. At December 31, 2008 the corresponding commitments totalled €0.9 million.
- In connection with the financing of the Accor corporate foundation's activities, Accor SA guaranteed the payments to be made by the various founders (except for Accor Service France) for a total of €4.7 million. At December 31, 2008, €0.4 million had been paid and the guarantee therefore covered an amount of €4.3 million.
- In connection with financing the Hotels expansion plan in China, Accor has issued performance bonds to the developers of 37 Ibis hotels and 4 Novotel hotels. This commitment represented €45 million at December 31, 2008.
- In connection with the NewGen transaction, Accor granted put options to NewGen's minority shareholders totalling €5.8 million. Following a €4.4 million payment made on December 22, 2008, the remaining buyback commitment at December 31, 2008 was €1.4 million and concerned 34,000 shares.

In addition, Accor has given guarantees for (i) debt (€30.3 million); (ii) overdraft facilities (€79.9 million); and (iii) liabilities of SNC limited partnerships (€199.1 million at December 31, 2008). It has also issued other bank guarantees representing €92.5 million. Total guarantees given to other third parties came to €109.8 million at December 31, 2008.

Note 22. Income tax

A. Accor SA income tax

In 2008, the Company recorded a tax loss of €117 million that was available for set-off against profits of other tax group members 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 €52.2 million in 2008, corresponding to the tax savings arising from group relief.

C. Tax group

The tax group headed by Accor SA comprises the following 121 subsidiaries:

ACCENTIV' HOUSE	NMP France (ex-DGR île de France SNC)	SHEMA (ex-Mercure RAM)
ACCENTIV' TRAVEL (ex-EURO TO)	NOVOBIENS	SHORET
ACCOR Afrique	NOVOPOLE SAS	SIDH
ACCOR Centres de Contacts Clients (ex-ARS)	ORPA sci	SIGEST 1
ACCOR Services Formations (ex-Joffre)	Paris Clichy (FRANTOUR Berthier)	SODETIS
ACCOR Services France	Paris Porte de St-Cloud	SOFINHOT
ACCOR.COM	PARTAL	Sofitel Luxury Hôtels France (ex-SHBA)
Accueil Partenaires	PRADOTEL	SOGETEL La Part Dieu
ALL SEASONS (ex-Mercure France-Est)	PRO FID (ex-ACCENTIV')	SOLUXURY HMC SARL
Blagnac SCI	PULLMAN Internat. Hôtels	SOPARAC
Cie d'Exploitat° Hôtelière de Roissy	PULLMAN Océan Indien	SOPHIA ANTIPOLIS
Cie Européenne de Patrimoine Immobilier & Hôtelier	RESTAUPRO	SPARHE
Cie Toulon. d'Invest. et de Développement	ROYAL Hôtel	SPHERE Investissement 1
CIWLT Succursale France	SA des Hôtels de Tradition	SPHERE Investissement 2
Courcelles Miromesnil	SAMINVEST	SPHERE Investissement 4
DARLY sci	Scc de la Pointe de Porticcio	Sté Commerciale des Hôtels Économiques
DATEL	SCI Grand Hôtel Prestige	Sté Comtoise Hôtels Brochets
DEVIMCO	SCI Porte de Montmartre	Sté de Construct. d'Hôtels Suites
Domaine de MARLIOZ	SEH Strasbourg la Vigie	Sté de Gestion Hôtels Parisiens (ex-ADAGIO SNC)
EAP-France	SEORIM	Sté de Participations de Centres d'Affaires
ETAP HOTELS	SEPHI	Sté d'Exploitat. d'Hôtels Suites
EXHOTEL	SGHPS - Grand Hôtel Poitiers Sud	Sté d'Invest. & d'Expansion Touristique
FERVO SCI	SH 18 Suffren (ex-Centre d'Arras SNC)	Sté Européenne d'Hôtellerie et d'Affaires
FINEXHOR	SH 61 QG (ex-DGR NNE)	Sté Française de Participat. & d'Invest. Européen
FRANDOM	SH Blois Hermitage	Sté Hôtel du Gâtinais
FRANTOUR SAS	SH Chammans	Sté Intern° de Participation
GESTAL	SH Colmar Centre	Sté Intern° de Services Hôtels Economiques
HOSPITEL	SH Corse Marina	Sté Intern° des Hôtels Novotel
Hôtel CUSSET	SH Courbevoie-Défense	Sté Management Intermarques
Hôtel de Porticcio	SH Danton Michelet	Sté Nouvelle du Pavillon Élysées
HOTEXCO	SH de Thalasso Côte Varoise	Sté Parisienne d'Hôtellerie et d'Affaires
IBL	SH du Bayle	Sté Particip. & d'Investis. de Motels
Immobilière de Perrache	SH du Belley	Sté Participat. d'île-de-France
KADÉOS	SH Egletons	Sté Participat. Financières d'Hôtellerie
LENÔTRE	SH Forum	Sté Régionale d'Hôtellerie et d'Affaires
LENÔTRE Côte d'Azur	SH Nouveau Bercy SAS	SUDAIX SCI
MARCQ HÔTEL	SH Paris Clichy	THALAMER
MARINOTEL (sté Martiniquaise d'Invest. Hôtel.)	SH Porte de Sèvres	Thermale de France
Marquise de Presles	SH Sablaise	TRAMARINE
MERCURE Internat. Hôtels	SH Vélizienne	
MERCURE Nord-Ouest	SH Victoria Beaulieu	

D. Provision recognized in accordance with Article 312-1 of standard CRC 99-03

In 2008 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 in accordance with Article 233-A of the French General Tax Code.

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 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. Only two cases where the subsidiary has been sold to a party outside the tax group have been identified as potentially giving rise to the transfer of a tax benefit.

After reviewing the completed or planned transactions at the balance sheet date, the Company recorded a provision of €1.7 million at December 31, 2008.

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 mobilier withholding tax paid by Accor in the period 1999-2001, 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 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 found 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 interest, with the result that the decisions of the Versailles Administrative Court and Administrative Court of Appeal had no net impact on the 2008 accounts.

On February 7, 2007, Accor filed an application instituting proceedings before the Cergy Pontoise Administrative Court to obtain a refund of the withholding tax paid in the years 2002-2004, for a total of €187 million.

Note 23. Deferred tax

Total provision movements for 2008 recorded by subsidiaries that form part of the Accor tax group represented a net non-deductible charge of €49.7 million, representing a €16.6 million deferred tax asset calculated at the rate of 33.33% excluding the 3.3% contribution sociale surtax.

Note 24. Non-recurring income and expenses

In 2008, total non-recurring items represented net income of €323 million before tax, breaking down as follows:

(in million of euros)	Amounts
Gains (losses) on disposals of intangible assets and property and equipment	13
Gains (losses) on disposals and liquidations of investments	265 (1)
Net (additons to) reversals of provisions for contingencies and charges	1
Net (additions to) reversals of provisions for current accounts	1
Net (additons to) reversals of provisions for shares in subsidiaries and affiliates	43 (2)
NET NON-RECURRING INCOME	**323**

(1) Mainly gains on transfers of shares in Prepaid Services subsidiaries and affiliates to other Group companies.
(2) Mainly provision reversals following divestments of shares and liquidations of companies.

Note 25. Subsequent events

A. Newgen hotels ag squeeze-out

On January 7, 2009, Accor completed the buyout of the remaining 0.54% minority interests in NewGen Hotels AG through a squeeze-out procedure launched in 2008. At December 31, 2008, NewGen Hotels AG was 99.46%-owned by Accor.

The squeeze-out price was set at €39 per share, based on a valuation performed in 2008.

B. Bond issue

On January 28, 2009, Accor issued €600 million worth of 5-year 7.50% bonds due February 4, 2014.

Accor's low leverage together with its BBB long-term rating with stable outlook enabled the Group to place the bonds on satisfactory terms with more than 200 European institutional investors.

This bond issue aims to diversify the Group's financial resources and to extend the average maturity of its debt.

C. Put option on groupe Lucien Barrière shares

The process of valuing Colony Capital's put option on Groupe Lucien Barrière shares has been launched. The results of the valuation will determine whether or not Colony Capital decides to sell the shares to Accor. If the put is exercised, Accor will hold 49% of Groupe Lucien Barrière

Note 26. Main subsidiaries and affiliates at December 31, 2008

Subsidiaries and affiliates	Currency	Share capital *(in thousands of local currency units)*	Reserves (retained earnings)	Percent of 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				
SPCA 20, Esplanade Charles de Gaulle 92000 Nanterre	EUR	17,779	4,537	100.00%
SPFH 110, avenue de France 75013 Paris	EUR	29,796	(29,280)	100.00%
SH DANTON MICHELET 2, rue de la Mare Neuve 91000 Evry (5)	EUR	16,008	(2,041)	100.00%
IBL 110, avenue de France 75013 Paris (5)	EUR	863,010	59,720	100.00%
STE DE CONSTRUCTION D'HOTELS SUITES 2, rue de la Mare Neuve 91000 Evry (5)	EUR	29,296	(2,112)	100.00%
SIET 2, rue de la Mare Neuve 91000 Evry (5)	EUR	16,913	(3,621)	100.00%
SOLUXURY HMC 2, rue de la Mare Neuve 91000 Evry (5)	EUR	10,226	(215)	100.00%
FRANTOUR 3/3 bis, villa Thoreton 75015 Paris	EUR	30,493	24,769	99.99%
SEPHI 6-8, rue du Bois Briard 91000 Evry (5)	EUR	8,000	18,246	99.99%
SFPIE 110, avenue de France 75013 Paris (5)	EUR	15,129	(7,755)	99.99%
LA THERMALE DE France 2, cours de Verdun 40101 Dax Cedex	EUR	2,405	(12,559)	99.99%
SOFITEL LUXURY HOTELS FRANCE 2, rue de la Mare Neuve 91000 Evry	EUR	2,550	2,600	99.99%
STE D'EXPLOITATION D'HOTELS SUITES 2, rue de la Mare Neuve 91000 Evry (5)	EUR	6,900	(2,054)	99.99%
P.I.H. 2, rue de la Mare Neuve 91000 Evry	EUR	32,236	39,764	99.99%
HOTEXCO 6-8, rue du bois briard 91000 Evry	EUR	39,071	83,559	99.99%
FIMAKER 6-8, rue du bois Briard 91000 Evry (5)	EUR	1,103	1,025	99.99%
FINEXHOR 2, rue de la Mare Neuve 91000 Evry	EUR	15,629	24,903	99.99%
SPARHE 2, rue de la Mare Neuve 91000 Evry (5)	EUR	9,000	1,996	99.99%
CTID 2, rue de la Mare Neuve 91000 Evry	EUR	3,481	(109)	99.99%
CEPIH 110, avenue de France 75013 Paris (5)	EUR	688	13,116	99.98%
ACCOR.COM 2, rue de la Mare Neuve 91000 Evry (5)	EUR	702	6,336	99.98%
STE DES HOTELS DE TRADITION 2, rue de la Mare Neuve 91000 Evry (5)	EUR	13,366	(54)	99.97%
SMIH Pointe de la Cherry 97223 Diamant (5)	EUR	942	(971)	99.95%
SISHE 6-8, rue du bois briard 91000 Evry (5)	EUR	10,039	(49)	99.50%
LENOTRE 44, rue d'Auteuil 75016 Paris	EUR	2,606	(775)	99.23%
SCHE 6-8, rue du bois briard 91000 Evry (5)	EUR	45,570	64,034	99.09%
ACCOR SERVICE FORMATION 3/3 bis, villa Thoreton 75015 Paris (5)	EUR	190	64	98.32%
ACCOR SERVICE France 72, rue Gabriel Peri 92120 Montrouge (5)	EUR	388,037	64,613	98.30%
ACCENTIV'TRAVEL 3/3 bis villa Thoreton 75737 Paris	EUR	2,400	710	98.30%
KADEOS 47 bis rue des Vinaigirers 75010 Paris (5)	EUR	450	2,832	98.30%
EAP France 1, rue Mozart 92110 Clichy La Garenne	EUR	739	(1,027)	98.15%
ACCENTIV'HOUSE 3/3 bis, villa Thoreton 75015 Paris (5)	EUR	12,257	4,669	98.01%
ACCOR AFRIQUE 2, rue de la Mare Neuve 91000 Evry (5)	EUR	29,709	1,413	97.22%

(in thousands of euros)

Carrying amount of shares						
Cost	**Net**	**Outstanding loans and advances**	**Guarantees given**	**Last published net revenues**	**Results Last published net profit (loss)**	**Dividends received by the Company during the year**
6,997	6,997	-	-	-	3,598	3,499
29,796	1,900	-	-	-	(4,371)	-
34,623	13,300	-	-	10,485	(986)	-
1,051,705	901,705	-	-	-	28,114	-
33,887	31,135	39,541	-	10,003	(5,545)	-
119,973	12,596	113	473	2,308	(3,903)	-
10,226	10,226	10,842	75	43,510	(215)	-
104,366	77,946	-	-	6,517	12,323	3,812
40,399	40,399	1,435	30	104,288	9,430	2,500
24,640	16,899	292	696	-	1,286	-
10,048	-	10,566	9	13,008	(2,983)	-
14,885	2,958	-	-	59,442	2,174	102
22,590	5,800	16	23	38,222	(1,184)	-
29,263	29,263	-	-	-	11,291	3,223
12,469	12,469	-	351	121,274	6,423	11,965
7,240	1,460	-	-	3,614	707	441
32,678	32,678	1,497	-	5,428	9,377	274
12,845	12,845	2	-	12,821	4,109	-
7,331	3,800	7	-	929	(155)	-
11,799	10,299	-	-	1,728	889	-
69,980	2,537	-	-	-	319	-
13,065	13,065	9,963	-	-	45	-
8,624	-	4,358	3	2,380	(989)	-
9,984	9,950	847	-	1,355	(66)	-
48,736	31,187	37,261	280	113,028	(6,900)	-
65,382	65,382	31,237	34	150,048	8,667	-
7,362	815	1,551	-	6,518	(358)	-
411,767	411,767	1,171	-	73,567	27,127	27,416
14,183	2,890	73	511	1,355	473	1,573
206,430	206,430	681	81,952	16,946	2,763	1,416
7,114	-	1,770	-	3,042	(304)	-
12,268	12,268	278	-	58,611	2,144	1,502
76,681	37,975	30,295	-	15,606	1,091	-

