2009
REGISTRATION DOCUMENT

ACCOR

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1 Corporate Presentation

1.1. Corporate profile

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 its clients over 40 years of expertise in two core businesses:

ACCOR Hospitality

ACCOR Services

- **Hotels**, with the Sofitel, Pullman, MGallery, Novotel, Mercure, Suitehotel, Ibis, All seasons, Etap Hotel, Formule 1 and Motel 6 brands, representing more than 4,100 hotels and nearly 500,000 rooms in 90 countries, as well as strategically related activities, such as Thalassa Sea & Spa, Lenôtre and CWL,
- **Services**, with solutions that help to improve the performance of organizations by delivering employee benefits, public benefits and prepaid services to 33 million users in 40 countries.

1.2. Core businesses

1.2.1. HOTELS

Accor is uniquely positioned in the global hotel market, with 4,111 hotels and 492,675 rooms in 90 countries around the world at December 31, 2009. 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"
Located in the world's leading destinations and capital cities, Sofitel luxury hotels elegantly blend savoir-faire and refinement "à la française" with the best of local culture. In 2009, the brand pursued its repositioning in the luxury segment, to constantly delight a cosmopolitan clientele in search of quality and excellence.

Network: 121 hotels, 29,874 rooms in 39 countries.

Customers: 65% business – 35% leisure.

Pullman, "Check In, Chill Out"
Pullman offers business men and women environments designed as comfortable, inviting spaces for meeting and interacting with the community. Located in the heart of leading regional and international cities, Pullman hotels deliver a wide range of customized services, access to innovative technologies and a new approach to organizing meetings and seminars. The network is expected to comprise 60 hotels by the end of 2010.

Network: 46 hotels, 12,469 rooms in 16 countries.

Customers: 70% business – 30% leisure.

MGallery, "The Art of Staying"
Launched in 2008, MGallery is a collection of outstanding upscale hotels, each with their own highly distinctive personality and identity, that will delight travelers looking for premium services or venues with character. Whether located in city centers or leading tourist destinations, each hotel provides a unique environment for an exceptional experience, with a focus on pleasure and enjoyment.

Network: 28 hotels, 3,201 rooms in 17 countries.

Customers: 51% business – 49% leisure.

Midscale

Novotel, "Designed for Natural Living"
Novotel hotels feature open spaces for relaxing, spacious rooms for work or rest, convenient services and friendly, attentive staff. With properties located in major international cities, business districts and tourist destinations, the chain is committed to enhancing the well-being of business and leisure travelers in an environment where they just naturally feel at home.

Network: 395 hotels, 71,872 rooms in 60 countries.

Customers: 61% business – 39% 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: 671 hotels, 82,438 rooms in 48 countries.

Customers: 58% business – 42% leisure.

Suitehotel, "A New Way of Hotel Living"
Offering hospitality, spacious accommodations and pleasant amenities, Suitehotel is designed for people on the move. Located mainly in Europe, the chain features 30-square-meter suites with modular work and leisure areas that can be adapted to individual desires or needs. Targeting medium-stay customers, Suitehotel is Accor's solution for people who feel that the hotel is their "home away from home."

Network: 26 hotels, 3,317 suites in 6 countries.

Customers: 70% business – 30% leisure.

Adagio City Aparthotel, "The City at your Own Rhythm"
Created as a joint venture with Pierre & Vacances in 2007, Adagio City Aparthotel offers an innovative lodging concept for stays of four nights or longer. Its upscale apartments, from studio to two-bedroom, are ready to move in, with a range of hotel-like amenities that make them ideal for travelers who want to live "just like at home" in the heart of Europe's leading cities.

Network: 29 apartment hotels, 3,849 rooms in 6 countries.

Customers: 60% business – 40% leisure.

Economy

Ibis, “Hotels the Way You Like Them”
A European leader in economy hotels, Ibis has 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. Since 2004, the chain has deployed a process to drive continuous improvement in its environment performance and today counts 280 hotels certified to ISO 14001 standards.

Network: 861 hotels, 102,167 rooms in 45 countries.

Customers: 57% business – 43% leisure.

All seasons, “All is All You Need”
A new brand of non-standardized economy hotels launched in 2007, All seasons offers business and leisure travelers friendly accommodations at an inclusive price. Developed mainly through franchising, the chain’s mid-sized hotels feature innovative design and contemporary styling, with locations in city-centers and business districts.

Network: 75 hotels, 7,114 rooms in 7 countries.

Customers: 60% business – 40% leisure.

Budget

Etap Hotel “Be Smart, Stay Smart”
The European leader in budget accommodations, Etap Hotel provides cost-effective lodging in large metropolitan areas, with hotels in city centers, along major roadways or near airports. The highly innovative chain has introduced the new Cocoon concept, with cozy, contemporary-styled rooms and public areas, designed to optimize energy efficiency. Outside Europe, hotels are operated under the Formule 1 banner in Brazil, South Africa, Australia, Japan and Indonesia.

Etap Hotel network: 461 hotels, 40,890 rooms in 15 countries.

Of which 58 Formule 1 hotels outside Europe.

Customers: 60% business – 40% leisure.

Hotel F1, “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 hotel F1 units in France. More dynamic than ever, the brand has revitalized the hotel interior with an attractive design, a new room concept, and a new reception and breakfast area.

Network: 293 Hotel F1 units, totaling 21,707 rooms.

Customers: 65% business – 35% 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: 1,001 hotels, 99,004 rooms in the United States and Canada.

Customers: 60% business – 40% leisure.

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: 59 hotels, 6,647 rooms in the United States and Canada.

A global presence in every market segment

Accor operates on five continents with a unique portfolio of more than 4,100 hotels and a presence in every market segment.

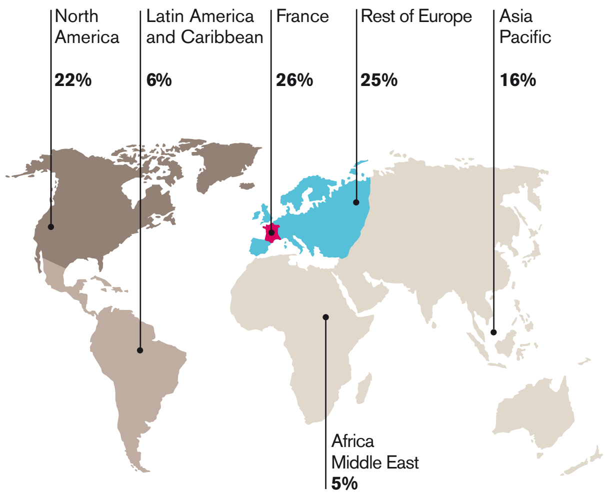
Hotel portfolio by region and brand at December 31, 2009

	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	13	1,664	21	4,872	9	2,893	9	1,625	24	5,704	45	13,116	121	29,874
Pullman	13	3,384	12	2,824	-	-	1	188	5	993	15	5,080	46	12,469
Novotel	124	16,344	140	26,395	7	1,957	19	3,082	20	4,175	85	19,919	395	71,872
Mercure	251	23,435	232	31,582	-	-	81	10,559	30	4,521	105	15,542	699	85,639
Adagio	23	3,201	6	648	-	-	-	-	-	-	-	-	29	3,849
Suitehotel	18	2,094	6	931	-	-	-	-	2	292	-	-	26	3,317
Coralia Club	-	-	-	-	-	-	1	385	5	1,242	-	-	6	1,627
Other brands	3	152	19	3,277	-	-	-	-	2	237	15	2,833	39	6,499
Luxury, upscale and midscale	**445**	**50,274**	**436**	**70,529**	**16**	**4,850**	**111**	**15,839**	**88**	**17,164**	**265**	**56,490**	**1,361**	**215,146**
All seasons	36	2,850	6	409	-	-	-	-	-	-	33	3,855	75	7,114
Ibis	378	33,001	313	39,983	-	-	59	8,890	31	4,982	80	15,311	861	102,167
Etap Hotel	288	22,283	115	11,687	-	-	-	-	-	-	-	-	403	33,970
Formule 1	262	19,491	31	2,216	-	-	10	2,905	24	1,668	24	2,347	351	28,627
Economy	**964**	**77,625**	**465**	**54,295**	**-**	**-**	**69**	**11,795**	**55**	**6,650**	**137**	**21,513**	**1,690**	**171,878**
Motel 6	-	-	-	-	1,001	99,004	-	-	-	-	-	-	1,001	99,004
Studio 6	-	-	-	-	59	6,647	-	-	-	-	-	-	59	6,647
Economy – US	**-**	**-**	**-**	**-**	**1,060**	**105,651**	**-**	**-**	**-**	**-**	**-**	**-**	**1,060**	**105,651**
TOTAL	**1,409**	**127,899**	**901**	**124,824**	**1,076**	**110,501**	**180**	**27,634**	**143**	**23,814**	**402**	**78,003**	**4,111**	**492,675**

Accor is the largest hotel group in **Europe**, with a network of 2,310 hotels and 252,723 rooms accounting for 51% of the room base at December 31, 2009. In other regions, our expertise is deployed through 1,076 hotels (22% of the room base) in **North America**, 180 hotels (6%) in **Latin America** and the **Caribbean**, 143 hotels (5%) in **Africa** and the **Middle East**, and 402 hotels (16%) in **Asia** and the **Pacific**.

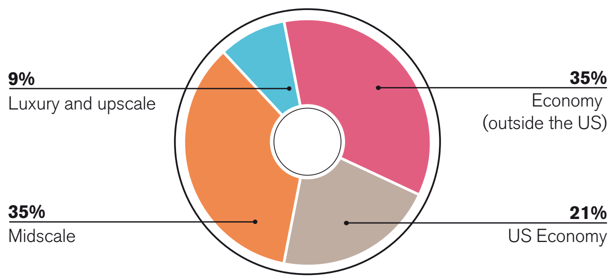
Hotel portfolio by region at December 31, 2009

(% based on number of rooms)



Hotel portfolio by segment at December 31, 2009

(% based on number of rooms)



Differentiated ownership structures

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

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

In mature markets, we prefer asset-light ownership structures based on:

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

In emerging markets, we focus on management contracts in the upscale segments and, depending on the country, joint ventures with local partners, variable leases and management contracts in the midscale and economy segments.

This asset-right strategy is designed to optimize return on capital employed and reduce earnings volatility.

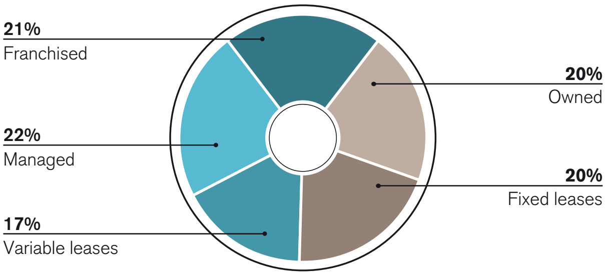
As of year-end 2009, 60% of the room base was operated under arrangements that limited earnings volatility, such as variable-rent leases, management contracts and franchise agreements.

Hotel portfolio by ownership structure and brand at December 31, 2009

	Owned		Fixed leases		Variable leases		Managed		Franchised		Total	
Brand	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Sofitel	17	2,666	7	1,584	7	1,173	84	22,486	6	1,965	121	29,874
Pullman	10	2,693	8	2,228	6	1,160	18	5,356	4	1,032	46	12,469
Novotel	66	11,461	62	11,853	113	18,822	105	23,489	49	6,247	395	71,872
Mercure	61	7,426	97	15,389	83	12,413	206	29,422	252	20,989	699	85,639
Adagio	1	108	6	697	1	133	20	2,800	1	111	29	3,849
Suitehotel	8	1,085	9	1,312	-	-	3	378	6	542	26	3,317
Coralia Club	-	-	-	-	-	-	6	1,627	-	-	6	1,627
Other brands	16	2,863	3	435	-	-	15	2,740	5	461	39	6,499
Luxury, upscale and midscale	**179**	**28,302**	**192**	**33,498**	**210**	**33,701**	**457**	**88,298**	**323**	**31,347**	**1,361**	**215,146**
All seasons	3	330	11	822	4	763	10	1,544	47	3,655	75	7,114
Ibis	136	18,650	136	17,341	217	28,984	90	16,280	282	20,912	861	102,167
Etap Hotel	65	5,484	58	6,015	77	7,048	7	922	196	14,501	403	33,970
Formule 1	98	7,081	29	2,199	167	15,165	10	1,175	47	3,007	351	28,627
Economy	**302**	**31,545**	**234**	**26,377**	**465**	**51,960**	**117**	**19,921**	**572**	**42,075**	**1,690**	**171,878**
Motel 6	321	36,494	318	35,408	1	72	-	-	361	27,030	1,001	99,004
Studio 6	12	1,363	28	3,757	-	-	-	-	19	1,527	59	6,647
Economy – US	**333**	**37,857**	**346**	**39,165**	**1**	**72**	**-**	**-**	**380**	**28,557**	**1,060**	**105,651**
TOTAL	**814**	**97,704**	**772**	**99,040**	**676**	**85,733**	**574**	**108,219**	**1,275**	**101,979**	**4,111**	**492,675**

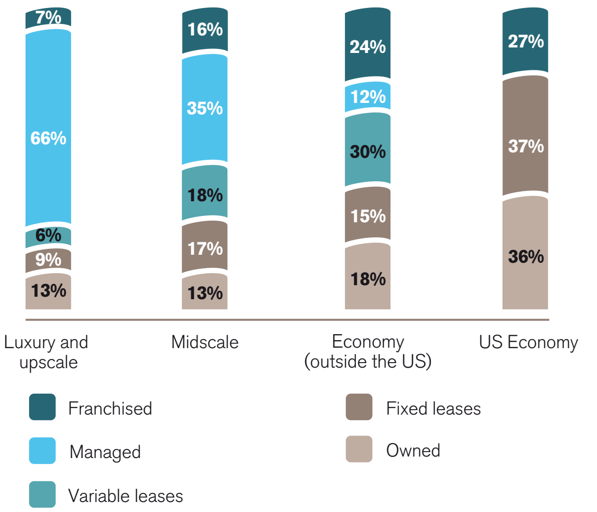
Hotel portfolio by ownership structure at December 31, 2009

(% based on number of rooms)



Hotel portfolio by segment and ownership structure at December 31, 2009

(% based on number of rooms)

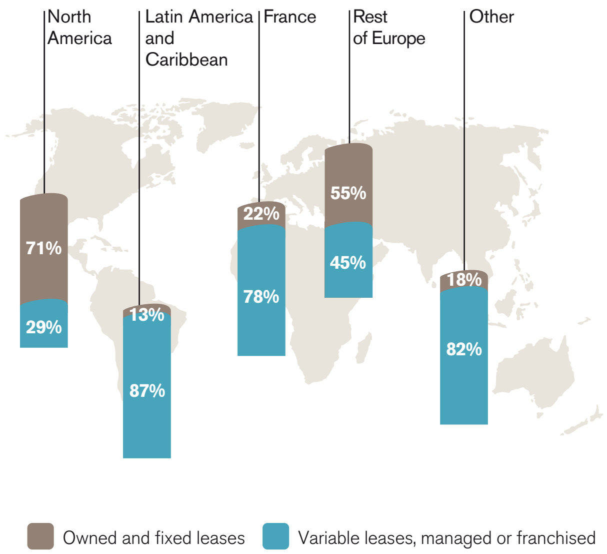


Hotel portfolio by ownership structure and region at December 31, 2009

	Owned		Fixed leases		Variable leases		Managed		Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
France	207	20,507	68	7,375	397	43,150	53	6,463	684	50,404	1,409	127,899
Rest of Europe	181	25,334	301	43,831	221	31,190	81	12,071	117	12,398	901	124,824
North America	337	39,042	346	39,165	1	72	12	3,665	380	28,557	1,076	110,501
Latin America and Caribbean	19	2,500	7	1,150	41	8,194	94	13,565	19	2,225	180	27,634
Rest of the world	70	10,321	50	7,519	16	3,127	334	72,455	75	8,395	545	101,817
Total	**814**	**97,704**	**772**	**99,040**	**676**	**85,733**	**574**	**108,219**	**1,275**	**101,979**	**4,111**	**492,675**

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 €7,341 million at December 31, 2009. The carrying amount was €4,306 million, representing 36.7% of total consolidated assets at that date (see note 19 to the consolidated financial statements, page 188).

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, 2009. Occupancy rates, average room rates and Revenue Per Available Room (RevPAR) are provided in the financial review on page 114.

Hotel projects currently underway are presented in note 2 to the consolidated financial statements on page 156.

Environmental factors are described in the Environmental Report on page 43.

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, 2009

Rank	Group	Number of hotels	Number of rooms
1	InterContinental	4,438	646,679
2	Wyndham	7,110	597,700
3	Marriott	3,420	595,461
4	Hilton	3,400	585,000
5	Accor	4,111	492,675

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, 2009 (27-country European Union)

Rank	Group	Number of hotels	Number of rooms
1	Accor	2,234	243,004
2	Best Western	1,289	87,017
3	IHG	554	86,084
4	Groupe du Louvre	995	71,544
5	NH Hoteles	353	50,777

Source: MKG Hospitality database – March 2010.

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, 2009 (27-country European Union)

Rank	Chain	Number of hotels	Number of rooms
1	Best Western	1,289	87,017
2	Ibis	669	70,648
3	Mercure	479	55,386
4	NH Hoteles	305	43,916
5	Holiday Inn	280	43,108
6	Novotel	254	40,707
7	Premier Inn	579	39,142
8	Hilton International	138	35,636
9	Etap Hotel	398	33,282
10	Radisson Blu	132	28,754

Source: MKG Hospitality database – March 2010.

1.2.2. SERVICES

Accor Services is a world leader in employee and public benefits and a major provider of prepaid services to help improve the performance of organizations.

Its business is to design, develop and manage solutions that guarantee customers 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 the performance of an organization, Accor Services is creating new sources of motivation and retention, delivering solutions to everyone’s mutual benefit, and helping to revitalize organizations. As a committed, responsible corporate citizen, Accor Services is positioned at the heart of a win-win relationship for all stakeholders, including national and local governments, employee representatives, businesses, service users and affiliate networks.

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 33 million users, the business had 490,000 corporate and institutional customers and 1.2 million affiliates as of December 31, 2009.

Accor Services operates in both developed countries and emerging markets. In each one, demand for its products is being driven by favorable demographic and socio-economic factors, in particular increasing urbanization and the development of the services sector.

Service solutions

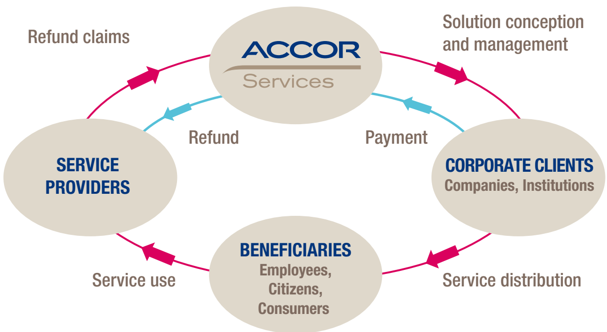
Accor Services improves the performance of companies and institutions with a range of solutions in two major areas:

- **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.
- **Prepaid services to help improve the performance of organizations:**
  - rewards and incentives: Products to motivate sales teams, provide incentive for distribution networks, and retain and deepen relations with customers; distribution of rewards; loyalty and incentive consulting services,
  - expense management: Solutions to make it easier for companies to control employee expense accounts,
  - new market segments: Accor Services is positioning itself in new markets created by prepaid electronic solutions, in particular new segments like payroll cards for un- and underbanked employees or insurance cards that enable policy holders to receive settlements.

Accor Services also offers 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	
Meal and grocery vouchers	
Ticket Restaurant® Ticket Alimentación®	Practical solutions that enable employers to help defray employee expenses on meals and groceries.
Other benefits	
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.
Prepaid services to help improve the performance of organizations	
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®	Closed-loop and open-loop gift cards and vouchers for businesses and consumers.
Accentiv'	Accentiv' designs, deploys and manages programs to enhance customer loyalty, motivate employees and provide incentives for distribution networks.
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 win-win relationship works



Companies or institutions purchase vouchers from Accor Services 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 €5.21 per employee per working day as of January 1, 2010. 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.

Customer portfolio

With 490,000 customers at December 31, 2009, Accor Services has an extremely diversified customer portfolio, ranging from local, regional and international companies to works councils, government agencies, local authorities and non-governmental organizations. Most of its operations, however, are based on a B2B model (business to business).

Acceptance networks

At year-end 2009, Accor Services' worldwide affiliate network comprised 1.2 million service providers of every type, including restaurants, supermarkets, retailers, grocery stores and service stations. However, the size of the acceptance networks and the type of affiliates vary fairly widely from one product to the next, depending on their features and the country where they are distributed. To attract new affiliates, Accor Services can offer prospects the possibility of gaining new customers and increasing retention, the guarantee that customers will have disposable income and a proven tool for stimulating new demand.

There are three main types of acceptance networks for Accor Services products:

- closed loop: the voucher is issued by an affiliated merchant under its own brand and is accepted only in its stores;
- filtered loop: the voucher is issued only under the issuer's brand and is redeemable in a certain number of sales outlets, selected by the issuer who designed the prepaid service; and
- open loop: products are cobranded by the acceptance network and the issuer. They are accepted anywhere, for example, by MasterCard® affiliates.

Social responsibility

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 to encourage healthy eating practices among ***Ticket Restaurant***®-affiliated restaurant operators and their customers. Since January 2009, Accor Services has worked closely with public and private nutritional experts from six countries as part of a program co-financed by the European Commissions. Called FOOD (*Fighting Obesity through Offer and Demand*), the program is developing new resources to raise awareness of dietary issues among employees and restaurant operators.

Transition from paper to electronic media

In countries where paperless solutions are appropriate and respond to customer needs, Accor Services is continuing to transition from paper to electronic media, which are easier to use and more secure. This process continued apace in 2009, 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 customers, users and affiliates.

1.2.3. 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. It currently has 45 locations in 10 countries — France, Germany, Spain, Morocco, Kuwait, Qatar, the United Arab Emirates, Saudi Arabia, China and Thailand — and plans to open outlets in Bahrain and Jordan in 2010.

In France, Lenôtre manages a network of 16 gourmet boutiques (fourteen in Paris, one in Cannes and one in Nice), the prestigious Pré Catelan restaurant (three stars in the Michelin Guide), the Panoramique restaurant at the Stade de France® sports stadium, the Pavillon Élysée Lenôtre in Paris (which includes a cooking school for amateurs, a Lenôtre Café and a culinary design boutique), the Café Lenôtre in Cannes and the Le Park reception venue in Mougins.

Lenôtre trains nearly 3,000 foodservice professionals at its school in Plaisir every year and currently boasts nine employees awarded Meilleur Ouvrier de France status, a wine steward elected the World's Best Sommelier and a portfolio of more than 30,000 recipes.

Synergies between Lenôtre and Accor's hotel restaurants are being actively developed, particularly in the areas of training and technical assistance with the launch of the new Lenôtre consulting department in 2009.

(1) *Wanjek, Christopher. Food At Work: Workplace Solutions for Malnutrition, Obesity and Chronic Diseases (Geneva: International Labour Office, 2005; ISBN 92-2-11715-2).*

Onboard train catering and sleeping car services

With operations in Austria, France, Italy, Portugal, Spain and the United Kingdom, CWL delivers a wide range of onboard food services on high-speed trains and sleeping car services on a variety of lines. 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 trademark catering and service concepts are also carefully aligned with ethical and environmental principles. They are highly innovation-driven, in a commitment to effectively addressing the needs and expectations of customers whose behavior is rapidly evolving in step with changing travel styles and trends.

In 2009, French National Railways SNCF insourced to its Geodis subsidiary management of the onboard foodstuff logistics and procurement for the TGV high-speed trains. However, CWL continues to provide foodservices on the SNCF's TGV Est national trains, the TGV Alleo trains to Germany and the TGV Lyria trains to Switzerland. Elsewhere in Europe, CWL has been handling onboard catering services on all of the national and international day trains managed by Italian rail company Trenitalia since July 1, 2009. As of February 1, 2010, it will also provide sleeping car services on the company's national and international night trains, as well as manage the related logistics. In Spain, despite the loss of contracts that expired on December 1, 2009, CWL has maintained its local railway business by continuing to provide onboard services for the Lusitania night train between Madrid and Lisbon. Lastly, in the United Kingdom, the contract to manage foodstuff logistics and procurement for Eurostar trains outbound London's St. Pancras station has been extended indefinitely.

Groupe Lucien Barrière SAS

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, including those in Deauville, Enghien, La Baule, Montreux, Bordeaux and Toulouse, and a leader in luxury accommodations in France, with 16 luxury hotels. It also has an extensive restaurant business that includes the famous Le Fouquet's on the Champs-Élysées in Paris.

Already present in five countries (France, Switzerland, Malta, Egypt and Morocco), Groupe Lucien Barrière SAS is actively expanding and modernizing its portfolio of establishments.

Following on from the opening of the luxury Naoura Barrière hotel complex in Marrakech in 2009, the Barrière Hotel-Casino will open its doors in Lille in March 2010. Exemplifying a new generation of establishments, the 40,000 sq.m resort and gaming complex will be unique in France and Europe, with a casino, a luxury hotel, dining areas and a modular 1,200-seat concert hall.

The world-class project represents an investment of more than €100 million.

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 SAS.

1.3. Financial highlights

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

The following financial highlights have been taken directly from the consolidated financial statements at December 31, 2009.

Consolidated financial highlights

(in € millions)	**2008 (*)**	**2009**
Operating revenue	7,722	7,065
EBITDAR	2,290	1,976
Operating profit before tax and non-recurring items	875	448
Net profit/(loss)	613	(265)
Net profit/(loss) attributable to shareholders	575	(282)

Per share data

(in euros)	**2008**	**2009**
Earnings per share	2.60	(1.27)
Diluted earnings per share	2.59	(1.26)
Ordinary dividend per share	1.65	1.05 (1)
Special dividend per share	-	-

(1) Submitted for approval at the Combined Ordinary and Extraordinary Shareholders' Meeting on June 29, 2010.

Total assets

(in € millions)	**2008 (*)**	**2009**
Total non-current assets	7,397	7,290
Total current assets	3,984	4,312
Assets held for sale	36	144
TOTAL ASSETS	**11,417**	**11,746**

Equity and net debt

(in € millions)	**2008 (*)**	**2009**
Equity attributable to shareholders	3,298	2,997
Equity attributable to minority interests	258	257
Equity	3,556	3,254
Net debt	1,072	1,624

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

1.4. Milestones

1967

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

1974

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

1975

- Acquisition of Mercure.

1976

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

1980

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

1981

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

1982

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

1983

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

1985

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

1988

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

1989

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

1990

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

1991

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

1992

- Ticket Restaurant® business launched in Turkey.

1993

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

1994

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

1995

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

1996

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

1997

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

1998

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

1999

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

2000

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

2001

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

2002

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

2003

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

2004

- Accor, the Barrière Desseigne family and Colony Capital set up Groupe Lucien Barrière SAS to hold the casino and hotel assets of Société Hôtelière de la Chaîne Lucien Barrière, Société des Hôtels et Casino de Deauville, Accor Casinos and their respective subsidiaries. Accor owns 34% of the new combination.
- Acquisition of a 28.9% interest in Club Méditerranée.
- Stake in Go Voyages is raised from 70% to 100%.

2005

- Colony Capital invests €1 billion in Accor in exchange for €500 million in ORA equity notes and €500 million in convertible bonds, enabling Accor to strengthen its equity base and step up the pace of expansion.
- Accor implements a new property management strategy and signs an initial agreement with French real estate company Foncière des Murs to transform fixed-rent leases on 128 hotels in France into variable-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 around the world with the opening of 21,600 rooms during the year.
- Accor strengthens its operations in Brazil by becoming Ticket Serviços' sole shareholder.
- Accor Services pursues its expansion and acquires Serial in Italy, RID in India and Calicado in Germany.
- Compagnie des Wagons-Lits wins a tender from French National Railways SNCF for onboard foodservices on the TGV Est Européen high-speed train line.

2007

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

2008

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

1.5. Strategic vision, investment strategy and outlook

In 2009, Accor successfully withstood an unprecedented global economic crisis, thanks to i) the resilience of the Economy Hotels in Europe segment and the Services business, ii) extensive cost reductions and iii) its solid balance sheet.

During the year, the Group also embarked on a major strategic project to demerge its two core businesses, Hotels and Prepaid Services.

RESILIENCE IN PREPAID SERVICES

Slight increase in revenue

In a challenging economic environment, the Prepaid Services business demonstrated its relatively low sensitivity to the business cycle.

Revenue rose by a slight 1.4% like-for-like, including a 3.9% increase in operating revenue, reflecting the business' strong, sustainable growth fundamentals. On a reported basis, revenue declined by 3.6% over the year.

A robust marketing and sales drive

The Prepaid Services business continued to innovate in 2009, to win new markets and respond more effectively to customer needs. Among the new products successfully launched during the year were i) the prepaid travel agency card in the United Kingdom, an effective alternative to cash or travelers checks; ii) the CESU Social human services program in France for underprivileged people; iii) a holiday voucher in Romania; iv) the EcoCheque® in Belgium, which enables employees to purchase organic and environmentally friendly products; and v) value-added services, such as the Beneficio Club website in Brazil and Mexico.

RESPONSIVENESS IN HOTELS

Revenue severely impacted by the recession

The Hotels business was confronted with an exceptionally weak economic environment in 2009, which caused revenue to decline by 10.1% like-for-like and 9.8% on a reported basis. The Economy Hotels segment in Europe, where Accor is market leader, withstood the downturn better than the other segments, with revenue contracting 6.1% like-for-like for the year.

Swift, effective response to the crisis

In response to this environment, Accor pro-actively moved to attenuate the potential impact on earnings.

An extensive cost-reduction plan was carried out during the year, resulting in:

- a €165 million reduction in operating costs in the owned and leased hotels, compared with a targeted €150 million;
- an €87 million reduction in support costs, compared with a targeted €80 million. Implementation of this part of the plan was led by a review of non-priority projects, a review of operating costs and an adjustment in the organization. In particular, a voluntary separation plan eliminated 230 head office jobs in France (out of a total of around 2,300) at corporate headquarters and at the Hotels France head office.