Subsidiaries and affiliates	Currency	Share capital (in thousands of local currency units)	Reserves (retained earnings) (in thousands of local currency units)	Percent of interest
MARCQ HOTEL 2, rue de la Mare Neuve 91000 Evry	EUR	6,789	5,022	96.91%
S.I.H.N. 2, rue de la Mare Neuve 91000 Evry	EUR	12,239	52,588	93.92%
PRADOTEL 6-8, rue du bois briard 91000 Evry	EUR	789	16,758	90.67%
ROISSY ORLEANS 6-8, rue du bois briard 91000 Evry	EUR	2,250	3,653	72.00%
MERCURE INTERNATIONAL HOTELS 2, rue de la Mare Neuve 91000 Evry	EUR	54,336	80,180	71.79%
SEORIM 2, rue de la Mare Neuve 91000 Evry	EUR	31,359	5,284	70.94%
ACCOR SERVICES PARTICIPATIONS 110, avenue de France 75013 Paris (5)	EUR	12,975	7,062	59.83%
SHTC 84, allée Jean Jaurès 31000 Toulouse (5)	EUR	195	3,010	51.44%
b) FOREIGN SUBSIDIARIES				
ACCOR SUISSE SA (Switzerland)	CHF	14,300	69,000	100.00%
NOVOTEL NEDERLAND BV (Netherlands)	EUR	3,086	73,164	100.00%
SH ATHENES CENTRE (Greece) (5)	EUR	2,933	(2,048)	100.00%
STE D'EXPL.HOTEK POLSKA (Poland) (5)	PLN	173,038	16,398	100.00%
KATERINSKA HOTEL (Czech Republic) (3)	CZK	300,000	510,439	100.00%
ACCOR UK LTD (United Kingdom) (5)	GBP	32,530	52,068	100.00%
ACCOR HOTEL BELGIUM (Belgium)	EUR	1,062,222	233,232	100.00%
ACCOR HOTEL GMBH (Germany) (3)	EUR	25,570	207,040	100.00%
SOGEDETU (Dominican Republic) (5)	DOP	479,724	(139,951)	100.00%
ACCOR VENEZUELA (Venezuela)	VEF	77,710	5,015	100.00%
STE IMMOBILIARIA HOT. DE MEXICO (Mexico) (5)	MXN	353,028	(138,592)	100.00%
BUDGET HOTEL AKTIEBOLAG (Sweden) (5)	SEK	10,000	17,023	100.00%
ACCOR CANADA INC (Canada) (5)	CAD	22,774	46,298	99.99%
MARARA S.A. (Polynesia) (5)	XPF	160,000	(316,160)	99.96%
CHP (Polynesia) (5)	XPF	160,000	(855,077)	99.86%
CI DES WAGONS LITS (Belgium) (5)	EUR	50,676	532,752	99.71%
HOTELES ACCOR DE ARGENTINA (Argentina) (5)	AR$	38,542	3,620	98.81%
PREPAY TECHNOLOGIES LIMITED (United Kingdom) (5)	GBP	92	1,499	98.30%
SURFGOLD (Singapore) (5)	SGD	15,800	(12,545)	98.30%
ACCOR AUSTRIA (Austria) (5)	EUR	5,542	6,449	98.00%
THE NEWGEN HOTELS AG (Germany) (3)	EUR	48,750	(12,157)	99.47%
ASESORIA (Mexico) (5)	MXN	13,640	50,131	91.11%
ACCOR ARGENTINA SA (Argentina) (5)	AR$	5,334	88,944	89.43%
ACCOR HOTELES ESPANA (Spain) (5)	EUR	26,398	35,384	86.79%
ACCOR SERVICES SRL (Romania) (5)	RON	6,712	232,747	82.28%
ACCOR SERVICES AUSTRALIA (Australia) (5)	AUD	15,000	(3,097)	78.30%
SAFARI CLUB MOOREA (Polynésia) (5)	XPF	172,000	247,602	67.44%
SHERATON GEZIRAH LE CAIRE (Egypt)	USD	29,738	9,361	64.93%
HOLPA (Luxembourg)	EUR	53,245	5,664	63.55%

(in thousands of euros)

Carrying amount of shares						
Cost	**Net**	**Outstanding loans and advances**	**Guarantees given**	**Last published net revenues**	**Results Last published net profit (loss)**	**Dividends received by the Company during the year**
9,392	9,392	-	2	7,806	1,136	1,754
62,981	62,981	-	2	6,423	4,348	2,040
7,357	7,357	-	11	23,394	1,828	1,453
8,592	8,592	701	-	1,417	2,630	-
65,114	65,114	-	140	56,443	19,616	24,379
22,164	22,164	-	-	-	1,630	-
15,928	15,928	40,886	-	-	933	-
7,984	7,984	115	-	10,288	1,288	-
25,907	25,907	-	-	-	41,540	35,168
16,825	16,825	-	-	50,915	7,199	-
10,362	2,121	957	4,138	5,176	(895)	-
60,481	48,481	1,576	-	6,119	3,638	2,182
9,125	9,125	2	-	28,156	4,596	-
92,790	92,790	-	-	-	7,528	-
1,002,299	1,002,299	6	-	125,095	37,937	-
218,725	203,725	1,029	4,932	561,626	68,527	-
20,855	6,582	-	-	4,456	64	-
24,851	24,851	-	-	-	1,586	-
28,707	12,307	-	-	10,500	556	-
6,722	1,272	-	-	2,499	303	-
12,021	12,021	12,196	-	26,070	1,952	-
7,609	1,109	127	3,754	5,480	(2,208)	-
6,710	910	13	2,863	8,551	(2,942)	-
1,150,280	603,913	2,500	217,810	151,666	30,885	12,125
25,758	3,348	-	-	-	736	587
54,977	54,977	16	-	9,391	(1,340)	-
9,338	9,338	1,639	-	2,386	(61)	-
20,751	20,751	-	-	6,045	3,354	2,156
317,849	226,057	1	1,316	270,909	(16,190)	
7,471	7,471	-	-	-	3,256	2,515
18,909	18,809	5,693	-	30,370	7,002	5,259
30,240	30,240	16	-	138,507	(1,866)	-
30,995	30,995	240	-	30,756	14,744	17,050
7,101	7,101	45	-	90	(1,024)	-
7,030	7,030	28,753	7,071	9,696	(2,503)	-
39,779	39,585	-	-	8,687	4,266	691
44,585	44,585	-	-	-	1,547	2,072

Subsidiaries and affiliates	Currency	Share capital (in thousands of local currency units)	Reserves (retained earnings) (in thousands of local currency units)	Percent of interest
ACCOR LODGING NORTH AMERICA (United States) (5)	USD	2,066,283	182,752	62.12%
CESTATICKET ACCOR SERVICES C.A. (Venezuela)	VEF	6,000	138,969	55.30%
2-AFFILIATES (10% TO 50%-OWNED)				
a) FRENCH AFFILIATES				
GOLF MEDOC PIAN Chemin de Courmateau 33290 Le Pian Médoc-louens	EUR	1,338	3,616	49.94%
SHCLB 35, Bd des Capucines 75002 Paris (4)	EUR	1,430	905,678	34.00%
b) FOREIGN AFFILIATES				
AMORIM HOTELS SERVICOS (Portugal) (3)	EUR	14,300	21,223	50.00%
ORBIS (Poland) (3)	PLN	517,754	1,561,183	45.01%
RISMA (Morocco) (5)	MAD	623,201	295,502	32.53%
SIFALBERGHI (Italy) (5)	EUR	13,000	9,111	30.65%
PROGETTO VENEZIA (Italy) (1)	EUR	20,750	(10,243)	20.00%
AAPC (Australia) (5)	AUD	522,382	(368,252)	18.10%
CIE ITALIENNE DE TOURISME HOLDING SPA (Italy) (2)	EUR	26,367	(78,730)	10.00%
3-OTHER INVESTMENTS (LESS THAN 10%-OWNED)				
CLUB MEDITERRANEE 11, rue de Cambrai 75019 Paris (4)	EUR	77,512	272,677	6.00%
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 26)				

(1) Balance sheet at December 31, 2004.
(2) Balance sheet at June 30, 2005.
(3) Balance sheet at December 31, 2007.
(4) Balance sheet at October 31, 2008.
(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	Results Last published net profit (loss)	Dividends received by the Company during the year
1,138,346	1,127,346	-	-	-	1	37,282
11,101	11,101	6,346	-	85,071	43,414	12,062
9,112	2,892	26	-	2,024	(270)	-
318,200	318,200	-	-	22,355	48,249	4,760
7,145	7,145	40,043	-	-	2,109	-
194,769	194,769	-	-	51,951	35,670	2,317
33,460	29,460	-	-	36,695	(674)	-
9,388	8,788	17,860	-	105,106	(8,296)	333
8,568	-	-	-	1,094	(8,622)	-
66,758	66,758	40,788	-	7,549	(5,972)	-
8,985	-	-	-	3,125	(5,911)	-
52,318	13,928			1,112,656	(1,230)	-
149,390	**93,327**	**116,591**	**606**			**42,660**
103,651	**62,852**	**102,181**	**112,986**			**18,271**
2,646	**1,712**	**16,092**	**7**			-
4,122	**3,944**	**181,569**	**-**			**2,226**
8,195,859	**6,725,200**	**801,803**	**440,075**			**287,065**

Financial Statements

FIVE-YEAR FINANCIAL SUMMARY

Description (in million of euros)	2004	2005	2006	2007	2008
1- CAPITAL AT YEAR-END					
Share capital	620	652	637	690	660
Number of shares in issue	206,710,509	217,265,774	212,409,741	229,917,794	219,894,523
Number of convertible bonds in issue	18,719,772	10,043,270	6,415,546	-	-
2- RESULTS OF OPERATIONS					
Net revenues	529	576	592	638	645
Profit before tax, depreciation, amortization and provisions	328	237	611	876	500
Income tax	(56)	(15)	(39)	(65)	(51)
Net profit	221	166	487	805	482
Dividends	269	250	626	724	363 (1)
3- PER SHARE DATA (IN EUROS)					
Earnings per share after tax, before depreciation, amortization and provisions	1.86	1.15	3.06	4.09	2.51
Earnings per share	1.07	0.76	2.29	3.50	2.19
Dividend per share (before tax credit/allowance)	1.30	1.15	2.95	3.15	1.65 (1)
4- EMPLOYEES					
Number of employees	1,294	1,273	1,271	1,176	1,263 (2)
Total payroll and employee benefits (3)	117	120	142	129	138

(1) Recommended dividend for 2008 based on 219,894,523 actions.

(2) Number of employees on the Accor SA payroll at December 31, 2008.

(3) The published figures for 2004 and 2005 did not reflect income corresponding to the rebilling of salaries and payroll taxes.

AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

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 your company, we present below our report on regulated agreements and commitments.

Our responsibility does not include identifying any undisclosed agreements or commitments. We are required to report to shareholders, based on the information provided, about the main terms and conditions of agreements and commitments that have been disclosed to us, without commenting on their relevance or substance. Under the provisions of article R.225-31 of the French Commercial Code, it is the responsibility of shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Agreements and commitments authorized in 2008 and from January 1, 2009 through February 24, 2009

In application of article L. 225-40 of the French Commercial Code, we have been informed of the agreements and commitments approved in advance by the Board of Directors during 2008 and from January 1, 2009 through February 24, 2009.

We performed our procedures in accordance with professional guidelines applicable in France. Those procedures entailed verifying the consistency of the information disclosed to us with the source documents.

1. With Caisse des dépôts et consignations

Persons concerned: Augustin de Romanet de Beaune (until February 24, 2009), Dominique Marcel (until August 27, 2008) and Alain Quinet (since August 27, 2008), directors of Accor and respectively Chief Executive Officer and Vice-President, Finance and Strategy, of Caisse des dépôts et consignations.

Type of agreement and purpose

Formation of SGRHVS, a company jointly owned by Accor (27%-held through its Accueil Partenaires subsidiary) and Caisse des dépôts et consignations (26%).

Terms and conditions

At its meeting on May 13, 2008, the Board of Directors authorized the formation of a joint venture whose shares are:

- 47% held by a company made up of entities that collect the *1% Logement* employer housing tax;
- 26% held by Caisse des dépôts et consignations; and
- 27% held by Accueil Partenaires, a majority-owned Accor subsidiary.

The purpose of the newly-formed company – named Société d'Exploitation de Résidences Hôtelières à Vocation Sociale (SRHVS) – is to operate a network of apartment hotels for low-income residents as provided for under the *Logirelais* partnership entered into in 2007 with the French government and the national agency responsible for overseeing the employer housing tax (Agence Nationale pour la Participation des Employeurs à l'Effort de Construction).

2. With Colony Capital SAS

Persons concerned: Thomas J. Barrack and Sébastien Bazin, directors of Accor and respectively Chairman and Chief Executive Officer of Colony Capital LLC and Chief Executive Officer, Europe of Colony Capital SAS.

Type of agreement and purpose

Formation of ColSpa SAS, a company jointly owned by Accor (10%), Colony Capital SAS (80% through its ColMolitor subsidiary) and Bouygues (10% through its Sodéarif subsidiary).

Terms and conditions

At its meeting on December 16, 2008, the Board of Directors authorized the formation of a joint venture with the following ownership structure:

- 80%-held by ColMolitor;
- 10%-held by Accor;
- 10%-held by Sodéarif (Bouygues).

This joint venture will act as lessee under the long-term lease granted by the City of Paris concerning the project to renovate and operate the Molitor swimming pool, which will include swimming areas, a spa and health centre, a four-star hotel (the MGallery Molitor), food courts, reception and events areas, a sports medicine center and sports retail outlets.

The cost of the project is estimated at €65 million, which will be 40%-equity financed and 60% financed through borrowings. ColSpa's initial share capital amounted to €37,000, half of which was paid up when the shares were purchased.

The payments due under the 54-year lease granted by the City of Paris break down as follows:

- a fixed portion corresponding to an initial amount of €1 until the site is opened to the public and subsequently €25,000 in year 1, €50,000 in year 2 and €75,000 as from year 3, with the payments indexed to the French National Construction Cost Index;
- a variable portion corresponding to 0.10% of the site's revenue for years 1 to 3, 0.25% for years 4 to 6 and 0.50% as from year 7;
- an additional variable portion corresponding to 10% of any revenue exceeding €30 million, with this threshold indexed to the French Construction Cost Index.

3. With Gilles Pélisson, Director and Chief Executive Officer of Accor until February 24, 2009 and Chairman and Chief Executive Officer of Accor since February 24, 2009

Type of agreement and purpose

a. Private unemployment insurance policy

Terms and conditions

At its December 16, 2008 meeting, in accordance with article L. 225-42-1 of the French Commercial Code, the Board of Directors authorized the Company to take out a private unemployment insurance policy for Gilles Pélisson with the "Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise" – GSC. This is due to the fact that in view of his corporate officer status the Chief Executive Officer is not entitled to benefits under the UNEDIC statutory unemployment scheme. The private insurance coverage will only be effective once the Company has paid contributions for an unbroken period of 12 months. The unemployment compensation due would initially be payable for a period of 12 months as from the 31st day of unbroken unemployment. However, this period will be increased to 24 months after the first year of membership of the scheme. The compensation paid will be based on the net taxable income generated from the beneficiary's professional activity for the previous year, subject to an annual cap of €109,785 for 2009. The Company will pay the full amount of the contributions due under the scheme.

As the policy came into force on January 1, 2009, no contributions were paid for 2008.

b. Termination benefits payable to the Chief Executive Officer

Terms and conditions

At its December 16, 2008 meeting, the Board of Directors decided to amend the terms and conditions governing the termination benefits payable to the Chief Executive Officer in order to comply with the AFEP/MEDEF recommendations on executive directors' compensation issued on October 6, 2008. The Board therefore reduced the amount of the Chief Executive Officer's termination benefit as set in 2006 from three years' to two years' worth of his base salary and incentive bonus received in his capacity as Chief Executive Officer during the last full year prior to the termination of his term of office. This change would take effect upon his re-appointment as Chairman and Chief Executive Officer. Note that the benefit would not be payable if his duties were terminated as a result of gross or willful misconduct.

At its February 24, 2009 meeting, the Board amended the performance conditions applicable to the payment of the Chief Executive Officer's termination benefit as follows:

- the Group's return on capital employed must be higher than its cost of capital as published in the Registration Document for the previous three years;
- Accor Services must report like-for-like growth of more than 8% for at least two of the three previous years;
- the Hotels business must have positive free cash flow for at least two of the three previous years;
- the annual average Accor share price multiplied by 100 must be more than 85% of the annual average CAC 40 index for the previous three years.

These performance conditions would have the following impact on the amount of the termination benefit due:

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

c. Amendments to Gilles Pélisson's employment contract

Terms and conditions

At its February 24, 2009 meeting, the Board of Directors authorized the Company to enter into a regulated agreement with Gilles Pélisson, Accor's Chairman and Chief Executive Officer. This agreement will only come into force if shareholders re-elect Gilles Pélisson as a director of the Company at the Annual Shareholders' Meeting to be held on May 13, 2009, and will be effective from that date. The agreement takes the form of an addendum to Mr Pélisson's employment contract removing any clauses giving him any rights in excess of those provided for by law and the applicable collective bargaining agreement. This addendum states that if Mr Pélisson's employment contract is terminated within six months of the loss of his corporate officer's position the amount payable as a result of the loss of his corporate office will be deducted from the legal severance pay due in connection with the termination of his employment contract.

4. With Paul Dubrule and Gerard Pélisson, Co-Founders And Co-Chairmen

Type of agreement and purpose

Remuneration for advisory and representative work.

Terms and conditions

On February 24, 2009 the Board of Directors authorized the payment of €300,000 (excluding VAT) to each of the Group's Co-Founders and Co-Chairmen, as remuneration for advisory and representative work carried out on behalf of the Group during 2008, 2009 and 2010.

Agreements and commitments approved in prior years that remained in force during the year

In application of the Commercial Code, we were advised of the following agreements and commitments entered into in prior years, which remained in force during the year.

1. With Société Générale and BNP Paribas

Type of agreement and purpose

a. Assistance and advisory services.

Terms and conditions

On February 26, 2008 the Board of Directors authorized the signature of an agreement under which Société Générale and BNP Paribas provide assistance and advisory services to the Group in relation to its strategic and financial objectives.

- The agreement expires on July 31, 2009 and provides for the payment of €350,000 (excluding VAT) in fees to each of the two banks.
- The Company paid €350,000 (excluding VAT) to each of the banks in 2008 under this agreement.

b. Syndicated bank line of credit.

Terms and conditions

On May 14, 2007, the Board of Directors decided to renew before maturity the €2 billion syndicated bank line of credit set up in 2004 as authorized by the Supervisory Board on September 3, 2004.

Consequently, the Board authorized the Company to sign an agreement to set up a €1.5 billion syndicated bank line of credit with the option of increasing this amount to €2 billion. The main characteristics of the credit line are as follows:

- maturity: five years, plus two one-year renewals;
- margin: 22.5 basis points;
- commitment fee: 6.75 basis points (30% of the margin).

The facility was used once in 2008 to draw down €1,185 million at an average interest rate of 4.47% per year. Fees paid in 2008 totaled €1,153,805.57 (excluding VAT) and interest amounted to €35,855,467.40.

2. With FNAC

Type of agreement and purpose

Acquisition of Kadeos/Sales and marketing agreement with FNAC.

Terms and conditions

On February 20, 2007, the Board of Directors authorized the Company to acquire Kadeos, the leader in the French gift card and voucher market, in connection with a bidding process launched by the PPR group. Kadeos was acquired on March 30, 2007.

The acquisition was contingent on the renewal for a five-year term of the exclusive affiliation and distribution agreement and related payment terms in force between Kadeos and the PPR group's three main banners (FNAC, Redcats and Conforama).

3. With Caisse des dépôts et consignations

Type of agreement and purpose

Sale of hotel properties in France and Switzerland.

Terms and conditions

On June 19, 2008, Accor sold a number of hotels to a property investment trust (OPCI), which is managed by AXA Real Estate Investment Managers (REIM) and 33%-owned by each of Caisse des dépôts et consignations, European Hotel Venture and Alternative Property Income Venture. The hotels included in the transaction were as follows:

- 45 hotels in France (both wholly-owned and held under finance leases);
- 10 hotels in Switzerland (through the sale of shares in the companies holding the property assets).

The total sale price for the hotels was €518 million, including a €50 million renovation program to be financed by the investors.

At the same time as the sale, Accor entered into the following agreements with the property investment trust (and its subsidiaries):

- a leaseback arrangement based on 12-year variable commercial leases that are renewable six times, representing a total potential term of 84 years. The rental payments under these leases are based on annual revenue with no guaranteed minimum (corresponding to an average of 16% of revenue);

- a partnership agreement setting out the main reciprocal commitments made between the two parties for the purpose of the transaction (including commitments relating to extending the hotels and developing new hotel properties), as well as the terms and conditions applicable to the organization and management of their contractual relations under the above-mentioned leases for the entire hotel portfolio.

In December 2008, Accor entered into a contract with the property investment trust providing for the sale of the shares it held in a non-trading property company owning five Ibis hotels and one All Seasons hotel in France that were included in the above-mentioned portfolio of 45 French hotels. These hotels will be operated by Accor under the same type of commercial leases as those applicable to the other hotels sold on June 19, 2008.

4. With Compagnie Internationale des Wagons Lits et du Tourisme – CIWLT

Type of agreement and purpose

Administrative support agreement

Terms and conditions

The administrative support agreement with CIWLT was amended on November 23, 2006 with retroactive effect as from January 1, 2006. These amendments reduced the annual fee paid to Accor S.A. by CIWLT to €10,000.

In 2008 no further amendments were made to this agreement, which remained in force during the year.

5. With Groupe Lucien Barrière S.A.S

Type of agreement and purpose

a. Service agreement between Accor S.A., the intercompany partnerships Accorest and Accorequip, and Groupe Lucien Barrière S.A.S.

Terms and conditions

On May 3, 2005, the Supervisory Board authorized the signature of a two-year contract effective from May 2, 2005 granting Groupe Lucien Barrière S.A.S. access to Accorest's and Accorequip's products and purchasing conditions in exchange for a contribution to the operating costs of these two intercompany partnerships. This agreement provides for Groupe Lucien Barrière S.A.S. to receive the following percentages of the fees received by the Company from its approved suppliers of food and other products:

- 60% if Groupe Lucien Barrière SAS uses the approved suppliers for 0 to 60% of its purchases;
- 80% if the percentage of use exceeds 60%.

This agreement was renewed for an unlimited period by way of an addendum that entered into force on May 2, 2007.

These rates are also applicable for sharing the fees received by Accor S.A. in connection with sales cooperation and brand image agreements signed with the suppliers. Of the total amount of fees, 20% is allocated to operating costs, with the remaining 80% forming the basis for the fee-sharing calculation.

Accorest and Accorequip were dissolved on December 31, 2007 and Accor took over their operations as from January 1, 2008 in accordance with the same terms and conditions as stipulated in the initial contracts entered into by each of the two intercompany partnerships.

Lastly, 15% of the amounts received by Groupe Lucien Barrière S.A.S. from the suppliers relating to brand image contracts signed solely with Groupe Lucien Barrière companies is paid to Accor S.A. as contribution for administrative and operating costs borne by Accor S.A.

In 2008, the Company received €155,480 (including VAT) in fees from this contract.

b. Sales and marketing agreement between Accor S.A. and Groupe Lucien Barrière S.A.S.

Terms and conditions

On May 3, 2005, the Supervisory Board authorized the signature of a fourteen-month contract effective from September 1, 2005 providing for Accor S.A. to supply sales and marketing tools – including the TARS reservation system, sales personnel and websites – to Groupe Lucien Barrière S.A.S. in return for:

- a fixed fee of €750,000 excluding VAT;
- a variable fee calculated as follows: if the revenues contributed by Accor S.A. represent between 5 and 8% of the aggregate accommodation revenues generated by all of the beneficiary facilities, the variable fee will represent 1% of the said contributed revenues (excluding VAT); if the revenues contributed by Accor S.A. exceed 8% of the aggregate accommodation revenues generated by all of the beneficiary facilities, the variable fee will represent 1.2% of the said aggregate contributed revenues (excluding VAT);
- a fixed fee of €80,000 excluding VAT for the implementation and utilization of reservation systems and the training of sales teams;
- the cost of joining the ATACS system (initial membership fee of $50 plus a commission of $0.74 per reservation per facility).

An initial amendment was signed on September 1, 2006 extending the contract to October 31, 2008 and a second amendment was signed on November 1, 2008 whereby:

- the contract was extended for an additional one-year period from November 1, 2008 through October 31, 2009, and is automatically renewable for further one-year periods;

- the fixed fee was reduced from €600,000 (excluding VAT) to €150,000 for the period from November 1, 2008 through October 31, 2009;
- an additional variable fee is payable, calculated as follows:
  - for all accommodation reservations generated through the TARS system by Accor directly or by third parties such as agencies, Groupe Lucien Barrière will pay Accor 5% of the contributed revenues (excluding VAT),
  - for all reservations generated through GDS booking systems, Groupe Lucien Barrière will pay Accor €3.20 (excluding VAT) per reservation (not including cancelled reservations),
  - for marketing services to business and leisure travelers by Accor's sales teams, the variable remuneration will represent 10% of the revenue (excluding VAT) contributed by Accor's sales teams.

In 2008, the Company received €706,940 (including VAT) in fees from this contract.

c. IT services agreement between Accor S.A. and Groupe Lucien Barrière S.A.S.

Terms and conditions

On July 6, 2005, the Supervisory Board authorized the Company to provide assistance and consulting services to Groupe Lucien Barrière S.A.S. for an indefinite period, in return for a fee of €500 or €900 (excluding VAT) per day of services provided. The related agreement was signed on April 11, 2006 with retroactive effect from March 1, 2006 for an automatically renewable one-year term.

In 2008, the Company received €39,356.29 (including VAT) in fees from this contract.

d. Legal services agreement between Accor S.A. and Groupe Lucien Barrière S.A.S.

Terms and conditions

On July 6, 2005, the Supervisory Board authorized the Company to provide assistance to Groupe Lucien Barrière S.A.S. on labor law issues (advice on employment law and access to a hotline) for an indefinite period effective from November 1, 2005. This assistance is covered by an annual fixed fee of €350 (excluding VAT) per contract and per facility.

This contract was terminated on December 31, 2008.

In 2008, the Company received €33,849.19 (including VAT) in fees from this contract.

6. With Olympique Lyonnais

Type of agreement and purpose

Sports sponsorship agreement between Accor SA and the Olympique Lyonnais football team.

Terms and conditions

On May 10, 2006, the Board of Directors authorized the signature of a sports sponsorship agreement between Accor and the Olympique Lyonnais (OL) football team, effective from the start of the 2006-2007 season. Under this agreement, Accor is exclusively authorized to use, via any form of promotional medium, all of the marketing rights granted by OL, and to advertise its Novotel and Ticket Restaurant brands on the OL team strips.

- Financial conditions: payment by Accor S.A. of a fixed annual fee of €8 million for the first season (2006-2007) and €9 million for the 2007-2008 and 2008-2009 seasons.
- Term: three years with possible renewal for an additional two-year term, either automatically – in which case the annual fee would amount to €10 million – or based on new financial conditions to be negotiated between the parties. Accor S.A. also has a right of last refusal if new financial conditions are negotiated in order to enable it to align its proposal with any higher offer made by a competitor.

In 2008, the Company paid €9,000,000 (excluding VAT) to Olympique Lyonnais under the terms of this contract.

7. With Paul Dubrule and Gérard Pélisson, Co-Founders And Co-Chairmen

Type of agreement and purpose

Provision of resources.

Terms and conditions

On January 9, 2006, the Board of Directors authorized the Company to enter into an agreement with Paul Dubrule and Gérard Pélisson to provide them with an office at the Company's Paris headquarters, an assistant and a chauffeur for their terms as Co-Founders and Co-Chairmen of the Group, and to reimburse any expenses incurred by them on Company business. This agreement remained in force in 2008.

8. With Gilles Pélisson, Director and Chief Executive Officer of Accor until February 24, 2009 and Chairman and Chief Executive Officer of Accor since February 24, 2009

Type of agreement and purpose

Participation in the supplementary retirement plan set up for Accor S.A.'s senior managers and executives.

Terms and conditions

On January 10, 2007, the Board of Directors authorized the signature of an addendum to the rules concerning Accor S.A.'s supplementary defined contribution and defined benefit retirement plans set up on January 1, 2005. One of the purposes was to extend the membership of these plans to corporate officers who are members of Accor's Executive Committee, including Gilles Pélisson, with effect from January 1, 2006.

Under these plans, except in specific cases provided for by law, if a beneficiary leaves the Group before the date of retirement, he or she will retain only the rights accrued under the defined contribution scheme (i.e. an annual employer contribution of up to 5% of five times the annual social security cap) and will lose the rights accrued under the defined benefit scheme.

The Chief Executive Officer's total replacement rate (government-sponsored basic pension plus Accor supplementary plans) upon retirement is capped at 35% of the average of the three highest annual compensations (base salary plus bonus) over the ten years prior to the date of retirement.

Neuilly-sur-Seine – March 10, 2009

The Statutory Auditors

ERNST & YOUNG ET AUTRES	DELOITTE & ASSOCIÉS
Bruno BIZET	David DUPONT-NOEL

Legal Information

General Information

INFORMATION ABOUT THE COMPANY

Company name

Accor

Registered office

2, rue de la Mare-Neuve, 91000 Évry, France.

Primary business office

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 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.

Trade register

The Company is registered in Evry under number 602 036 444.

Business Identification (APE) Code: 7010 Z.

Consultation of corporate documents

Corporate documents, including the Bylaws, balance sheets, income statements, Board of Directors' reports, Auditors' Reports and the annual accounts ledger, are available for consultation at the Company's primary business office.