In addition, the sales and marketing dynamic to win the battle for revenue was stepped up during the year by leveraging several powerful growth drivers:

- a more aggressive online marketing strategy, with an 18% rise in online sales over the year and a 2.9-point increase in the percentage of hotel nights booked online, to 14.6% of the total as of end-December;
- the success of the A|Club loyalty card, which had 3.5 million cardholders at year-end, 52% of whom were in Europe;
- a broader and deeper presence with corporate customers, led by sustained deployment of a dynamic pricing strategy.

MEASURES TO SECURE FINANCING

In 2009, Accor carried out three highly successful bond issues, raising i) €600 million in five-year, 7.5% notes issued in January and maturing on February 4, 2014; ii) €600 million in four-year, 6.5% notes issued in April and maturing on May 6, 2013; and iii) €250 million in eight-year, three-month, 6.039% notes placed in July with a single investor and maturing on November 6, 2017.

These issues enabled Accor to enhance its liquidity, diversify its sources of financing in addition to bank loans and extend the average maturity of its debt.

SUSTAINED DEPLOYMENT OF THE ASSET-RIGHT STRATEGY IN A DEPRESSED REAL ESTATE MARKET

A total of 216 hotels were restructured in 2009, leading to a €360 million reduction in adjusted net debt over the year.

In particular, 157 hotel F1 properties representing 12,174 rooms were sold and leased back in the second half, a major transaction that enabled Accor to reduce its adjusted net debt by €214 million in 2009.

As of December 31, 2009, **60% of the rooms in the hotel base were held under variable-rent leases, management contracts or franchise agreements.**

In February 2010, the Group announced **the further sale of five hotels**, comprising more than 1,100 rooms in four European countries. Undertaken with the Invesco Real Estate hotel investment fund, the transaction covered the sale and variable leaseback of two Novotel and two Mercure units and the sale and management-back of one Pullman property. The **€154 million disposal** will have a **€93 million impact on adjusted net debt in 2010.**

A DYNAMIC HOTEL EXPANSION DRIVE, ALIGNED WITH NEW MARKET REALITIES

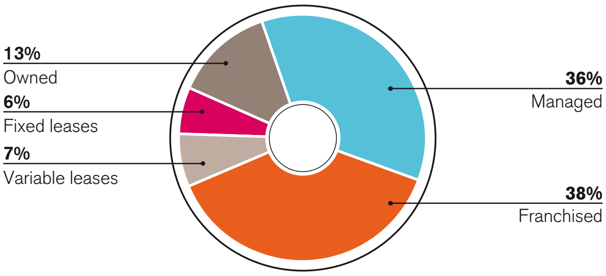
To optimize earnings, Accor is focusing its expansion capital expenditure on the Economy Hotels outside the US segment and emphasizing asset-light operating structures in the Upscale and Midscale segment.

Of the **more than 27,300 new rooms** opened in 2009, for example, more than 80% were in the Economy and Midscale segments and 81% concerned asset-light ownership structures based on variable-rent leases, management contracts or franchise agreements. Most of the rooms were opened in high potential regions, such as Asia (35%) and Europe (32%).

As of December 31, 2009, there were around **103,000 rooms in the pipeline**, of which half were in the Economy or Budget segments and more than 85% were held under asset-light structures.

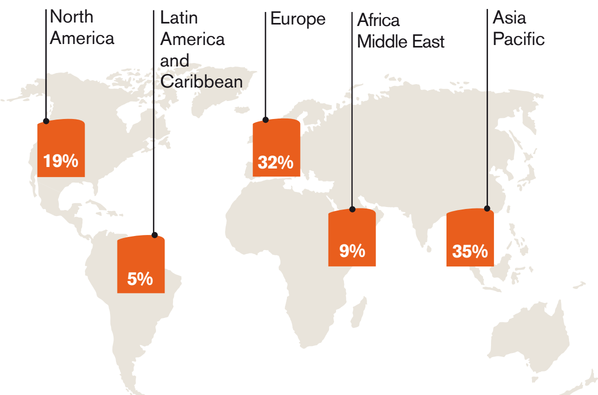
2009 openings by ownership structure

(% based on number of rooms)



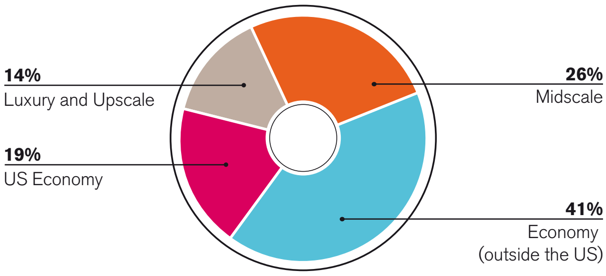
2009 openings by region

(% based on number of rooms)



2009 openings by segment

(% based on number of rooms)



In **India**, the first Mercure hotel was inaugurated in Bangalore and the second Ibis opened its doors in Pune (the first Ibis opened in New Delhi in 2008). In **China**, the new Sofitel Shanghai Sheshan offers 367 rooms. Accor continued to expand its portfolio in the **Middle East**, opening a new Sofitel and SuiteHotel in Dubai, and two Ibis units in Oman and Jordan (Amman).

In **Europe**, Etap Hotel introduced its contemporary cocoon concept for rooms and public areas, featuring spacious shower stalls, flat-screen TV and other amenities. The brand also inaugurated its 400th hotel located in Verdun, France. Grand Hotel Villa Toretta, a member of the MGallery family with 77 rooms, was inaugurated in Milan, **Italy**. In the **United Kingdom**, the All seasons brand opened its first hotel in **London**, while continuing to expand in **Germany**. The 1,000th Ibis hotel opened its doors in Munich. In **Spain**, the 241-room Barcelona Skipper is now part of the Pullman network.

The Group also expanded its operations in **Argentina**, with the launch of a Pullman hotel in Rosario and a Novotel in Buenos Aires.

Accor Thalassa has been renamed Thalassa Sea & Spa as part an initiative to reposition the brand and change its identity. The So Spa concept created by Sofitel was introduced in two European countries, in France at the Sofitel Marseille Vieux Port and in England, at the Sofitel London Saint James, which received the Condé Nast Award for the Most Excellent Spa in UK & Ireland.

PROPOSED DEMERGER OF THE TWO BUSINESSES

During the year, Accor embarked on a major strategic project to demerge its two core businesses, Hotels and Prepaid Services. On 26 August 2009, the Board of Directors approved Chairman and Chief Executive Officer Gilles Pélisson's recommendation to conduct a review of the potential benefits of demerging the businesses into two self-managing companies, each with its own strategy and resources for growth. Based on the reviews conducted by Group management, the Board of Directors approved the potential benefits of the demerger on December 15, 2009.

Demerger rationale

Today, both businesses are market leaders, with the critical mass and international reputation to operate independently in fast changing markets. With 4,100 hotels in 90 countries and 145,000 employees, the Hotels business is the European market leader and a global hotel manager, with a unique foundation in the midscale and economy segments.

Accor Services which, after years of strong growth, now operates in 40 countries with 6,000 employees, has become the world leader in employee and public benefits and a major provider of prepaid services, with more than €12 billion in issue volume in 2009.

Today, it is clear that:

- Hotels and Services leverage specific skills and expertise, and operate in different business environments;
- backed by sufficient independent financial resources, Hotels and Services will be better positioned in today's increasingly competitive global marketplace;
- separately, the two businesses, each with its own business model, will attract a larger number of investors.

With their own operating, marketing and sales and legal structures, the two businesses will be able to independently drive their own growth.

The demerger offers benefits for both businesses, because it will make it possible to:

- complete two corporate mission projects, led by dedicated management teams, strengthening employee pride in each company;
- create two pure players, listed separately without any capital ties, with targeted investors, and stronger visibility;
- offer both businesses new opportunities for partnerships, strategic alliances and financial transactions to fund future growth, in particular through the ability to pay in shares.

Demerger process

During the review of the potential benefits of the demerger, initiated in late August 2009, the Liaison Committee between the management teams and representatives of the Board of Directors met several times to identify the best ways to ensure the future success of the proposed **two listed companies** without any capital ties between them. The resulting process was approved by the Board of Directors on February 23, 2010.

Legal and tax issues

Accor SA will retain the Hotels business, as well as Lenôtre, Compagnie des Wagon-Lits and its stake in Groupe Lucien Barrière, while **a new company will be created for the Services business**. The transaction will be carried out through a capital contribution and share distribution, as follows:

- all of the Services subsidiaries' shares will be contributed to a new company (after transferring certain shareholdings in settlement of debt);
- shares in the new company will be distributed to Accor SA shareholders.

In this way, each Accor SA shareholder will receive one share of the new company (Accor Services) for every Accor SA share held.

Shares in Accor SA (retaining the Hotels business) and the new Services company will be listed on the NYSE-Euronext Paris stock exchange.

Following the response at the beginning of February 2010 from employee representatives, the main steps remaining in the demerger process are:

- meeting with bondholders;
- a vote by Accor SA shareholders at the Extraordinary Shareholders Meeting (expected to be held on June 29, 2010).

Determining the capital structure

The proposed debt allocation structure aims to ensure that each company enjoys a rating and a capital structure in line with its peer group, and to provide each one with the resources necessary for its independent, long-term growth.

The Services business aims at earning a Strong Investment Grade rating, which is a prerequisite for maintaining and expanding its leadership in an industry where payment security is a key issue.

The goal of the Hotels business is to have an Investment Grade rating by paying down all of its debt in 2011, using the proceeds from the disposal of non-strategic assets (including the 49% interest in Groupe Lucien Barrière) and certain hotel assets.

Based on these considerations, **consolidated net debt**, which stood at €1.6 billion at December 31, 2009, would be allocated as follows:

- net debt of €1.2 billion to Accor SA (Hotels);
- net debt of €0.4 billion to the new Services company.

Timetable

To determine the most appropriate demerger timetable, the Board of Directors defined a series of milestones:

- implementation of **action plans**, in particular for the hotel property disposal strategy and the disciplined management of expansion expenditure;
- launch of the two **corporate mission projects**, led by each management team;
- **separation of shared teams**, **information systems** and **legal structures**;
- definition of the right capital structure and **allocation of the amount of debt** appropriate to each company's business model;
- commitment from **Colony Capital and Eurazeo to support** the two companies (until January 1, 2012, as announced on December 15, 2009 in their press release).

Now that these milestones have been successfully reached, **the Board has decided to carry out the demerger** in late June. An **Extraordinary Shareholders Meeting** will be called for **June 29, 2010** when shareholders will be asked to approve the proposed demerger of Accor's two businesses.

The prospectus describing the details of the transaction and providing investors with all the necessary information about the new listed company will be published in May and filed with French securities regulator AMF. **Accor Services shares will start trading in early July.**

THE TWO PROPOSED EQUITY STORIES

Hotels: A New Business Model

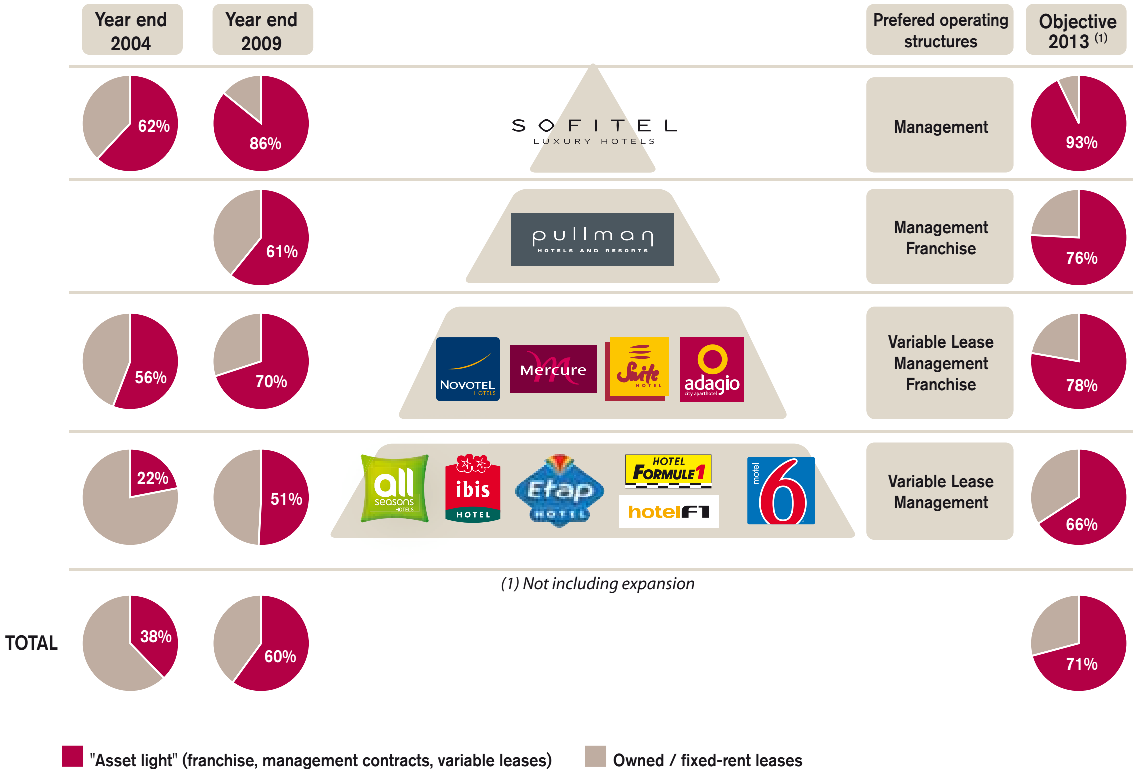
The world's leading hotel manager, Accor Hospitality, is committed to becoming Europe's largest hotel franchisor and one of the world's top three hotel groups by 2015, by leveraging five strategic strengths:

1) **a portfolio of powerful brands**, aligned with today's increasingly fragmented demand and ranging from luxury to budget hotels;

	Standardized chains	Non-standardized chains	Long-stay accomodations
Luxury		Sofitel Luxury Hotels	
Upscale		Pullman Hotels and Resorts; MGallery	
Midscale	Novotel Hotels; Suite Hotel	Mercure	adagio city aparthotel
Economy	ibis Hotel	all seasons hotels	
Budget	Etap Hotel (In Europe); Hotel Formule 1 (Outside Europe); Motel 6 (In the United States and in Canada); hotelF1 (In France)		Studio 6 extended stay (In the United States and in Canada)

2) **operating excellence**, based primarily on an outstanding team recognized for its hospitality expertise, **a comprehensive range of innovative services** and a dynamic distribution strategy;

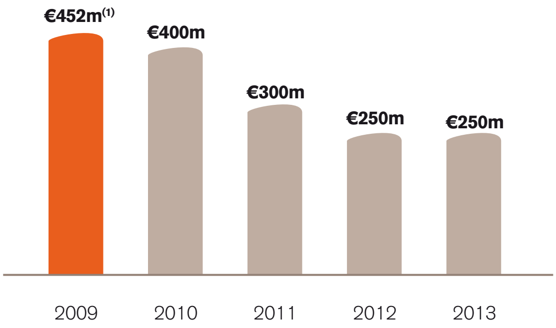
3) **a unique business model, based on speeding up the low capital-intensive asset-right strategy underway since 2005**, with the goal of operating more than 70% of the hotel base under management contracts, franchise agreements or variable-rent leases by 2013. Building this type of base will enable the Hotels business to reduce its cyclicality, which will lead to more stable cash flows and **higher return on capital employed**. To reach this objective, 450 of the 1,600 hotels owned or operated under fixed-rent leases at December 31, 2010 will change ownership structure between 2010 and 2013. This disposal process will have a cash impact of €1.6 billion and will reduce adjusted net debt by €2 billion. In 2010 alone, the targeted disposals are expected to represent €450 million, of which 25% had already been realized by the end of February;



(1) Not including expansion

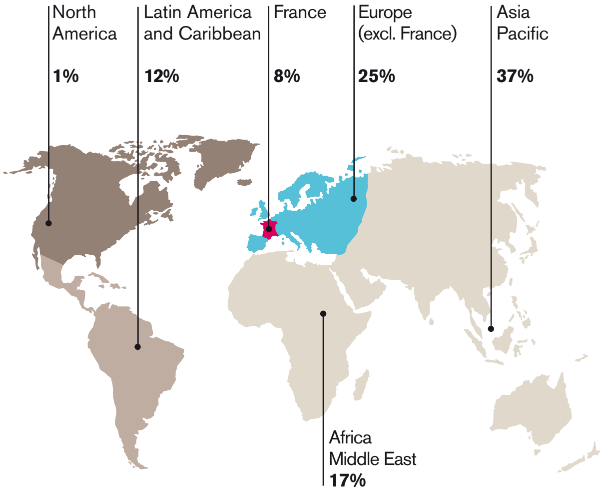
4) **a sustained expansion plan, with the objective of opening 35,000 to 40,000 new rooms a year at cruising speed**, while reducing annual expenditure to €250 million by focusing on asset-light expansion. Primarily deployed in the Economy segment in Europe and in fast-growing countries, the plan is already well underway with more than 100,000 rooms in the pipeline as of end-2009;

Annual expansion capex expenditure objective

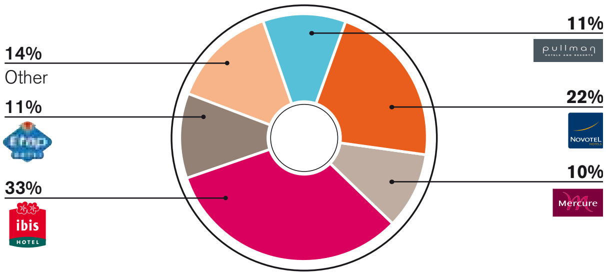


(1) Excluding €271m Groupe Lucien Barrière put

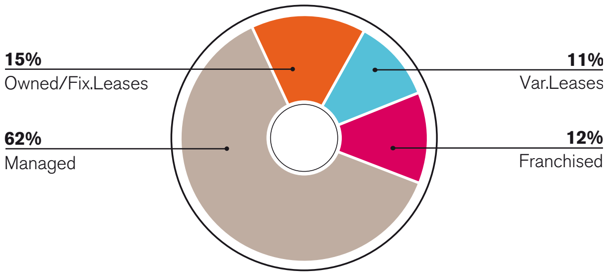
Pipeline as of December 2009 by geography



Pipeline as of December 2009 by brand



Pipeline as of December 2009 by operating structure



5) **a people-driven strategy**, to strengthen relationships with customers and partners, **remain the hospitality industry's "best place to work",** and support our position as the world's "leading hotel school", by capitalizing on the **network of 16 Accor Académies** located in our main host regions.

Proud of its business and its expertise, the Hotels business is committed to:

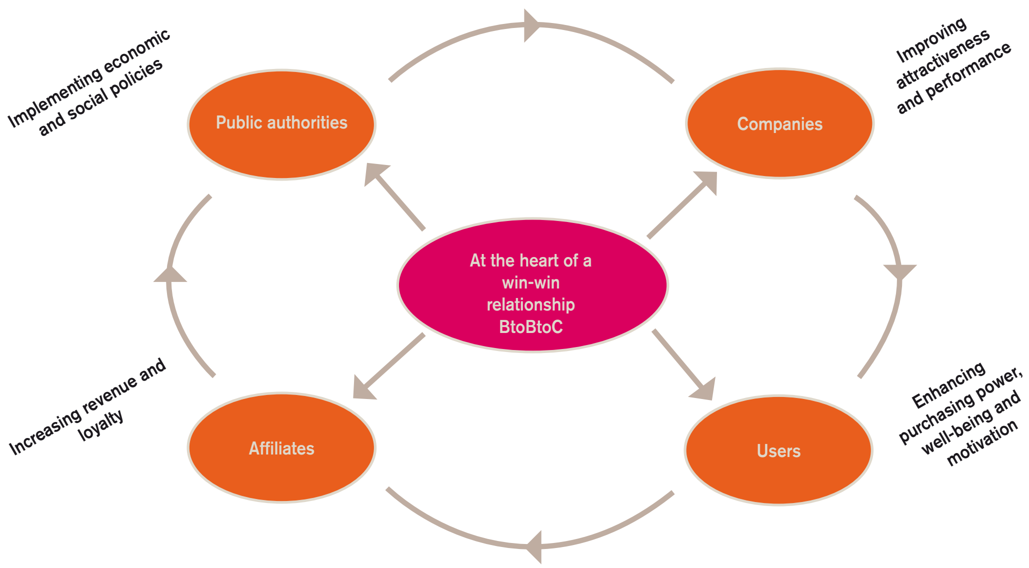
- **leveraging a portfolio of powerful brands;**
- **delivering superior services;**
- **creating innovative hotel solutions and related business models;**
- **instilling a pioneering, entrepreneurial spirit;**
- **hiring and retaining motivated, high-quality people;**
- **being successful both globally and locally.**

Prepaid Services: a growth strategy

Positioned at the heart of a win-win relationship

Because the Services business offers close ties and effective solutions to public authorities, companies, users and affiliates, it is **positioned at the heart of a win-win relationship that enhances people's well-being and motivation and helps to improve the performance of organizations**. Its role is to act as an enabler in:

- implementing economic and social policies, for public authorities, institutions and union;
- improving attractiveness and performance, for companies;
- increasing purchasing power and enhancing well-being and motivation, for users;
- increasing revenue and customer loyalty, for affiliates.



Fundamentals driving strong growth in both developed and emerging markets

The Services business enjoys a wide variety of fundamentals – shaped by demographics, socio-professional and sociological trends and favorable government policies – that are capable of driving long-term growth in both developing and emerging markets. At the same time, the gradual shift from paper to electronic media is enabling a deeper understanding of user needs and helping to speed up growth by making prepaid services faster, easier to use and more secure.

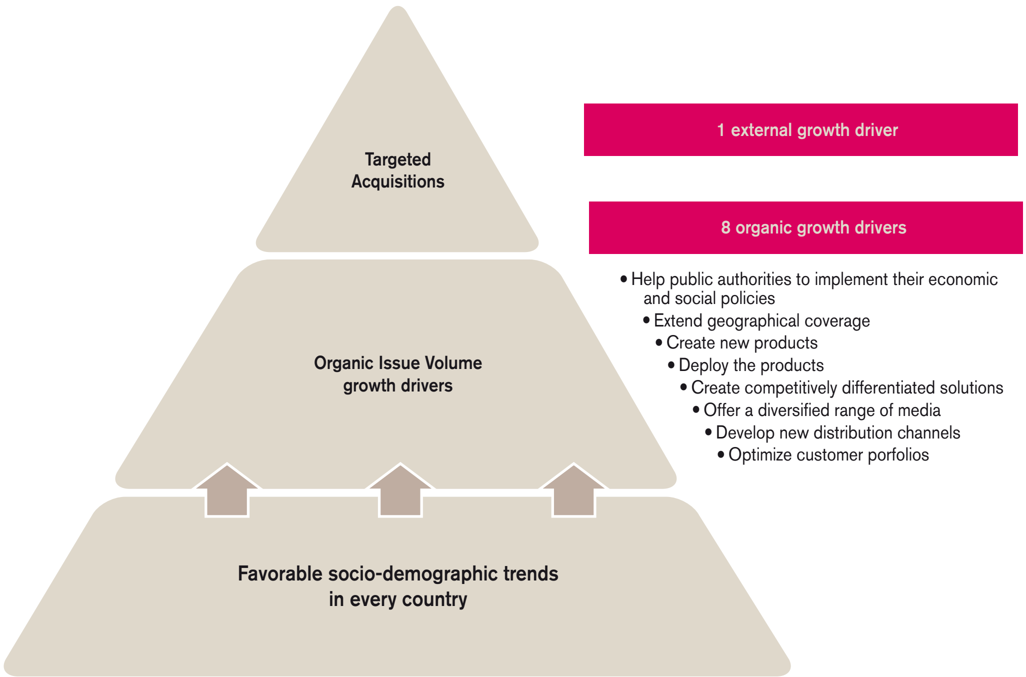
	Sources of opportunity for Accor services	
	Developed markets	**Emerging markets**
Demographic factors		
Growing urbanization	Moderate	Strong
Emergence of a middle class	Weak	Strong
Aging population	Strong	Weak
Socio-professionnal factors		
Shift from an industrial economy to a services economy	Weak	Strong
Growing percentage of women in the workforce	Strong	Moderate
Longer working lives	Strong	Moderate
Demand for incentive and health-related initiatives to increase employee productivity	Strong	Moderate
Sociological factors		
Work/life balance	Strong	Weak
Environmental factors	Strong	Weak
Food security	Moderate	Strong
Providing healthy and balanced nutrition	Strong	Moderate
Political factors		
Combating informal work	Strong	Strong
Control/traceability of allocated funds to improve purchasing power	Strong	Strong

Strong opportunity · Moderate opportunity · Weak opportunity

A powerful vision

In this growth environment, the Services business is committed to being **the world leader in employee and public benefits and a major provider of prepaid services to help improve the performance of organizations.**

In a business where building volume is the key to creating value, Services has nine sustainable growth drivers. These drivers are generating a virtuous circle capable of delivering double-digit growth in operating cash flow in "normal conditions" based on three pillars: growth in operating revenue, economies of scale led by the migration from paper to electronic solutions (after initial investments), and a higher float in value.



A unique growth model that has demonstrated its robustness

- Strong growth in issue volume and revenue, which rose respectively an average 10.5% and 12.3% a year between 2003 and 2009,
- Strong growth in operating free cash flow, up an average 15.1% a year between 2003 and 2009,
- Low cyclicality. Excluding exceptional external factors during the year, growth would have exceeded 10% in 2009,
- High sustainability, underpinned by geographic, product, customer and media diversity.

To ensure the successful listing of a business offering growth, low-cyclicality, low capital-intensity with a presence in developed and emerging markets, the Services team can leverage such strong values as the spirit of enterprise, innovation, performance, simplicity and sharing.

2010 TRENDS AND OUTLOOK

Hotels

With the exception of Economy Hotels in the US, **occupancy rates continued to stabilize** in January 2010, in line with the December 2009 trend. Average room rates generally stabilize three to nine months after occupancy rates.

Prepaid Services

The sustained rise in unemployment, particularly in Europe, is expected to further impact growth in operating revenue, notably in the first half. The environment should be more favorable in emerging markets, where the increase in people in work is expected to drive stronger revenue growth.

Financial revenue, on the other hand, will continue to be held back by declining interest rates in the first half, before stabilizing in the second.

1.6. Human resources

1.6.1. KEY FIGURES

Accor employed 150,525 people around the world as of December 31, 2009, compared with 158,162 a year earlier.

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

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

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

Workforce by business and region at December 31, 2009

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2009	Total 2008
Hotels	**18,032**	**29,635**	**14,626**	**9,640**	**67,784**	**139,717**	**144,679**
Upscale and Midscale Hotels	12,490	23,322	3,501	7,502	61,467	108,282	112,594
Economy Hotels	5,542	6,313	-	2,138	6,317	20,310	19,951
US Economy Hotels	-	-	11,125	-	-	11,125	12,134
Prepaid services	**1,096**	**1,808**	**44**	**2,286**	**870**	**6,104**	**5,826**
Other businesses	**3,045**	**1,372**	**-**	**287**	**-**	**4,704**	**7,657**
Restaurants	1,208	336	-	-	-	1,544	1,401
Onboard train services	1,032	925	-	-	-	1,957	4,931
Other	805	111	-	287	-	1,203	1,325
TOTAL	**22,173**	**32,815**	**14,670**	**12,213**	**68,654**	**150,525**	**158,162**

Human resources data at December 31, 2009

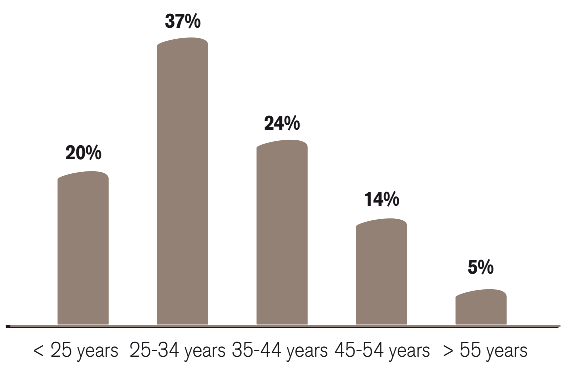
	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2009	Total 2008
Number of Employees	**22,173**	**32,815**	**14,670**	**12,213**	**68,654**	**150,525**	**158,162**
% women	55%	56%	69%	50%	39%	49%	49%
% men	45%	44%	31%	50%	61%	51%	51%
% under permanent contracts	94%	83%	100%	93%	80%	86%	85%
% women	54%	55%	69%	50%	40%	50%	49%
% men	46%	45%	31%	50%	60%	50%	51%
Management							
% of total workforce (1)	26%	15%	13%	12%	14%	16%	17%
% women	46%	47%	61%	44%	35%	43%	45%
% men	54%	53%	39%	56%	65%	57%	55%
Training							
Training expenditure as a % of total payroll	2.2%	1.8%	1.3%	5.4%	3.4%	2.4%	2.0%
Number of days of training	33,268	39,358	41,780	31,467	182,101	327,974	336,382
Number of employees having attended at least one training course	11,435	14,515	18,616	10,907	79,579	135,052	160,941
Number of managers having attended at least one training course	4,411	3,019	2,634	1,434	12,434	23,932	25,608
Number of non-managers having attended at least one training course	7,024	11,496	15,982	9,473	67,145	111,120	135,333
Occupational accidents							
Lost-time incident frequency rate (LTIF) (2)	-	-	-	-	-	17.8	18.1
Number of fatal accidents in the workplace	-	-	-		3	3	1
Number of fatal accidents commuting	-	-	-	1	1	2	6

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

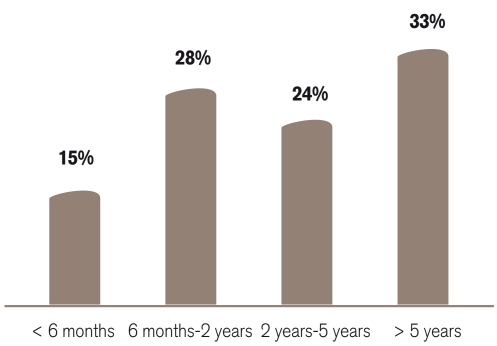
(2) Number of workplace accidents with lost time (as defined in accordance with local legislation) per million hours worked.