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)

Profit available for distribution consists of net profit 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 Shareholders' 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 Shareholders' Meeting may decide to appropriate the remaining profit to one or more reserve accounts. Alternatively, the Annual Shareholders' 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 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 225–107 of the 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;
- 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 *(Code Civil).*

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 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.233-9-1 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 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 Commercial Code are considered as being equivalent to the shares or voting rights held by the shareholder.

Resolutions

PRESENTATION OF THE RESOLUTIONS
PURPOSES OF THE RESOLUTIONS SUBMITTED TO SHAREHOLDERS AT THE COMBINED ORDINARY AND EXTRAORDINARY MEETING OF MAY 13, 2009

Approval of the 2008 financial statements

The purpose of the **first** resolution is to approve the 2008 financial statements of Accor SA.

In accordance with the provisions of Article L.225-100, paragraph 3, of the Commercial Code, shareholders will also be invited to approve the consolidated financial statements, in the **second** resolution.

Appropriation of profit and determination of the dividend

The purpose of the **third** resolution is to appropriate net profit for the year and set the amount of the dividend.

The Board of Directors recommends the payment of an ordinary dividend of €1.65 per share, unchanged from 2007.

Dividends for the previous three fiscal years amounted to €1.15 for 2005, €2.95 (including a €1.50 special dividend) for 2006 and €3.15 (including a €1.50 special dividend) for 2007.

The total dividend is eligible for the 40% tax allowance provided for in Article 158.3.2 of the French General Tax Code. This allowance may not, however, be claimed by shareholders who have opted to pay the flat-rate dividend withholding tax in accordance with Article 117 *quater* of the General Tax Code (18% excluding social security taxes).

Payment of the dividend

In accordance with Article 27 of the Company's Bylaws, in the **fourth** resolution the Board of Directors is seeking approval for shareholders to be given an option of receiving their dividend in cash or shares as follows:

- the reinvestment option will apply to the total dividend;
- the option exercise period will run from May 20, 2009 through June 8, 2009 and the dividend will be paid in cash or shares on June 17, 2009. Shareholders that have not exercised their option by June 8, 2009 will receive a cash dividend;
- in accordance with Article L.232-9 of the French Commercial Code, the price of the shares purchased by reinvesting the dividend will be equal to the average of the opening prices quoted for Accor shares over the twenty trading days preceding the date of this meeting, less the net dividend. The Board of Directors may round up the price thus determined to the nearest euro cent;
- the new shares will carry dividend rights from January 1, 2009.

All shareholders will be sent share subscription forms.

If the amount of the reinvested dividend does not correspond to a whole number of shares, the shareholder will receive the next lower whole number of shares with the difference paid in cash.

Board of Directors

Re-election of directors

The **fifth to twelfth** resolutions concern re-election of the following directors for a three-year term:

Thomas J. Barrack, Founder and Chairman and Chief Executive Officer of Colony Capital LLC. Aged 61, Thomas J. Barrack is an attorney specialized in international financial law. He has also held the positions of President of Oxford Development Venture Inc., Senior Vice-President of E.F. Hutton & Co. in New York and Principal with the Robert M. Bass Group (RMBG), a company founded by Texas-based investor Robert M. Bass.

Sébastien Bazin, Chief Executive Officer Europe of Colony Capital SAS. Aged 47, Sébastien Bazin holds a Master of Business Administration from the Sorbonne University of Paris. Before joining Colony Capital in 1997, he was a Vice-President of the mergers and acquisitions group of Paine Webber in both London and New York, a director of Hottinguer Rivaud Finances and the Group Director and General Manager of Immobilière Hôtelière.

Philippe Citerne, Former Chief Operating Officer of Société Générale. Aged 60, Philippe Citerne is a graduate of École Centrale de Paris. After holding a number of positions in the French Finance Ministry, he joined Société Générale in 1979, where he has served successively as Vice-President Economic Studies, Vice-President Finance, Vice-President Human Relations and then Director and Chief Operating Officer from 1997 to 2009.

Gabriele Galateri Di Genola, Chairman of Telecom Italia Spa. Aged 61, Gabriele Galateri di Genola has an MBA from Columbia University. He 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 before becoming Chairman of Mediobanca, a position he held until June 2007.

Gilles Pélisson, Chairman and Chief Executive Officer of Accor since February 24, 2009, having previously served as Chief Executive Officer from January 9, 2006. Aged 51, Gilles Pélisson graduated from France's ESSEC business school and holds an MBA from Harvard Business School. He began his career with Accor in 1983, based in the United States and then in the Asia-Pacific region, and served as Co-Chairman of the Novotel hotel chain. He was appointed Chief Operating Officer of Euro Disney in 1995 and Chairman and Chief Executive Officer in 1997. In 2000, he joined the Suez group, before moving to Bouygues Telecom where he served as Chief Executive Officer and then as Chairman and Chief Executive Officer from February 2004 to October 2005.

Alain Quinet, Vice-President Finance and Strategy and member of the Executive Committee of Caisse des dépôts et consignations. Aged 47, Alain Quinet is a graduate of Institut d'Etudes Politiques de Paris and Ecole Nationale d'Administration. He is an *Inspecteur Général des Finances* and before joining Caisse des dépôts et consignations in April 2008, held a number of positions in the French civil service, including Deputy Director of Economic Affairs in the Prime Minister's office. Mr. Quinet joined Caisse des dépôts et consignations as special advisor (*chargé de mission*) to Dominique Marcel. Since August 2008, he is Vice-President Finance and Strategy and a member of the company and group Executive Committees.

Alain Quinet was appointed by the Board as a director of Accor on August 27, 2008 to replace Dominique Marcel.

Franck Riboud, Chairman and Chief Executive Officer of Danone. Aged 53, Franck Riboud has an engineering degree from École Polytechnique Fédérale in Lausanne, Switzerland. He has spent his entire career with the Danone Group, holding positions in finance, marketing and business development, and has served as Chairman and Chief Executive Officer since 1996.

Patrick Sayer, Chairman of the Executive Board of Eurazeo. Aged 51, Patrick Sayer is a graduate of Ecole Polytechnique and Ecole des Mines de Paris. He served as a senior partner at Lazard Frères et Cie in Paris and Managing Director of Lazard Frères & Co in New York. Between 1989 and 1993 he participated in the formation and early ventures of the Fonds Partenaires private equity fund. He then helped redefine the investment strategy of Gaz et Eaux, since renamed Eurazeo, becoming Chairman of Eurazeo's Executive Board in May 2002.

Patrick Sayer was appointed by the Board as a director of Accor on August 27, 2008 to replace Etienne Davignon.

Election of new directors

The purpose of the **thirteenth to sixteenth** resolutions is to elect the following new directors for a three-year term:

Jean-Paul Bailly, aged 63. Chairman of the French Post Office (Groupe La Poste).

Jean-Paul Bailly has devoted his whole career to the Public Services through his participation in the management and running of two big public companies, first the RATP (Paris Transport Authority) then La Poste (French Post Office).

Between 1970 and 1977, Jean-Paul Bailly held various management positions within Régie Autonome des Transports Parisiens (RATP). In 1978, he took over the running of French technical cooperation programs in Mexico. In 1982, he moved back to RATP, where notably he held the posts of Vice President, Bus Rolling Stock, Vice President in charge of the Métro and RER (Paris suburban rail system) and Vice President, Human Resources. In 1990, he was appointed Deputy Chief Executive Officer of RATP then Chairman and Chief Executive Officer in 1994. Between 1997 and 2001, he also took on the Chairmanship of the UITP (International Public Transport Union). He has been Chairman of La Poste Group since 2002 and Chairman of the Supervisory Board of La Banque Postale since 2006.

Jean-Paul Bailly is a graduate of Ecole Polytechnique and Massachusetts Institute of Technology (USA).

Denis Hennequin, aged 51. President of McDonald's Europe and member of the Executive Committee of McDonald's Corporation.

Denis Hennequin has been President of McDonald's Europe since 2005, with responsibility for the Company's 6,600 restaurants in 40 countries. He began his career at McDonald's in 1984 as an Assistant Restaurant Manager. After becoming a Restaurant Manager, he rose through the organization holding numerous positions, including Training & Recruitment Consultant, Field Service Consultant, Director of Franchising, Director of Operations and Regional Manager for Paris and the surrounding suburbs. He was subsequently Vice President of Operations, Human Resources, Development & Regional Coordination. In 1996, he was appointed President & Managing Director of McDonald's France. He became Executive Vice President of McDonald's Europe in 2004 and President of McDonald's Europe in 2005.

Denis Hennequin holds a Bachelor's degree in Economics and a Master's degree in Private International and Social Law.

Bertrand Meheut, aged 58. Chairman and CEO of Canal+ Group.

Bertrand Meheut joined Canal+ Group in September 2002. Prior to that he held various senior positions in the life sciences industry. He spent most of his career at Rhône-Poulenc, which he joined in 1984 as deputy COO, Europe. He was successively CEO of the company's German affiliate, deputy CEO of Rhône-Poulenc Agro then Executive VP and COO Europe.

When Rhône-Poulenc merged with Germany's Hoechst to form Aventis in 1999, Bertrand Meheut was appointed COO of Aventis CropScience, an Aventis and Schering subsidiary involved in agrochemicals and biotechnologies with sales of €4.5 billion and 16,000 employees. His last position there before joining Canal+ Group was Chairman and CEO.

Bertrand Meheut holds an engineering degree from Ecole des Mines.

Virginie Morgon, aged 39. Executive Board member of Eurazeo.

Virginie Morgon co-leads the Eurazeo investment team and has been a member of the Executive Board since January 2008. She began her career with Lazard in 1994, working as an investment banker in New York and London and became a senior partner in 2000. Specialized in the European Food, Retail and Consumer goods sectors, during her 15 years at Lazard she advised numerous French and international groups such as Air Liquide, Danone, Kingfisher/ Castorama and Kesa/Darty, and Publicis.

Virginie Morgon is a graduate of Institut d'Etudes Politiques de Paris (Economics and Finance section) and holds a Master in Economics and Management (MIEM) from the University of Bocconi (Milan, Italy).

Directors' fees

The **seventeenth** resolution concerns the annual fees to be paid by Accor SA to directors.

The Board allocates these fees among members based on their attendance rate at Board meetings.

The proposed total fees have been set at €420,000 for 2009. This amount has been determined proportionately to the €590,000 approved at the January 9, 2006 Shareholders' Meeting, based on the actual number of directors expected to participate in Board meetings in 2009.

Approval of related-party agreements

In the **eighteenth to twenty-third** resolutions, shareholders are requested to approve the related-party agreements governed by Article L.225-38 of the French Commercial Code that were authorized by the Board of Directors in 2008 and the first quarter of 2009 (described in the Auditors' special report).

In accordance with good corporate governance practices, as was the case at the last two Annual Shareholders' Meetings, each related-party agreement entered into during 2008 and the first quarter of 2009 will be submitted for shareholder approval separately.

In the **eighteenth** resolution shareholders are asked to approve a related-party agreement entered into by the Board of Directors with Caisse des Depots et Consignations on May 13, 2008 for the purpose of forming a joint venture whose shares are (i) 47% held by a company made up of entities that collect the *1% Logement* employer housing levy; (ii) 27% held by Accueil Partenaires, a majority-owned Accor subsidiary; and (iii) 26% held by *Caisse des dépôts et consignations.*

The purpose of this newly-formed company is to operate a network of service apartments for low-income residents under the Logirelais partnership entered into in 2007 with the French State and the national agency responsible for managing the employer housing levy (Agence Nationale pour la Participation des Employeurs à l'Effort de Construction).

The directors concerned by this related-party agreement are Augustin de Romanet de Beaune, Dominique Marcel (until August 27, 2008) and Alain Quinet (since August 27, 2008), respectively Chief Executive Officer and Vice-President, Finance and Strategy and a member of the Executive Committee of Caisse des dépôts et consignations.

The **nineteenth** resolution concerns a related-party agreement entered into by the Board of Directors with Colony Capital SAS on December 16, 2008 for the creation of ColSpa SAS, a joint venture that is 80%-held by ColMolitor (Colony Capital), 10% by Accor SA and 10% by Sodéarif (Bouygues). This joint venture will act as lessee under the long-term lease granted by the City of Paris concerning the project to renovate and operate the Molitor swimming pool, which will include swimming areas, a spa and health centre, a four-star hotel (the MGallery Molitor), food courts, reception and events areas, a sports medicine center and sports retail outlets.

The cost of the project is estimated at €65 million, which will be 40% equity-financed and 60% debt-financed. ColSpa's initial share capital amounted to €37,000, half of which was paid up when the shares were purchased.

The payments due under the 54-year lease granted by the City of Paris break down as follows:

- a fixed rent of €1 until the site is opened to the public and then €25,000 in year 1, €50,000 in year 2 and €75,000 as from year 3, with payments indexed to the French National Construction Cost Index;
- a variable rent corresponding to 0.10% of the site's revenue for years 1 to 3, 0.25% for years 4 to 6 and 0.50% as from year 7;
- an additional variable rent corresponding to 10% of any revenue in excess of €30 million, with this threshold also indexed to the French Construction Cost Index.

The directors concerned by this related-party agreement are Thomas J. Barrack and Sébastien Bazin, respectively Chairman and Chief Executive Officer of Colony Capital LLC and Chief Executive Officer Europe of Colony Capital SAS.

In the twentieth, twenty-first and twenty-second resolutions, shareholders are asked to authorize related-party agreements entered into by the Board of Directors on December 16, 2008 and February 24, 2009 with Gilles Pélisson, Director and Chief Executive Officer of Accor until February 24, 2009 and Chairman and Chief Executive Officer of Accor since that date.

The purposes of the resolutions are as follows:

- in the **twentieth** resolution, to ratify the Board of Directors' authorization, granted in accordance with Article L.225-42-1 of the French Commercial Code, for the Company to take out private unemployment insurance with the Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise - GSC, a not-for-profit insurer set up in 1979 jointly by the MEDEF and CGPME employers' federations. This is due to the fact that under French law, the Chief Executive Officer is not entitled to benefits under the UNEDIC statutory unemployment scheme. The private insurance coverage will only be effective once the Company has paid contributions for an uninterrupted period of 12 months. The unemployment benefits would initially be payable for a period of 12 months as from the 31st day of continuous unemployment, increased to 24 months after the first year of membership of the scheme. The benefits are based on the net taxable income generated from the beneficiary's professional activity for the previous year, subject to an annual cap of €109,785 for 2009. The contributions due to GSC under the scheme will be paid in full by the Company;
- in the **twenty-first** resolution, to amend the terms and conditions governing the termination benefits payable to the Chief Executive Officer in order to comply with the AFEP/MEDEF recommendations on executive directors' compensation issued on October 6, 2008. The Board proposes reducing the amount of the Chief Executive Officer's termination benefit as set in 2006 from three times to two times his base salary and incentive bonus for his last full year as Chief Executive Officer. This change would take effect upon his re-appointment as Chairman and Chief Executive Officer. Note that the benefit would not be payable if the Chairman and Chief Executive Officer were terminated as a result of gross or willful misconduct. The performance conditions applicable to the payment of the termination benefit are as follows:
  - the Group's return on capital employed must be higher than its cost of capital as published in the Registration Document for the previous three years,
  - Accor Services must have reported like-for-like revenue growth of more than 8% for at least two of the three previous years,
  - the Hotels business must have reported positive free cash flow for at least two of the three previous years,
  - the annual average Accor share price multiplied by 100 must have represented more than 85% of the annual average CAC 40 index for each of the previous three years;

  These performance conditions would have the following impact on the amount of the termination benefit due:

  - if at least three of the four criteria were met the benefit would be payable in full,
  - if at least two of the four criteria were met half of the benefit would be payable,
  - if none or only one of the four criteria were met no termination benefit would bepayable;
- in the **twenty-second** resolution, to ratify an addendum to Gilles Pélisson's employment contract removing any clauses that give him rights in excess of those provided for by law and the applicable collective bargaining agreement. This addendum states that if Mr. Pélisson's employment contract is terminated within six months of his ceasing to be a corporate officer, the termination benefit paid to him as a result of the loss of his corporate office will be deducted from the legal severance pay due in connection with the termination of his employment contract. The agreement referred to in the twenty-second resolution will be applicable only if Gilles Pélisson is re-elected as a director at this meeting and will accordingly take effect from May 13, 2009.