Employees by age and seniority at December 31, 2009

Employees by age



Employees by seniority

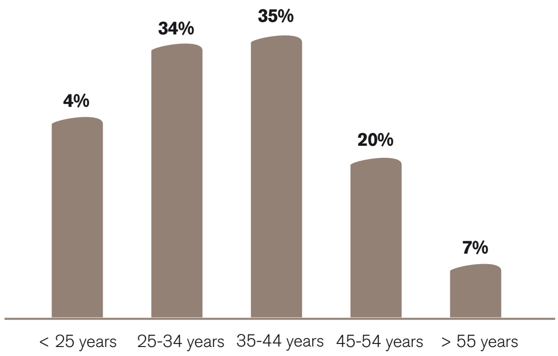


Accor continues to have a young workforce, with 57% of employees under 35 at year-end 2009.

Managers by age at December 31, 2009

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



1.6.2. 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 2009 corporate reports prepared, in compliance with French law, by French subsidiaries that are at least 50% owned and have at least 300 employees.

Accor values and management philosophy

The 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.

Attracting the best talents

To promote our job skills and enhance our image among candidates 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 online **Hiring Communication Guide**, which gives recruiters around the world access to print advertising templates, job-fair stands, online banners, brochures and all the other hiring resources they may need.

In particular, these materials integrate the first-hand accounts of our highly diverse employees who embody the recruitment campaign's key message: **"Your smile, your future."**

In addition, an Accor Employer 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 videocasts available on accor.com with testimonials from employees around the world, talking about their successful careers with the Group. In the Recruitment and Careers section of the accor.com website, there is also a questionnaire that applicants can use to discover which jobs are right for them.

Moreover, nearly 40% of new hires are recruited through the Accor Jobs website, which received 3.5 million visits in 2009. The site is accessible from the Recruitment and Careers section on accor.com, which was thoroughly revamped in 2009. Accor was one of the first companies to introduce the anonymous résumé via its website in France.

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

The accor.com site also features human resources highlights of the year and a blog that keeps potential applicants informed of the latest news about our professions and lets them ask questions about the benefits of working for Accor.

The hiring challenge

Partnering with educational systems

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 2009, for example, an undergraduate vocational degree was created in "Managing International Hotel Accommodations," which allows graduates to prepare for an advanced hotel management degree and receive extensive training in revenue management. The agreement also comprises hands-on programs to deepen cooperation with universities and provide students with better information to help them choose careers in the hospitality and foodservices industry. In France, more than 3,600 trainees were hired as part of vocational or technological work/study programs in 2009.

Accor representatives gave presentations on hospitality jobs in a large number of middle schools and participated in job orientation programs, such as the job information days organized for middle school guidance counselors and the information sessions held for 3,000 middle school students. In addition, Accor hotel General Managers and department heads regularly join vocational school teachers to give students additional information about hospitality jobs and lead role-playing exercises. They also help to design workshops in job-hunting techniques for graduates.

Every year, Accor also offers more than 150 internships for vocational or technology teachers.

For hiring needs in France, operating managers can contact one of six 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 and Agreement;
- 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 2009, the Regional Employment Delegations processed almost 8,000 resumes, conducted 4,000 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 2009, a new role-playing hiring process was created for F1Etap multi-task employees.

In Singapore, a memorandum of understanding signed with Nanyang Polytechnic is enabling some 30 students a year to undergo a six-month attachment program at Accor's three hotels in the city state. In this way, they can find out what it is like to work in a Novotel, Mercure or Ibis hotel and gain hands-on experience in the skills they will need in the hotel professions.

In Switzerland, the human resources departments of Accor Hospitality Switzerland and Europe, Middle East and Africa participated in the first Forum organized by the Swiss Education Group (SEG), which comprises four hotel management schools and around 3,000 students. The Accor representatives met with students from 60 different countries who had completed a variety of undergraduate and graduate degrees.

In Spain, relations with the leading hotel and travel management schools were strengthened during the year, to heighten student awareness of our brands and broaden collaboration between the schools and our hotels. Highlights of the year included:

- the signing of six agreements with the country's leading schools;
- a partnership with more than twenty schools across France, enabling more than 120 French students to intern in our hotels in Spain;
- internships for more than 400 people.

As part of the new policy introduced to structure and improve the hiring process in **Saudi Arabia**, most notably by creating an international network of recruitment agency partners, the first Accor Middle East Recruitment Convention was held in February in Jeddah. Fifteen partners attended the event, which was designed to raise their awareness of Accor, its brands and its professions.

Apprenticeship programs

Apprentice programs, which are a very important source of new employees, 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 2009, 800 people were involved in work/study programs at our hotels in France**, of which two-thirds under apprenticeship contracts. Accor also took part in the French government's program to encourage work/study opportunities, undertaking a variety of hiring commitments and participating in the working group on the "Institutional Environment of Work/Study Programs."

In addition, a number of hotels organized apprentice orientation days during the year, along with roundtables enabling work/study employees completing their contract to discuss their experience in the Group.

For the past six years, **Accor Hotels EMEA (Europe, Middle East, Africa)** has organized the annual "Professions Challenge," which celebrates the achievements of the young professionals working in Accor hotels in the region. In 2009, 40 contestants were chosen from among 1,000 candidates from 17 countries.

Accor **Germany** has renewed its partnership with the Munich University of Applied Sciences, under which it hires as apprentices students enrolled in a two-track curriculum leading to an undergraduate degree in tourism management, with a specialized hotel-oriented work/study program. The partnership helps to attract the most qualified candidates and introduce them to our expertise. Accor is the only company partnering Munich UAS as part of the two-track program.

In Australia, the Novotel Wollongong Northbeach won a Minister's Award for Excellence for Australian Apprentices. Every year, the hotel sets aside intern and apprentice positions for local students, helping to support the hotel's development and enhance the participants' skills and capabilities.

In the United Kingdom, Novotel's NEXT and PLAYERS training programs have been recognized by the government, after the Learning and Skills Council determined that they complied with national training standards. As a result, participating employees can earn a government-sanctioned diploma. These projects are in line with the apprenticeship program recently launched in the UK with the goal of hiring 200 apprentices in 2010.

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.

In addition, diversity across the Group has been managed by a dedicated executive since 2008.

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.

Around the world, Group diversity policies and commitments are being deployed by local human resources managers, while many country organizations have introduced diversity programs aligned with local practices. Accor encourages this type of approach, which promotes diversity 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 our 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

Under the Group-wide agreement on Diversity in France, which was signed by all of the employee representatives on January 10, 2007, job applicants can submit an anonymous résumé on the French Accor Jobs website.

The possibility helps to ensure **equal treatment from the outset of the hiring process**, since candidates are short-listed solely on the basis of their training, experience and skills.

Names, birth dates, gender, addresses and email addresses are hidden so as to preclude even subconscious discrimination due to age, sex or national origin.

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

Integrating the disabled

Integrating the Disabled Project (MIPH) is a vital part of the diversity action plan in France following the renewal of the Group-wide agreement with all of the employee representatives in 2009. As part of the agreement, the MIPH team carried out the following actions during the year:

- 57 people were hired in Accor France operations, mostly under permanent contracts;
- 43 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 nine participants, who were offered job contracts;
- 8 employees were hired and trained in kitchen skills under the partnerships with the National Association for Adult Vocational Training (AFPA) and the Inter-federal National Association of the Private-Sector Medical and Social Institutions and Organizations (URIOPSS);
- 15 employees were able to keep their jobs thanks to support from Mission Handicap. A total of 35 employees either i) had their workstation ergonomics analyzed, with resulting improvements in design and equipment; ii) received financial support for the purchase of hearing aids, spectacles or special medical equipment for their company car; or iii) passed a skills review;
- 21 disabled people working in sheltered workshops were employed under a Group partnership program.

In France, a total of 416 disabled persons were employed at December 31, 2009, representing 3.61% of the workforce for the year.

To encourage employees to speak frankly about disability issues, a communication campaign was conducted across the French organization in 2009, with the distribution of a special brochure to 25,000 employees and the display in every Group hotel of five posters featuring disabled Accor employees at work.

Accor Services hired six disabled people under government contracts for on-the-job training in customer relationship management. Three of them received permanent employment contracts.

At the same time, a variety of sensitivity initiatives were undertaken, including presentations at the Accor Académie as part of the "Successful Recruiting" course and presentations at meetings with Directors of Operations and Franchised Hotel General Managers.

Providing opportunities to the underprivileged

Accor is committed **to supporting equal opportunity** in education and hiring for people from underprivileged backgrounds. Workshops were conducted in Strasbourg to train unemployed people over 50 in job-hunting techniques and help them to find employment in our hotels. In addition, to enable all job-hunters to access our employment offers, an agreement was signed and implemented in November 2009 to automatically transfer open positions listed on the Accor Jobs site to the French national employment office's website.

Since mid-2008, Accor has been involved in a French government program to create jobs for people from disadvantaged neighborhoods in the Paris suburbs, with a commitment to hiring 500 persons a year. In 18 months, more than 800 people have been hired as part of the program, under either permanent contracts or fixed-term contracts exceeding six months.

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**, for example, ten "School in the Hotel" days were organized to allow hotel school students and teachers to run a hotel or be mentored by one of our hotel managers.

Accor is a founding member of **the Second Chance School in Paris**, part of a network created in French cities in association with the **European Social Fund** to encourage the workplace integration of young adults, 18 to 26, without any qualifications or degrees and who have been out of 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 working with every Second Chance School in France. Furthermore, a national partnership agreement has been signed with "the Etablissement Public d'Insertion de la Défense" (EPIDE), a Ministry of Defense sponsored organization that assists young people with workforce reintegration.

In **North America**, the Sofitel Philadelphia has partnered the nearby Philadelphia Senior Center in a variety of fundraising and other volunteer activities. Initiated by the hotel's Diversity Committee, the partnership has helped to raise funds for the Center's meals program during its annual Walk Against Hunger. The Sofitel team raised more money than any other participant in the Walk, earning the hotel the award for Volunteer Company of the Year.

In **India**, teams from the Mercure Homestead Residences in Bangalore worked with the Anatha Shishu Nivasa orphanage, helping to clean the premises, organize activities with the children and put on a magic show. The hotel also supported the orphanage by donating books, fruit and foodstuffs.

Gender equality in the workplace

Worldwide, women account for 49% of employees in the Hotels business and 54% in the Services business. In France, women account for 55% of all employees, 57% in Hotels and 63% in Services.

To promote gender equality, in 2009, Etap Hotel and HotelF1 pursued the "Managers Plurielles" project, which is designed to help retain women employees, encourage their move up to supervisory and management positions, develop their skills; and introduce work schedules that make it easier for women to be promoted to management positions.

In addition, agreements concerning the French hotel business were signed during the year to promote gender diversity and narrow the gender wage gap.

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 Académies** 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 Académies are dedicated to meeting the following three objectives:

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

Skills development programs are introduced as needed. For example, we recently launched RM Pass, an international development and training program that enables Hotel business employees to earn certification in revenue management. More than 500 people have attended the program, which 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.

RM Pass 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 2009, a total of 327,974 days of training were conducted worldwide, funded at 2.4% of total payroll.

International mobility

Supporting international mobility is a strategic objective of our human resources policies. Our presence in more than 100 countries offers a broad range of career opportunities in all of our businesses.

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

- international mobility policies have been defined for the entire Group, covering, for example, moving costs, temporary lodging on arrival and other issues;
- an international mobility and expatriation section has been created within the Group Human Resources Department to support employees not only before and during their international assignment, but also after their experience in our global operations. As part of this process, the section helps managers and local human resources teams identify and recruit the right people for their needs;
- an intranet site helps employees plan their international assignment with such useful information as travel and visa formalities, checklists and country guides;
- in 2009, the International Mobility Booklet was distributed to operating unit chief executives and human resources networks Group-wide. Designed to help managers and human resources managers support employees who wish to pursue their careers outside their home country, the booklet presents the major steps in the process, along with all the resources available to make the experience a success for everyone.

There were 670 expatriate employees in 2009.

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 employee **compensation** is determined fairly;
- 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.

The **compensation package** for managers includes 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 2009, a specific compensation system was devised for hotel development employees, in order to support the asset-right growth strategy with appropriate incentives. In addition, to ensure that compensation policies for the Accor Hospitality sales force are competitive and to attract, retain and motivate these key resources for meeting our strategic Distribution objectives, common Group-wide bonus principles have been defined and communicated to all of the operating units, for implementation beginning in 2010. Lastly, to support the professionalisation of the revenue management skills cluster, a specific Group-wide compensation study was conducted for the cluster in 2009 and a dedicated bonus system will be gradually deployed in 2010.

To monitor implementation of compensation policies and their alignment with market practices, **compensation studies** are regularly conducted for each skills cluster, business or region. This was the case in 2009, notably in Accor Services subsidiaries in Italy and other countries, as well as during the creation of the executive committee for PrePay Solutions, the joint venture with MasterCard Europe.

Similar studies are conducted for Accor Hospitality. Examples include:

- a compensation survey of core hospitality jobs (particularly the position of Hotel General Manager) in the United Kingdom, the Netherlands, Australia and New Zealand;
- a review of Sofitel management structures following the brand's reorganization in 2009;
- a review of the executive committees in the Netherlands and South Africa and of the regional support functions based in Australia.

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 system, under which Accor contributes matching funds each time an employee invests in one of the plan's mutual funds. In 2009, more than 4,464 employees paid into this type of plan. In addition, 3,224 employees participated in the Tesorus supplemental plan, which was introduced to support employees with little capital available for savings. It offers a booklet of vouchers that employees can use whenever they want to pay into the plan during the year, with Accor again contributing matching funds.

Details on these two systems are available on the Accor intranet site, 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 2008 and paid in 2009 amounted to an aggregate €17 million for 30,037 employees, or an average net amount of €571.58 per person.

In compliance with French Act of December 3, 2008 in favor of working income, 17,197 employees requested the immediate payment of all or part of their profit-shares, without investing them in the Corporate Savings Plan.

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

In 2009, an aggregate €15 million in discretionary profit-shares earned in 2008 was paid to 23,008 employees, or an average net amount of €685.43 per person for the year.

Employees in France and the rest of the world are regularly offered the opportunity to purchase new Accor shares on preferential terms and conditions, as part of employee share issues. Thanks to these issues, 20,502 employees owned shares in their company as of December 31, 2009 (for more details, please refer to page 276).

Insurance coverage

In France, legal and regulatory requirements tightened in 2009, leading Accor to adjust its group insurance and supplemental health coverage in line with operating considerations specific to its businesses.

In particular, the National Multi-Industry Agreement of January 11, 2008 introduced, effective July 1, 2009, the right for former employees whose employment contract has been terminated to retain, temporarily and under certain conditions, their insurance and supplemental health coverage to which they were entitled as Accor employees. The retained entitlements are financed by the employer and the employee in the same proportions as for current employees and the coverage is exactly the same.

In the rest of the world, Accor is actively extending healthcare and other coverage, depending on local needs. Benefits include insurance and a complete range of healthcare coverage, including routine care, hospitalization, maternity benefits and eye care.

Retirement benefits

The Group Retirement Benefits Committee set up in 2007 continued its activities in 2009. Designed to encourage dialogue and consensual management, the Committee is comprised of representatives from the corporate Human Resources, Consolidation, Treasury and Financing, and Administrative Services departments, as well as the Group's consulting actuary.

In 2009, the following issues were addressed:

- actuarial assumptions, changes in regulations concerning length-of-service awards, the French pension and post-retirement benefits system, and their related impact on the financial statements;
- tracking the financial management of outsourced pension plan assets, particularly with regard to the global financial environment;
- an opportunity study for the introduction of a corporate retirement savings plan in France;
- an opportunity study for outsourcing Accor Services' defined benefits retirement plan in the United Kingdom;
- a review of the pension and other post-retirement benefits plans for international and expatriate employees.

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% overtime 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 217 days a year at Compagnie des Wagons-Lits and 218 days in the other units.

Worldwide, 86% of employees have permanent work contracts. Their working hours comply with local legislation and collective bargaining agreements.

At December 31, 2009, out of a total of 22,173 employees in France, 20,804, or 94%, have 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 security risks

In a world increasingly impacted by security issues, ever-changing risks and a wide variety of terrorist, health, environmental and other threats, Accor has deployed **an assertive security and risk management strategy** to protect its customers, employees and sub-contractors on every site around the world.

This strategy, which is deployed by the Security and Risk Management Departments under the authority of Group senior management, is supported by a global network of correspondents, close working relationships with local authorities and the expertise of specialists.

It comprises four key components: **risk identification, tracking and analysis, training and awareness building, and crisis management.**

Risk identification

The Risk Management Department has implemented a risk identification process covering all of our businesses in every host country and at Group level.

The process is carried out once a year in every country organization or subsidiary, with findings reported to the Risk Management Department, which confirms that the identified risks are covered.

At Group level, a risk coordination committee and a risk management committee ensure that risks are addressed across the Group.

Tracking and analysis

The security situation in light of geopolitical, health, weather, social and other risks is tracked daily by the Security and Risk Management Departments and by their local counterparts in every host country.

Employees on temporary or long-term assignments in a given country or region may consult regularly updated security and health advisories on the Risk Management intranet site.

Training and awareness building

Security and crisis management training programs are offered to senior management teams and other employees. In 2009, several of these programs were conducted for hotel General Managers and senior country executives in Spain, Portugal, Poland, Germany, France, Brazil and South Africa.

Crisis management

Crisis management teams set up in every country organization and each unit provide effective liaison between the units and senior management. In 2009, they were activated as soon as the threat of an influenza A (H1N1) pandemic emerged.

The risk identification and analysis process is described in more detail in paragraph 2.3 below.

Influenza A (H1N1) prevention

In its commitment to employee health, Accor is closely monitoring the influenza A (H1N1) situation in every host country. A worldwide Influenza A (H1N1) Coordination Committee has been set up to ensure that appropriate preventive measures are taken and that medical and governmental recommendations can be swiftly applied in the event of a pandemic.

In 2009, business continuity plans (BCPs) were deployed at all corporate sites, host country headquarters and operating units across the Group to prepare for any reduction in work levels due to a pandemic. A set of BCP pandemic response guides were distributed to every unit for integration into their local organizations. They covered human resources issues (salary policies, dialogue with employee representatives, etc.), hygiene, vaccination and surgical mask procedures, the reorganization of work and workspaces, and internal and external communication plans.

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.

Accor joined the fight against AIDS in 2002, in sub-Saharan Africa. 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.

Raising employee awareness with ACT-HIV

To support roll-out of these policies in Accor units worldwide, the ACT-HIV DVD was introduced in 2007 to improve AIDS awareness among operating managers in the Hotels and Services businesses and to track our performance in fighting against the disease. Building on our three core principles – confidentiality, non-discrimination and equal access to treatment – the DVD explains to hotel General 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, who are each responsible for implementing an action plan to deploy the program in his or her country, preferably in association with a non-governmental organization and, wherever possible, local occupational physicians (as is currently the case in France). By the end of 2009, 25 host countries had implemented an ACT-HIV action plan, in both the Hotels and Services businesses.

A publicly pledged commitment

On World AIDS Day 2008, Accor signed the United Nations Declaration of Commitment on AIDS to pledge its support for the rights and dignity of people in the workforce who are living with AIDS.

In 2009, Gilles Pélisson became a member of the Executive Committee of the Global Business Coalition on AIDS, Tuberculosis and Malaria.

To publicly convey 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**. Fifteen companies participated in the Dialogue in 2009, including Air France, Europe Assistance, the Ritz-Carlton Hotel Company, the Virgin Group and Carlson.

For World AIDS Day 2008, dialogue participants Accor, Club Med and Europe Assistance joined forces to organize an AIDS awareness-building and detection campaign in Senegal. Employees of the Pullman Teranga Dakar, the Novotel Dakar and the Cap Skirring Club Med village participated in training sessions led in the hotel by medical personnel from Senegalese NGO Sida-Service. The following day, they were invited to get tested anonymously in the hotel by a mobile medical unit. A total of 680 people, representing 80% of employees, decided to be screened.

Accor and Club Med were supported in their campaign by several business organizations, including the Senegalese Alliance of Private-Sector Companies for the Fight Against AIDS. Thanks to this public/private partnership, several thousand employees will be able to take part in the screening program in 2010.

In India, Accor Services was selected in June 2009 to participate in the India-Country Coordinating Mechanism (India-CCM), a public/private consortium set up to fight against AIDS, tuberculosis and malaria. Comprising NGOs, government representatives and four other companies, India-CCM is coordinating the allocation of International Monetary Fund contributions towards the elimination of these diseases.

A recognized commitment

In October 2008, ACT-HIV received a grand prize at the AXA Santé awards, which are designed to showcase and celebrate public and private-sector companies that have demonstrated their commitment to providing their employees with preventive health care. In September 2009, our commitment to fighting AIDS was recognized with a prize in the Health category at the World Savers Awards organized by Condé Nast Traveler magazine.

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	6.5%
Workplace accidents and accidents commuting to/from work	1.5%
Maternity, paternity or adoption leave	0.3%
Compensated absences (family events)	0.4%
Non-compensated absences (unpaid leave, parental leave)	3.6%
TOTAL	**12.2%**

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

Illness remains the leading cause of absenteeism in France.

Voluntary redundancy plans

Head offices

In 2009, Accor moved quickly to adjust its corporate organizations in response to the decline in the Hotels business during the year.

After consulting with employee representatives, an agreement was signed with the unions to offer two voluntary separation plans, along with a range of employee support programs:

- the Hotels France head office plan concerned 100 people,
- the Group head office plan concerned 130.

Neither of the plans resulted in any dismissals.

To help the employees pursue a new career or personal project, both plans included a diverse array of support programs, such as career reviews, business start-up advice, training and personalized counseling, which would remain in place for at least nine months.

Compagnie des Wagon-Lits

Following the decision by French National Railways (SNCF) to award to Crémonini the nationwide contract for foodservices onboard its TGV high-speed trains (except the TGV Est line), Compagnie des Wagons-Lits subsidiary Rail Restauration transferred 1,300 employees to Crémonini on March 1, 2009.

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 2009, a total of 91,873 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

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

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

Since January 1, 2009, a Human Resources Planning and Development Agreement, signed in December 2008, has covered all Accor employees working in hotels across France, regardless of brand (hotel F1, Etap, Ibis, All Seasons, Thalassa, Suitehotel, Mercure, Novotel, Pullman and Sofitel). It is enabling both employees and the company to effectively plan for the need to upgrade and develop skills in alignment with corporate strategy and with foreseeable economic, demographic and technological trends. As such, it is contributing both to employee job security and to the Company's business growth.

In the spirit of the agreements signed in 2008 on pension benefits, insurance coverage and job qualifications for administrative and support staff, in 2009 Compagnie des Wagons-Lits signed an agreement addressing the challenge of retaining older employees and another concerning employee representative organizations and the right to unionize.

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 725 hotels that are owned and managed in France, 88 used appropriately certified cleaning companies as of December 2009.

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.

1.6.3. SUMMARY TABLES OF EMPLOYEE DATA - FRANCE

Consolidated Corporate Report - France

In compliance with French legislation, this Report consolidates data from the 2009 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 78% of Accor employees in France.

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

The Report concerns 17,197 employees in service at December 31, 2009, irrespective of the type of employment contract.

	2009	2008
Number of Employees		
Total number of employees (1)	17,197	19,948
Percentage of women	54.7%	54.0%
Percentage of men	45.3%	46.0%
Average monthly number of employees	18,300	20,442
Employees by age		
Under 25	15.5%	16.4%
25 to 34 years	31.7%	31.7%
35 to 44 years	26.6%	27.5%
45 to 54 years	19.4%	18.1%
Over 55	6.8%	6.3%
Employees by seniority		
Under 6 months	10.9%	11.6%
6 months to 2 years	14.0%	18.6%
2 to 5 years	21.4%	18.0%
5 to 10 years	24.1%	23.8%
Over 10	29.6%	28.0%
Number of full-time employees under permanent contracts	13,560	14,116
Number of part-time employees under permanent contracts	3,637	4,005
Number of employees under fixed-term contracts	1,590	1,827
Number of non-French employees working in France	2,373	2,526
As a % of total employees	*13.8%*	*12.7%*
Hiring		
Number of persons hired under permanent contracts	2,056	4,391
Percentage of women	46.7%	51.0%
Percentage of men	53.3%	49.0%
Number of persons hired under fixed-term contracts	7,393	5,724
Number of people under 25 years old hired	4,946	4,943
Compensation		
2008 discretionary profit-shares paid in 2009		
Number of beneficiaries (3)	23,008	26,885
Average gross amount per beneficiary *(in euros)*	685	802
2008 non-discretionary profit-shares paid in 2009		
Special employee profit sharing reserve, net *(in million of euros)*	17	12
Number of beneficiaries (3)	30,037	30,477
Average net amount per beneficiary *(in euros)*	571	384

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

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

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

	2009	2008
Health and Safety Conditions		
Number of meetings of Health, Safety and Working Conditions Committees	687	403
Number of employees receiving onsite safety training	5,714	2,617
Employee Relations		
Collective agreements signed, June 2008 to July 2009	30	32
Total hours used for employee delegate activities	91,873	79,024
Number of meetings with employee representatives	1,984	1,274
Employee Benefits		
Solidarity fund	In 1994, a solidarity fund was set up 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 millions 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.

Employees	Dec. 31, 2009	Dec. 31, 2008
Total number of employees	22,173	23,909
Compensation		
Total gross payroll *(in millions euros)*	630	664
Employer payroll taxes *(in millions euros)*	258	273
Training		
Training expenditure as a percentage of total payroll	2.2%	1.4%
Average training days per employee (1)	1.5 days	1.2 days

(1) Total training days divided by total number of employees

In 2009, the sale of certain Group hotels to independent owners and the loss of the onboard train services contract led to a decline in the number of employees in France.

This did not affect the amount of training expenditure as a percentage of total payroll, which remains a priority for Accor.

1.7. Environmental report

INTRODUCTION

The scope of reporting on Hotel Environment Charter initiatives and water and energy use data widened in 2009.

Accor continued to enhance the reliability of hotel environmental data during the year, by enriching the OPEN online environmental management application with new functions and deploying it more widely in all of the major host regions.

The environmental reporting protocol explains environmental data consolidation procedures, describes the internal control and verification process, and identifies the people in charge of the various consolidation levels.

The inspection process was strengthened during the year, with verification of eight actions in the Environment Charter (of which five on waste management) included in quality audits. As in 2008, the protocol and the water and energy data have all been audited by an outside firm, whose report may be found in the sustainable development section of the Accor website.

SCOPE OF REPORTING

✲ Indicators corresponding to Hotel Environment Charter actions are marked with a ✲ and unless otherwise specified concern all Accor hotels worldwide.

Seawater spas apply the same Environment Charter as their host hotel. The Charter is not applied in Adagio City Aparthotel units, CWL operations or Lenôtre facilities.

In 2009, data on Hotel Environment Charter actions were reported by 3,519 hotels. The percentage of owned, leased and managed hotels applying the Environment Charter increased during the year, nearing the goal of 100% set for 2010. However, the percentage of franchised hotels applying the Charter decreased to 65% from 75% due to a decline in participating Motel 6 franchisees in the United States.

Percentage of Group hotels applying the Environment Charter

	2009
Owned/leased	97%
Managed	90%
Franchised	65%
TOTAL	**86%**

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.

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 (51 countries in Africa and the Middle East, in Asia and the Pacific);
- operations at 23 CWL facilities in Austria, France, Italy, Portugal and Spain;
- operations at the Lenôtre production facility in Plaisir, France, the Pré Catelan restaurant and the Lenôtre boutiques in France.

Adagio City Aparthotel and the seawater spas do not report data on these indicators.

A total of 2,845 hotels reported data concerning water use, energy use and greenhouse gas emissions.

Percentage of Group hotels reporting data on water use, energy use and greenhouse gas emissions

	2009
Owned/leased	100%
Managed	97%
TOTAL (*)	**99%**

* *Not including franchised hotels.*

Regions covered

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

ENERGY

Energy use

The table below shows total amount of energy used worldwide and by region. Total energy use increased during the year due to the wider scope of reporting. Of the 2009 data, 89% were reported by hotels and 11% were estimates when measurements were unavailable or unreliable.

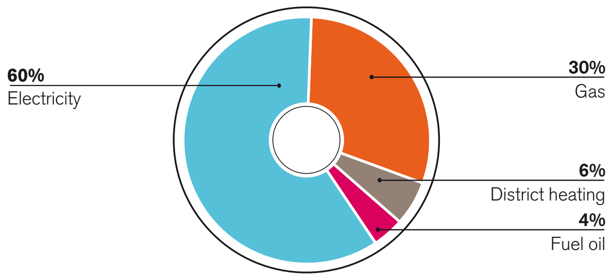
The indicator used to track energy use performance is kWh per available room. In 2006, when the performance indicators were introduced, Accor pledged to reduce energy use per available room by 10% by year-end 2010. As of the end of 2009, energy use was down 7.8% versus 2006 in the 1,391 owned and leased hotels included in the original scope of reporting.

Water use ratios are also presented in more detail on the 2009 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 2009	Total 2008
Number of hotels reporting	684	36	725	83	684	12	64	88	134	335	2,845	2,839
Energy used *(MWh)*	625,882	49,797	1,181,357	235,509	604,282	112,134	113,217	138,157	194,428	1,689,056	4,943,820	4,758,732

✦ Energy used by type in 2009



Improving energy efficiency

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

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

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

Energy-efficiency improvement indicators

Managing energy use	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2009	Total 2008
Number of hotels	**1,233**	**866**	**815**	**163**	**442**	**3,519**	**3,486**
Set objectives for reducing use	74%	78%	95%	90%	79%	81%	74%
Monitor and analyze monthly use	85%	97%	93%	97%	94%	91%	86%
List potential technical improvements	40%	64%	98%	65%	69%	64%	57%
Organize preventive maintenance	82%	90%	94%	96%	94%	89%	86%
Use low-energy lamps for permanent lighting	64%	82%	99%	90%	72%	79%	76%
Use low-energy lamps in rooms	58%	65%	96%	76%	71%	71%	67%
Insulate pipes carrying hot/cold fluids	75%	88%	77%	93%	82%	80%	77%
Use energy-efficient boilers	38%	58%	58%	58%	44%	49%	31%
Use energy-efficient air-conditioning systems	29%	40%	68%	45%	40%	45%	46%

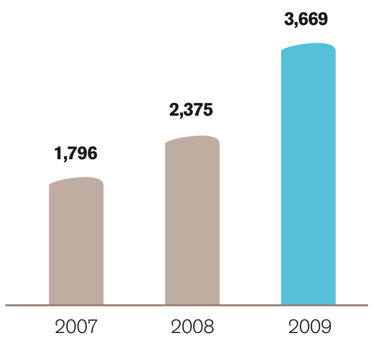
Encouraging the use of renewable energies

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, 2009, solar panels had been installed in 99 hotels worldwide, representing a total surface area of 7,427 square meters.

In France, solar energy installations are being developed in partnership with the Agency for Environment and Energy Management (ADEME) as part of an agreement signed in 2007.

The Ibis Paris Porte de 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. Total water use declined in 2009 compared with 2008. Of the 2009 data, 88% were reported by hotels and 12% were estimates when measurements were unavailable or unreliable.

The indicator used to track water use is liter per occupied room. In 2006, when the performance indicators were introduced, Accor pledged to reduce water use per occupied room by 10% by year-end 2010. As of the end of 2009, water use was down 4% versus 2006 in the 1,391 owned and leased hotels included in the original scope of reporting.

Water use ratios are also presented in more detail on the 2009 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 2009	Total 2008
Number of hotels reporting	684	36	725	83	684	12	64	88	134	335	2,845	2,839
Water used *(thousands of cubic meters)*	4,477	292	6,330	1,399	10,903	681	1,047	1,587	2,078	18,241	47,035	50,731

Reducing water use

The environmental challenge of the growing depletion of drinking water supplies is being addressed by a variety of programs or technological solutions, whose introduction in the hotels is accurately tracked by the water management indicators introduced in 2006.

Water management and monitoring indicators improved considerably in 2009. Special attention was paid to defining improvement targets and regularly analyzing water use.

☼ Managing water use

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2009	Total 2008
Number of hotels	**1,233**	**866**	**815**	**163**	**442**	**3,519**	**3,486**
Set objectives for reducing use	67%	69%	98%	87%	75%	77%	68%
Monitor and analyze monthly use	85%	96%	93%	97%	92%	91%	85%
Use flow regulators on faucets	71%	82%	96%	72%	67%	79%	76%
Use flow regulators on showers	66%	82%	98%	71%	71%	78%	74%
Use water-efficient toilets	62%	71%	69%	65%	72%	67%	65%
Suggest to customers that they reuse towels	75%	92%	97%	90%	89%	87%	82%
Suggest to customers that they reuse sheets	63%	72%	98%	66%	80%	76%	72%

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			
	Owned/ leased	Managed	Owned/ leased	Managed	Owned/ leased	Managed	Owned/ leased	Managed	Owned/ leased	Managed	Total 2009	Total 2008
Number of hotels reporting	684	36	725	83	684	12	64	88	134	335	2,845	2,839
Direct greenhouse gas emissions *(tonnes of CO_2 equivalent)*	29,113	2,368	78,688	16,038	49,245	8,787	8,903	13,461	10,909	106,800	324,313	304,497
Indirect greenouse gas emissions *(tonnes of CO_2 equivalent)*	40,889	3,178	350,843	55,202	188,670	31,716	11,694	8,231	96,714	821,553	1,608,689	1.497,432

Greenhouse gas emissions from both power generation and fuel use are calculated on the basis of Greenhouse Gas Protocol Initiative coefficients (www.ghgprotocol.org).

Ozone-depleting cooling liquids

Cooling fluids present only 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 2009	Total 2008
Number of hotels	**1,233**	**866**	**815**	**163**	**442**	**3,519**	**3,486**
Eliminate installations containing CFCs	42%	62%	94%	58%	54%	61%	61%
Verify that equipment containing CFCs, HCFCs and HFCs is leak-proof	54%	83%	95%	76%	81%	75%	73%

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.

A considerable portion of wastewater effluent is released by foodservice operations, which concern 46% of the hotels that apply the Hotel Environment Charter. Systems to recover cooking oils and fats have been installed in Group hotels to control and manage these releases into the local sewage system and avoid overloading the wastewater treatment plants.

☼ Wastewater

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2009	Total 2008
Number of hotels	**1,233**	**866**	**815**	**163**	**442**	**3,519**	**3,486**
Collect cooking oil	95%	96%	94%	88%	82%	92%	92%
Collect fats	94%	91%	100%	87%	90%	92%	91%

WASTE

Types of waste

In 2009, data were compiled from waste collection companies in France, Belgium and Spain.

The number of hotels corresponds to the hotels for which data were available.

The column to the far right shows the estimated weight of waste produced per hotel based on these data.

Production of non-hazardous process waste	Number of hotels	Amount *(in tonnes)*	Amount per hotel *(in tonnes)*
Unsorted	112	4,515	40.3
Bio-degradable	1	4	3.9
Paper/cardboard	54	823	15.2
Plastic	25	4	0.2
Glass	46	138	3.0
Oil and fats	289	345	1.2

Production of hazardous waste	Number of hotels	Amount *(in tonnes)*	Amount per hotel *(in tonnes)*
Electrical and electronics	3	0.1	0.03
Batteries	14	0.1	0.01
Fluorescent tubes	14	0.1	0.01
Hazardous waste	16	3.2	0.20

Recycled waste in Brazil

The tracking of sorted waste continued to expand in Brazil, with 93 participating hotels recycling 400 tonnes of waste in 2009, compared to 54 hotels and 200 tonnes in 2008.

	Number of hotels		Amount *(in tonnes)*		Amount per hotel *(in tonnes)*	
		2009	2008	2009	2008	2009
Paper	82	50	57.7	40.9	0.70	0.82
Magazines	71	36	36.6	14.9	0.52	0.42
Cardboard	89	46	141.8	42.3	1.59	0.92
Plastic	81	43	52.7	15.1	0.65	0.35
Tetra packs	23	8	2.9	1.3	0.13	0.16
PVC	13	7	3.2	0.5	0.25	0.06
PET	51	29	7.6	7.8	0.15	0.27
Aluminum	86	51	19.9	5.7	0.23	0.11
Other metals	52	28	9.7	5.6	0.19	0.20
Glass	54	27	58.0	26.7	1.07	0.99
Oil	43	18	19.6	5.9	0.46	0.33
Light bulbs	33	8	4.1	0.1	0.12	0.01
Batteries	26	7	3.9	0.4	0.15	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.

The effectiveness of hotel recycling and resource recovery programs is tracked by the Hotel Environment Charter indicators introduced in 2006. The decline in performance in certain waste-related initiatives in 2009 primarily reflected the improvement in data over the year after quality audits helped hotel managers deploy more effective reporting procedures.

✲ Waste resource recovery

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2009	Total 2008
Number of hotels	**1,233**	**866**	**815**	**163**	**442**	**3,519**	**3,486**
Recycle paper/cardboard packaging	68%	93%	40%	93%	74%	69%	73%
Recycle paper, newspapers and magazines	56%	92%	33%	92%	72%	63%	67%
Recycle glass packaging	64%	92%	30%	83%	71%	65%	72%
Recycle plastic packaging	36%	71%	32%	88%	64%	49%	51%
Recycle metal packaging	32%	68%	42%	87%	57%	49%	48%
Recycle organic waste from restaurants	9%	54%	31%	28%	41%	34%	32%
Recycle green waste from lawns and gardens	63%	66%	24%	32%	44%	48%	45%
Organize waste sorting in hotel rooms	14%	18%	21%	64%	38%	22%	19%

Eliminating Hazardous Waste

Hazardous industrial waste produced by hotels mainly comprises empty contaminated packaging, disposable and rechargeable batteries, electrical and electronic equipment, light bulbs and compact fluorescent tubes, toner cartridges and aerosols. Hotel managers have introduced dedicated collection systems to manage the most toxic forms of this waste after verifying their traceability and compliance with treatment processes. Treatment of hazardous waste improved overall in 2009, when a variety of initiatives to raise customer awareness were introduced. The Etap Hotel chain, for example, signed a partnership with Screlec to recover used batteries from customers through "battery trees" set up in reception areas.

☼ Management of hazardous industrial waste

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2009	Total 2008
Number of hotels	**1,233**	**866**	**815**	**163**	**442**	**3,519**	**3,486**
Dispose of hotel batteries safely	86%	95%	95%	88%	61%	87%	88%
Dispose of customer batteries safely	67%	54%	75%	65%	22%	60%	56%
Recycle electrical and electronic appliances	58%	84%	10%	53%	41%	51%	43%
Recycle toner cartridges	95%	98%	86%	88%	79%	92%	90%
Dispose of compact fluorescent tubes and light bulbs safely	73%	91%	95%	67%	52%	80%	79%

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 2009, Novotel and Ibis introduced their new line of eco-designed bathroom products, which have been awarded the European Union's Ecolabel.

☼ Reducing waste upstream

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2009	Total 2008
Number of hotels	**1,233**	**866**	**815**	**163**	**442**	**3,519**	**3,486**
Limit the use of disposable packaging for hotel supplies	37%	54%	13%	51%	45%	37%	30%
Limit individual packaging for hygiene products	35%	42%	98%	32%	26%	50%	46%

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.

Our 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.

Other partnership programs are also being pursued with several organizations that support biodiversity, such as the IUCN, the Bird Protection League (LPO) and the Kehati Biodiversity Foundation. These are helping to drive faster deployment of the Hotel Environment Charter's biodiversity initiatives, which all showed an improvement in 2009.

Biodiversity

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2009	Total 2008
Number of hotels	**1,233**	**866**	**815**	**163**	**442**	**3,519**	**3,486**
Reduce the use of insecticides	42%	64%	71%	74%	62%	59%	36%
Reduce the use of herbicides	33%	59%	70%	69%	57%	54%	32%
Reduce the use of fungicides	25%	55%	65%	65%	54%	49%	28%
Use organic fertilizers	52%	64%	45%	79%	62%	55%	41%
Choose plants suitable to the local environment	47%	64%	81%	85%	78%	67%	52%
Plant at least one tree a year	56%	56%	93%	76%	79%	68%	67%
Support a local environmental initiative	31%	49%	47%	71%	69%	46%	44%

ASSESSMENT AND CERTIFICATION

Environmental management

Accor's environmental management systems are based on the Hotel Environment Charter. In 2009, 86% of hotels participated in the environmental assessment process, while the average number of Environment Charter initiatives underway rose sharply during the year, by 2.3%.

Environmental management

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2009	Total 2008
The Environment Charter: number of initiatives underway	**34.3**	**41.8**	**43.3**	**41.2**	**38.1**	**39.1**	**36.8**

A full presentation of the Hotel Environment Charter may be found at www.accor.com.

Assessment

To assess their environmental performance, hotels can use the 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 laundry savings and estimate both the number of trees to be replanted and the amount of water and electricity saved;
- track weight of waste produced in the hotels and the related waste management costs. This module was tested in 2009 and will be gradually rolled out across the network in 2010.

Certifications

ISO 14001 Certification

- 331 hotels are certified ISO 14001:
  - 286 Ibis hotels in 17 countries, of which 149 in France, one in Luxembourg, four in Belgium, 14 in Spain, six in Hungary, 11 in the Netherlands, 17 in Portugal, one in Italy, one in Slovakia, 15 in Switzerland, eight in Austria, five in Germany, three in Morocco, 47 in Brazil, two in Argentina, one in Uruguay and one in India,
  - 23 Accor Thalassa spas in France (9 sites),
  - the Sofitel Athens Airport in Greece,
  - the Novotel London West in the United Kingdom,
  - the Novotel and Ibis Sydney Olympic Park in Australia;
- CWL headquarters in France and facilities in Spain, Portugal, Italy and Austria;
- The Pré Catelan restaurant, managed by Lenôtre France;
- Accor Services headquarters in France, the United Kingdom and the Netherlands.

Green Globe Certification

- 55 hotels around the world have earned Green Globe certification:
  - 50 Novotel hotels in 15 countries, of which five in Switzerland, four in the United Kingdom, one in France, ten in Australia, five in New Zealand, two in Fiji, three in Hong Kong, five in Indonesia, one in Singapore, five in Thailand, one in Vietnam, one in India, three in Brazil, three in Egypt and one in Côte d'Ivoire;
  - three Sofitel hotels in Egypt;
  - one Sofitel and one Mercure hotel in Fiji.

HAC Green Key Eco-Rating Certification

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

COMPLIANCE

In 2009, Accor developed a proprietary software program to measure compliance with safety, environmental and technical regulations. Known as SET, the application explains compliance with clear instructions ("what should I do") for a wide range of hotel equipment, installations, waste and other items that can be easily identified by hotel managers and technical teams ("what concerns me").

In particular, it enables managers to:

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

Deployment of SET began in 2009 in France (Ibis hotels, Sofitel hotels and Accor Thalassa spas), Morocco and Germany (Ibis hotels).

ENVIRONMENTAL EXPENDITURE

The Sustainable Development Department's environmental budget, excluding operating costs, amounted to €234,700 in 2009. Outlays were primarily committed to the third Earth Guest Day (an employee day devoted to sustainable development), the Plant for the Planet reforestation program, development of the OPEN environmental management application and a discussion of sustainable construction issues. 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 corporate Communications, External Relations and Sustainable Development Department.

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.

Implementation of these sustainable development policies in the host countries is managed by around 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, and are presented in a table in the 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 2009	Total 2008
Number of hotels	**1,233**	**866**	**815**	**163**	**442**	**3,519**	**3,486**
Raise environmental awareness among employees	87%	93%	87%	91%	88%	89%	88%
Integrate environmental protection into all job categories	79%	89%	93%	88%	86%	86%	82%

On April 22, 2009, Accor held its third Earth Guest Day to build employee awareness of sustainable development issues. In all, 77 countries were involved.

On a more daily basis, programs to raise awareness of environmental issues have been deployed since 2006, in particular by the Sustainable Development Committees. Comprised of people from both the support functions and the operating divisions, these Committees encourage cross-functional discussions of action points and practices that should be implemented across the Group.

In 2009, the Novotel network launched a sustainable development training program as part of the Green Globe certification project. The innovative process offers the chain's 25,000 employees an opportunity to take part in an e-learning program that teaches them good workplace practices. Available in 11 languages, the program visits 13 different areas of a hotel, including the kitchen, bar, reception area and guest rooms. For each one, e-learners take a short quiz on the appropriate environmentally-friendly actions for each job.

RAISING ENVIRONMENTAL AWARENESS AMONG CUSTOMERS

Launched in 2008 in partnership with the UN Environmental Program's One Billion Trees campaign, the innovative Plant for the Planet project invites hotel customers to reuse their towels, with the promise that half of the savings on laundry bills will be invested in reforestation projects in seven regions around the world. In addition to its environmental aspect, the program also strongly supports the economic and social development of local communities. In Senegal, for example, the reforestation program carried out with SOS Sahel supports the economic development of 30,000 farmers in the Louga and Thiès regions. Accor's goal is to finance the planting of three million trees by year-end 2012.

Educating customers

	France	Rest of Europe	North America	Latin America and Caribbean	Rest of the world	Total 2009	Total 2008
Number of hotels	**1,233**	**866**	**815**	**163**	**442**	**3,519**	**3,486**
Raise environmental awareness among customers	69%	70%	98%	89%	86%	79%	76%
Provide customers with environmentally friendly transportation alternatives	61%	78%	67%	25%	59%	64%	47%

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.

2 Corporate Governance

2.1. Administrative, management, and supervisory bodies

2.1.1. PRESENTATION

2.1.1.1. Directors and corporate officers

Board of Directors

Jean-Paul Bailly

- Director since May 13, 2009. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2011. To the Company's knowledge, he owns 600 Accor shares.
- Chairman of Groupe La Poste.
- 63 years old.
- A graduate of Ecole Polytechnique and the Massachusetts Institute of Technology, Jean-Paul Bailly held various positions with the Paris Transit Authority (RATP), including Director of the Paris Metro and RER suburban rail system, Personnel Director, Deputy Managing Director and Managing Director. Appointed Chairman of the French Post Office (Groupe La Poste) in 2002, Mr. Bailly has also been Chairman of the Supervisory Board of La Banque Postale since 2006.

Thomas J. Barrack

- Director since January 9, 2006. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2011. Formerly member of the Supervisory Board, since May 3, 2005. To the Company's knowledge, he owns 500 Accor shares.
- 62 years old.
- Thomas J. Barrack is Founder, Chairman and Chief Executive Officer of Colony Capital LLC. He was previously Chief Executive Officer of Robert M. Bass Group Inc. and also served in the Reagan administration as Deputy Undersecretary of the Department of the Interior.

Sébastien Bazin

- Director since January 9, 2006. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2011. Formerly member of the Supervisory Board, since May 3, 2005. To the Company's knowledge, he owns 1,000 Accor shares.
- Managing Director Europe and Chief Executive Officer of Colony Capital SAS.
- 48 years old.
- Sébastien Bazin holds a Master of Science in Management from Université Paris Sorbonne. Before joining Colony Capital in 1997, he served as Vice President of PaineWebber's mergers and acquisitions unit in London and New York, as Director of Hottinguer Rivaud Finances and as Director and Chief Executive Officer of Immobilière Hôtelière.

Isabelle Bouillot

- Director from January 9, 2006 to February 24, 2009. Formerly member of the Supervisory Board, since February 14, 1996.
- President of China Equity Links.
- 60 years old.
- A graduate of Ecole Nationale d'Administration, Isabelle Bouillot 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 Chief Executive of the investment bank of the CDC-Ixis Group from 2000 to 2003.

Aldo Cardoso

- Director from January 9, 2006 to February 24, 2009.
- Corporate director.
- 53 years old.
- Aldo Cardoso, who has a PhD in law and an MBA from Ecole Supérieure de Commerce in Paris, spent 24 years with Andersen, where he held various operational positions. From 2002 to 2003, he served as Chairman and Chief Executive Officer of Andersen Worldwide.

Philippe Citerne

- Director since January 9, 2006 and Vice Chairman of the Board since May 13, 2009. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2011. Société Générale, represented by Philippe Citerne, had formerly been a member of the Supervisory Board, since June 28, 1983. To the Company's knowledge, he owns 500 Accor shares.
- 61 years old.
- After graduating from Ecole Centrale Paris and holding a number of positions in the French Finance Ministry, Philippe Citerne joined Société Générale in 1979, where he served as Vice

President of Economic Research, Vice President Finance and Vice President Human Relations, prior to becoming Director, Deputy Chief Executive Officer and Chief Operating Officer from 1997 to April 2009.

Gabriele Galateri di Genola

- Director since January 9, 2006. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2011. Formerly member of the Supervisory Board, since July 2, 2003. To the Company's knowledge, he owns 500 Accor shares.
- Chairman of Telecom Italia.
- 63 years old.
- Gabriele Galateri di Genola, who has an MBA from Columbia University, held various positions at Saint-Gobain, then at Fiat beginning in 1977. He was appointed Managing Director of IFIL in 1986 and Chief Executive Officer in 1993. He was Chairman of Mediobanca until June 2007.

Denis Hennequin

- Director since May 13, 2009. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2011. To the Company's knowledge, he owns 500 Accor shares.
- President of McDonald's Europe.
- 51 years old.
- Denis Hennequin holds a bachelor's degree in economics and a master's degree in corporate and tax law. President of McDonald's Europe since 2005, he previously held various positions at McDonald's, including Store Manager, Director of Franchising, Director of Operations and Regional Manager for Paris and the surrounding suburbs. He was subsequently appointed Vice President of Operations, Human Resources, Development and Regional Coordination, prior to being named Managing Director of McDonald's France in 1996.

Sir Roderic Lyne

- Director from January 9, 2006 to February 24, 2009.
- Former ambassador of the United Kingdom.
- 61 years old.
- A graduate of Leeds University with a degree in history, Sir Roderic Lyne also holds honorary doctorates from Leeds, Kingston University, Heriot-Watt University and four Russian universities. Sir Roderic 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, Britain's permanent representative to the World Trade Organization and the United Nations from 1997 to 2000 and British ambassador to Russia from 2000 to 2004.

Bertrand Meheut

- Director since May 13, 2009. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2011. To the Company's knowledge, he owns 500 Accor shares.
- Chairman of the Groupe Canal+ Management Board.
- 58 years old.
- A graduate of Ecole des Mines de Paris with a degree in civil engineering, Bertrand Meheut spent most of his career with Rhône-Poulenc and later Aventis CropScience, serving first as Deputy Chief Operating Officer, Europe, in charge of corporate services for the Agro division and then successively as Chief Executive Officer of the German subsidiary, Deputy Chief Executive Officer of Rhône-Poulenc Agro and Executive Vice President and Chief Operating Officer Europe. Following the merger of Rhône-Poulenc and Hoechst, which became Aventis, Mr. Meheut was appointed Chief Executive Officer of Aventis CropScience. He joined Canal+ Group in 2002.

Virginie Morgon

- Director since May 13, 2009. Her term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2011. To the Company's knowledge, she owns 500 Accor shares.
- Member of the Eurazeo Management Board.
- 40 years old.
- Virginie Morgon graduated from Institut d'Études Politiques de Paris and holds a master's degree in economics and management. A member of the Eurazeo Management Board since January 2008, she co-leads the investment team. After working as an investment banker in New York and London, she joined Lazard Frères in 1994, where she was involved in a wide array of acquisitions and divestitures. She became a senior partner in the firm in 2001.

Gilles Pélisson

- Director and Chief Executive Officer of Accor since January 9, 2006, then Chairman and Chief Executive Officer since February 24, 2009. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2011. To the Company's knowledge, he owns 30,013 Accor shares.
- 52 years old.
- A graduate of France's ESSEC business school and the Harvard Business School (MBA), Gilles Pélisson began his career with Accor in 1983, first in the United States and then in the Asia-Pacific region. In particular, he served as Co-Chairman of the Novotel hotel chain. He was appointed Chief Executive Officer of Euro Disney in 1995 and Chairman and Chief Executive Officer in 1997. In 2000, he joined Suez, then Bouygues Telecom, serving as Chief Executive Officer and then Chairman and Chief Executive Officer (from February 2004 to October 2005).

Baudouin Prot

- Director from January 9, 2006 to February 24, 2009. BNP Paribas, represented by Baudouin Prot, had formerly been a member of the Supervisory Board, since May 16, 1990.
- Director and Chief Operating Officer of BNP Paribas since 2000.
- 58 years old.
- A graduate of the Ecole des Hautes Etudes Commerciales business school and Ecole Nationale d'Administration (1976), Baudouin Prot is an Inspecteur Général des Finances. He held a number of positions in the French government before joining

BNP. He has been Director and Chief Operating Officer of BNP Paribas since 2000.

Alain Quinet

- Director since January 27, 2008. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2011. To the Company's knowledge, he owns 500 Accor shares.
- Vice President Finance, Strategy and Sustainable Development and Member of the Executive Committee of Caisse des Dépôts et Consignations.
- 48 years old.
- A graduate of Institut d'Etudes Politiques de Paris and Ecole Nationale d'Administration, Alan Quinet is an Inspecteur Général des Finances. He held various positions in the French government, notably deputy director of economic affairs in the office of the Prime Minister, before joining Caisse des Dépôts et Consignations in April 2008.

Franck Riboud

- Director since January 9, 2006. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2011. Formerly member of the Supervisory Board, since July 3, 2001. To the Company's knowledge, he owns 523 Accor shares.
- Chairman and Chief Executive Officer of Danone.
- 54 years old.
- Franck Riboud, who has an engineering degree from Ecole Polytechnique Fédérale in Lausanne, Switzerland, has spent his entire career with the Danone Group, holding positions in finance, marketing and development. He has served as Chairman and Chief Executive Officer of Danone since 1996.

Augustin de Romanet de Beaune

- Director from May 14, 2007 to February 24, 2009.
- Chief Executive Officer of Caisse des Dépôts et Consignations since March 2007.
- 48 years old.
- A graduate of Institut d'Etudes Politiques de Paris and Ecole Nationale d'Administration (1986), Augustin de Romanet de Beaune held numerous positions at the Ministry of the Economy and Finance. He was managing partner at Oddo Pinatton Corporate prior to being named Deputy Chief of Staff to the Prime Minister. In 2005, he served as Deputy Secretary General in the Office of the President of the Republic. In October 2006, he was appointed Deputy Director Finance and Strategy and a member of the Executive Committee of Crédit Agricole SA.

Patrick Sayer

- Director since August 27, 2008. His term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2011. To the Company's knowledge, he owns 500 Accor shares.
- Chairman of the Management Board of Eurazeo.
- 52 years old.
- A graduate of Ecole Polytechnique and Ecole des Mines de Paris, Patrick Sayer was a managing partner at Lazard Frères et Cie in Paris and Managing Director of Lazard Frères & Co. in New York. He participated in the creation of Fonds Partenaires from 1989 to 1993 and later helped redefine the investment strategy of Gaz et Eaux, which merged to become Eurazeo. He has been Chairman of Eurazeo's Management Board since May 2002.

Jérôme Seydoux

- Director from January 9, 2006 to May 13, 2009. Formerly member of the Supervisory Board, since January 7, 1997.
- Chairman of Pathé S.A.
- 75 years old.
- Jérôme Seydoux holds an engineering degree from Ecole Nationale Supérieure d'Electronique, d'Electrotechnique 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).

Serge Weinberg

- Chairman of the Board of Directors from January 9, 2006 to February 24, 2009. Formerly member of the Supervisory Board, since October 10, 2005.
- Chairman and Chief Executive Officer of Weinberg Capital Partners.
- 58 years old.
- A graduate of Institut d'Etudes Politiques de Paris and Ecole Nationale d'Administration (1976), Serge Weinberg served as principal private secretary to the Budget Minister, Chairman of Havas Tourisme and Chief Executive Officer of Pallas Finances. He joined Groupe Pinault-Printemps-Redoute in 1990 and was Chairman of the Management Board from 1995 to 2005. In March 2005, he created Weinberg Capital Partners, a private equity firm specialized in LBO financing.

Deputy Chief Executive Officer

Jacques Stern

- Deputy Chief Executive Officer since March 12, 2009.
- 45 years old.
- A graduate of Ecole Supérieure de Commerce de Lille, Jacques Stern joined Accor in 1992 as Vice President, Consolidation, Financial Planning and Investment Control. He was appointed Executive Deputy Chief Financial Officer before becoming Chief Financial Officer in January 2003. Then he became a member of the Accor Management Board and a member of the Executive Committee. In addition to being in charge of information systems and finance, Mr. Stern was also responsible for Group strategy and hotel development. In 2009, he was appointed Deputy Chief Executive Officer in charge of Accor Services and Finance.

Founding Co-Chairmen

Paul Dubrule

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

Gérard Pélisson

Born on February 9, 1932 in Lyon, Gérard Pélisson holds an engineering degree from École Centrale des Arts et Manufactures de Paris and a Master of Science in industrial management from the Massachusetts Institute of Technology. He is Chairman of the Overseas French Association (UFE), President of Institut Paul Bocuse, co-founder of the World Travel and Tourism Council (WTTC) and President of École Supérieure de Commerce de Lyon (1990-1996).

Secretary to the Board of Directors

Pascal Quint

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

Executive Committee

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

Members of the Executive Committee in 2009

Gilles Pélisson

Chairman and Chief Executive Officer.

Jacques Stern

Deputy Chief Executive Officer in charge of Accor Services and Finance.

Philippe Adam (until May 11, 2009)

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

Yann Caillère

Chief Operating Officer, Accor Hospitality Europe, Africa and Middle East – Chief Executive Officer Sofitel Worldwide – In charge of Construction and Maintenance.

Jean-Luc Chrétien

Executive Vice President, Accor Hospitality Marketing and Distribution.

Michael Flaxman

Chief Operating Officer, Accor Hospitality Americas.

Michael Issenberg

Chief Operating Officer, Accor Hospitality Asia-Pacific.

Cathy Kopp (until July 22, 2009)

Executive Vice President, Human Resources.

Éric Lepleux (until May 11, 2009)

Executive Vice President Hotel and Brand Marketing.

Oswaldo Melantonio Filho (until May 11, 2009)

Chief Operating Officer, Accor Services Brazil.

Patrick Ollivier (effective July 22, 2009)

Executive Vice President, Accor Hospitality Global Human Resources.

Olivier Poirot

Chief Financial Officer of Accor Hospitality – Chief Executive Officer of Motel 6/Studio 6 – In charge of Procurement.

Pascal Quint

Corporate Secretary and Secretary of the Board of Directors.

Serge Ragozin (until December 31, 2009)

Chief Operating Officer, Accor Services Worldwide.

Membership of the Accor Hospitality and Accor Services' Executive Committees pending approval of the demerger by shareholders at the Extraordinary Meeting to be held on June 29, 2010

Members of the future Accor Hospitality Executive Committee:

Gilles Pélisson

Chairman and Chief Executive Officer.

Yann Caillère

Chief Operating Officer, Europe, Africa and Middle East.

In charge of Sofitel Worldwide, Construction and Maintenance.

Jean-Luc Chrétien

Executive Vice President, Hotel Marketing and Distribution.

Michael Flaxman

Chief Operating Officer, Americas.

Sophie Goldblum-Flak (Effective April 2010)

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

Michael Issenberg

Chief Operating Officer, Asia Pacific.

Patrick Ollivier

Executive Vice President, Global Human Resources.

Olivier Poirot

Chief Financial Officer.

In charge of Motel 6/Studio 6 and Procurement.

Pascal Quint

Corporate Secretary and Secretary of the Board of Directors.