The **twenty-third** resolution concerns a related-party agreement entered into by the Board on February 24, 2009 with Paul Dubrule and Gérard Pélisson, Co-Founders and Co-Chairmen of Accor. This agreement provides for the payment of €300,000 (excluding VAT) to each of the Group's Co-Founders and Co-Chairmen, as remuneration for advisory and representative work carried out on behalf of the Group during 2008 and to be carried out in 2009 and 2010.

The Co-Founders and Co-Chairmen provide the Group with their in-depth expertise and the vast network of high-level public and corporate contacts they have developed over many years.

In 2008 Paul Dubrule contributed to strategic marketing reviews, such as analyzing new hotel concepts, as well as helping to craft the Group's environmental policy. He has also contributed to the Group's expansion of its Hotels business in Asia, particularly in China.

In 2008, Gérard Pélisson helped to pave the way for developing a number of hotel projects, particularly in the Middle East and Africa.

Authorization to trade in the Company's shares

In the **twenty-fourth** resolution, the Board of Directors is seeking an eighteen-month authorization to trade in Accor SA shares on the Company's behalf, subject to compliance with the applicable laws. This authorization would terminate, with immediate effect, the unused portion of the previous authorization given in the eleventh resolution of the Ordinary Shareholders' Meeting held on May 13, 2008.

The aims of the share buyback program are listed in the resolution submitted to shareholders and also in the section below entitled "Share Buyback Program."

Under this authorization, buybacks may be carried out at any time except when the Company is the target of a takeover bid.

The maximum purchase price will be set at €80 per share and the minimum sale price at €30. The Company will not be authorized to purchase more than 21,900,000 shares, corresponding to 9.95% of the capital at December 31, 2008 and representing a maximum total investment of €1,752 million.

In 2008, the Board of Directors used the authorization granted by the shareholders at the Ordinary Meeting of May 13, 2008 to buy back 1,837,699 shares (0.79% of the Company's capital at that date) at an average price of €33.70, representing a total investment of €61,924,498.

At December 31, 2008 the Company no longer held any treasury shares.

Authorization to reduce the Company's capital by cancelling shares

The purpose of the **twenty-fifth** resolution is to authorize the Board of Directors to cancel all or some of the shares bought back pursuant to the **twenty-fourth** resolution and to reduce the capital accordingly. The number of shares cancelled in any given twenty-four month period may not exceed the equivalent of 10% of the total shares outstanding.

This authorization would terminate, with immediate effect, the unused portion of the previous authorization given in the twelfth resolution of the Extraordinary Shareholders' Meeting held on May 13, 2008. It is being sought for a period of eighteen months and is the subject of a special report issued by the Auditors in accordance with the law.

Since May 13, 2008 the Board of Directors has used the authorization granted by the Extraordinary Shareholders' Meeting on that date to cancel 10,227,849 shares, representing 4.44% of the Company's capital at May 13, 2008.

Authorizations to issue shares and/or share equivalents

The purpose of the twenty-sixth and twenty-seventh resolutions is to renew the authorizations giving the Board of Directors the necessary flexibility to act swiftly to raise the financial resources required to implement the Group's growth strategy.

In prior years, shareholders voted resolutions authorizing the issue of shares and share equivalents in France, abroad and/or on international markets with or without pre-emptive subscription rights for existing shareholders, based on the opportunities offered by the financial markets, in the best interests of the Company and its shareholders. These authorizations were not used in 2008.

The **twenty-sixth** resolution authorizes the Board of Directors to issue shares and share equivalents with pre-emptive subscription rights for existing shareholders.

The aggregate par value of shares issued under this resolution would be capped at €200 million – representing around 66 million, €3 par value shares or roughly 30.3% of the capital at December 31, 2008 – not including the par value of any shares to be issued pursuant to the law to protect the rights of existing holders of share equivalents. The ceiling is unchanged from that specified in the seventeenth resolution of the Extraordinary Shareholders' Meeting of May 14, 2007.

The aggregate nominal value of debt securities issued under the authorization would be capped at €4 billion or the equivalent in foreign currency.

The **twenty-seventh** resolution authorizes the Board of Directors to issue shares and share equivalents without pre-emptive subscription rights for existing shareholders.

The Board of Directors wants to be able to react quickly to any financial opportunity arising in rapidly changing and diverse financial markets in France and abroad by swiftly arranging issues that can be placed with investors interested in certain types of financial instruments. To be able to do so, the Board needs to be in a position to offer the securities to investors without waiting for shareholders to exercise their pre-emptive rights.

This resolution takes into account the latest regulatory changes, including the governmental order dated January 23, 2009 allowing issues of shares and/or share equivalents to qualified investors without pre-emptive subscription rights for existing shareholders.

If the authorization is used, shareholders may be offered the opportunity to subscribe to the securities on a priority basis, during a period and on terms to be decided by the Board of Directors based on market practices. The Board of Directors and the Statutory Auditors will issue reports in connection with any such issues, which will be made available to shareholders in accordance with the legal requirements.

The aggregate par value of shares issued under this resolution would be capped at €150 million – representing around 50 million, €3 par value shares or roughly 22.70% of the Company's capital at December 31, 2008 – not including the par value of any shares to be issued pursuant to the law to protect the rights of existing holders of share equivalents.

The aggregate nominal value of debt securities carrying rights to shares issued under the authorization would be capped at €3 billion or the equivalent in foreign currency.

The authorizations sought in the twenty-sixth and twenty-seventh resolutions are for a twenty-six month period from the date of this meeting and would replace, with immediate effect, the previous authorizations given in the seventeenth and eighteenth resolutions of the Extraordinary Shareholders' Meeting held on May 14, 2007. They are the subject of a special report issued by the Auditors.

Authorization to issue shares or other securities representing a maximum of 10% of the Company's capital in payment for contributed assets

The **twenty-eighth** resolution is being presented in accordance with Article L.225-147 of the French Commercial Code, in order to renew the authorization given to the Board of Directors to issue shares or other securities in payment for contributed assets, provided that said issues do not result in the capital being increased by more than 10%.

The procedure continues to be governed by the rules relating to contributed assets, particularly the requirement to have the assets valued by an appraisal auditor in accordance with Article L.225-147 of the French Commercial Code.

The authorization is being sought for a twenty-six month period from the date of this meeting and is the subject of a special report issued by the Auditors. It would terminate, with immediate effect, the previous authorization given in the nineteenth resolution of the Extraordinary Shareholders' Meeting held on May 14, 2007, which was not used in 2008.

Authorization to increase the amount of any issues that are oversubscribed

The purpose of the **twenty-ninth** resolution is to renew the authorization given to the Board of Directors to increase the amount of any issues of shares and/or share equivalents with or without pre-emptive subscription rights that are oversubscribed, as provided for in Article L.225-135-1 of the French Commercial Code. The issues concerned are those authorized by the **twenty-sixth** and **twenty-seventh** resolutions. Additional securities issued under this authorization, directly or indirectly, would not represent more than 15% of the initial issue.

The authorization is being sought for a twenty-six month period from the date of this meeting. It would terminate, with immediate effect, the previous authorization given in the twentieth resolution of the Extraordinary Shareholders' Meeting held on May 14, 2007, which was not used in 2008.

Authorization to issue shares to be paid up by capitalizing retained earnings, profit, additional paid-in capital or any other eligible amounts

The purpose of the **thirtieth** resolution is to authorize the Board of Directors to issue shares or to increase the par value of existing shares, to be paid up by capitalizing retained earnings, profit, additional paid-in capital or any other eligible amounts. The Board of Directors may use this authorization in conjunction with a share issue for cash carried out under the twenty-sixth or twenty-seventh resolution.

This authorization, which is being sought for a twenty-six month period from the date of this meeting, would terminate, with immediate effect, the previous authorization given in the twenty-first resolution of the Extraordinary Shareholders' Meeting held on May 14, 2007, which was not used in 2008.

Blanket ceiling on financial authorizations

The **thirty-first** resolution sets a cap of €300 million on the aggregate par value of share issues carried out directly or on conversion, redemption, exchange or exercise of share equivalents, with or without pre-emptive subscription rights, pursuant to the twenty-sixth to thirtieth resolutions within the next twenty-six months. This ceiling does not include the par value of any shares to be issued to protect the rights of existing holders of share equivalents, as required by law. It is the same as that set by the Extraordinary Shareholders' Meeting of May 14, 2007.

Employee rights issues

In accordance with paragraph 1 of Article L.225-129-6 of the French Commercial Code, whenever companies decide to issue shares for cash, except in the specific cases provided for by law, they must also submit to shareholders a resolution authorizing a rights issue for participants in an employee stock ownership plan.

The purpose of the **thirty-second** resolution is therefore to authorize the Board to issue shares and/or share equivalents to employees, as required by the above Act. The total number of shares and/or share equivalents that may be issued under this authorization would be limited to the equivalent of 2% of the Company's capital as of the date of this meeting, unchanged from the maximum amount authorized by the Extraordinary Shareholders' Meeting of May 13, 2008.

This authorization is being sought for a twenty-six month period as from the date of this meeting and would terminate, with immediate effect, the previous authorization granted in the fourteenth resolution of the Extraordinary Shareholders' Meeting held on May 13, 2008.

Powers to carry out formalities

In the **thirty-third** resolution, shareholders are asked to give full powers to the bearer of an original, extract or copy of the minutes of the meeting to carry out any and all filing and other formalities required by law.

PROPOSED RESOLUTIONS
PRESENTED AT THE COMBINED ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 13, 2009

First resolution

Approval of the 2008 financial statements of the Company

Having considered the Report of the Chairman of the Board of Directors on the Preparation and Organization of Board of Directors' Meetings and Internal Control Procedures, as well as the Management Report prepared by the Board of Directors and the Auditors' Report on the financial statements of Accor SA, the Ordinary Meeting approves the financial statements of the Company for the year ended December 31, 2008, as presented.

The Ordinary Meeting also approves the transactions reflected in the financial statements and the Board of Directors' management during the year.

Second resolution

Approval of the 2008 financial statements of the Group

Having considered the Management Report of the Board of Directors and the Auditors' Report on the consolidated financial statements, the Ordinary Meeting approves the consolidated financial statements for the year ended December 31, 2008, as presented.

Third resolution

Appropriation of 2008 profit

The Ordinary Meeting approves the recommendation of the Board of Directors and resolves:

1. to appropriate:

▸ 2008 net profit	€482,441,449.10
plus	
▸ retained earnings	€295,741,670.28
▸ prior-year dividends not paid out on treasury stock	€26,428,972.50
▸ **total profit available for distribution**	**€804,612,091.88**

As follows, based on the 219,894,523 shares outstanding at December 31, 2008

▸ to the payment of an ordinary dividend of €1.65 per share	€362,825,962.95
▸ to retained earnings	€441,786,128.93

2. accordingly, after noting the existence of profit available for distribution, the Ordinary Meeting resolves to pay **an ordinary dividend of €1.65** on all shares carrying dividend rights. If the number of shares carrying rights to the 2008 dividend is below or exceeds 219,894,523, the amount of the dividend will be decreased or raised as appropriate and the amount allocated to retained earnings will be adjusted on the basis of the total dividend actually paid.
3. the total the dividend is eligible for the 40% tax allowance provided for in Article 158.3.2 of the French General Tax Code. This allowance may not, however, be claimed by shareholders who have opted to pay the flat-rate dividend withholding tax in accordance with Article 117 ***quater*** of the General Tax Code (18% excluding social security taxes).
4. the ex-dividend date is set at May 20, 2009.

As required by law, the Ordinary Meeting notes that dividends per share for the last three years were as follows:

In euros	2005	2006	2007
Dividend	1.15	2.95(1)	3.15(2)

(1) Including a special dividend of €1.50.
(2) Including a special dividend of €1.50.

Fourth resolution

Dividend payment

Having considered the report of the Board of Directors and subject to adoption of the thirteenth resolution, the Ordinary Meeting resolves to offer each shareholder an option of receiving their dividend in cash or in shares as follows:

- the option will apply to the total dividend;
- the option exercise period will run from May 20, 2009 through June 8, 2009 and the dividend will be paid in cash or shares on June 17, 2009. Any shareholder that has not exercised their option by June 8, 2009 will receive a cash dividend;
- in accordance with Article L.232-19 of the French Commercial Code, the price of the shares purchased by reinvesting the dividend will be equal to the average of the opening prices quoted for Accor shares over the twenty trading days preceding the date of this meeting, less the net dividend. The Board of Directors may round up the price thus determined to the nearest euro cent;
- the new shares will carry dividend rights from January 1, 2009.

All shareholders will be sent share subscription forms.

If the amount of the dividend to which a shareholder is entitled does not correspond to a whole number of shares, the shareholder will receive the next lowest whole number of shares with the difference paid in cash.

In accordance with Article L.232-20 of the Commercial Code, the Ordinary Meeting grants full powers to the Board of Directors to take all necessary measures to pay the dividend in the form of shares. Accordingly, the Board shall determine the issue price of the shares on the basis described above, place on record the number of shares issued and the ensuing capital increase, amend the Bylaws to reflect the new capital and carry out all the required legal publication formalities. These powers may be delegated, subject to compliance with the law.

Fifth resolution

Re-election of a director

The Ordinary Meeting re-elects Thomas J. Barrack as a director for a three-year term commencing at the close of this meeting and expiring at the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2011.

Sixth resolution

Re-election of a director

The Ordinary Meeting re-elects Sébastien Bazin as a director for a three-year term commencing at the close of this meeting and expiring at the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2011.