Members of the future Accor Services Executive Committee:

Jacques Stern

Chief Executive Officer, Accor Services.

Jean-Louis Claveau

Chief Operating Officer, Hispanic Latin America and North America.

Laurent Delmas

Chief Operating Officer, France.

Philippe Dufour

Vice President, Strategy and Development.

Arnaud Erulin

Chief Operating Officer, Central Europe and Scandinavia.

Graziella Gavezotti

Chief Operating Officer, Italy.

Loïc Jenouvrier

Vice President, Finance, Information Systems and Legal Affairs.

Philippe Maurette

Vice President, Human Resources.

Oswaldo Melantonio Filho

Chief Operating Officer, Brazil.

Laurent Pellet

Chief Operating Officer, Southern Europe and South Africa.

Bernard Rongvaux

Chief Operating Officer, Northern Europe, Africa and Middle East.

Éliane Rouyer-Chevalier

Vice President, Corporate Communication, Investor Relations and Corporate Social Responsibility.

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

Jean-Paul Bailly

Directorships and positions held at December 31, 2009:

In France:

Chairman of La Poste.

Chairman of the Supervisory Board of La Banque Postale.

Director of Systar.

Director of CNP Assurances.

Director of Accor.

Director of GDF Suez, representing the French State.

Director of Sopassure.

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

Permanent representative of La Poste as a director of GeoPost.

Permanent representative of La Poste as a director of Sofipost.

Permanent representative of La Poste as a director of Poste Immo.

Permanent representative of La Poste as Chairman of SF 12.

Permanent representative of La Poste as a director of Xelian.

Former directorships and positions held in the past five years:

In France:

Legal Manager of Systra Finances.

Permanent representative of La Poste as a director of SF 2.

Permanent representative of La Poste as a director of the Groupement des Commerçants du Grand Var intercompany partnership.

Thomas J. Barrack

Directorships and positions held at December 31, 2009:

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.

Director of Colony Financial, Inc.

Former directorships and positions held in the past five years:

In France:

Member of the Supervisory Board of Accor.

Outside France:

United States:

Director of Continental Airlines, Inc. and First Republic Bank.

Philippines:

Director of Megaworld Corporation.

Sébastien Bazin

Directorships and positions held at December 31, 2009:

In France:

Chairman of Colony Capital SAS Europe.

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

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

Chairman of the Supervisory Board of Paris Saint Germain Football.

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

Chief Executive Officer of Toulouse Canceropole and ColSpa SAS.

Director of Accor, Moonscoop IP and Carrefour Moonscoop SAS.

Legal Manager of CC Europe Invest (SARL).

General partner of CES Tenesol and Réunion 2008.

Outside France:

Belgium:

Chairman of RSI SA.

Luxembourg:

Director of Sisters SA.

Former directorships and positions held in the past five years:

In France:

Member of the Supervisory Board of Accor.

Member of the Supervisory Board of Carrefour.

Chairman of the Board of Directors of Château Lascombes.

Chairman of Colbison SAS, SAIP, SAS Spazio, Front de Seine Participations SAS, Coladria SAS, Financière Baltimore SAS, SAS Baltimore, Financière Le Parc SAS, SAS Le Parc, SAS ABC Hotels, SAS Défense CB3, SHAF (SAS) and ColEven SAS. Vice-Chairman of the Supervisory Board of Buffalo Grill.

Legal Manager of Colony Santa Maria EURL, Colony Pinta SNC, Colony Santa Maria SNC, Colony Le Châlet EURL and Colmassy (SARL).

Isabelle Bouillot

Directorships and positions held at December 31, 2009:

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.

Aldo Cardoso

Directorships and positions held at December 31, 2009:

In France:

Director of GDF-Suez, Imerys, Rhodia, Gecina, Bureau Veritas and GE Corporate Finance Bank SAS.

Non-voting director of 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.

Non-voting director of Bureau Veritas.

Philippe Citerne

Directorships and positions held at December 31, 2009:

In France:

Chairman of Telecom & Management SudParis.

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

Director of Accor, Sopra Group and Rexecode.

Former directorships and positions held in the past five years:

In France:

Chief Operating Officer of Société Générale.

Director of Crédit du Nord, Geneval and Grosvenor Continental Europe.

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:

United States:

Director of TCW.

Italy:

Director of Unicredito Italiano.

United Kingdom:

Director of SG Hambros Bank Ltd Management.

Russia:

Director of Rosbank.

Augustin de Romanet de Beaune

Directorships and positions held at December 31, 2009:

In France:

Chief Executive Officer of Caisse des Dépôts et Consignations.

Chairman of the Executive Board of FRR.

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

Director of Accor, Veolia Environnement, CDC Entreprises (SAS) and FSI-PME Portefeuille (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:

In France:

Director of Accor and member of Accor's Strategy Committee and Compensation and Appointments Committee.

Permanent representative of Caisse des Dépôts et Consignations on the Board of Directors of Icade (formerly Icade EMGP, merged into Icade).

Deputy Secretary General for the President of the French Republic.

Deputy Chief of Staff for the French Prime Minister.

Gabriele Galateri di Genola

Directorships and positions held at December 31, 2009:

In France:

Director of Accor.

Outside France:

Brazil:

Chairman of Tim Participações SA.

Italy:

Chairman of Telecom Italia SpA.

Vice-Chairman of Assicurazioni Generali SpA.

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

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

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

Switzerland:

Director of San Faustin NV.

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:

Germany:

Member of the Central Advisory Board of Commerzbank (until June 2009).

Brazil:

Chairman of Tim Participações SA.

Italy:

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

Vice-Chairman and Managing Director of Egidio Galbani SpA.

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

Managing Director of Fiat SpA and Ifil SpA.

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

Consigliere Accomandatario of Giovanni Agnelli & C. Sapaz.

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

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

Director of Pirelli & C. SpA.

Vice-Chairman of RCS Mediagroup.

Luxembourg:

Director of SanPaolo IMI Investments.

Director of Exor Group.

Managing Director of Eurofind SA.

Netherlands:

Chairman of Fiat Auto Holding BV and Iveco NV.

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

Director of Ferrari SpA.

United Kingdom:

Director of Arjo Wiggins Appleton.

Member of the International Advisory Board of Morgan Stanley.

Switzerland:

Vice-Chairman of IHF Internationale Holding Fiat SA.

Denis Hennequin

Directorships and positions held at December 31, 2009:

In France:

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

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

Outside France:

Germany:

Director of McDonald's Franchise GmbH.

Belgium:

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

Denmark:

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

Spain:

Director of Restaurantes McDonald's SA.

United States:

Chairman of McDonald's Europe.

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

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

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

Hungary:

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

Ireland:

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

Poland:

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

Portugal:

Director of Sistemas McDonald's Portugal Limitada.

United Kingdom:

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

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

Serbia:

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

Sweden:

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

Former directorships and positions held in the past five years:

In France:

Legal Manager of McDonald's France Services SARL.

Outside France:

United States:

Chairman of McDonald's Deutschland, Inc.

Vice-Chairman of Golden Arches UK, LLC.

Europe Senior Vice President – International Relationship Partner

Finland:

Director of McDonald's Oy.

Sir Roderic Lyne

Directorships and positions held at December 31, 2009:

Outside France:

United Kingdom:

Director of Petropavlovsk plc.

Member of the Board of Governors of Kingston University.

Senior Advisor to JP Morgan Chase Bank.

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:

Chairman of the Advisory Board of Altimo.

Special Advisor to HSBC Bank and BP Plc.

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

Bertrand Meheut

Directorships and positions held at December 31, 2009:

In France:

Chairman of the Executive Board of Canal+ Group and the Management Board of Canal+ France.

Chairman of the Board of Directors of Canal+.

Chairman of the Supervisory Board of StudioCanal.

Chairman of Canal+ Régie.

Member of the Management Board of Vivendi.

Member of the Management Board of Canal Overseas.

Representative of Canal+ France as Managing Partner of Kiosque.

Representative of Canal+ Group as Co-managing Partner of Canal+ Editions.

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

Member of the Board of Directors of Accor, Aquarelle and SFR.

Former directorships and positions held in the past five years:

In France:

Chairman of Kiosque Sport.

Chairman of the Board of Directors of Canal+ International Development.

Chairman of the Management Board of Canal+ Régie.

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

Virginie Morgon

Directorships and positions held at December 31, 2009:

In France:

Member of the Executive Board of Eurazeo.

Director of Accor.

Chief Executive Officer of LH APCOA.

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

Outside France:

Germany:

Chairman of the Supervisory Board of APCOA Parking AG.

Chairman of the Supervisory Board of APCOA Parking Holdings GmbH.

Managing Director of APCOA Group GmbH.

Italy:

Chairman of the Board of Directors of Broletto 1 Srl.

Legal Manager of Euraleo.

Legal Manager of Intercos SpA.

Former directorships and positions held in the past five years:

In France:

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

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

Managing Partner of Lazard Frères et Cie.

Outside France:

Germany:

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

Gilles Pélisson

Directorships and positions held at December 31, 2009:

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 TF1.

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

Chairman of the Accor Foundation.

Outside France:

United States:

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

Italy

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

Former directorships and positions held in the past five years:

In France:

Director and Chief Executive Officer of Accor.

Chairman and CEO of Bouygues Telecom.

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 Srl.

Baudouin Prot

Directorships and positions held at December 31, 2009:

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:

Permanent representative of BNP Paribas on Accor's Supervisory Board.

Director of Accor.

Outside France:

Italy:

Director of BNL.

Alain Quinet

Directorships and positions held at December 31, 2009:

In France:

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

Chairman and Chief Executive Officer of Financière Transdev.

Chairman of the Board of Directors of CDC Infrastructure.

Director of Compagnie des Alpes (previously a member of the Supervisory Board), Accor, Eiffage, CNP Assurances, Icade and Société Forestière de la CDC.

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

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

Representative of CDC as a member of the Audit and Risks Committee, the Investments Committee and the Appointments and Compensation Committee of Fonds Stratégique d'Investissement.

Member of the Commitments Committee of Accor.

Member of the Strategy Committee of CNP Assurances.

Member of the Strategy Committee and the Appointments and Compensation Committee of Compagnie des Alpes.

Member of the Appointments and Compensation Committee of Eiffage.

Member of the Strategy Committee of Icade.

Former directorships and positions held in the past five years:

In France:

Chairman and Chief Executive Officer of CDC Entreprises Capital Investissement.

Director of Réseau Ferré de France and Dexia Crédit Local.

Member of the Supervisory Board of Electricité Réseau Distribution France.

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

Member of the Audit Committee of CNP Assurances.

Member of the Strategy Committee of Réseau Ferré de France.

Member of the Strategy Committee of Electricité Réseau Distribution France.

Outside France:

Belgium:

Director of Dexia.

Member of Dexia's Internal Control, Risks and Compliance Committee.

Franck Riboud

Directorships and positions held at December 31, 2009:

In France:

Chairman and Chief Executive Officer and Chairman of the Executive Committee of 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 Conseil National du Développement Durable.

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

Chairman of the Steering Committee of the Danone Ecosystem Fund.

Outside France:

Spain:

Director of Bagley Latinoamerica SA and Danone SA.

Morocco:

Director of ONA.

Switzerland:

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

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 L'Oréal and Danone Finance.

Director of Ansa (not-for-profit organization).

Outside France:

Belgium:

Director of Sofina.

United States:

Director of Quiksilver.

India:

Director of Wadia BSN India Ltd.

Indonesia:

Commissioner of P.T. Tirta Investama.

Singapore:

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

Patrick Sayer

Directorships and positions held at December 31, 2009:

In France:

Chairman of the Executive Board of Eurazeo.

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

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

Director of Europcar Groupe SA, SASP Paris Saint Germain Football, Holdelis and Accor.

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

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

Outside France:

Germany:

Chairman of the Supervisory Board of APCOA Parking Holdings GmbH.

Italy:

Director of Gruppo Banca Leonardo.

Legal Manager of Euraleo Srl.

United Kingdom:

Director of Colyzeo Investment Advisors.

Former directorships and positions held in the past five years:

In France:

Chief Executive Officer of Legendre Holding 11.

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

Chairman of the Board of Directors of Legendre Holding 18.

Chairman of the Supervisory Board of Fraikin Groupe.

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

Director of Rexel Distribution SA, Eutelsat SA, Eutelsat Communications, Ipsos, Rexel SA (formerly Ray Holding SAS), Ray Acquisition (SAS) and SatBirds SAS.

Member of the Supervisory Board of Presses Universitaires de France.

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

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

Managing Partner of Partena.

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

Outside France:

Germany:

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

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

United States:

Member of the Board of Lazard LLC.

Cayman Islands:

Director of IRR Capital.

Luxembourg:

Chairman of the Board of Directors of BlueBirds Participations SA.

Director of RedBirds Participations SA.

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

Jérôme Seydoux

Directorships and positions held at December 31, 2009:

In France:

Chairman of Pathé SAS, Pathé Distribution SAS and Pathé Production SAS.

Chief Executive Officer of Pricel SAS.

Vice-Chairman and CEO and director of Chargeurs SA.

Vice-Chairman, director and member of the Investments Committee of Olympique Lyonnais Groupe.

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

Former directorships and positions held in the past five years:

In France:

Legal Manager of JMS Films SNC and Pathé Image SNC.

Director of Compagnie Deutsch, Groupe Danone SA, Accor and Compagnie du Mont-Blanc.

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.

Permanent representative of Soparic Participations for Olympique Lyonnais SASP.

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

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

Jacques Stern

Directorships and positions held at December 31, 2009:

In France:

Deputy Chief Executive Officer of Accor.

Chairman and Chief Executive Officer of ASM.

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

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

Member of the Supervisory Board of Groupe Lucien Barrière SAS.

Legal Manager of Sodetis.

Chairman of Accor Services Participations SAS and IBL.

Outside France:

Brazil:

Director of Hotelaria Accor Brasil.

United States:

Chairman of IBL, LLC.

Director of Accor Lodging North America Inc. and Accor North America Inc.

Italy:

Director of Accor Partepazioni Italia Srl.

Switzerland:

Chairman of Sodenos.

Former directorships and positions held in the past five years:

In France:

Member of Accor's Management Board.

Director then permanent representative of Accor on the Board of Directors of Société des Hotels et Casino de Deauville – SHCD.

Member of the Supervisory Board of Financière Courtepaille.

Member of the Supervisory Board and subsequently a director of Club Méditerranée.

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

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

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

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

Outside France:

Austria:

Member of the Supervisory Board of Accor Austria AG.

Belgium:

Director of Accor Asia and Accor Hotels Belgium.

Managing Director of Accordination.

United States:

Director of Carousel Hotel Corporation and Red Roof Inns.

Italy:

Director of Accor Hospitality Italia Srl and Scapa Italia Srl.

Serge Weinberg

Directorships and positions held at December 31, 2009:

In France:

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

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

Director of FNAC, Rasec SAS, Team Partners Group, VL Holding (SAS), Rothschild Concordia (SAS), Piasa (SA) and Sanofi Aventis.

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

Vice-Chairman of the Supervisory Board of Schneider Electric.

Chairman of Financière Piasa (SAS).

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

Member of the Supervisory Board of Amplitude Group (SAS).

Member of the Supervisory Board of 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.

Switzerland:

Chairman of Corum (SARL).

Former directorships and positions held in the past five years:

In France:

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

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

Chairman of the Board of Directors of Accor.

Legal Manager of Serole.

Director of Rexel, Road Holding and Alliance Industrie.

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.

2.1.2. CORPORATE GOVERNANCE

2.1.2.1. 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 addition, on the recommendation of the Chairman and Chief Executive Officer, on March 12, 2009, the Board appointed a Senior Executive Vice President and Chief Financial Officer in charge of Finance, Strategy, Hotel Business Development and Information Systems. On December 15, 2009, the Board changed this position to Deputy Chief Executive Officer in charge of Accor Services and Finance, once again on the recommendation of the 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 its meetings, ensures that the Company's corporate governance structures function effectively, and obtains assurance that directors are in a position to fulfill their responsibilities.

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

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

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

Accor complies with the AFEP/MEDEF Corporate Governance Code for listed companies as amended in December 2008, except with regard to the matters described on page 84 of this document.

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

- is - or has been at any time in the last five years - an employee or a corporate officer of the corporation, or an employee or director of its parent or a company that it consolidates;
- is a corporate officer in a company in which the corporation directly or indirectly holds a directorship, or in which an employee appointed as such or a corporate officer of the corporation (current or in the past five years) holds a directorship;
- is a customer, supplier, investment banker or commercial banker:

— that is material for the corporation or its group, or

— for which the corporation or its group represents a material proportion of the entity's activity;

- has close family ties to a corporate officer;
- has been an auditor of the corporation in the last five years;
- has been a director of the corporation for more than twelve years.

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

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

Since February 24, 2009, the Board of Directors has been assisted in preparing its decisions by the following three Board Committees:

- the **Audit and Risks Committee,** comprising five members, including three independent members: Philippe Citerne (Committee Chairman), Virginie Morgon, Jean Paul Bailly, Denis Hennequin and Alain Quinet;
- the **Commitments Committee**, comprising five members, including three independent members:

  Sébastien Bazin (Committee Chairman), Philippe Citerne, Gabriele Galateri di Genola, Denis Hennequin and Patrick Sayer;
- the **Compensation, Appointments and Corporate Governance Committee**, comprising five members, including three independent members:

  Bertrand Méheut (Committee Chairman), Jean Paul Bailly, Thomas Barrack, Franck Riboud and Patrick Sayer.

Until February 24, 2009, there were five Board Committees:

- the **Strategy Committee** comprised of 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** comprised of three members, including two independent members:

  Aldo Cardoso (Committee Chairman), Isabelle Bouillot and Patrick Sayer;
- the **Commitments Committee** comprised of four members, including two independent members:

  Sébastien Bazin (Committee Chairman), Philippe Citerne, Gabriele Galateri di Genola and Alain Quinet;
- the **Compensation and Appointments Committee** comprised of five members, including three independent members:

  Jérôme Seydoux (Committee Chairman), Aldo Cardoso, Augustin de Romanet de Beaune, Patrick Sayer and Serge Weinberg;
- the **Corporate Governance Committee** comprised of three independent members:

  Jérôme Seydoux (Committee Chairman), Aldo Cardoso and Serge Weinberg.

In addition, a temporary Liaison Committee was set up by the Board to support senior management during the review of the potential benefits of demerging the Group's two core businesses. The Liaison Committee comprised Gilles Pélisson, Virginie Morgon, Sébastien Bazin, Philippe Citerne, Bertrand Meheut and Alain Quinet. The Liaison Committee met seven times until December 15, 2009, when the Board of Directors approved unanimously (less one vote) the potential benefits of separating the Group's two businesses. At that same meeting, the Board decided to replace the Liaison Committee with a Monitoring Committee in charge of tracking implementation of the two business' business plans and the preparation of the proposed demerger. The Monitoring Committee comprises Gilles Pélisson, Virginie Morgon, Sébastien Bazin, Philippe Citerne and Bertrand Meheut.

The organizational and operational framework applicable to the Board of Directors and the Board Committees is described in the Company's Bylaws and in the Directors Bylaws, which were presented below as amended by the Board on July 1, 2009.

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

Lastly, with a view to preventing any potential conflict of interests, members of the Board are required to complete a statement every year disclosing any and all direct or indirect ties they have with the Company. 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 described in the Board of Directors code of conduct on page 76.

The procedures for organizing and preparing the work of the Board during 2009 are described in the report of the Chairman of the Board of Directors prepared pursuant to article L.225-37 of the French Commercial Code.

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. In light of the substantial changes in the its composition and organization in 2009, the Board felt that a new assessment would be timely and decided to initiate the process in 2010. However, the agenda for the meeting of the independent directors on October 22, 2009 included an item on reviewing Board practices, which enabled them to discuss the matter.

2.1.2.2. Board of directors bylaws

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

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

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

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

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

2. Meetings

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

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

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

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

3. Provision of information to the Board of Directors

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

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

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

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

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

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

4. Powers of the Board of Directors

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

In addition, the Board of Directors shall:

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

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

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

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

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

d) authorize the 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 Chairman and Chief Executive Officer is required to report to the Board of Directors each year on the amount and nature of guarantees, bonds and endorsements issued under the authorization;

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

5. Vice-Chairman of the Board of Directors

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

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

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

6. Board Committees

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

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

There are three standing Board Committees:

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

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

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

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

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

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

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

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

6.1 The Audit and Risks Committee

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

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

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

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

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

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

6.2 The Commitments Committee

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

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

- any and all transactions that will have a material impact on the Group's business base;
- any mergers, demergers or asset transfers;
- any amendments to the Company's corporate purpose;

- any and all immediate or deferred financial commitments representing more than €100 million per transaction. "Financial commitments" are defined as:

— any and all acquisitions or disposals of assets and majority or minority interests in other companies; in the latter case, the amount of the commitment is considered as being equal to the entity's enterprise value,

— any and all direct investments, for example for the creation of a business, the construction, refurbishment or extension of a hotel property, or expenditure on technological developments,

— rental investments, measured on the basis of the market value of the leased asset,

— hotel management contracts with a guaranteed minimum fee,

— any and all loans to entities in which the Company or one of its subsidiaries does not hold the majority of the shares and voting rights, and any and all commitments to participate in share issues by such entities.

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

6.3 The Compensation, Appointments and Corporate Governance Committee

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

To this end, it carries out the following tasks:

Appointments:

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

Compensation:

- it studies and prepares recommendations regarding both the salary and bonus portions of the executive directors' short-term compensation, the granting of medium and long-term incentives such as performance-based shares and stock options, all the provisions regarding their retirement plans and all other in-kind benefits;
- it defines and implements the rules for setting the bonus portion of the executive directors' compensation while ensuring that said rules are consistent with the annual appraisal of executive directors' performance and with the Group's medium-term strategy;
- it gives the Board an opinion regarding the general policy for granting stock options and the plans proposed by the Chairman and Chief Executive Officer;
- it is kept informed of and gives an opinion on the compensation policy for members of the Group Executive Committee and reviews the consistency of such policy;
- it issues a recommendation to the Board on the overall amount of directors' fees, which is submitted to shareholders for approval. It proposes to the Board the distribution of said directors' fees and the individual amounts of the payments to be made as fees to the directors based on their attendance at Board and Committee meetings pursuant to Article 6 of these Bylaws;
- it reviews the policy and the projects proposed by the Chairman and Chief Executive Officer regarding employee share issues;
- it reviews the insurance coverage taken out by the Company regarding the civil liability of executive directors;
- it approves the information provided to shareholders in the Annual Report regarding (i) executive director compensation (ii) the principles and procedures used to set such compensation; and (iii) the grant of stock options to executive directors and the exercise of such options;

Corporate Governance:

- it is tasked, in liaison with the Chairman and Chief Executive Officer, with issuing recommendations on implementing best corporate governance practices and preparing the assessment of the Board's work;
- it periodically reviews whether the directors meet the independence criteria defined by the Board and makes recommendations if it appears necessary to review the independent status of directors;
- it continuously monitors changes in the Company's ownership structure and determines how the Company's awareness of such changes could be improved, particularly through legal procedures;

- it reviews all cases where there is a conflict of interest concerning one or more shareholders and (i) the interests of the Company; or (ii) the interests of the shareholders as a whole;
- it reviews the measures implemented within the Group concerning business ethics as well as any cases of conflict of interest concerning directors or members of the Executive Committee;
- it reviews and issues recommendations on best corporate governance practices, particularly concerning the membership structure of the Board of Directors;
- it prepares all matters for discussion between the Company and its shareholders relating to (i) changes in their equity interests; (ii) their representation in the Company's corporate governance structures; and (iii) any contractual commitments between them and the Company.

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

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

7. Secretary to the Board of Directors

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

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

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

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

8. Directors' Fees

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

Distribution is based on the following principles:

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

2.1.2.3. Board of Directors code of conduct

The Board of Directors collectively represents all the shareholders and acts in the Company's interest. Each director, regardless of the 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.

2.2. Interests and compensation

2.2.1. MANAGEMENT COMPENSATION

Management compensation policy

Compensation payable to the Chairman of the Board of Directors [(1)], the Chairman and Chief Executive Officer [(2)] and the Deputy Chief Executive Officer [(3)]

Accor's management compensation policy complies with the December 2008 version of the AFEP-MEDEF corporate governance code for listed companies.

The compensation paid to the executive directors is determined by the Board based on the recommendation of the Compensation, Appointments and Corporate Governance Committee, and is benchmarked to compensation practices among large French companies.

- At its meeting on February 24, 2009, the Board of Directors decided to maintain the gross fixed annual compensation paid to Serge Weinberg, Chairman of the Board, at €500,000. As Serge Weinberg resigned the same day with immediate effect, the fixed compensation paid to him for 2009 amounted to €83,333. He was not paid any incentive bonus.
- The salary paid to the Chairman and Chief Executive Officer for 2009 amounted to €1,000,000. At its meeting on February 23, 2010, the Board decided to maintain his fixed compensation at this level in 2010.
- The salary paid to the Deputy Chief Executive Officer was set at €600,000 by the Board of Directors on October 14, 2009. At its meeting on February 23, 2010, the Board decided to maintain his salary at this level in 2010.
- The Chairman and Chief Executive Officer's gross incentive bonus for 2009 amounted to €700,000 based on the Group's performance in relation to the targets set by the Board of Directors on the recommendation of the Compensation, Appointments and Corporate Governance Committee. These targets mainly concerned (i) growth in consolidated operating profit before tax and non-recurring items [(4)], (ii) growth in Accor Services revenue at constant margin rates, (iii) implementation of the cost reduction plan and (iv) below- or on-budget renovation and maintenance expenditure. The Board also awarded the Chairman and Chief Executive Officer a €200,000 exceptional bonus in recognition of his work in assessing the potential benefits of demerging the Group's two businesses.

  In line with the recommendation of the Compensation, Appointments and Corporate Governance Committee, the Board of Directors has decided that the incentive bonus to be paid to the Chairman and Chief Executive Officer in respect of 2010 will be based on i) the Group's performance in relation to various financial objectives for the year, notably operating profit from the Hotels business [(5)], savings from the ongoing cost-reduction plan, implementation of the hotel property disposal plan and control over capital expenditure, and ii) qualitative targets such as the launch of the Hospitality corporate mission project. The incentive bonus will range from 0% to 150% of the Chairman and Chief Executive Officer's fixed compensation, with a bonus of 100% of his fixed compensation due if the objectives are fully met. These rates are unchanged from 2009.
- The Deputy Chief Executive Officer's gross incentive bonus for 2009 amounted to €400,000 based on the Group's performance in relation to the targets set by the Board of Directors on the recommendation of the Compensation, Appointments and Corporate Governance Committee. These targets mainly concerned (i) growth in consolidated operating profit before tax and non-recurring items [(4)], (ii) successful completion of acquisition projects, (iii) negotiation of new financing facilities and (iv) execution and control of the cost-reduction plan and the asset disposal plan. The Board also awarded the Deputy Chief Executive Officer a €200,000 exceptional bonus in recognition of his work in assessing the potential benefits of demerging the Group's two businesses.

(1) Chairman of the Board of Directors until February 24, 2009.
(2) Director and Chief Executive Officer from January 1st to February 24th, 2009.
(3) Deputy Chief Executive Officer from March 12, 2009.
(4) Operating profit before tax and non-recurring items = operating profit + finance costs and other financial income and expense + share of profit of associates.
(5) Corresponding to earnings before interest and taxes (EBIT).

In line with the recommendation of the Compensation, Appointments and Corporate Governance Committee, the Board of Directors has decided that the incentive bonus to be paid to the Deputy Chief Executive Officer in respect of 2010 will be based on (i) the Group's performance in relation to various financial objectives for the year, notably operating profit [1] from the Services business, the listing of the Services business on the stock exchange and the overhaul of marketing strategies in some of the Services business' host countries and (ii) qualitative targets such as the launch of the Services corporate mission project. The incentive bonus will range from 0% to 120% of the Deputy Chief Executive Officer's fixed compensation, with a bonus of 80% of his fixed compensation due if the objectives are fully met. These rates are unchanged from 2009.

- In line with the principles established by the Board of Directors on the recommendation of the Compensation, Appointments and Corporate Governance Committee, the Chairman of the Board and the Chairman and Chief Executive Officer were not paid any directors' fees by Accor SA.

Change in corporate governance 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 enhance management responsiveness by tightening the Board's organization. It was implemented by appointing Gilles Pélisson as Chairman and Chief Executive Officer for the remainder of his term as director. The change, which was effective on February 4, 2009, had no impact on Gilles Pélisson's compensation package as described above.

On the recommendation of the Chairman and Chief Executive Officer, at its meeting on March 12, 2009 the Board appointed Jacques Stern as Deputy Chief Executive Officer with specific responsibility for finance, strategy, business development and information systems. His appointment to this position had no impact on the nature of the compensation package payable to him under his employment contract.

Post-employment benefits

Supplementary pension benefits

Like several dozen other corporate officers and senior executives, in 2009 the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer participated in a top-hat pension plan comprising a defined contribution plan ("Article 83" plan) and a defined benefit plan ("Article 39" plan).

- Except in specific cases provided for by law, if a plan participant leaves the Group before the date of retirement, he or she retains only the rights accrued under the defined contribution scheme [based on annual employer contributions of up to 5% of five times the annual cap on the basis for calculating social security contributions ("PASS")] [2] and forfeits the rights accrued under the defined benefit scheme.
- Pension benefits payable to executive directors under the defined benefit plan – provided that they continue to be employed by the Group until they retire – correspond to a percentage of their reference compensation [3] capped at 60 times the "PASS". The percentage is determined on a reverse graduated basis and averages 2% or less than 2% of compensation, depending on the year.

  Plan participants who leave the Group are entitled to a pension under the defined benefit plan only if they have participated in the plan for at least five years or have served with the Accor Group for at least fifteen years. The pension shall be reduced by the amount of the pension payable under the defined contribution plan referred to above.
- The replacement rate represented by pension benefits payable to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer under government-sponsored plans and Accor supplementary pension plans is capped at 35% of the average of their compensation (salary plus bonus) for their three best years in the ten years prior to retirement.

(1) Corresponding to earnings before interest and taxes (EBIT).
(2) For the defined contribution plan, annual contributions paid by Accor on behalf of executive directors amounted to €15,822 in 2009.
(3) The reference compensation is defined as the gross basic annual salary plus the incentive bonus plus any exceptional bonus paid during the reference year.

Termination benefits

Compensation for loss of office payable to the Chairman and Chief Executive Officer

At its meeting on December 16, 2008, the Board of Directors decided that the Chairman and Chief Executive Officer's compensation for loss of office would be equal to 24 months' salary and bonus, as determined based on the amounts paid to him for the last fiscal year, except in the event of gross or willful misconduct. Payment of this amount would be subject to certain performance criteria being met. Since the Board meeting on February 23, 2010, these criteria have been defined as follows:

- consolidated return on capital employed for the previous three years must have exceeded the Group's cost of capital as published in the Registration Documents for those years;
- Accor Services must have reported a like-for-like increase in revenue in at least two of the previous three years;
- the Hotels business must have reported positive free cash flow in at least two of the previous three years;
- the average Accor share price for the year multiplied by 100 must have represented more than 85% of the annual average CAC 40 index in each of the previous three years.

These performance criteria would be applied as follows to determine the compensation for loss of office:

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

Termination benefit payable to the Deputy Chief Executive Officer

At its meeting on February 23, 2010, the Board of Directors decided that the termination benefit that would be payable to the Deputy Chief Executive Officer, fixed at 24 months' salary and bonus, as determined based on the amounts paid to him for the last fiscal year before the date of his termination except in the event of gross or willful misconduct, would be subject to the following performance criteria:

- consolidated return on capital employed for the previous three years must have exceeded the Group's cost of capital as published in the Registration Documents for those years;
- Accor Services must have reported a like-for-like increase in revenue in at least two of the previous three years;
- the Hotels business must have reported positive free cash flow in at least two of the previous three years;
- the average Accor share price for the year multiplied by 100 must have represented more than 85% of the annual average CAC 40 index in each of the previous three years.

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

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

The Deputy Chief Executive Officer would not be entitled to any compensation for loss of office.

The methods of determining the compensation for loss of office payable to the Chairman and Chief Executive Officer and the termination benefit payable to the Deputy Chief Executive Officer as described above will be submitted to shareholders for approval at the Annual Shareholders' Meeting.

Unemployment insurance

A private insurance plan has been set up with Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise (GSC) to provide the Chairman and Chief Executive Officer with unemployment benefits should the need arise. This insurance coverage was effective after an unbroken 12 months of participation in the plan, i.e. as from January 1, 2010. Unemployment benefits would be payable for a period of 12 months (extended to 24 months after the first full year of participation in the plan) as from the 31st unbroken day of unemployment. The benefits would be based on the participant's net taxable professional-source income for the previous year, capped at €109,785 per year for 2009.

Management compensation

Compensation paid to executive directors

The following tables provide a summary of the total gross compensation and benefits paid to the Chairman of the Board of Directors, the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer by Accor SA in 2008 and 2009 and the stock options and performance shares granted to these executive directors in those years.

Table 1: Compensation, stock options and performance shares granted to each executive director in 2008 and 2009

Serge Weinberg Chairman of the Board of Directors (1)	2008	2009
Compensation for the year (see Table 2 for details)	500,000	83,333
Value of stock options granted during the year	-	-
Value of performance shares granted during the year	-	-
TOTAL	**500,000**	**83,333**

Gilles Pélisson Chairman and Chief Executive Officer (2)	2008	2009
Compensation for the year (see Table 2 for details)	1,776,871	1,939,744
Value of stock options granted during the year (see Table 6 for details) (3)	721,875	361,250
Value of performance shares granted during the year (see Table 9 for details) (4)	725,938	379,063
TOTAL	**3,224,684**	**2,680,057**

Jacques Stern Deputy Chief Executive Officer (5)	2008	2009
Compensation for the year (see Table 2 for details)	ND	1,206,697
Value of stock options granted during the year (see Table 6 for details) (3)	ND	144,500
Value of performance shares granted during the year (see Table 9 for details) (4)	ND	151,625
TOTAL	ND	**1,502,822**

(1) Until February 24, 2009.

(2) Director and Chief Executive Officer until February 24, 2009.

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

(4) Performance shares are measured at fair value, corresponding to the average of the prices quoted for Accor shares over the twenty trading days preceding the grant date, in accordance with AFEP-MEDEF guidelines set out in the Corporate Governance Code for listed companies, rather than at the value of the compensation received. Performance shares are forfeited if the grantee leaves the Group before the shares vest or if the performance conditions are not met. At December 31, 2009, only some of the applicable performance conditions had been met but this is not reflected in the figures above. Further details on performance share plans and the applicable vesting dates are provided in Table 9, page 90.

(5) Deputy Chief Executive Officer since March 12, 2009.

Table 2: Compensation and benefits paid to each executive director in 2008 and 2009

	Due for the year		Paid during the year	
	2008	2009	2008	2009
Serge Weinberg **Chairman of the Board of Directors**				
Fixed compensation [1]	500,000	83,333	500,000	83,333
Incentive bonus	-	-	-	-
Exceptional bonus	-	-	-	-
Directors' fees	-	-	-	-
Benefits-in-kind	-	-	-	-
TOTAL	**500,000**	**83,333**	**500,000**	**83,333**
Gilles Pélisson **Chairman and Chief Executive Officer**				
Salary [1]	1,000,000	1,000,000	1,000,000	1,000,000
Incentive bonus [2]	750,000	700,000	1,350,000	750,000
Exceptional bonus [3]	-	200,000	100,000	
Directors' fees [4]	19,695	24,934	5,000	14,695
Benefits-in-kind [5]	7,176	14,810	7,176	14,810
TOTAL	**1,776,871**	**1,939,744**	**2,462,176**	**1,779,505**
Jacques Stern **Deputy Chief Executive Officer**				
Salary [1]	ND	580,303	ND	580,303
Incentive bonus [2]	ND	400,000	ND	400,007
Exceptional bonus [3]	ND	200,000	ND	-
Directors' fees [4]	ND	19,218	ND	17,811
Benefits-in-kind [5]	ND	7,176	ND	7,176
Discretionary profit-sharing [6]	ND	N/D	ND	1,009
Statutory profit-sharing [7]	ND	N/D	ND	2,020
TOTAL	ND	**1,206,697**	ND	**1,008,325**

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

(1) Fixed compensation/salaries are paid in the year in which they are earned.

(2) Incentive bonuses are paid at the beginning of the following year. The criteria applied to determine the 2009 bonuses of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer are presented on page 79.

(3) On February 26, 2008, the Board of Directors awarded Gilles Pélisson an exceptional bonus of €100,000 in recognition of the successful implementation of the asset-right strategy in 2007.

On February 23, 2010, the Board of Directors awarded Gilles Pélisson an exceptional bonus of €200,000 in recognition of his work in assessing the potential benefits of demerging the Group's two businesses.

On February 23, 2010, the Board of Directors awarded Jacques Stern an exceptional bonus of €200,000 in recognition of his work in assessing the potential benefits of demerging the Group's two businesses.

(4) Directors' fees paid to Gilles Pélisson in his capacity as a director of Sagar, a wholly-owned subsidiary based in Italy. The amount paid in 2008 covered the period from January 1 to April 30, 2008. Mr. Pélisson will not receive any directors' fees for the period after April 30, 2008.

In addition, in 2009 Gilles Pélisson was paid 2008 directors' fees of €12,395 in his capacity as Vice Chairman of the Supervisory Board of Groupe Lucien Barrière and €2,300 in his capacity as permanent representative of Accor on the Supervisory Board of Lenôtre.

In 2010 Gilles Pélisson will be paid 2009 directors' fees of €22,634 in his capacity as Vice Chairman of the Supervisory Board of Groupe Lucien Barrière and €2,300 in his capacity as permanent representative of Accor on the Supervisory Board of Lenôtre.

In 2009 Jacques Stern was paid 2008 directors' fees of €17,811 in his capacity as a member of the Supervisory Board of Groupe Lucien Barrière. In 2010 Jacques Stern will be paid 2009 directors' fees of €19,218 in his capacity as Vice Chairman of the Supervisory Board of Groupe Lucien Barrière.

(5) Company cars for Gilles Pélisson and Jacques Stern, and Company-financed unemployment insurance for Gilles Pélisson (see page 81).

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

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

Table 3: Commitments given to executive directors

Executive Directors	Employment contract	Supplementary pension benefits (1)	Bonus, compensation or benefit payable in the case of appointment to a new position, termination/removal from office or transfer (2)	Non-compete indemnity
Serge Weinberg Chairman of the Board of Directors Term: January 9, 2006 through February 24, 2009	No	No	No	No
Gilles Pélisson Chairman and Chief Executive Officer Current term: February 24, 2009 until the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2011	Yes (suspended since January 2006)	Yes	Yes	No
Jacques Stern Deputy Chief Executive Officer Current term: March 12, 2009 until the close of the Annual Meeting to be called to approve the accounts for the year ending December 31, 2011	Yes	Yes	Yes	No

(1) Details of the supplementary pension plans in which the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer participate are provided on page 80.

(2) Details of the compensation for loss of office or other termination benefits payable to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer are provided on page 81.

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 decided that subject to Mr. Pélisson being re-elected to the Board and his appointment as Chief Executive Officer being renewed, his employment contract should remain in force in order to avoid him having to forfeit, for legal reasons, his rights under the "Article 39" defined benefit pension plan described on page 80. The contract was, however, amended to remove all clauses giving Mr. Pélisson rights above and beyond those granted by law and the relevant collective bargaining agreement. The amended contract states, in particular, that if the employment contract is terminated within six months of Mr. Pélisson being removed from the Board and from the position of Chief Executive Officer, his statutory severance pay will be deducted from his compensation for loss of office, if any. The amended contract was signed on March 9, 2009 by Jérôme Séydoux on behalf of the Board of Directors and was ratified by the shareholders at the Annual Meeting of May 13, 2009.

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

Compensation paid to other senior executives

The total gross compensation and benefits paid in 2009 by the Company and the various other Group entities to the 12 members of the Executive Committee (except for the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer, whose compensation is described above) amounted to €5.28 million, including aggregate gross incentive bonuses of €1.493 million.

Provisions for pensions and other post-employment benefits payable to senior executives as of December 31, 2009 are presented in note 32 to the consolidated financial statements, page 210.

Directors' fees

Total directors' fees payable by Accor SA for 2009 were set by shareholders at the Annual Meeting of May 13, 2009 at €420,000, an amount that reflects the major changes that took place in the Board's membership during the year. The fees for 2009 were paid in March 2010 and represented the only compensation paid by the Group to Board members in their capacity as directors.

The total directors' fees are 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 Vice Chairman of the Board receives a fixed amount of €20,000 in this capacity,
- the Chairman of the Compensation, Appointments and Corporate Governance Committee and the Chairman of the Commitments Committee each receive a fixed fee of €10,000, the Chairman of the Audit and Risks Committee receives a fixed fee of €15,000 and the members of the Board Committees each receive €5,000,
- in view of the exceptional work undertaken in assessing the potential benefits of demerging the Group's two businesses, a total of €35,000 was paid to the directors who took part in meetings of the Liaison Committee set up for this purpose. This sum was allocated between the directors concerned based on the number of meetings they attended,
- of the balance, a part is shared equally among all the members of the Board (representing €10,000 per director) and the rest is allocated prorata to each member's attendance record at Board meetings during the year (including participation via teleconferencing link).

The following table shows the **directors' fees** paid to members of the Board of Directors by the Company for 2008 and 2009:

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

Board of Directors *(in €)*	Due for the year		Paid during the year	
	2008	2009	2008	2009
Jean-Paul Bailly	N/A	25,510	N/A	N/A
Thomas J. Barrack	27,225	20,754	15,280	27,225
Sébastien Bazin	57,450	45,208	56,516	57,450
Isabelle Bouillot	39,838	4,514	39,957	39,838
Philippe Camus	34,225	N/A	44,957	34,225
Aldo Cardoso	67,450	10,407	66,516	67,450
Philippe Citerne	36,031	75,922	36,677	36,031
Étienne Davignon	18,613 (1)	N/A	46,516 (1)	18,613 (1)
Gabriele Galateri Di Genola	43,644	27,936	46,516	43,644
Denis Hennequin	N/A	22,846	N/A	N/A
Sir Roderic Lyne	42,450	3,264	38,236	42,450
Dominique Marcel	23,919	N/A	36,677	23,919
Bertrand Meheut	N/A	28,243	N/A	N/A
Virginie Morgon	N/A	29,165	N/A	N/A
Baudouin Prot	28,419	3,264	33,398	28,419
Alain Quinet	12,113	36,041	N/A	12,113
Franck Riboud	43,644	27,961	30,118	43,644
Augustin de Romanet	37,225	5,407	28,559	37,225
Patrick Sayer	17,113	38,055	N/A	17,113
Jérôme Seydoux	41,031	15,505	44,957	41,031
Theo Waigel	19,613	N/A	25,118	19,613
Serge Weinberg	N/A	N/A	N/A	N/A

(1) In 2009, Mr. Davignon was also paid €45,775 in directors' fees due for the year for his functions as Chairman of Compagnie Internationale des Wagons-Lits et du Tourisme (€45,692 due for and paid in 2008).

2.2.2. DIRECTORS' AND MANAGERS' INTERESTS

Stock option plans

The Group regularly sets up stock option plans for senior executives down to middle managers. The option grants are authorized by the Board of Directors at the meeting held to approve the previous year's financial statements.

Options are not granted systematically to a given category of employees, but are designed to reward personal performance, measured in terms of the results obtained or individual achievements.

The number of options granted to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer is decided by the Board of Directors based on the recommendation of the Compensation, Appointments and Corporate Governance Committee.

Under the March 31, 2009 plan, options to purchase new shares of Accor S.A. stock were granted to 1,138 Group employees, ranging from senior executives to middle managers, in some sixty countries worldwide. The exercise price of €27.45 corresponds to the average of the opening prices quoted for Accor shares over the twenty trading days preceding the grant date, without any discount. The option plan was authorized by shareholders at the Annual Meeting of May 13, 2008 (13th resolution) and is therefore not governed by Article L.225-186-1 of the French Commercial Code [1].

The 2009 stock options have an eight-year life and are exercisable as from the fifth year.

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

(1) This article, which corresponds to Article 22 of the Act of December 3, 2008 on job-related revenue, states that when a listed company decides to grant stock options or performance shares to executive directors ("mandataires sociaux" as defined in Articles L.225-185 para 4 and L.225-97-1 II, para 1), it must also grant stock options or performance shares to its employees and at least 90% of the employees of its direct subsidiaries headquartered in France, or set up a discretionary or statutory profit sharing scheme for these employees.

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

Table 5: Stock options granted to employees and corporate officers

PLAN Date of Management Board or Board of Directors meeting	Total number of options Number of options granted	Of which to executive directors	Of which to the top ten grantees	Total number of grantees	Exercisable from	Expiry date	Exercise price *(in euros)*	Ooptions exercised in 2009	Total options exercised through December 31, 2009	Options canceled [1]	Options outstanding at December 31, 2009
Stock option plans											
1/4/2001	1,957,000	895,000	575,000	32	1/4/2004	1/4/2009	40.58	0	1,252,450	704,550	0
1/8/2002	3,438,840	435,000	290,000	2,032	1/8/2005	1/8/2010	37.77	159,062	2,120,654	78,550	1,239,636
1/3/2003	148,900	30,000	96,000	67	1/4/2006	1/3/2011	31.83	300	92,950	300	55,650
1/7/2004	1,482,900	265,000	145,000	1,517	1/8/2007	1/7/2012	35.68	6,900	316,539	19,000	1,147,361
1/12/2005	1,298,950	265,000	129,000	903	1/13/2009	1/12/2012	32.42	28,284	31,584	22,250	1,245,116
1/9/2006	1,231,200	250,000	295,000	191	1/10/2010	1/9/2013	46.15	0	0	19,800	1,211,400
3/24/2006	666,950	0	61,500	818	3/25/2010	3/24/2013	49.10	0	1,300 [2]	26,600	639,050
3/22/2007 [3]	1,492,845	62,500	127,500	958	3/23/2011	3/22/2014	68.65	0	0	75,040	1,417,805
5/14/2007 [4]	95,000	31,250	63,750	11	5/15/2011	5/14/2014	71.72	0	0	26,713 [5]	68,287
3/28/2008 [6]	1,409,400	62,500	138,500	1,022	3/29/2012	3/28/2015	46.46	0	0	43,050	1,366,350
9/30/2008 [7]	75,000	0	75,000	6	10/1/2012	9/30/2015	42.70	0	0	0	75,000
3/31/2009 [8]	969,965	87,500	126,000	1,138	4/1/2013	3/31/2017	27.45	0	0	35,215	934,750
TOTAL OPTIONS	**14,266,950**								**3,815,477**	**1,051,068**	**9,400,405**
Stock savings warrants [9]											
7/12/2002	104,361			3,890	07/12/2005	7/12/2009	39.10	10,803	40,661	63,700	0
7/9/2004	88,131			3,390	07/09/2007	7/9/2012	33.94	0	4,621	0	83,510
9/13/2007	1,403			40	09/13/2010	9/13/2015	60.44	0	0	0	1,403
TOTAL STOCK SAVINGS WARRANTS	**193,895**							**10,803**	**45,282**	**63,700**	**84,913**
TOTAL	**14,460,845**								**3,860,759**	**1,114,768**	**9,485,318 [10]**

(1) Options canceled due to grantees leaving the Group or because performance conditions were not met.
(2) Options exercised following the grantees' death.
(3) Granted by the Chief Executive Officer pursuant to the Board authorization of March 6, 2007.
(4) Performance stock options.
(5) Options cancelled because performance conditions were only partly met in 2008 and 2009.
(6) Granted by the Chief Executive Officer pursuant to the Board authorization of February 26, 2008.
(7) Granted by the Chief Executive Officer pursuant to the Board authorization of August 27, 2008.
(8) Granted by the Chief Executive Officer pursuant to the Board authorization of February 24, 2009.
(9) Options granted in connection with Accor employee share issues.
(10) Representing 4.21% of the Company's share capital at December 31, 2009.

Gilles Pélisson, Chairman and Chief Executive Officer, was the only executive director to receive options under the 2006, 2007 and 2008 plans.

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

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

The stock option plans were authorized by shareholders as follows:

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

Under the terms of the May 13, 2008 shareholder authorization, the number of options granted may not be exercisable for shares representing more than 2.5% of the Company's share capital as of that date.

Table 6: Stock options granted to executive directors in 2009

	Grantee	Grant date	Type of options	Value based on the method used in the consolidated financial statements *(in euros)*	Number of options	Exercise price *(in euros)*	Exercise period
Options granted during the year to the Chairman and Chief Executive Officer	Gilles Pélisson	3/31/2009	Options to purchase new shares	361,250 (1)	62,500	27.45	4/1/2013 to 3/31/2017
Options granted during the year to the Deputy Chief Executive Officer	Jacques Stern	3/31/2009	Options to purchase new shares	144,500 (1)	25,000	27.45	4/1/2013 to 3/31/2017

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

The 87,500 options granted to executive directors in 2009 represented 0.039% of the Company's share capital at December 31, 2009.

Under the terms of the March 31, 2009 plan, the Chairman and Chief Executive Officer will be required to hold registered shares representing at least 40% of the net capital gain on the exercised options until he leaves the Accor Group and the Deputy Chief Executive Officer will be required to hold registered shares representing at least 25% of the net capital gain until he leaves the Group.

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

No stock options were exercised by either executive director during 2009.

Table 7: Stock options granted to and exercised by the top ten grantees other than executive directors during 2009

	Number of options	Weighted average exercise price *(in euros)*
Options granted in 2009 to the ten employees other than executive directors who received the largest number of options	126,000	27.45
Options exercised in 2009 by the ten employees other than executive directors who exercised the largest number of options	152,500 (1)	37.57

(1) Including 144,000 options granted under the January 8, 2002 plan, 4,500 options granted under the January 7, 2004 plan and 4,000 options granted under the January 12, 2005 plan.

Performance share plans

In 2009, Accor set up its third performance share plan, in line with the authorization given by the Board of Directors at the meeting held to approve the previous year's financial statements.

The number of performance shares granted to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer was decided by the Board of Directors based on the recommendation of the Compensation, Appointments and Corporate Governance Committee.

Performance shares under the March 31, 2009 plan were granted to 1,138 Group employees ranging from senior executives to middle managers in some sixty countries worlwide. The performance conditions are described in the second section of the Registration Document, in note 24.3 to the consolidated financial statements page 195.

The performance shares granted under the March 31, 2009 plan have a two-year vesting period followed by a two-year lock-up period or a four-year vesting period without any lock-up, depending on the country.

The plan was authorized by shareholders at the Annual Meeting of May 13, 2008 (15th resolution) and is therefore not governed by Article L.225-197-6 of the French Commercial Code (1).

(1) See note, page 86.

Table 8: Performance shares granted to employees and/or corporate officers

Performance shares

PLAN Date of Board of Directors meeting	Number of unvested shares (1) Number of shares granted	Of which to executive directors	Of which to the top ten grantees	Number of shares canceled (2)	Number of grantees	Vesting date	End of lock-up period	Number of vested shares subject to lock-up	Number of vested shares no longer subject to lock-up	Performance conditions
Performance share plans										
5/14/2007	56,171	7,813	15,938	6,367	102	5/14/2009	5/14/2011	49,459	345(8)	ROCE and recurring operating profit after tax
3/28/2008(3)	107,034	15,625	33,625	80,868(4)	92	3/28/2010	3/28/2012	-	-	ROCE and recurring operating profit after tax
3/31/2009(5)	242,553	21,875	31,500	125,900(6)	1,138	3/31/2011 or 3/31/2013	3/31/2013	-	-	Accor Hospitality ROCE, Accor Services revenue and consolidated recurring operating profit after tax
TOTAL SHARES	**405,758**			**213,135**						

(1) Unvested at December 31, 2009: two- or four-year vesting period from the grant date.
(2) Shares cancelled due to grantees leaving the Group or performance conditions not being met.
(3) Granted by the Chief Executive Officer pursuant to the Board authorization of February 26, 2008.
(4) Of which 78,368 shares cancelled because the performance conditions were only partly met.
(5) Granted by the Chief Executive Officer pursuant to the Board authorization of February 24, 2009.
(6) Of which 117,092 shares cancelled because the performance conditions were only partly met.
(7) In some countries, the vesting period is four years.
(8) Shares sold following the grantee's death.
(9) Recurring operating profit after tax = profit before tax and non-recurring items, less tax on recurring items, less minority interests.

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

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

The performance share plans were approved by shareholders as follows:

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

Under the terms of the May 13, 2008 shareholder authorization, the number of performance shares granted May not represent more than 0.5% of the Company's share capital as of that date.

Table 9: Performance shares granted to executive directors in 2009

	Grantee	Grant date	Numbers of shares	Value based on the method used in the consolidated financial statements *(in euros)*	End of vesting period	End of lock-up period	Performance conditions [1]
Performance shares granted during the year to the Chairman and Chief Executive Officer	Gilles Pélisson	3/31/2009	15,625	379,063 [2]	3/31/2011	3/31/2013	Accor Hospitality ROCE, Accor Services revenue, consolidated recurring operating profit after tax [3]
Performance shares granted during the year to the Deputy Chief Executive Officer	Jacques Stern	3/31/2009	6,250	151,625 [2]	3/31/2011	3/31/2013	Accor Hospitality ROCE, Accor Services revenue, consolidated recurring operating profit after tax [3]

(1) The performance conditions are described in note 24.3 to the consolidated financial statements on page 195.

(2) The value of performance shares corresponds to the theoretical value at the grant date, as prescribed by the AFEP-MEDEF Corporate Governance Code for listed companies, rather than to the actual value of the compensation received. Performance shares are forfeited if the grantee leaves the Group before the vesting date. At December 31, 2009, the performance criteria were only partially met. This is not reflected in the above table.

(3) Recurring operating profit after tax = operating profit before tax and non-recurring items, less tax on recurring items, less minority interests.

The 21,875 performance shares granted to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer in 2009 represented 0.01% of the Company's share capital at December 31, 2009.

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

Under the terms of the March 31, 2009 plan and in line with the AFEP-MEDEF recommendation of October 6, 2008, the Chairman and Chief Executive Officer will be required to hold at least 25% of the vested shares – i.e. shares for which the performance criteria have been met – in registered form for as long as he remains with the Group, or 20% provided that he also purchases additional Accor shares equivalent to 3% of the vested shares.

The Deputy Chief Executive Officer will be required to hold at least 25% of the vested shares acquired under the March 31, 2009 plan – i.e. shares for which the performance criteria have been met – in registered form for as long as he remains with the Group.

However, as the obligation for executive directors to purchase additional shares was decided by the Board on February 24, 2009, before Mr. Stern was appointed Deputy Chief Executive Officer, he is not under any such obligation with respect to the March 31, 2009 performance shares.

Table 10: Changes in the status of executive directors' performance shares in 2009

	Name	Grant date	Number of shares that vested during the year that are subject to a lock-up	Number of shares for which the lock-up period ended during the year
Chairman and Chief Executive Officer's performance shares that vested during the year but were still subject to a lock-up at the year-end and shares for which the lock-up period ended during the year	Gilles Pélisson	5/14/2007	7,325	None
Deputy Chief Executive Officer's performance shares that vested during the year but were still subject to a lock-up at the year-end and shares for which the lock-up period ended during the year	Jacques Stern	5/14/2007	2,344	None

Table 11: Performance shares granted to the top ten grantees other than executive directors during 2009

	Numbers of shares
Performance shares granted in 2009 to the ten employees other than executive directors who received the largest number of shares	31,500

Share equivalents

Employee stock options

At December 31, 2009, a total of 9,485,318 stock options were outstanding.

Exercise of all of these options would lead to the issuance of 9,485,318 shares representing 4.21% of the Company's capital at December 31, 2009.

At the time of the July 19, 2007 employee share issue, due to local tax reasons employees of Accor subsidiaries in Germany, Cameroon and Chad were granted stock savings warrants in place of the 18.9% discount offered to other Group employees. A total of 30,372 stock savings warrants were issued and allocated to Compartment 2 of the Accor en Actions Levier International 2007 corporate mutual fund. Each warrant is exercisable at any time until July 19, 2012 for one Accor share at a price of €68.61.

Discretionary and non-discretionary employee profit-sharing agreements

Non-discretionary profit-sharing

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

The agreement enables employees with more than three months' seniority to receive profit-shares calculated 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 €18.6 million was allocated to the profit-sharing reserve for 2008 (paid in 2009).

Amounts allocated to the special profit-sharing reserve in previous years were:

- €13 million for 2007 (paid in 2008); and
- €10 million for 2006 (paid in 2007).

The total amount of the reserve is allocated between all of the employee beneficiaries in proportion to their individual salary for the reference year, which is capped by agreement at double the amount of the ceiling for French social security contributions, set at December 31 of the reference year.

In compliance with the French Act of December 3, 2008 in favor of working income, in 2009 the five-year lock-up period on amounts allocated to employee profit-shares became optional rather than compulsory. Consequently, nearly 57% of beneficiaries requested the immediate payment of all or part of their profit-share. Where such a request is not made, the amounts allocated to the profit-sharing reserve are invested in corporate mutual funds and locked up for a period of five years in order to qualify for tax and social security exemptions.

Discretionary profit-sharing

Due to the Group's organization structure and compensation policy, a large number of discretionary profit-sharing agreements have been negotiated at the level of Accor SA, its subsidiaries and the operating units.

These profit-shares are determined based on whether the subsidiary or unit concerned meets or exceeds its profit targets. In the case of Accor SA, the amount is dependent on the Group meeting its operating profit before tax and non-recurring items target.

The calculation method is based on quantitative criteria specified in each agreement. The amounts vary from year to year and are capped.

Discretionary profit-sharing agreements are negotiated with works councils or union representatives.

Transactions involving Accor SA shares

Schedule of transactions involving shares of the Company carried out during the past fiscal year, within the meaning of Article L. 621-18-2 of the French Monetary and Financial Code

Person concerned	Transaction	Numbers of shares
Person related to Thomas J. Barrack Jr.	Share purchase	18,764,615
Virginie Morgon	Share purchase	500
Michael Flaxman	Dividend reinvestment	293
Gilles Pélisson	Share purchase	790
Michael Issenberg	Sale of other financial instruments	0 (1)

(1) Exercise of stock options for 12,000 shares, which were subsequently sold.

2.3. Risk Management

2.3.1. RISK FACTORS

Financial risks

In its business operations, Accor is more or less exposed to liquidity, credit, currency, interest rate and other financial risks. Policies to manage financial risks are designed to meet three core objectives: security, liquidity and cost-effectiveness. These risks are managed centrally by the Corporate Treasury, Financing and Credit Management Department, which reports directly to the Deputy Chief Executive Officer, in charge of Accor Services and Finance, who is also a member of the Executive Committee.

Liquidity risk

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

Financing policies are designed to ensure that 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 28E to the consolidated financial statements, page 203). At December 31, 2009, the amounts available under these lines of credit totaled €2,312 million, of which €1,782 million expire in June 2012.

In addition, Accor has €1,006 million in cash investments with an average maturity of five months that can be converted into liquidity at any time and which are primarily intended to finance the Hotels business (see Note 28E to the consolidated financial statements, page 203). These investments consist mainly of term deposits and negotiable debt securities issued by leading financial institutions.

At December 31, 2009, Accor had a total of €3,318 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 order to strengthen its liquidity position, Accor carried out three bond issues in 2009, representing an aggregate amount of €1,450 million and with maturities staggered between May 2013 and November 2017. This financing has enabled the Group to extend the average maturity of its debt (see Note 28B to the consolidated financial statements, page 202).

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 risk.