Seventh resolution

Re-election of a director

The Ordinary Meeting re-elects Philippe Citerne as a director for a three-year term commencing at the close of this meeting and expiring at the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2011.

Eighth resolution

Re-election of a director

The Ordinary Meeting re-elects Gabriele Galateri di Genola as a director for a three-year term commencing at the close of this meeting and expiring at the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2011.

Ninth resolution

Re-election of a director

The Ordinary Meeting re-elects Gilles Pélisson as a director for a three-year term commencing at the close of this meeting and expiring at the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2011.

Tenth resolution

Ratification of the appointment of a director and re-election

The Ordinary Meeting:

- ratifies the Board's appointment of Alain Quinet as a director to replace Dominique Marcel for the remainder of his predecessor's term of office, expiring at the close of the Annual Shareholders' Meeting held to approve the accounts for the year ended December 31, 2008;
- re-elects Alain Quinet as a director for a three-year term commencing at the close of this meeting and expiring at the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2011.

Eleventh resolution

Re-election of a director

The Ordinary Meeting re-elects Franck Riboud as a director for a three-year term commencing at the close of this meeting and expiring at the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2011.

Twelfth resolution

Ratification of the appointment of a director and re-election

The Ordinary Meeting:

- ratifies the Board's appointment of Patrick Sayer as a director to replace Etienne Davignon for the remainder of his predecessor's term of office, expiring at the close of the Annual Shareholders' Meeting held to approve the accounts for the year ended December 31, 2008;
- re-elects Patrick Sayer as a director for a three-year term commencing at the close of this meeting and expiring at the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2011.

Thirteenth resolution

Election of Jean-Paul Bailly as a director

The Ordinary Meeting elects Jean-Paul Bailly as a director for a three-year term commencing at the close of this meeting and expiring at the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2011.

Fourteenth resolution

Election of Denis Hennequin as a director

The Ordinary Meeting elects Denis Hennequin as a director for a three-year term commencing at the close of this meeting and expiring at the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2011.

Fifteenth resolution

Election of Bertrand Meheut as a director

The Ordinary Meeting elects Bertrand Meheut as a director for a three-year term commencing at the close of this meeting and expiring at the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2011.

Sixteenth resolution

Election of Virginie Morgon as a director

The Ordinary Meeting elects Virginie Morgon as a director for a three-year term commencing at the close of this meeting and expiring at the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2011.

Seventeenth resolution

Directors' fees

The Ordinary Meeting resolves to set the total fees payable to directors at €420,000 for 2009.

Eighteenth resolution

Approval of a related-party agreement

Having considered the Auditors' special report on agreements governed by Articles L.225-38 *et seq.* of the Commercial Code, the Ordinary Meeting approves the agreement entered into with Caisse des dépôts et consignations.

Nineteenth resolution

Approval of a related-party agreement

Having considered the Auditors' special report on agreements governed by Articles L.225-38 *et seq.* of the Commercial Code, the Ordinary Meeting approves the agreement entered into with Colony Capital SAS.

Twentieth resolution

Approval of a related-party agreement

Having considered the Auditors' special report on agreements governed by Articles L.225-38 *et seq.* of the Commercial Code, the Ordinary Meeting approves the agreement entered into with Gilles Pélisson.

Twenty-first resolution

Approval of a related-party agreement

Having considered the Auditors' special report on agreements governed by Articles L.225-38 *et seq.* of the Commercial Code, the Ordinary Meeting approves the agreement entered into with Gilles Pélisson.

Twenty-second resolution

Approval of a related-party agreement

Having considered the Auditors' special report on agreements governed by Articles L.225-38 *et seq.* of the Commercial Code, the Ordinary Meeting approves the agreement entered into with Gilles Pélisson.

Twenty-third resolution

Approval of a related-party agreement

Having considered the Auditors' special report on agreements governed by Articles L.225-38 *et seq.* of the Commercial Code, the Ordinary Meeting approves the agreement entered into with Paul Dubrule and Gérard Pélisson.

Twenty-fourth resolution

Authorization given to the Board of Directors to trade in the Company's shares

Having considered the report of the Board of Directors, the Ordinary Meeting authorizes the Board to trade in the Company's shares in accordance with Articles L.225-209 *et seq.* of the Commercial Code, subject to the conditions set out below.

The Board of Directors may purchase, sell or transfer shares under this authorization, subject to compliance with the above-mentioned

Code and in accordance with the practices authorized by the Autorité des Marchés Financiers, for the following purposes:

- to purchase shares for cancellation in connection with a capital reduction decided or authorized by the shareholders in Extraordinary Meeting;
- for allocation upon exercise of stock options granted under plans governed by Articles L.225-177 *et seq.* of the 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 conversion, redemption, exchange or exercise of share equivalents;
- to be held in treasury for subsequent remittance in exchange or payment in connection with an acquisition, a merger, a demerger or an asset contribution, subject to 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.

The share buyback program may also be used for any other purposes authorized by current or future laws and regulations, provided that the Company informs shareholders of the purpose of the buybacks in a specific press release.

The shares may not be bought back at a price of more than €80 per share and may not be sold at a price of less than €30 per share. However, the minimum price will not apply to shares sold upon exercise of stock options (or allocated to employees in the form of stock grants). In such cases, the sale price or consideration will be determined in accordance with the provisions of the plan concerned.

The maximum purchase price and the minimum sale price will be adjusted to reflect the impact of any corporate actions, including any bonus share issue, or any stock-split or reverse stock-split.

In application of Article 225–209 of the Commercial Code, the maximum number of shares that may be acquired under this authorization is set at 21,900,000, corresponding to a total investment of no more than €1,752 million based on the maximum purchase price of €80 per share authorized above.

The Ordinary Meeting resolves that (i) the purchase, sale or transfer of shares may be effected and settled by any method allowed under the laws and regulations in force at the transaction date, in one or several transactions, on the market or over-the-counter, including through the use of options, derivatives – particularly, the purchase or sale of call and put options – or securities carrying rights to Company shares, and that (ii) the entire buyback program may be implemented through a block trade.

The Ordinary Meeting gives full powers to the Board of Directors to use this authorization, place any and all buy and sell orders, enter into any and all agreements, carry out any and all reporting and other formalities, and generally do whatever is necessary to implement this resolution. These powers may be delegated subject to compliance with the law.

This authorization, which is given for an eighteen-month period as from the date of this meeting, terminates, with immediate effect, the unused portion of the previous authorization given in the eleventh resolution of the Ordinary Shareholders' Meeting held on May 13, 2008.

Twenty-fifth resolution

Authorization to reduce the Company's capital by canceling shares

Having considered the report of the Board of Directors and the Auditor's special report, the Extraordinary Meeting resolves, in accordance with Article L.225-209 of the Commercial Code, to:

1. Authorize the Board of Directors to reduce the Company's capital, on one or several occasions, by canceling some or all of the Accor shares held in treasury, provided that the number of shares cancelled in any twenty-four month period does not exceed the equivalent of 10% of the Company's total share capital as at the date of this meeting;
2. Give the Board full powers, which may be delegated in accordance with the law, to:

- effect the capital reduction(s),
- determine the amount and terms thereof and place on record the capital reduction(s) resulting from the cancellation of shares under this resolution,
- charge the difference between the carrying amount of the cancelled shares and their par value against additional paid-in capital or reserves,
- amend the Bylaws to reflect the new capital and generally carry out any necessary reporting and other formalities,

All in compliance with the laws and regulations in force when this authorization is used;

3. Terminate, with immediate effect, the unused portion of the previous authorization given in the twelfth resolution of the Annual Meeting held on May 13, 2008;
4. This authorization is given for an eighteen-month period as from the date of this meeting.

Twenty-sixth resolution

Authorization to issue shares and/or share equivalents and/or securities carrying rights to debt securities, with pre-emptive subscription rights for existing shareholders

Having considered the report of the Board of Directors and the Auditor's special report, the Extraordinary Meeting resolves, in accordance with Articles L.225-129, L.225-129-2, L.228-92 and L.228-93 and other relevant provisions of the Commercial Code:

1. to give the Board of Directors the necessary powers to issue shares (excluding preference shares) and/or share equivalents, represented by securities carrying immediate and/or future rights to shares of the Company or of any company that is more than 50%-owned, directly or indirectly, or carrying rights to debt securities, governed by Articles L.228-91 *et seq.* of the Commercial Code, to be paid up in cash or by capitalizing liquid and callable debt. The Board of Directors shall have full discretionary powers to determine the amount of said issues, which may be carried out in France or on the international market, provided that existing shareholders are given a pre-emptive subscription right. The securities may be denominated in euros, foreign currencies or any monetary unit determined by reference to a basket of currencies;
2. that the maximum aggregate amount by which the capital may be increased under this authorization, directly and/or on conversion, exchange, redemption or exercise of share equivalents, may not exceed €200 million. This ceiling shall not include the par value of any shares to be issued pursuant to the law to protect the rights of existing holders of share equivalents in the event of further corporate actions;
3. that the maximum aggregate face value of debt securities carrying rights to shares that are issued under this authorization may not exceed €4 billion or the equivalent in foreign currencies or in any monetary unit determined by reference to a basket of currencies;
4. that shareholders will have a pre-emptive right to subscribe to the shares and/or share equivalents issued under this authorization, as provided for by law, pro rata to their existing holdings. In addition, the Board of Directors may grant shareholders a pre-emptive right to subscribe for any shares and/or share equivalents not taken up by other shareholders. If the issue is oversubscribed, such additional pre-emptive rights shall also be exercisable pro rata to the existing interest in the Company's capital of the shareholders concerned;

   if an issue is not taken up in full by shareholders exercising their pre-emptive rights as described above, the Board of Directors may take one or the other following courses of action, in the order of its choice:

   - limit the amount of the issue to the subscriptions received provided that at least three-quarters of the issue is taken up,
   - freely allocate all or some of the unsubscribed shares and/or share equivalents among the investors of its choice,
   - offer all or some of the unsubscribed shares or share equivalents for subscription by the public.
5. that warrants to subscribe to the Company's shares may be offered for subscription on the above basis or allocated among holders of existing shares without consideration;
6. that this authorization will automatically entail the waiver of shareholders' preemptive rights to subscribe for the shares to be issued on conversion, exchange, redemption or exercise of the share equivalents;
7. that the Board of Directors shall have full powers to use this authorization and to delegate said powers subject to compliance with the law. Accordingly, the Board of Directors shall be authorized to:

   - decide to carry out a capital increase and determine the type of securities to be issued,
   - decide on the amount of each issue, the issue price and any issue premium,
   - decide on the timing and other terms of the issues, including the form and characteristics of the securities. In the case of an issue of debt securities, the Board of Directors shall determine (i) whether the debt should be subordinated or unsubordinated and the ranking of any subordinated debt in accordance with Article L.228-97 of the Commercial Code; (ii) the interest rate (i.e. fixed or variable, indexed or zero coupon); (iii) the conditions under which interest payments may be cancelled or suspended; (iv) the life of the securities (i.e. dated or undated); (v) whether the nominal amount of the securities may be reduced or increased; and (vi) all other terms and conditions of the issue, including any guarantees in the form of collateral, and any repayment conditions (such as repayment in assets). The issued securities may have warrants attached that are exercisable for other debt securities. They may also include the option for the Company to issue debt securities in settlement of interest whose payment has been suspended by the Company or they may take the form of complex bonds as defined by the stock market authorities (for example as a result of their interest or repayment terms or whether they are indexed or include embedded options). The Board of Directors may amend any of the above terms and conditions during the life of the securities, provided that the applicable formalities are carried out,
   - determine the method by which the shares and/or share equivalents will be paid up,

- determine, where appropriate, the terms and conditions for (i) exercising the rights attached to the shares and/or share equivalents, notably by setting the date – which may be retroactive – from which new shares will carry rights; and (ii) exercising any conversion, exchange and redemption rights, including redemption in exchange for assets such as other securities of the Company; as well as any other terms and conditions applicable to such issues,
- set the terms and conditions under which the Company may buy back or exchange on the open market the issued shares and/or share equivalents, at any time or within specified periods, with a view to holding them or cancelling them in accordance with the applicable laws;
- suspend the exercise of the rights attached to the securities, in accordance with the applicable laws and regulations;
- at its sole discretion, charge any and all costs incurred in connection with said issues against the related premiums, and deduct from these premiums the necessary amounts to be credited to the legal reserve;
- make any and all adjustments to take into account the impact of corporate actions, including (i) a change in the par value of the shares; (ii) a bonus share issue paid up by capitalizing reserves, a stock-split or reverse stock-split, a distribution of reserves or other assets, or a return of capital; and determine the method to be used to ensure that the rights of existing holders of share equivalents are protected;
- place on record the capital increases resulting from the use of this authorization and amend the Bylaws to reflect the new capital;
- generally, enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue, listing and service of the securities pursuant to this authorization and for the exercise of any related rights;

8. to terminate, with immediate effect, the previous authorization given in the seventeenth resolution of the Extraordinary Shareholders' Meeting of May 14, 2007;
9. that this authorization is given for a period of twenty-six months from the date of this meeting.