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

	Within one year	Between one and five years	Beyond five years	Total
Bonds	-	1,191	249	**1,440**
Bank and other borrowings	201	842	32	**1,075**
Finance lease liabilities	8	48	95	**151**
Derivatives	21	-	-	**21**
Bank overdrafts and other	143	7	11	**161**
FINANCIAL LIABILITIES	**373**	**2,088**	**387**	**2,848**
Marketable securities	(1,006)	-	-	**(1,006)**
Other current financial assets	(218)	-	-	**(218)**
CURRENT FINANCIAL ASSETS	**(1,224)**	**-**	**-**	**(1,224)**
NET DEBT	**(851)**	**2,088**	**387**	**1,624**

None of the loan agreements include any rating triggers. However, certain loan agreements include acceleration clauses that may be triggered in the event of a change of control, following the acquisition of more than 50% of outstanding voting rights. Of the overall gross debt of €2,513 million, a total of €1,440 million worth is subject to such clauses. In the case of bonds, the acceleration clauses can only be triggered if the change of control leads to Accor's credit rating being downgraded to non-investment grade.

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

Accor's ratings assigned by Standard & Poor's and Fitch Ratings are as follows:

Rating agency	Long-term debt	Short-term debt	Most recent rating update	Outlook	Most recent update to the outlook
Standard & Poor's	BBB	A-3	7/09/2009	CreditWatch Negative	9/10/2009
Fitch Ratings	BBB-	F3	7/2/2009	Rating Watch Evolving	8/28/2009

In the second half of 2009, Standard & Poor's placed Accor on CreditWatch with negative implications, a rating it affirmed in February 2010. In early July 2009, Fitch downgraded Accor from BBB to BBB- and placed it on Rating Watch. In February 2010, the agency affirmed the BBB- rating but assigned a "stable outlook."

Credit and country risk

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

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

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

In view of the business base's broad geographic footprint, country risk is limited. A total of 40% of financial investments are in the euro zone.

Currency and interest rate risks

A variety of financial instruments, including swaps, caps and forward purchases and sales of foreign currencies, are used to manage and hedge interest rate and currency risks arising in the normal course of business. Financial instruments are used to support Group investment, financing and hedging policies, to help manage debt and to minimize the risks on business transactions. Software applications (GTM and Microlis) are used to monitor the breakdown of debt between fixed and floating rate and by currency, as well as to generate reporting schedules, with integrated online access to Reuters and Bloomberg databases.

Management of currency risks

Long-term investment policy

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

Financing

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

From time to time, the Group also takes advantage of market opportunities by raising financing in a given currency and at a given rate of interest and then using a swap to convert the facility into the currency and interest rate required to finance business needs (see Note 28C to the consolidated financial statements, page 202).

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

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

Other currency hedges

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

The Group does not hedge currency translation risk.

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

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

Management of interest rate risks

A total of 86% of consolidated borrowings are denominated in euros, with 73% at fixed rates and 27% at floating rates. The average maturity of fixed-rate debt is 4.2 years. An analysis of the Group's exposure to interest rate risks before and after hedging is provided in Note 28C to the consolidated financial statements on page 202. Target breakdowns between fixed and floating rate debt are determined separately for each currency, giving due regard to anticipated trends in interest rates and to changes in the composition of debt as a result of new borrowings and the repayment of existing borrowings.

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

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

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

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.

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 subject to local legislation and regulations governing the hotel, catering and prepaid services 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 Company'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 38 to the consolidated financial statements. To the best of the Company's knowledge, during the last 12 months there have been no governmental, legal or arbitration proceedings (including any pending or threatened proceedings of which the Company is aware) which may have, or have had in the recent past, a material effect on the financial position or profitability of the Company and/or the Group.

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

Provisions for claims and litigation are recorded on receipt of a summons, and are determined based on an assessment of the related risk carried out jointly with the Group's external advisers. Details of these provisions are presented in Note 32 to the consolidated financial statements on page 210. In light of the large number of small claims, only claims for material amounts – representing an aggregate €82 million out of total provisions of €175 million – are presented in detail.

Accor has not given any material commitments under shareholder agreements except as explained in Note 39 to the consolidated financial statements on page 224.

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 39 to the consolidated financial statements on page 224.

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 Hotels business

Accor's business presence in a large number of countries exposes it to geopolitical, terrorism, natural disaster, public health and other security risks around the world.

Ensuring the safety and security of customers and employees is a key priority, however, and an integral part of the hospitality offering. To this end, Accor has deployed a well-structured risk management strategy and embedded risk prevention procedures into the daily running of business operations. These procedures are assertively applied by all of the operating divisions and corporate functions. In addition, the security situation is carefully monitored in every host country. Leveraging a range of shared methods, systems and standards, each unit can adapt its risk prevention and crisis management policies to its own business, market, labor and other conditions, thereby helping to protect the Group's customers, employees, assets and image.

- Natural disaster risks: risks related to extreme weather, earthquakes, floods and other natural disasters are tracked by a proprietary software application covering 2,000 towns and cities where Accor hotels are located.
- Risks relating to geopolitical factors, malicious damage and terrorist threats: Accor has set up a dedicated organization and prepared technical documents with the aim of defining and implementing a security strategy that effectively safeguards employees and guests against the main threats identified in its establishments.
- Public health risks: the Group continuously monitors any public health risks that could adversely affect its business by causing a reduction in occupancy rates at its hotels. In response to the risk of a flu pandemic in 2009, a Business Continuity Plan was activated during the year, to ensure the health and safety of customers and employees and the continuity of the hospitality operations and support functions.

The Prepaid Services business

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

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.

Environmental risks

Potential environmental risks in the Hotels business mainly concern the storage of gas and fuel oil in or near hotels, the malfunction of a PCB transformer, spillage of cleaning products and contamination from cooling towers.

The majority of hotels are in Europe. The European environmental directives that apply to the Group's operations primarily concern the following:

- waste management, including non-hazardous waste (particularly packaging), electrical and electronic equipment, and hazardous waste (particularly batteries and compact fluorescent light bulbs);
- management of cooling fluids;
- management of chemical substances (compliance with labeling requirements and the REACH directive);
- building energy efficiency;
- environmental responsibility.

In France, certain installations are covered by regulations relating to facilities listed for environmental protection purposes and must therefore be registered in accordance with the relevant procedures.

Prevention programs are being applied to mitigate the possibility of the above risks occurring:

- software to measure compliance with safety, environmental and technical regulations;
- environmental certification programs (e.g. ISO 14001 and Green Globe);
- specific procedures put in place by the country organizations;
- 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.

Overall, the Group's exposure to environmental risks in the Hotels business is not material and therefore no specific provisions have been set aside.

In addition, 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.

Insurance – risk coverage

Accor's risks are spread across a very wide number of locations throughout the world, which protects it to a large degree against high-severity incidents. One Group site has been identified as representing the maximum possible property and casualty loss. As the maximum possible loss for liability insurance is more difficult to estimate, industry practices have been used, taking into account the fact that hotels are sometimes located in larger property complexes.

The majority of risks are covered via a global insurance program that comprises comprehensive policies (subject to named exclusions) covering property and casualty, business interruption and liability risks. In line with the Group's strategy validated by the Executive Committee, this program is being extended wherever possible under local laws and regulations.

When 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 covered by the Group's global insurance program are self-insured through a captive insurance company with all units sharing the related costs. These risks are reinsured in the market in order to limit the Group's commitments and avoid using up the captive's funds.

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

Local insurance programs have been set up in certain countries or regions, such as the United States, Poland, Brazil, China and India. The US program was developed to take advantage of favorable local insurance market conditions for the types of risks involved, with cover encompassing business interruption, property and casualty and liability risks. The Polish program was also set up to benefit from particularly competitive rates in the local market. The Brazilian and Chinese programs were implemented to comply with local insurance regulations. In both cases, the applicable conditions are reviewed annually to ensure that they are closely aligned with the general insurance conditions applicable to the Group as a whole. Following liberalization of the insurance market in India, third-party liability risk for that country is now covered in the Group's insurance programs. The Group's captive insurance company is not involved in these local 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 take swift measures to reduce the related risk exposure.

The amount paid in insurance premiums in 2009 represented approximately 0.36% 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.

2.3.2. SENSITIVITY ANALYSIS

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

Prepaid Services

A 50-basis point 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	€8.0 million
RON	Romania	€1.6 million
MXN	Mexico	€1.6 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

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

Sensitivity to RevPAR

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

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

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

(1) If like-for-like revenue growth is positive, the flow-through ratio is: (ΔL/L EBITDAR / Δ L/L revenue)

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
GBP	United Kingdom	€3.9 million
BRL	Brazil	€1.6 million
USD	United States	€0.2 million

Group

A 50-basis point decline in interest rates would feed through to a €6.0 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 €16 million increase in operating profit before tax and non-recurring items in the Hotels and Other businesses.

2.4. Report of the chairman of the Board of Directors

to the Annual Shareholders' Meeting on the preparation and organization of Board of Directors' meetings and internal control procedures (prepared in application of article l.225-37 of the French Commercial Code)

This report was approved by the Board of Directors at its meeting on February 23, 2010. 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 only principle of the Code that Accor does not apply is the recommendation that executive directors should terminate their employment contract with the company. Accor's Chairman and Chief Executive Officer still holds an employment contract with the Company for the reasons presented in the "Executive and Director Compensation» section of the Registration document, page 84.

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 are provided in the registration document report and also describe the procedures of the Board committees.

Details concerning membership of the Board of Directors and the criteria used to establish directors' independence are set out in the "Directors and Corporate Officers" and "Governance Structures" sections of the registration document .

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

The Board met nine times in 2009. The notices of meeting together with the agenda were sent to all the members by e-mail, generally one week before the meeting date. In the period between two meetings, members were kept regularly informed of significant events and transactions involving the Company and were sent copies of all press releases issued by the Company. In addition, Accor's independent directors held three meetings during the year.

Each ordinary Board meeting lasted four hours on average and special meetings convened to discuss specific matters lasted an average of two hours. The attendance rate was around 83%.

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 Chairman and Chief Executive Officer and the Deputy Chief Executive Officer, as well as, in some cases, by the senior executives concerned, of a large number of significant business achievements and projects.

Following the first self-assessment of the Board's performance carried out in 2007, in view of the considerable changes in its membership structure in 2009 the Board decided not to perform a further self-assessment during the year but plans to carry out such an assessment in 2010.

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 and Chief

Executive Officer. They report regularly to the Board on their work, and provide the Board with their observations, opinions, proposals and recommendations.

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

Since February 24, 2009 the Board has had three standing Committees:

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

The Board may also set up one or more special committees. In 2009, it created a Liaison Committee tasked with monitoring and closely analyzing the progress and findings of the review of the potential benefits of demerging Accor's two businesses. This Committee met seven times prior to December 15, 2009, the date on which the Board decided that it was appropriate to demerge the two businesses. At that time the Board decided to replace the Liaison Committee with an Oversight Committee responsible for ensuring the effective performance of the projects undertaken to enable the Board to make its final decision on the demerger.

Each Committee is chaired by one of its members, designated by the Board.

The Committee Chairman appoints a person who may or may not be a Committee member to act as secretary.

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

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

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

The **Audit and Risks Committee** met four times in 2009. 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 and Risks Committee are also attended by the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer, the Statutory Auditors, and where appropriate, the Board Secretary and the Head of Internal Audit.

The Audit and Risks Committee has between three and five members of all whom have the necessary technical knowledge to fulfill the Committee's duties. The majority of the members, including the Committee Chairman, must be independent directors.

The **Compensation, Appointments and Corporate Governance Committee** met seven times in 2009. 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 31, 2009 stock option plan. 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 and directors' fees, this section provides details of transactions in the Company's shares, and directors' and employees' interests in the Company's capital (through stock option plans and non-discretionary and discretionary profit-sharing programs).

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

The **Commitments Committee** met three times in 2009. 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 or demergers or asset transfers;
- any amendments to the Company's corporate purpose.

The Commitments Committee may have up to five members. Meetings of the Committee may be called at any time, in writing or verbally, by the Committee Chairman or the Chairman and Chief Executive Officer.

Calls to Board Committee meetings are issued by the Committee Chairman and include the meeting agenda.

The attendance rate at meetings of all of these Committees was around 82% in 2009.

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 Chairman and Chief Executive Officer and the Deputy 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 Chairman and Chief Executive Officer and the Deputy 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, on one or several occasions, for a cumulative amount of more than €2 billion, or any individual facility for a period of more than 15 years irrespective of 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) authorizing the Chairman and Chief Executive Officer to issue guarantees, bonds and endorsements in the Company's name, up to a cumulative amount of €1 billion per year. In accordance with the Company's Bylaws, any such authorizations may be given for a period of one year. The Chairman and 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, which states:

"Internal control is a company's system, defined and implemented under its responsibility, which aims to ensure that:

- *laws and regulations are complied with;*
- *the instructions and directional guidelines fixed by Executive Management or the Management Board are applied;*
- *the company's internal processes are functioning correctly, particularly those implicating the security of its assets;*
- *financial 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 Chairman and Chief Executive Officer represents the Company in its dealings with third parties and has the broadest powers to act on behalf of the Company in all circumstances. The situations where exercise of the Chairman and Chief Executive Officer's powers is subject to the prior approval of the Board of Directors are detailed in section 3 of this report.

For the purpose of carrying out his duties, the Chairman and Chief Executive Officer has set up **an Executive Committee** including representatives from all of the operating divisions and corporate functions. In 2009, the Committee was reduced from 13 to 9 members in order to accelerate the decision-making process in a time of recession and improve the responsiveness of the Group's teams. During the year, the Committee comprised the following members:

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

For Accor Hospitality:

- the Chief Operating Officer, Accor Hospitality Europe, the Middle East and Africa and Chief Executive Officer of Sofitel Worldwide, who is also in charge of Hotel Design and Construction Worldwide;
- chief Operating Officer, Accor Hospitality Americas, who is in charge of the region that encompasses the United States, Canada and Latin America;
- the Chief Operating Officer, Accor Asia-Pacific, who is responsible for the region that includes Asia, Australia, New Zealand, India and the Pacific Islands.

For Accor Services:

- the Chief Operating Officer, Accor Services Worldwide.

For the Support Functions:

- the Executive Vice President, Accor Hospitality, Marketing and Distribution;
- the Executive Vice President, Global Human Resources;
- the Corporate Secretary and Secretary of the Board of Directors.

The Communications and External Relations Department, as well as the Sustainable Development Department, the Chairman of the Management Board of Lenôtre and the Chief Executive Officer of Compagnie des Wagons-Lits report to Accor's Chairman and Chief Executive Officer.

Group Finance

The 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, which is 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 Purchasing Department;
- the General Management Control Department, which oversees the Consolidation, Financial Control, Internal Audit, Corporate Accounting, Global Support Function Finance, 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, Asset Management and Real Estate and Financial Analyses.

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.

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 Deputy Chief Executive Officer in charge of Finance – 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.

As part of the project to demerge Accor's two businesses, whose potential benefits were approved by the Board of Directors on December 15, 2009, the Group's management structure has been altered as follows:

- the Senior Executive Vice President and Chief Financial Officer in charge of Finance, Strategy, Hotel Business Development and IT has been appointed by the Board as Deputy Chief Executive Officer in charge of Accor Services and Finance. He is also responsible for overseeing the planned demerger of the Group's two businesses until its completion;
- a Chief Financial Officer for Accor Hospitality has been appointed, reporting to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer;
- the Corporate Departments responsible for Strategy, Hotel Business Development, IT and Purchasing now report to the Chairman and Chief Executive Officer.

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, 2009, Group Internal Audit had a staff of 12 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-2009 the local internal audit departments in the Divisions had a total of 27 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. Accor has prepared rules of conduct and integrity relating to employee behavior, customer relations, shareholders, business partners and competitors and has recently updated its Ethics Charter, which is widely circulated within the Group.

The Internal Audit Charter aims to provide a Group-level cross-functional view of internal audit resources and methodologies, as well as the methods used to communicate the results of internal audits. To this end, it defines the framework for internal audit activities within the Group, based on the professional standards issued by IFACI and other bodies. 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 Chairman and 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 and Risks 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.

As part of these measures a Risk Coordination Committee has been set up, which reports to the Corporate Secretary's Office and meets on a monthly basis. The Committee's members comprise representatives from the following departments:

- the Risk Management Department;
- the Group Safety and Security Department;
- the Legal Affairs Department;
- the Group Insurance Department;
- the Hotel Risk Prevention Department.

Identifying risks

The Group is exposed to a number of risks in the normal course of business.

These risks, together with the related control procedures, are described in the "Risk Factors" section of the Board of Directors' Report in this registration document. They mainly correspond to liquidity, sovereign counterparty, currency, interest rate, equity, business, legal and risks relating to litigation and arbitration procedures, as well as environmental risks. The "Risk Factors" section also includes a description of the Group's insurance strategy.

Internal control procedures are implemented under the direct responsibility of the Heads of the operating divisions and corporate functions and form part of an ongoing process of identifying, assessing and managing risks.

In line with this overall process the Group has developed internal control self-assessments, based on analyzing the internal control risks inherent in each business and identifying key control issues.

Risk audits are regularly carried out in the various host countries by the Group Safety and Security Department, the Risk Management Department and the Hotel Risk Prevention Department.

Internal control self-assessments

In recent years, the Group has placed considerable emphasis on preparing, issuing and monitoring internal control self-assessment procedures that are based on existing standards and processes. These procedures have now been rolled out to the majority of hotel operating units, headquarters units and Accor Services subsidiaries.

Data obtained from the internal control self-assessment process are periodically centralized at Division level, with the assistance of the internal auditors when required.

Internal audit programs for units where the self-assessment system has been deployed include a quantitative measurement, via a rating system, of the gap between the self-assessment and the internal auditors' assessment of the level of internal control. By analyzing these gaps, it is possible to evaluate the quality of the self-assessment procedures implemented by the unit manager.

Risk mapping

Internal control risk maps are prepared based on the internal audit assignments and above-mentioned self-assessments. These maps, which highlight issues that require priority action, are included in the relevant internal audit reports and are periodically presented in summary form to the Internal Control Committee and the Audit and Risks Committee.

A global risk map covering all internal and external risk factors has been developed by the Risk Management and Group Internal Audit Departments in order to obtain data in a standard form concerning each entity's degree of risk exposure and to prepare the appropriate action plans when required. The Risk Management Department subsequently helps the operating divisions implement the corrective measures in order to mitigate the major risks identified.

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;
- building Group-wide crisis management systems.

A structured, aligned crisis management organization with specifically-designated teams has been set up for corporate headquarters and the operating units. It is responsible for quickly ensuring the safety of customers, local employees, expatriates and on-site service providers in the event of a crisis.

To test whether the participants were fully aware of the procedures to be followed, a crisis management exercise was conducted in 2009 with members of Senior Management, a management team from one of the host countries and several hotels.

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 Safety and Security and Risk Management Departments track the safety and security situation in each of the host countries on a daily basis, reviewing the geopolitical context and public health and hygiene conditions, as well as risks relating to potential social unrest or extreme weather events. These departments are backed by (i) a network of locally-based internal and/or external health and safety officers, and (ii) correspondents within certain French and foreign government departments such as the Ministry of Health, the Ministry of Foreign Affairs, the Ministry of the Interior and the Ministry of Defense.

The Hotel Risk Prevention Department

This Department defines, promotes and coordinates personal safety procedures in the Group's hotels, and organizes and 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, Insurance; the Vice President, Information Systems Security, the

Vice President, Innovation, Design, Construction and Real Estate; the Head of Operations for Sofitel in Europe, Africa and the Middle East; the Chief Executive Officer of Ibis France and the Chief Executive Officer of F1/Etap Hotel.

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 projects representing amounts of between €5 million and €100 million (or €2.5 million for the acquisition of minority shareholdings). Based on its findings, the Committee decides to approve the project or not.

It comprises the Group Chairman and Chief Executive Officer; the Senior Executive Vice President and Chief Financial Officer in charge of Finance, Strategy, Hotel Business Development and IT and the Senior Vice President, Corporate Finance and Real Estate Management.

For capital expenditure projects in the Hotels business, the business' Chief Operating Officers, who are also members of the Executive Committee, take part in the relevant Committee meetings depending on their availability and the projects being discussed. The Senior Executive Vice President responsible for Hotel Development, who is also a member of the Investments Committee, 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 and Risks 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 and Risks Committees. The main types of assignments, as described in the Internal Audit Charter, are as follows:

- **operations audits**, which are aimed at evaluating the 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)**, which are designed to optimize the internal control procedures applied at the head office and ensure that head office is able to carry out its role of overseeing and supporting operating entities as effectively as possible;
- **organizational and procedural audits**, which are aimed at helping the Divisions to optimize and adapt their procedures and operating processes, notably when rolling out cross-functional projects that lead to a change in organization structures;
- **specific audits**. Review assignments are referred to as specific audits when they comply with the professional standards applicable to internal auditors and fall within their remit. They can concern issues applicable to one or more operating units or to a particular country, function or process.

Assignments carried out by the local internal audit departments

These departments perform internal audits, either on a stand-alone basis or jointly with Group Internal Audit, in line with the program approved by their Division's Internal Control Committee. They also provide ongoing assistance to finance and operating departments in managing and monitoring internal control issues within 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 potential 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**, which are performed to ensure that best practices are applied in relation to the organization and monitoring of the audited entities' information systems;
- **audits of applications and processes**, which are aimed at ensuring that the manual and automated checks in place provide an appropriate level of internal control in view of the operations covered by the applications concerned;
- **project management audits**, which are designed to validate the implementation of best project management practices;
- **acquisition audits**, which are conducted as part of the decision-making process for Group acquisitions when the business of the companies concerned has highly technological components. Their scope depends on the underlying objectives of the acquisition, but their general aim is to identify any risks relating to the Group's ability to maintain and develop the target company's information systems;
- **IT security audits**, which help to ensure the security of the Group's technological platforms. They are primarily performed by the Information Systems Security Department, which reports to Group Information Systems and Telecoms. In some cases they fall within the scope of assignments carried out by Information Systems Internal Audit.

4.2.5. Monitoring internal control

Internal control procedures are regularly reviewed to ensure that they are appropriate and 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 and Risks Committee

The Board of Directors' Bylaws define the Audit and Risks Committee's membership, terms of reference and procedures. The Committee is responsible for ensuring that the accounting policies applied for the preparation of the financial statements of the Company and the Group are appropriate and applied consistently from one period to the next. Its terms of reference also include checking that internal reporting and control procedures provide adequate assurance concerning the reliability and completeness of financial information and the control of Group risk 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 reviews the Group's risk management policy and ensures that adequate systems are in place;
- it assesses the Group's material risk exposure and off-balance sheet commitments, and receives a copy of the Chief Financial Officer's detailed report on these matters;
- it obtains assurance concerning the effectiveness of the Group's system of internal control, by reviewing the methods used to identify risks and the organizational principles and procedures of the Internal Audit Department. It is also informed of the internal audit program and of the results of the internal audits carried out since the last presentation;
- it reviews the Statutory Auditors' audit plan and the results of their audits. It receives a copy of the Statutory Auditors' post-audit letter setting out the main issues identified during their audit and describing the main accounting options selected;
- when the Statutory Auditors' appointment is due to expire, it oversees the Auditor selection procedure and reviews the proposals submitted by the various candidates, expresses an opinion on the proposed fee budgets for statutory audit work and makes recommendations to the Board of Directors on the choice of candidate;
- it validates the categories of additional audit-related work that the Statutory Auditors and the members of their networks may be asked to perform in accordance with the applicable laws and regulations;
- at the end of each year, it is informed of the fees paid by Group companies to the Statutory Auditors and the members of their networks during the year, including a detailed breakdown by type of engagement, and reports to the Board of Directors on these fees, as well as on its assessment of the Statutory Auditors' level of independence.

The Audit and Risks Committee 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 and Risks 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 internal control system.

The Audit and Risks 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 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 and Risks Committee must receive all necessary documents on a timely basis. When members are first appointed to the Committee, they are given detailed information about accounting, financial and operational issues that are specific to the Group.

The Chairman and Chief Executive Officer, Chief Financial Officer and Statutory Auditors attend the Audit and Risks Committee meeting devoted to reviewing the financial statements and any other meetings where required.

Group Internal Control Committee

The Group Internal Control Committee comprises the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer, and other members of the Executive Committee (see list in the "Directors and Corporate Officers" section of the registration document). It also includes 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 departments, as well as a representative from Group Internal Audit. The Committees meet at least once a year to prepare the work program for the local internal audit departments (where appropriate, based on the instructions issued by the Group Internal Control Committee), review the reports on the internal audits performed during the period and assess the action taken to implement recommendations made following previous audits.

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, 2009

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 for the year ended December 31, 2009, in application of article L. 225-37 of the French Commercial Code.

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 the preparation and processing of accounting and financial data underlying the information presented in the Chairman's report, as well as existing documentation;
- acquiring an understanding of the work performed in order to prepare this information and existing documentation;
- determining whether any major internal control weaknesses concerning the preparation and processing of accounting and financial information that we may have identified as part of our audit are appropriately disclosed in the Chairman's report.

Based on 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 16, 2010

The Statutory Auditors

DELOITTE & ASSOCIÉS	ERNST & YOUNG et Autres
David Dupont-Noel	Bruno Bizet

3 Financial Review

3.1. Financial Review

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

Operating profit before tax and non-recurring items amounted to €448 million in 2009, at the upper end of the announced target and representing a decline of - 38.0% on a constant scope of consolidation and exchange rate basis (like-for-like) and of 48.9% as reported. Results for year were sharply impacted by the weak economic environment, although deployment of the cost-cutting plans meant that performance was relatively better in the second half, with the decline in EDITDAR margin easing to 0.8 points from 2.2 points in the first half. At 28.0%, full-year EBITDAR margin was down 1.7 points as reported and 1.5 points like-for-like, reflecting declines of 2.6 points in the Hotels business and 0.3 points in Prepaid Services.

Given the depth and speed of the changes ahead, the transformation and development of the two core businesses will be stepped up. As a result, after an extensive analysis, the Board of Directors approved the proposal by Gilles Pélisson, Chairman and Chief Executive Officer, to demerge the Group's two businesses, Hotels and Prepaid Services, into two self-managed companies, each with its own strategy and resources for growth.

Revenue

Consolidated revenue for 2009 totaled €7,065 million, down 7.9% like-for-like and 8.5% on a reported basis. Performance for the year was shaped by the following factors:

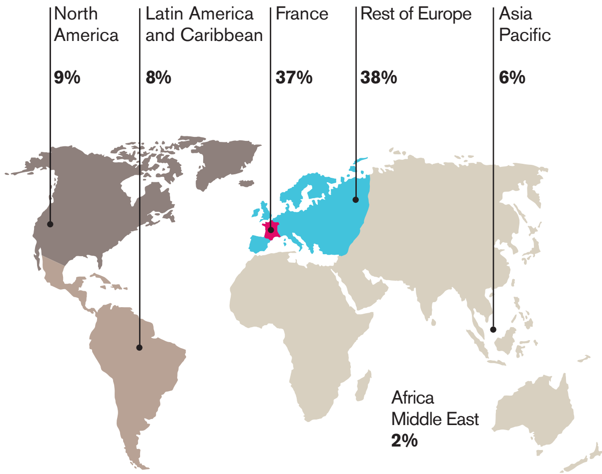
- the expansion strategy, which increased revenue by €337 million, adding 4.4% to reported growth. The increase was led by the consolidation of Orbis and the opening of 27,300 rooms over the year, as well as by the €103 million impact of consolidating 49% of Groupe Lucien Barrière's revenue since July 1, 2009;
- the impact of refocusing on Hotels and Prepaid Services (which led to the disposal of the Brazilian foodservice business), the ongoing deployment of the asset-right strategy and the loss of the onboard train services contract in France. Together, these factors reduced revenue by €271 million and reported growth by 3.5%;
- the 1.4% negative currency effect, which trimmed €111 million from revenue and was primarily due to the euro's appreciation against the British pound and Brazilian real and to the 50% devaluation in the Venezuelan bolivar.

Revenue by business

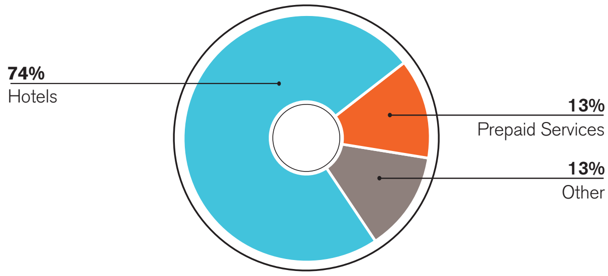
(in € millions)	2008 (1)	2009	% change 2009 vs. 2008 as reported	% change 2009 vs. 2008 like-for-like (2)
Hotels	**5,750**	**5,186**	**-9.8%**	**-10.1%**
Upscale and Midscale	3,427	3,026	-11.7%	-11.5%
Economy	1,723	1,626	-5.7%	-6.1%
Economy – United States	600	534	-10.9%	-13.8%
Prepaid Services	**978**	**943**	**-3.6%**	**+1.4%**
Other businesses	**994**	**936**	**-6.0%**	**-4.6%**
Casinos	346	441	+27.4%	-4.8%
Restaurants	187	98	-47.6%	-9.0%
Onboard train services	306	248	-18.9%	+2.8%
Holding companies and other	155	149	-4.7%	-13.7%
TOTAL	**7,722**	**7,065**	**-8.5%**	**-7.9%**

(1) At constant scope of consolidation and exchange rates.
(2) Impact of the retrospective application of IFRIC 13 – Customer Loyalty Programs from January 1, 2008.

2009 revenue by region



2009 revenue by business



Hotels

Hotels revenue ended the year down 10.1% like-for-like and 9.8% on a reported basis.

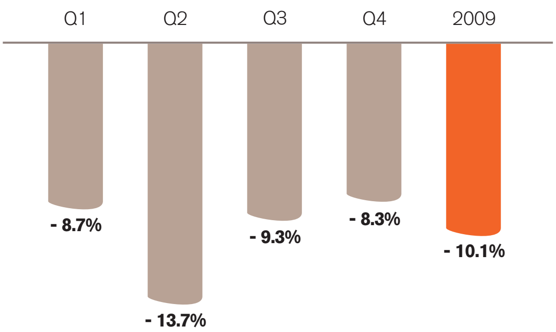
In an economic environment still severely impacted by recession, revenue fell a steep 11.4% like-for-like in the first half, before improving somewhat in the third quarter (down 9.3% like-for-like) and then again in the fourth (down 8.3% like-for-like). The weaker economy has revealed that the European economies are withstanding the downturn better than the United States.