Twenty-seventh resolution

Authorization to issue shares and/or share equivalents and/or securities carrying rights to debt securities, without pre-emptive subscription rights for existing shareholders, including in payment for shares tendered to a public exchange offer

Having considered the report of the Board of Directors and the Auditor's special report, the Extraordinary Meeting resolves, in accordance with Articles L.225-129 to L.225-129-6, L.225-135, L.225-136, L.225-148, L.228-92, L.228-93 and other relevant provisions of the Commercial Code:

1. to give the Board of Directors the necessary powers to issue shares (excluding preference shares) and/or share equivalents, represented by securities carrying immediate and/or future rights to shares of the Company or of any company that is more than 50%-owned, directly or indirectly, or carrying rights to debt securities, governed by Articles L.228-91 *et seq.* of the Commercial Code, to be paid up in cash or by capitalizing liquid and callable debt. Said issues may be carried out through a public placement or by way of an offering to qualified investors or a restricted group of investors subject, in the latter two cases, to the ceilings specified in the new legal and regulatory provisions applicable from April 1, 2009. The Board of Directors shall have full discretionary powers to determine the amount of said issues, which may be carried out in France or on the international market. The securities may be denominated in euros, foreign currencies or any monetary unit determined by reference to a basket of currencies. These securities may be used as payment for securities complying with Article L.225-148 of the Commercial Code that are tendered to a public exchange offer carried out in France or abroad in accordance with local regulations, such as in the case of a reverse merger;
2. that the maximum aggregate amount by which the capital may be increased under this authorization, directly and/or on conversion, exchange, redemption or exercise of share equivalents, may not exceed €150 million. This ceiling shall not include the par value of any shares to be issued pursuant to the law to protect the rights of existing holders of share equivalents in the event of further corporate actions;
3. that shares may be issued upon exercise of rights attached to securities issued by any entity in which the Company holds over one half of the capital, directly or indirectly, that are convertible, exchangeable, redeemable or otherwise exercisable for shares of the Company, subject to the latter's approval;
4. that the maximum aggregate face value of debt securities carrying rights to shares that are issued under this authorization may not exceed €3 billion or the equivalent in foreign currencies;
5. to waive shareholders' preemptive rights to subscribe for the shares or other securities to be issued under this authorization. However, in accordance with paragraph 2 of Article L.225-135 of the Commercial Code, the Board of Directors may offer shareholders a priority right to subscribe for all or part of any

issue, for a specified period and subject to terms and conditions to be set in accordance with the applicable laws and regulations. This priority subscription right will not be transferable and the securities will be allocated pro rata to shareholders' existing interests. If any shareholders elect not to exercise this right, the Board of Directors may offer the unsubscribed securities to the other shareholders, and any remaining unsubscribed securities will be placed on the market in France and/or abroad, and/or on the international market;

6. that if the issue is not taken up in full by shareholders and the public, the Board of Directors may take one or other of the following courses of action, in the order of its choice:

- limit the amount of the issue to the subscriptions received provided that at least three-quarters of the issue is taken up,
- freely allocate all or some of the unsubscribed shares and/or other securities among the investors of its choice;

7. that this authorization will automatically entail the waiver of shareholders' preemptive rights to subscribe for the shares to be issued on conversion, exchange, redemption or exercise of the share equivalents;

8. that, in accordance with paragraph 1 of Article L.225-136-1 of the Commercial Code:

- the issue price of the shares issued directly under this authorization will be at least equal to the minimum price set by the applicable regulations on the issue date (currently corresponding to the weighted average of the prices quoted for the Company's shares on Eurolist by Euronext over the three trading days preceding the pricing date less a 5% discount), as adjusted for any difference in cum-dividend dates,
- the issue price of share equivalents shall be set in such a way that the amount received by the Company at the time of issue plus the amount to be received on conversion, exchange, redemption or exercise of said share equivalents is at least equal to the issue price defined above for each new share,
- the number of shares to be issued on conversion, exchange, redemption or exercise of share equivalents issued under this authorization shall be determined in such a way as to ensure that the amount received by the Company – taking into account the face value of said share equivalents – is at least equal to the minimum issue price set out above;

9. that the Board of Directors shall have full powers to use this authorization and to delegate said powers subject to compliance with the law. Accordingly, the Board of Directors shall be authorized to:

- decide to carry out a capital increase and determine the type of securities to be issued,
- decide on the amount of each issue, the issue price and any issue premium,
- decide on the timing and other terms of the issues, including the form and characteristics of the securities. In the case of an issue of debt securities (including securities carrying rights to debt securities governed by Article L.228-91 of the Commercial Code), the Board of Directors shall determine (i) whether the debt should be subordinated or unsubordinated and the ranking of any subordinated debt in accordance with Article L.228-97 of the Commercial Code; (ii) the interest rate (i.e. fixed or variable, indexed or zero coupon); (iii) the conditions under which interest payments may be cancelled or suspended; (iv) the life of the securities (i.e. dated or undated); (v) whether the nominal amount of the securities may be reduced or increased; and (vi) all other terms and conditions of the issue, including any guarantees in the form of collateral, and any repayment conditions (such as repayment in assets). The issued securities may have warrants attached that are exercisable for other debt securities. They may also include the option for the Company to issue debt securities in settlement of interest whose payment has been suspended by the Company or they may take the form of complex bonds as defined by the stock market authorities (for example as a result of their interest or repayment terms or whether they are indexed or include embedded options). The Board of Directors may amend any of the above terms and conditions during the life of the securities, provided that the applicable formalities are carried out,
- determine the method by which the shares and/or share equivalents will be paid up,
- determine, where appropriate, the terms and conditions for (i) exercising the rights attached to the shares and/or share equivalents, notably by setting the date – which may be retroactive – from which new shares will carry rights; and (ii) exercising any conversion, exchange and redemption rights, including redemption in exchange for assets such as other securities of the Company; as well as any other terms and conditions applicable to such issues,
- set the terms and conditions under which the Company may buy back or exchange on the open market the issued shares and/or share equivalents, at any time or within specified periods, with a view to holding them or cancelling them in accordance with the applicable laws,
- suspend the exercise of the rights attached to the securities, in accordance with the applicable laws and regulations,
- in the case of shares and/or other securities issued in connection with a tender offer with a stock component, i.e. a stock-for-stock offer, with or without a cash alternative, a stock-for-cash offer, with or without a stock alternative, or any other form of public offer that complies with the applicable laws and regulations at the date of said offer, draw up the list of securities tendered for exchange and set the terms and conditions of issue, the exchange ratio and any balance to be paid in cash,

- at its sole discretion, charge any and all costs incurred in connection with said issues against the related premiums, and deduct from these premiums the necessary amounts to be credited to the legal reserve,
- make any and all adjustments to take into account the impact of corporate actions, including (i) a change in the par value of the shares; (ii) a bonus share issue paid up by capitalizing reserves, a stock-split or reverse stock-split, a distribution of reserves or other assets, or a return of capital; and determine the method to be used to ensure that the rights of existing holders of share equivalents are protected,
- place on record the capital increases resulting from the use of this authorization and amend the Bylaws to reflect the new capital,
- generally, enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue, listing and service of the securities pursuant to this authorization and for the exercise of any related rights;

10. to terminate, with immediate effect, the previous authorization given in the eighteenth resolution of the Extraordinary Shareholders' Meeting of May 14, 2007;
11. that this authorization is given for a period of twenty-six months from the date of this meeting.

Twenty-eighth resolution

Authorization to issue shares and/or share equivalents representing a maximum of 10% of the capital in payment for contributed assets

Having considered the report of the Board of Directors and the Auditor's special report, the Extraordinary Meeting resolves, in accordance with Article L.225-129 *et seq.* of the Commercial Code and notably paragraph 6 of Article L.225-147:

1. to grant the Board of Directors a twenty-six-month authorization as from the date of this meeting to issue shares and/or share equivalents in payment for shares and/or share equivalents contributed to the Company in transactions not governed by Article L.225-148 of the Commercial Code. The shares issued directly or indirectly under this authorization may not exceed 10% of the Company's capital at the time of related issue. This authority may be delegated in accordance with the law;
2. to give the Board of Directors full powers to use this authorization, including the power (i) to approve the value attributed to the contributed assets as well as the granting of specific benefits; (ii) subject to the agreement of the contributor, to reduce the value attributed to the contributed assets or the consideration paid for specific benefits; (iii) to place the capital contribution on record; (iv) to charge any related fees and expenses to the share premium; and (v) to increase the Company's capital and amend the Bylaws accordingly;
3. that, in accordance with the law, the Board of Directors' decision to carry out any issues under this authorization will be based on the report of one or several appraisal auditors, as required by Article L.225-147 of the Commercial Code;
4. to terminate, with immediate effect, the previous authorization given in the nineteenth resolution of the Extraordinary Shareholders' Meeting of May 14, 2007;
5. that this authorization is given for a period of twenty-six months from the date of this meeting.

Twenty-ninth resolution

Authorization to increase the amount of issues of shares and/or share equivalents with or without pre-emptive subscription rights

Subject to the adoption of the twenty-sixth and/or twenty-seventh resolution, and having considered the report of the Board of Directors and the Auditors' special report, the Extraordinary Meeting resolves, in accordance with Article L.225-135-1 of the Commercial Code:

1. to authorize the Board of Directors to increase the number of securities included in an issue of shares and/or share equivalents with or without pre-emptive subscription rights, notably in order to grant a greenshoe option in accordance with standard market practices. Said additional securities will be issued at the same price as for the original issue in accordance with the conditions and ceiling specified in the applicable regulations (currently the additional securities must be issued within thirty days of the close of the original subscription period and may not represent more than 15% of the original issue amount). Such additional issues will also be subject to the blanket ceiling set in the thirty-first resolution;
2. that this authorization – which may be delegated subject to compliance with the law – terminates, with immediate effect, the previous authorization given in the twentieth resolution of the Extraordinary Shareholders' Meeting of May 14, 2007;
3. that this authorization is given for a period of twenty-six months from the date of this meeting.

Thirtieth resolution

Authorization to issue shares to be paid up by capitalizing retained earnings, profit, additional paid-in capital or any other eligible amounts

Having considered the report of the Board of Directors, the Extraordinary Meeting – voting in accordance with the quorum and majority rules applicable to ordinary resolutions – resolves, in accordance with Articles L.225-129, L.225-129-2 and L.225-130 of the Commercial Code:

1. to give the Board of Directors full powers to increase the capital by capitalizing retained earnings, profit, additional paid-in capital or other eligible amounts, including in conjunction with a share issue for cash carried out under the twenty-sixth or twenty-seventh resolutions, and to issue bonus shares and/or increase the par value of existing shares, as well as to determine the amount and timing of such increases;
2. that the maximum aggregate amount by which the capital may be increased under this authorization may not exceed €200 million. This ceiling shall not include the par value of any shares to be issued pursuant to the law to protect the rights of existing holders of share equivalents in the event of further corporate actions;
3. that the Board of Directors shall have full powers to use this authorization and to delegate said powers subject to compliance with the law. Accordingly, the Board of Directors shall be authorized to:
   - set the terms and conditions of the authorized operations, decide the amount and types of items to be capitalized, the number of new shares to be issued or the amount by which the par value of existing shares is to be increased, set the retrospective or future date from which the new shares will carry dividend and voting rights or the date on which the increase in par value will be effective, and to charge the share issuance costs and any other costs against the related premium;
   - decide that, in accordance with the provisions of Article L.225-130 of the Commercial Code, rights to fractions of shares will be non-transferable and that the corresponding shares will be sold, with the proceeds of such sale attributed to holders of rights in accordance with the applicable laws and regulations;
   - take all necessary measures and enter into any and all agreements to permit the execution of the planned transaction(s), and generally do whatever is necessary, perform all actions and formalities required to implement the capital increase(s) carried out under this authorization and amend the Bylaws to reflect the new capital;
4. that this authorization terminates, with immediate effect, the previous authorization given in the twenty-first resolution of the Extraordinary Shareholders' Meeting of May 14, 2007;
5. that this authorization is given for a period of twenty-six months from the date of this meeting.

Thirty-first resolution

Blanket ceiling on the authorizations to issue shares and/or share equivalents

Having considered the report of the Board of Directors and by virtue of the adoption of the twenty-sixth, twenty-seventh, twenty-eighth, twenty-ninth and thirtieth resolutions, the Extraordinary Meeting resolves to set at €300 million the maximum aggregate par value of shares to be issued directly or on conversion, exchange, redemption or exercise of share equivalents pursuant to the above authorizations. Said ceiling shall not include the par value of any additional shares to be issued pursuant to the law to protect the rights of existing holders of share equivalents in the event of further corporate actions.

Thirty-second resolution

Authorization to issue shares and/or share equivalents to employees who are members of an Accor Group employee stock ownership plan

Having considered the report of the Board of Directors and the Auditors' special report, the Extraordinary Meeting resolves, in accordance with Article L.3332-1 *et seq.* of the French Labor Code relating to employee share ownership and Article L.225-138-1 of the Commercial Code:

1. to give the Board of Directors a twenty-six month authorization as from the date of this meeting to issue shares and/or share equivalents on one or more occasions to employees of the Company and French and foreign related companies within the meaning of Article L.225-180 of the Commercial Code, who are participants in an Accor Group employee stock ownership plan ("*Plan d'Épargne d'Entreprise*");
2. to authorize the Board of Directors to grant shares and/or share equivalents to employees, within the limits prescribed in Article L.3332-21 of the Labor Code, within the framework of this or these capital increases;
3. that the total number of shares that may be issued under this authorization may not exceed the equivalent of 2% of the Company's capital as of the date of this meeting;
4. that the subscription price for the shares issued under this authorization may not exceed the average of the prices quoted for Accor shares during the twenty trading days preceding the Board of Directors' decision setting the opening date of the subscription period and may not represent less than said average less the maximum discount authorized by law, and that the characteristics of any share equivalents issued will be set in accordance with the applicable regulations;
5. that this resolution automatically entails the waiver by shareholders of their pre-emptive rights to subscribe for any shares and/or share equivalents to be issued pursuant to this authorization, as well as their rights concerning any shares offered to employees free of consideration pursuant to this authorization;
6. that the Board of Directors shall have full powers to use this authorization and to delegate said powers subject to compliance with the law. Accordingly, the Board of Directors shall be authorized to:

- Draw up the list of companies whose employees will be entitled to subscribe for the shares and/or share equivalents,
- decide that the securities may be acquired either directly or through a corporate mutual fund,
- allow employees a specified period of time to pay up their securities,
- set the terms and conditions of membership of the employee stock ownership plan, and draw up or amend the plan rules,
- set the opening and closing dates of the subscription period and the issue price of the securities,
- determine the number of new shares to be issued,
- place on record the capital increases,
- carry out any and all transactions and formalities, directly or through a duly authorized representative,
- amend the Company's Bylaws to reflect the new capital and, generally, take all appropriate measures and do whatever is necessary to comply with the applicable laws and regulations;

This authorization terminates, with immediate effect, the previous authorization given in the fourteenth resolution of the Extraordinary Shareholders' Meeting of May 13, 2008.

Thirty-third resolution

Powers to carry out formalities

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

Other Legal Information

MATERIAL CONTRACTS

During 2008, material contracts (other than contracts entered into in the ordinary course of business) corresponded to agreements signed in relation to business acquisitions, as described in paragraph A to D of Note 2 and Note 42 to the consolidated financial statements).

SHARE BUYBACK PROGRAM

The information provided in this section updates and expands on the information provided in the section entitled “Share Buyback Program” on page 116 of the Board of Directors’ Report concerning the share buyback authorization given by the Ordinary Shareholders’ Meeting on May 13, 2008 and the use of this authorization in 2007.

Special report on the share buyback program authorized by the Ordinary Shareholders’ Meeting of May 13, 2008

In accordance with Article L.225-209 of the Commercial Code, the table below provides shareholders with information concerning share buybacks carried out under the authorization granted by the Ordinary Shareholders’ Meeting of May 13, 2008.

Transactions carried out between May 13, 2008 and December 31, 2008, by purpose

	For allocation on conversion of OCEANE bonds	For allocation on exercise of stock options, to members of an employee stock ownership plan or to beneficiaries of stock grants	For holding and subsequent delivery in payment or exchange for securities in connection with external growth transactions	For cancellation	To be used in connection with a liquidity contract	Total
Number of shares at May 13, 2008						**8,390,150**
Shares purchased						
Number of shares						1,837,699
Average purchase price *(in euros)*						33.70
Utilization						
Number of shares				10,227,849		10,227,849
Reallocation for other purposes						
Number of shares						
Number of shares at December 31, 2007						**0**

Main characteristics of the share buyback program submitted for approval at the Ordinary Shareholders' Meeting of May 13, 2009

Below is a description of the share buyback program submitted for approval at the Ordinary Shareholders' Meeting of May 13, 2009:

- **shares concerned:** Accor – ISIN Code FR0000120404. The Accor share is listed on Euronext Paris (Compartment A);
- **number of shares and percentage capital held by the Company:** Accor holds any share in treasury, at December 31, 2008;
- **purpose for which treasury shares are held:** To be canceled in connection with a capital reduction decided or authorized by the shareholders in Extraordinary Meeting;
- **maximum percentage capital that may be purchased by the Company:** 9.95% of the Company's capital at December 31, 2008;
- **maximum number of Accor shares that may be purchased by the Company:** 21,900,000;
- **maximum per-share purchase price:** €80;
- **purposes of the share buyback program:**

— to purchase shares for cancellation in connection with a capital reduction decided or authorized by the shareholders in Extraordinary Meeting,

— to purchase shares 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,

— to purchase shares for allocation on the conversion, redemption, exchange or exercise of share equivalents,

— to be held in treasury for subsequent remittance in exchange or payment or in connection with external growth transactions, a merger, demerger or asset contribution within a limit of 5% of the Company's capital,

— to be used under a liquidity contract that complies with the code of ethics recognized by the *Autorité des marchés financiers*;

- **duration of the program:** If approved by the Ordinary Shareholders' Meeting, this program will be valid for an eighteen-month period from May 13, 2009 through November 13, 2010.

Summary of Accor share transactions carried out by the Company

Pursuant to Instruction 2005-06 issued by the French securities regulator (AMF) on February 22, 2005, the table below provides a summary of the transactions carried out by the Company in relation to Accor shares between May 13, 2008 and December 31, 2008:

- percentage of capital held by the Company directly and indirectly: any percentage at December 31, 2008;
- number of shares canceled during the last twenty-four months: 22,484,232;
- number of shares held in treasury: any shares held at December 31, 2008;
- carrying amount of treasury shares: N/A;
- market value of treasury shares: N/A.

	Cumulative transactions			Open positions at December 31, 2008			
	Purchases	Sales	Transfers	Open buy positions		Open sell positions	
				Purchased calls	Forward purchases	Written calls	Forward sales
Number of shares	1,837,699						
Average maximum maturity	-	-	-	-	-	-	-
Average transaction price (in *euros*)	33.70			-	-	-	-
Average exercise price *(in euros)*			-	-	-	-	-
Amounts (*in euros)*	61,924,498		-	-	-	-	-

Persons Responsible for the Registration Document, the Audit of the Accounts, and Documents Available to the Public

PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND FOR THE AUDIT OF THE ACCOUNTS

Person responsible for the Registration Document

Gilles C. Pélisson — Chairman and Chief Executive Officer

Statement by the person responsible for the Registration Document

I hereby declare that having taken all reasonable care to ensure that such is the case, the information contained in this 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.

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.

Gilles C. Pélisson

Persons responsible for information

Pascal Quint

Member of the Executive Committee – Corporate Secretary and Secretary of the Board of Directors.

Tel.: +33 1 45 38 87 33

Éliane Rouyer-Chevalier

Senior Vice President, Investor Relations and Financial Communications

Tel.: +33 1 45 38 88 00

Jacques Stern

Member of the Executive Committee – Senior Executive Vice President and Chief Financial Officer in charge of Finance, Strategy, Hotel Business Development and IT.

Tel.: +33 1 45 38 86 36

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.

FEES PAID TO THE AUDITORS

Fees paid to the Auditors and members of their networks break down as follows:

	Deloitte				Ernst & Young			
	2008		2007		2008		2007	
(in millions of euros)	Amount	%	Amount	%	Amount	%	Amount	%
Audit services								
Statutory and contractual audits								
France: Issuer	1.0	12%	1.0	11%	0.4	11%	0.4	13%
France: Subsidiaries	0.9	11%	1.0	12%	1.8	50%	1.5	47%
Outside France: Subsidiaries	5.1	63%	4.7	55%	1.3	36%	1.1	34%
Audit-related services								
France: Issuer	0.4	5%	0.6	7%	0.0	0%	0.1	3%
France: Subsidiaries	0.0	0%	0.0	0%	0.0	0%	0.1	3%
Outside France: Subsidiaries	0.4	5%	1.0	12%	0.1	3%	0.0	0%
SUB-TOTAL	**7.8**	**96%**	**8.3**	**97%**	**3.6**	**100%**	**3.2**	**100%**
Other services								
Legal and tax advice								
France	0.0	0%	0.0	0%	0.0	0%	0.0	0%
Outside France	0.3	4%	0.3	3%	0.0	0%	0.0	0%
Other								
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	**0.3**	**4%**	**0.3**	**3%**	**0.0**	**0%**	**0.0**	**0%**
TOTAL	**8.1**	**100%**	**8.6**	**100%**	**3.6**	**100%**	**3.2**	**100%**

INVESTOR RELATIONS AND DOCUMENTS AVAILABLE TO THE PUBLIC

The investor relations process is designed to provide institutional and private investors, employees, customers and partners with all the information they need to form an opinion about the quality of Accor's fundamentals.

Accor continually strives to promote shareholder involvement, including through organizing meetings and publishing documentation.

In addition to our annual and interim results presentations, we regularly keep both private and institutional shareholders informed of the Group's developments in the most pro-active way possible. 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 2008, meetings were held with some 771 representatives from 367 financial institutions and 16 roadshows were organized in Europe, the United States and Canada.

Hotel visits were also organized so that investors could talk with line managers and gain a better understanding of our management practices and processes. Accor also took part in five investor conferences during the year, in France and the United States.

On October 20 and 21, 2008 an Investor Day event was held in São Paulo, Brazil. The aim of the two-day session – which was attended by 35 financial analysts, institutional investors and journalists from France and abroad – was to review the fundamentals of our two core businesses, Hotels and Services, which are both being extensively transformed to create and deliver more value. This process involves revamping the Hotels' business model to make it more resilient and stepping up growth in the Services business by shifting to electronic media and gaining new market share.

As in previous years, opportunities were taken to meet with private shareholders, via three events held in Bordeaux, Nice and Lille that were attended by more than 900 shareholders in all.

In addition, the Annual Shareholders' Meeting, attended by 600 people, once again offered an excellent venue for exchanging views and opinions.

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 7,800 members at December 31, 2008. Twelve site visits were organized for members during the year, giving more than 200 shareholders the opportunity to discover the Group in a more personalized way. A schedule for these visits is provided on a six-monthly basis in the Shareholders Club Newsletter.

Members are regularly updated on Accor news, through the Letter to Shareholders, the Club Newsletter and press releases, sent by post or e-mail. They may also ask to receive all of the Group's other publications.

As part of the new A|Club customer loyalty program, members of the Accor Shareholders Club have been given an A|Club Platinum card which doubles their loyalty points and offers them exclusive benefits and services.

Club members also receive promotional offers concerning the Group's products.

Working group on the private shareholder relations process

A working group comprising fifteen members of the Shareholders Club, selected on application, was set up in 2007 to help improve the private shareholder relations process. The group met twice during the year, on March 10 and September 5, with agendas focused on preparing the Annual Shareholders' Meeting, the October 2008 *Letter to Shareholders* and subsequent issues. The members' comments and suggestions were also taken into account in preparing the publication of other documents and the organization of events. In addition, a number of the members were invited by Gilles Pélisson to open the Q&A session at the Annual Shareholders' Meeting, setting the tone for a high-quality discussion on current developments and Accor's future direction.

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 database of investor relations information. The site carries live and deferred webcasts of results presentations and of the Annual Shareholders' Meeting, as well as audio retransmissions of conference calls held in conjunction with quarterly releases. The Accor share price can be tracked in real time and there is a specific area for private shareholders and members of the Shareholders Club.

A wide array of documents, whose information exceeds regulatory requirements, is available upon request or can be viewed in the "finance" section at www.accor.com. These documents, which have been available in electronic form since 1997, include:

- the Annual Report and the Registration Document filed with the *Autorité des Marchés Financiers* (AMF);
- the corporate brochure describing the Group and its values;
- the *Letter to Shareholders,* mailed twice a year to private shareholders owning at least 250 bearer shares and to all shareholders listed in the Company's share register, as well as to members of the Accor Shareholders Club ;
- information memoranda filed with the AMF concerning corporate actions;
- the Shareholder Guide;
- notices of Shareholders' Meetings, sent systematically to registered shareholders as well as to members of the Shareholders Club on request;
- the Shareholders Club Newsletter, sent twice a year to the 7,600 Club members and the Club's practical guide, which is available on request;

Legal documents may also be consulted at the Company's headquarters at Immeuble Odyssey, 110 avenue de 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 0 811 01 02 03 (calls charged at local rate) at any time to obtain general information about the Group, the latest share price and practical guidelines for private shareholders. Operators are available to answer questions from 9:00 A.M. to 6:00 P.M. from Monday to Friday and messages may be left out of hours, which are answered as soon as possible.

Senior Vice President, Investor Relations and Financial Communications

Éliane Rouyer-Chevalier

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Shareholder hotline (France only): 0 811 01 02 03 (local rate)

e-mail: comfi@accor.com

Éliane Rouyer, Senior Vice President, Investor Relations and Financial Communications, has been the President of CLIFF, the French Investor Relations Association, since 2004. Since 2005, she has also chaired the Observatoire de la Communication Financière, an investor relations think-tank.

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 2007 consolidated financial statements and the related Auditors' Reports contained in the Registration Document filed with the *Autorité des Marchés Financiers* on **April 3, 2008** under **no. D. 08-194** (pages **115 to 208**, **114**, and **220 to 224** respectively);
- the financial information contained in pages **48 to 56** of the 2007 Registration Document filed with the *Autorité des Marchés Financiers* on **April 3, 2008** under **no. D. 08-194**;
- the 2006 consolidated financial statements and the related Auditors' Reports contained in the Registration Document filed with the *Autorité des Marchés Financiers* on **April 3, 2007** under **no. D. 07-267** (pages **109 to 198**, **108**, and **210 to 213** respectively);
- the financial information contained in pages **46 to 54** of the **2006** Registration Document filed with the *Autorité des Marchés Financiers* on **April 3, 2007** under **no. D. 07-267**;
- the sections of these documents not incorporated by reference are not relevant to investors or else covered in another section of the Registration Document.

REGULATORY FILINGS

The following information[1] was published or made available to the public by Accor during the last twelve months (April 1, 2008 through March 23, 2009), in accordance with Article L.451-1-1 of the French Monetary and Financial Code and Article 222-7 of the General Regulations of the Autorité des Marchés Financiers:

- disclosure of number of shares and voting rights held dated March 31, 2008;
- 2007 Registration Document filed with the *Autorité des Marchés Financiers* on April 3, 2008 under number D.08-194;
- notice of meeting for the Ordinary and Extraordinary Shareholders' Meeting held on May 13, 2008, published in the French legal gazette (*Bulletin des annonces légales obligatoires*) on April 7, 2008;
- press release dated April 9, 2008 on the signature of a partnership agreement with Walter Torre in Brazil;
- press release dated April 15, 2008 on first-quarter 2008 revenue;
- notice of planned asset transfer by Accor to SoLuxury HMC published in the *Bulletin des annonces légales obligatoires* on April 11, 2008;
- 2007 consolidated and parent company financial statements published in the *Bulletin des annonces légales obligatoires* on April 18, 2008;
- first-quarter 2008 revenue published in the *Bulletin des annonces légales obligatoires* on April 23, 2008.
- disclosure of number of shares and voting rights held dated April 30, 2008;
- press release from the Board of Directors dated May 5, 2008 on the Colony Capital/Eurazeo concert group's acquisition of an additional interest in Accor;
- press release dated May 6, 2008 on the sale of the Sofitel The Grand hotel under a sale and management-back arrangement;
- notice relating to voting rights published in the *Bulletin des annonces légales obligatoires* on May 28, 2008;
- disclosure of number of shares and voting rights held dated May 31, 2008;
- final consolidated and parent company financial statements for 2007, Auditors' Report and appropriation of profit published in the *Bulletin des annonces légales obligatoires* on June 2, 2008;
- disclosure of number of shares and voting rights held dated June 30, 2008;
- press release dated July 17, 2008 on first-half 2008 revenue;
- second-quarter 2008 revenue published in the *Bulletin des annonces légales obligatoires* on July 25, 2008;
- disclosure of number of shares and voting rights held dated July 31, 2008;
- press release from the Board of Directors dated August 27, 2008 on the position of the Colony Capital/Eurazeo concert group;
- press release dated August 28, 2008 on the 2008 interim consolidated financial statements;

(1) Information available on the Company's website at www.accor.com/finance.

- weekly disclosures of treasury share transactions dated August 28, 2008;
- disclosure of number of shares and voting rights held dated August 31, 2008;
- press release dated September 1, 2008 on Executive Committee appointments;
- weekly disclosures of treasury share transactions dated September 5, 2008, September 12, 2008, September 15, 2008, September 22, 2008 and September 29, 2008;
- press release dated September 10, 2008 on Accor's purchase of an additional stake in the Orbis group, raising its interest to 50%;
- disclosure of number of shares and voting rights held dated September 30, 2008;
- press release dated October 16, 2008 on third-quarter 2008 revenue;
- investor Day presentation on October 20, 2008 – "Accor: A Group in Transformation";
- weekly disclosures of treasury share transactions dated October 6, 2008, October 20, 2008 and October 27, 2008;
- disclosure of number of shares and voting rights held dated October 31, 2008;
- weekly disclosure of treasury share transactions dated November 3, 2008;
- disclosure of number of shares and voting rights held dated November 30, 2008;
- press release from the Board of Directors dated December 16, 2008 on the application of the AFEP/MEDEF recommendations;
- disclosure of number of shares and voting rights held dated December 31, 2008;
- press release dated January 15, 2009 on 2008 full-year revenue;
- press release dated January 28, 2009 on a €600 million bond issue;
- disclosure of number of shares and voting rights held dated January 31, 2009;
- information memorandum issued by Accor on February 2, 2009 relating to the bond issue;
- press release dated February 10, 2009 on the alliance between Accor and MasterCard Europe resulting in the creation of a leader in the European prepaid services market;
- press release dated February 24, 2009 on the appointment of Gilles C. Pélisson as Chairman and Chief Executive Officer;
- press release dated February 25, 2009 on the 2008 consolidated financial statements;
- disclosure of number of shares and voting rights held dated February 28, 2009;
- press release dated March 12, 2009 on payment of the 2008 dividend;
- press release dated March 12, 2009 on the proposed membership of the future Board of Directors;
- press release dated March 12, 2009 on the appointment of Jacques Stern as Senior Executive Vice President of the Accor Group;
- press release dated March 31, 2009 on Accor's pourchase of an additional stake in the Groupe Lucien Barrière, raising its interest to 49%.

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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Legal Information

The 2008 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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