The expansion strategy, with the opening of 27,300 rooms in 2009 and the consolidation of Orbis, added €171 million to revenue for the year, or 3.0% to like-for-like growth.

The disposal of hotel units as part of the asset-right strategy reduced revenue by €104 million and like-for-like growth by 1.8%.

The currency effect was a negative 0.9%.

Quarterly change in 2009 Hotels revenue, like-for-like and year-on-year



Upscale and Midscale Hotels

Revenue in the Upscale and Midscale segment came to €3,026 million, down 11.7% as reported and 11.5% like-for-like.

In a persistently difficult economy, the like-for-like decline in revenue slowed to 9.4% in the fourth quarter from 10.1% in the third quarter and 13.3% in the first half.

The fourth-quarter figures indicate a slight improvement in business, led by the first signs of stabilization in occupancy rates in December.

The fourth-quarter improvement was less perceptible in France than in the rest of Europe, with revenue falling 11.7% during the period, compared with declines of 8.8% in the third quarter, 14.8% in the second and 10.1% in the first. Note that in France third-quarter revenue was lifted by relatively sustained demand from leisure guests during the summer.

Compared with the rest of the year, Upscale and Midscale Hotel performance improved considerably in Germany (like-for-like revenue down 6.0% in the fourth quarter versus declines of 14.0% in the third quarter and 11.6% in the first half) and in the United Kingdom (up 2.1% in the fourth quarter versus declines of 8.6% in the third quarter and 10.2% in the first half).

Economy Hotels (outside the United States)

Revenue from the Economy Hotels segment declined by 6.1% like-for-like and 5.7% as reported in 2009.

Fourth quarter revenue, which was down 4.0% like-for-like, offers a compelling demonstration of the segment's resistance, as the like-for-like year-on-year decline slowed to 3.3% in France, 4.4% in Germany and 2.4% in the United Kingdom.

Like the Upscale and Midscale segment, Economy Hotels began seeing the first signs of stabilization in occupancy rates in December.

Economy Hotels in the United States

Revenue from US Economy Hotels declined by 10.9% year-on-year on a reported basis and by 13.8% like-for-like.

Fourth-quarter revenue was down 14.4% like-for-like, reflecting the lack of any signs of improvement in the hospitality business environment in the United States, contrary to Europe. In this challenging environment, Motel 6 continued to gain market share from the competition.

2009 RevPAR by segment

	Occupancy rate		Average room rate		RevPAR			
	Owned/leased (reported)		Owned/leased (reported)		Owned/leased (reported)		Owned/ leased like-for-like [(1)]	Owned/ leased and managed (reported)
	(in %)	*(Change in points)*		*(% change)*		*(% change)*	*(% change)*	*(% change)*
Upscale and Midscale – Europe *(in euros)*	58.8%	-6.0	96	-8.4%	57	-16.9%	-13.3%	-16.9%
Economy – Europe *(in euros)*	65.3%	-6.3	57	-0.6%	37	-9.4%	-8.2%	-9.8%
Economy – United States *(in dollars)*	58.1%	-6.3	43	-4.6%	25	-13.9%	-14.9%	-13.9%

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

Upscale and Midscale Hotels: 2009 RevPAR by country

	Occupancy rate		Average room rate		RevPAR			
	Owned/leased (reported)		Owned/leased (reported)		Owned/leased (reported)		Owned/ leased like-for-like [(1)]	Owned/ leased and managed (reported)
(in local currency)	*(in %)*	*(Change in points)*		*(% change)*		*(% change)*	*(% change)*	*(% change)*
France	59.8%	-6.4	113	-2.5%	68	-11.9%	-12.4%	-12.1%
Germany	59.4%	-4.3	90	-6.0%	53	-12.3%	-12.8%	-12.2%
Netherlands	60.8%	-4.6	92	-14.9%	56	-20.9%	-20.9%	-20.7%
Belgium	65.7%	-5.4	102	-6.1%	67	-13.3%	-13.3%	-12.2%
Spain	52.5%	-9.8	81	-17.2%	43	-30.1%	-28.5%	-24.5%
Italy	56.6%	-2.0	104	-10.6%	59	-13.7%	-12.3%	-12.3%
United Kingdom	75.2%	-2.1	84	-5.6%	63	-8.2%	-9.0%	-8.8%
United States	84.2%	-7.4	183	-16.5%	217	-23.3%	-23.3%	-20.1%

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

Economy Hotels: 2009 RevPAR by country

	Occupancy rate		Average room rate		RevPAR			
	Owned/leased (reported)		Owned/leased (reported)		Owned/leased (reported)		Owned/ leased like-for-like [(1)]	Owned/ leased and managed (reported)
(in local currency)	*(in %)*	*(Change in points)*		*(% change)*		*(% change)*	*(% change)*	*(% change)*
France	67.1%	-4.8	54	5.5%	36	-1.6%	-3.1%	-1.8%
Germany	64.3%	-5.5	59	0.4%	38	-7.4%	-7.9%	-6.9%
Netherlands	65.2%	-8.6	79	-4.5%	51	-15.7%	-15.6%	-15.7%
Belgium	70.2%	-6.8	67	-2.4%	47	-11.0%	-11.2%	-11.0%
Spain	55.4%	-14.8	54	-4.3%	30	-24.5%	-25.9%	-24.5%
Italy	56.0%	-5.5	69	-5.7%	39	-14.2%	-14.2%	-14.2%
United Kingdom	67.6%	-6.7	53	-4.7%	36	-13.3%	-10.7%	-12.9%
United States	58.1%	-6.3	43	-4.6%	25	-13.9%	-14.9%	-13.9%

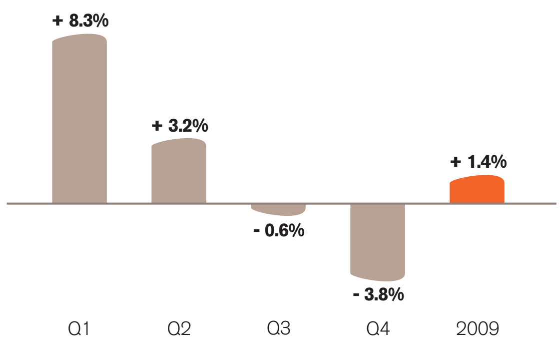
(1) At constant scope of consolidation and exchange rates.

Prepaid Services

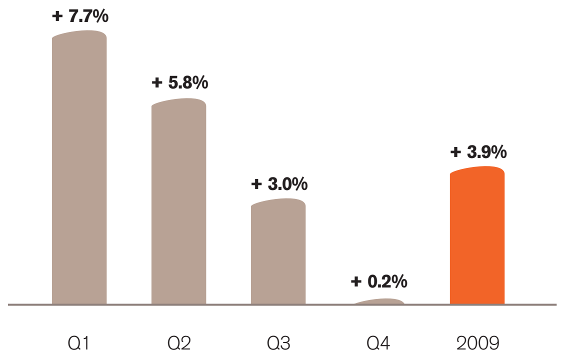
Revenue from the Prepaid Services business stood at €943 million for the year, down 3.6% as reported, reflecting the following factors:

- The slight 1.4% like-for-like growth in revenue over the year, as a 3.9% increase in operating revenue offset a 15.0% drop in financial revenue. The improvement in operating revenue reflected the net impact of the business' strong organic growth drivers and the sharp rise in unemployment rates over the year, especially in Europe, while the fall-off in financial revenue was caused by the decline in interest rates in every region.
- The negative currency effect, which reduced reported revenue by €50 million or 5.2%. Of the total negative effect, 2.1% stemmed from the recent devaluation of the Venezuelan bolivar, 0.8% from the weakness of the Brazilian real, 0.6% from the decline of the Mexican peso against the euro and 0.5% from the decline of the British pound against the euro.

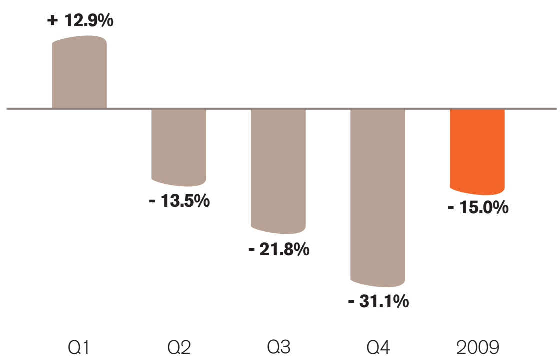
Quarterly change in 2009 Prepaid Services total revenue, like-for-like and year-on-year



Quarterly change in 2009 Prepaid Services operating revenue, like-for-like and year-on-year



Quarterly change in 2009 Prepaid Services financial revenue, like-for-like and year-on-year



Other businesses

Revenue from the other businesses declined by 6.0%, as the loss of the onboard train services contract offset the positive €103 million impact of consolidating 49% of Groupe Lucien Barrière's revenue since July 1, 2009.

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

EBITDAR

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

Consolidated EBITDAR amounted to €1,976 million in 2009, a 13.7% year-on-year decline that may be analyzed as follows:

- like-for-like revenue decline: €(287) million;
- business expansion: €48 million;
- currency effect: €(48) million;
- disposals: €(27) million.

EBITDAR by business

(in € millions)	2008 (1)	2009	% change 2009 vs. 2008 as reported	% change 2009 vs. 2008 like-for-like (2)
Hotels	**1,815**	**1,507**	**-17.0%**	**-17.4%**
Upscale and Midscale	950	765	-19.5%	-19.3%
Economy	636	577	-9.3%	-10.4%
Economy – United States	229	165	-27.9%	-29.2%
Prepaid Services	**426**	**394**	**-7.5%**	**+0.7%**
Other businesses	**49**	**75**	**+53.1%**	**+53.6%**
TOTAL	**2,290**	**1,976**	**-13.7%**	**-12.5%**

(1) At constant scope of consolidation and exchange rates.
(2) Impact of the retrospective application of IFRIC 13 – Customer Loyalty Programs from January 1, 2008.

EBITDAR represented 28.0% of consolidated revenue in 2009, a decline of 1.7 points over the previous year and of 1.5 points like-for-like.

The decline in EBITDAR margin eased to 0.8 points in the second half from 2.2 points in the first, due to the impact of reductions in both operating costs (€165 million versus a planned €150 million) and support costs (€87 million versus a planned €80 million).

EBITDAR margin in the Hotels business declined by 2.6 points like-for-like, to 29.1% of revenue from 31.5% in 2008.

In the **Upscale and Midscale** segment, EBITDAR margin contracted by 2.5 points like-for-like to 25.3%, while the response ratio (1) stood at 53.3%, including the reduction in support costs.

Margin held up relatively well in **Economy Hotels outside the US**, declining 1.7 points like-for-like to 35.5%, for a response ratio (1) of 37.0% including the reduction in support costs.

Lastly, EBITDAR margin in the **US Economy Hotels** business declined by 6.6 points like-for-like, to 30.8%.

EBITDAR margin in the **Prepaid Services** business stood at 41.8%, a 0.3 point like-for-like decrease from the 43.5% reported in 2008.

(1) If like-for-like revenue declines, then the response ratio equals : 1- (Δ L/L EBITDAR / Δ L/L revenue).

EBIT

EBIT, corresponding to EBITDAR after rental expense, depreciation, amortization and provisions, fell 36.8% to €594 million in 2009 from €914 million the year before. The decrease may be analyzed as follows:

(in € millions)	2008	2009	% change 2009 vs. 2008 as reported	% change 2009 vs. 2008 like-for-like (1)
EBITDAR	2,290	1,976	-13.7%	-12.5%
Rental expense	(903)	(884)	+2.2%	+2.1%
Depreciation, amortization and provisions	(446)	(498)	-11.6%	-5.6%
EBIT	**941**	**594**	**-36.8%**	**-31.2%**

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

Depreciation, amortization and provisions represented 10.4% of the carrying amount of property, plant and equipment and intangible assets.

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

Operating profit before tax and non-recurring items

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

In 2009, it totaled €448 million, at the upper end of the target announced by the Group in August despite the €39 million negative impact from the devaluation of the Venezuelan bolivar. This represented a decline of 48.9% as reported and of 38.0% like-for-like.

(in € millions)	2008	2009	% change 2009 vs. 2008 as reported	% change 2009 vs. 2008 like-for-like (1)
EBIT	941	594	-36.8%	-31.2%
Net financial expense	(86)	(143)	-66.2%	-33.3%
Share of profit/ (loss) of associates	20	(3)	N/A	N/A
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS	**875**	**448**	**-48.9%**	**-38.0%**

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

Net financial expense amounted to €143 million, versus €86 million in 2008. Total fixed asset holding costs (rental expense plus depreciation, amortization, provision expense and interest) increased to €1,525 million from €1,435 million in 2008, and represented 21.6% of revenue, versus 18.6% in 2008.

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

Net profit, Group share

(in € millions)	2008 (1)	2009	% change 2009 vs. 2008 as reported
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS	**875**	**448**	**-48.9%**
Restructuring costs	(56)	(127)	-127.0%
Impairment losses	(57)	(387)	-578.9%
Gains and losses on management of hotel properties	111	7	-93.7%
Gains and losses on management of other assets	13	(85)	N/A
OPERATING PROFIT/ (LOSS) BEFORE TAX	**886**	**(144)**	**N/A**
Income tax expense	(273)	(121)	55.7%
Profit or loss from discontinued operations	-	-	-
NET PROFIT/ (LOSS)	**613**	**(265)**	**N/A**
NET PROFIT/ (LOSS), GROUP SHARE	**575**	**(282)**	**N/A**
EARNINGS/ (LOSS) PER SHARE *(in euros)*	**2.60**	**(1.27)**	**N/A**
NET PROFIT ATTRIBUTABLE TO MINORITY INTERESTS	**38**	**17**	**-55.3%**

(1) Impact of the retrospective application of IFRIC 13 – Customer Loyalty Programs from January 1, 2008.

Restructuring costs totaled €127 million for the year, compared with €56 million in 2008. They primarily comprised costs related to the various reorganization programs, including the voluntary separation plan announced in June 2009.

Impairment losses, in an amount of €387 million versus €57 million in 2008, mainly comprised write-downs of Motel 6 goodwill (€113 million), Kadéos intangible assets (€100 million), goodwill and property, plant and equipment in the Hotels business in Italy (€44 million) and goodwill in the Hotels business in Hungary (€23 million)

Gains and losses on the management of hotel properties, corresponding to capital gains and losses on disposals of hotel assets, represented a net gain of €7 million, versus €111 million in 2008. They mainly included the €39 million gain on the sale and variable leaseback of 159 hotels in Europe and the €37 million loss on other non-recurring hotel asset transactions.

The net €85 million **loss on management of other assets** included the unfavorable impact on equity of the devaluation of the Venezuelan bolivar.

Income tax expense (excluding tax on the profits of associates and discontinued operations) came to €121 million versus €273 million in 2008. The effective tax rate (expressed as a percentage of operating profit before tax and non-recurring items taxable at the standard rate) was 23.6%, compared with 29.3% the year before.

After minority interests in the amount of €17 million, the net loss, Group share came to €282 million, versus a €575 million net profit in 2008.

As a result, the **loss per share**, based on the weighted average 222,890,385 shares outstanding in 2009, amounted to €(1.27), compared with earnings per share of €2.60 for the previous year.

Dividend and payout ratio

	2008	2009	% change 2009 vs. 2008
Operating profit before non-recurring items, net of tax (1) *(in euros millions)*	**603**	**328**	**-45.6%**
Weighted average shares outstanding *(in millions)*	221	223	N/A
Operating profit before non-recurring items, net of tax per share *(in euros)*	2.73	1.47	-46.2%
Ordinary dividend per share *(in euros)*	**1.65**	**1.05** (2)	**-36.4%**
Ordinary dividend payout *(in euros millions)*	**363**	**234**	**N/A**
Payout ratio (3)	**60%**	**72%**	**N/A**

(1) Operating profit before tax and non-recurring items less operating tax, less minority interests.
(2) Submitted for approval at the Combined Ordinary and Extraordinary Shareholders' Meeting on June 29, 2010.
(3) Based on operating profit before non-recurring items, net of tax.

At the Annual Meeting on June 29, 2010, shareholders will be asked to approve the payment of a dividend of €1.05 per share, compared with €1.65 the year before.

Cash Flow

(in € millions)	2008	2009
Funds from operations before non-recurring items	1,111	843
Renovation and maintenance expenditure	(488)	(327)
FREE CASH FLOW	**623**	**516**
Expansion expenditure	(1,086)	(766)
Expenditure on assets held for sale	(5)	-
Proceeds from disposals of assets	560	363
Ordinary dividends paid	(387)	(396)
Special dividends paid	(332)	-
Proceeds from issue of share capital	8	175
Return to shareholders	(62)	-
Decrease/ (increase) in working capital	25	53
CIWLT withholding tax refund	-	(242)
Other	(212)	(255)
DECREASE/ (INCREASE) IN NET DEBT	**(868)**	**(552)**

Funds from operations before non-recurring items declined 24.1% to €843 million for the year.

Renovation and maintenance expenditure amounted to €327 million, versus €488 million in 2008, and represented 4.6% of 2009 revenue, compared with 6.3% in 2008.

After renovation and maintenance expenditure, free cash flow stood at €516 million, down 17.2% year-on-year.

Expansion expenditure totaled €766 million during the year, compared with €1,091 million in 2008. Outlays mainly comprised €495 million in organic expansion capital expenditure (versus €916 million in 2008) and €271 million in the acquisition of an additional 15% interest in Groupe Lucien Barrière (which raised Accor's total stake to 49%) in 2009. In 2008, the amount of interests acquisitions was €175 million.

Proceeds from disposals of assets came to €363 million, down from €560 million the year before, primarily reflecting the following:

- €290 million from the sale of hotel assets, including i) €181 million from the sale and variable lease-back of 159 hotels, including 157 hotelF1 units in France; ii) €3 million from sale and management-back transactions; (iii) €33 million from sale and franchise-back transactions; and (iv) €73 million from outright sales;
- €73 million from the disposal of non-strategic assets, including €12 million from the sale of the remaining Club Med shares and €12 million from the sale of onboard train services assets.

The change in working capital includes an €58 million decrease in the Hotels business (versus an €81 million decrease in 2008) and a €111 million increase for Prepaid Services (versus €106 million in 2008).

The €225 million balance primarily includes the translation adjustment and the reclassification of €114 million in cash and cash equivalents as restricted cash.

Together, these cash flows resulted in a €552 million increase in consolidated net debt over the year, to €1,624 million at December 31, 2009.

Financial ratios

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

Gearing

Consolidated net debt amounted to €1,624 million at December 31, 2009, compared with €1,072 million a year earlier, while gearing stood at 50%, compared with 30% at December 31, 2008.

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

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

The ratio stood at 20.0% at December 31, 2009, compared with 25.8% a year earlier. It is analysed in the consolidated financial statements.

Return on capital employed

Return on capital employed (ROCE), corresponding to EBITDA expressed as a percentage of fixed assets at cost plus working capital, amounted to 10.5% (2) in 2009, versus 14.1% in 2008. This ratio is also analyzed in the consolidated financial statements.

Value creation

Value created is calculated as follows:

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

Based on an ROCE after tax of 9.15%, a weighted average cost of capital of 7.46% in 2009 and capital employed of €10.5 billion, the Economic Value Added (EVA®) created by Accor totaled €177 million, versus €360 million in 2009.

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

(2) *ROCE in the Hotels business: 8.4% in 2009 versus 12.9% in 2008. ROCE in the Services business: 22.3% in 2009 versus 23.3% in 2008.*

3.2. Report on the parent company financial statements

Activities of Accor SA

Accor SA owns the Novotel, Mercure, Ibis, Etap Hotel, HotelF1, Formule1, all seasons, Pullman, Suitehotel and Ticket Restaurant brands and receives royalties from their licensing. It also owns hotel businesses in France and holds most of the hotel management, franchise and prepaid services contracts in the country.

Accor SA provides other Group companies with assistance relating to hospitality and prepaid services management, supplies them with IT, purchasing, cash management, advertising and advisory services, and assigns Accor SA staff to them as required. Billings for these services correspond either to a percentage of the hotel or service 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.

At December 31, 2009, 60 Novotel units, four Mercure hotels, three Ibis units, one all seasons unit, four seawater spas, one Pullman unit and 12 Suitehotels were managed by French subsidiaries under business leases.

Review of 2009 results

Total revenue from all of the Company's activities, including hotel royalties, business lease revenues and service fees, amounted to €677 million in 2009, up 5% from the €644.8 million reported the previous year.

Analysis of Accor SA revenue

(in millions of euros)	2008	2009	% of total
Hotel revenues	1	-	0%
Rent and business lease revenues	95	96	15%
Royalties from subsidiaries	194	213	30%
Other service fees	277	295	43%
Guarantee fees	16	15	2%
Royalties from non-Group companies	62	58	10%
TOTAL	**645**	**677**	**100%**

Other income, reversals of depreciation, amortization and provisions and expense transfers amounted to €38.2 million, compared with €21.1 million in 2008.

The Company ended the year with an **operating loss** of €17.8 million versus €46.0 million in 2008.

Operating expenses increased by 3%, or €21.2 million, to €733 million from €711.8 million.

External expenses were reduced by €1.7 million to €477.4 million, in line with the 2009 cost savings plan.

Payroll costs rose by €13.3 million to €163.1 million from €149.8 million in 2008.

Depreciation, amortization and additions to provisions for fixed assets came to €33.9 million compared with €28.8 million in 2008.

Additions to provisions for pensions and other post-employment benefits amounted to €8.7 million versus €7 million one year earlier.

Net financial expense stood at €659.4 million for the year, representing an €814.2 million negative swing compared with the €154.8 million in net financial income reported in 2008.

Total provision movements included in net financial expense, corresponding mainly to write-downs of investments in subsidiaries, represented a net charge of €796.6 million versus a €64.4 million net charge in 2008. The main additions to these provisions in 2009 corresponded to write-downs of the shares held by the Company in IBL (€202.2 million), Accor Lodging North America (€361.3 million) and Accentiv Kadeos (€104.6 million). In 2008 the main addition corresponded to a €36.3 million write-down of the Méditerranée shares.

Dividend income amounted to €292 million, versus €380.4 million in 2008. The main dividend payments received during the year were from Accor Suisse (€40.0 million), Gemeaz Italy (€26.6 million), Accor Services France (€25.4 million), Cestaticket Venezuela (€24.0 million) and CIWLT Belgium (€12.1 million).

The Company posted a **recurring loss before tax** of €677.7 million in 2009, versus recurring income before tax of €108.7 million for the previous year.

Non-recurring items represented net income of €326.5 million in 2009 compared with €322.5 million in 2008. The 2009 total included the aggregate €333.4 million gain arising on the sale of all of Accor SA's interests in Accor Services entities in Romania, Mexico, the United Kingdom and other countries to Group subsidiaries in Belgium and the United Kingdom.

In 2008, net non-recurring income mainly comprised an aggregate €298.9 million gain on the sale to Group subsidiaries of Accor SA's interests in Accor Services entities in Sweden, Hungary, the Czech Republic and other countries.

The Company recorded an **income tax benefit** of €45 million in 2009 versus €52.2 million in 2008, corresponding to the tax savings arising from group relief. At December 31, 2009 the French tax group headed by Accor SA comprised 104 companies.

Accor SA ended the year with a **net loss** of €301.6 million compared with net profit of €482.4 million in 2008.

Non-deductible provisions and accrued expenses carried in the balance sheet at December 31, 2009 amounted to €66.8 million, up from €64.1 million at the previous year-end.

The Board of Directors is recommending the payment of a dividend of €1.05 per share for 2009. The 2008 dividend amounted to €1.65 per share, and the 2007 dividend was €1.65 per share plus a special dividend of €1.50.

Details of management compensation and the other directorships held by the members of the Company's Board of Directors are provided in the Corporate Governance section, on page57 below.

Information about supplier payment periods

Payment schedule for Accor SA's trade payables

(in millions of euros)	Accrued payables	< 30 days	30-60 days	> 60 days
Trade payables	-	-	14.9	-
Accruals for goods and services received but not invoiced	111.6	-	-	-
TOTAL	**111.6**	**0.0**	**14.9**	**0.**

2009 business review

In 2009, the Company continued to provide services to subsidiaries.

Strategic refocusing on Hotels and Prepaid Services

Hotels

During the year, Accor SA raised its stake in The NewGen Hotels AG to 100% by purchasing minority shareholdings for €1.3 million.

In January 2009, Accor SA acquired a 5% interest in Athens Airport Hotel Cy (Sofitel Athens Airport) for €1.6 million.

In March 2009, Société Exploitation d'Hôtels Suites was merged into Accor SA through a full asset transfer.

In April 2009, Accor SA acquired an additional 15% stake in Groupe Lucien Barrière for €153.1 million, raising its interest to 49%.

In May 2009, (i) Accor Lodging North America in the USA reduced its capital and repaid €34.3 million to Accor SA and (ii) Accor SA sold its entire interest in Société Martiniquaise d'Investissements et d'Hôtellerie (Mercure Diamant) for €0.5 million, generating a €12.5 million capital loss which was largely offset by an €11.1 million provision reversal.

Also in May 2009, Accor SA did not take up any of the new shares offered by Club Méditerranée as part of a capital increase, thereby reducing its stake in the company to 4.50% from 6.01%. Between June and August 2009, Accor SA sold all of its shares in Club Méditerranée for €11.6 million, leading to a €40.7 million capital loss which was largely offset by a €38.4 million provision reversal.

In November 2009, Sheraton Gezirah in Egypt reduced its capital and repaid €3.9 million to Accor SA.

In connection with a restructuring plan implemented in Argentina, between March and December 2009 Accor SA purchased all of the shares in Hoteles Accor de Argentina from its subsidiary, Accor de Argentina, in order to become the unit's sole shareholder before it was wound up. In winding up its operations, Hoteles Accor de

Argentina transferred its assets – including a 5.09% interest in Accor Argentina – to Accor SA for €0.9 million. This transaction resulted in a €24.3 million capital loss, which was largely offset by a €22.4 million provision reversal.

Accor SA also took up €8.7 million worth of new shares issued by Accor Argentina and sold 4.17% of these shares to its subsidiary Saminvest, leading to a €0.4 million capital loss. Following these transactions, Accor SA held a 95% interest in Accor Argentina.

Prepaid Services

In February 2009, Accor SA and MasterCard announced a strategic alliance in prepaid services and electronic payments. Accor SA sold €12.3 million worth of its shares in the UK-based company Prepay Technologies Ltd to MasterCard, reducing its stake to 65.54% from 98.30%. Accor then sold this remaining interest to Accor Services UK for €51.2 million, generating no capital gain. At December 31, 2009, Prepay Technologies Ltd was 66.67% owned by Accor and 33.33% owned by MasterCard.

Also in February 2009, Accor SA purchased a further 25.10% interest in Accor Radhakrishna Corporate Services Private Ltd, which markets Ticket Restaurant® meal vouchers in India, for €3.2 million, raising its stake to 94.22%.

In March 2009, Accor SA purchased an additional 8.9% stake in Mexico-based ASESORIA for €1.6 million. Following this acquisition Accor SA wholly owned ASESORIA but in October 2009 it sold all of its shares in the company to its Belgian subsidiary Accor TRB for €46 million, generating a €37 million capital gain.

In June 2009, Accor SA purchased an additional 9.5% interest in Delicard in Sweden for €1.3 million, raising its overall stake to 98.3%. It also paid €1 million under an earn-out clause in previous acquisitions of Delicard shares.

Between February and October 2009, Accor SA sold its entire 82.5% interest in Accor Services Romania for €181.4 million, generating a €149.9 million capital gain. The vast majority of these shares were purchased by the Belgian subsidiary Accor TRB.

In October 2009, Accor SA sold its entire 75.8% interest in Accor Services Empresariales to its Belgian subsidiary Accor TRB for €148.4 million, leading to a €146 million capital gain.

Transactions in Accor SA shares

At December 31, 2009, the Company did not hold any of its shares in treasury.

During the year Accor SA issued 5,308,523 new shares for €162.1 million to cover the stock dividend payment made in June 2009.

The Company also issued 205,349 shares following the exercise of stock options and warrants held by employees, representing €7.6 million.

Lastly, 49,804 shares were issued for allocation to Accor employees under performance share plans, representing €149,412.

All of these transactions are described in detail on page 273, below.

The Company's ownership structure is described in the «Capital and Ownership Structure» section on page 276.

Financing transactions

In accordance with its strategy of increasing the maturity of its borrowings and ensuring the sustainability of its financial resources, Accor SA carried out three bond issues:

- on January 28th 2009, Accor placed a fixed rate bond issue of €600 million, with a 5 year-maturity and a coupon of 7.50%. The bond has been placed with more than 200 European institutional investors;
- on April 23th 2009, Accor placed a fixed rate bond issue of €600 million, with a 4 year-maturity and a coupon of 6.50%. The bond has been placed with more than 350 European institutional investors;
- on July 16th 2009, Accor placed a fixed rate bond issue of €250 million, with a 8 year and 3 months-maturity and a coupon of 6.039%. The bond has been placed with one investor.

Other significant events

In October 2009, the refinancing of 157 Formule 1 hotels generated a net capital gain of €3.5 million.

Information about subsidiaries

Accor SA holds 50% or more of the capital of 193 companies. The main equity interests – based on historical cost – are as follows:

- **CIWLT** (€1,151 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 2009 revenue of €131.8 million compared with €151.7 million the previous year, and net profit of €20.5 million versus €30.9 million. Dividends paid by CIWLT to Accor SA in 2009 amounted to €12.1 million, unchanged from 2008.
- **IBL** (€1,052 million). IBL owns 37.9% of Accor Lodging North America, the holding company for the Hotels business in the United States. It does not have any other activities. Its profit varies depending on the interest received from Accor Lodging North America on current account advances, and on the amount of any dividends received from this company. IBL did not receive any dividends from Accor Lodging North America in 2009 and reported a net loss of €184.2 million, versus a net

profit of €28.1 million in 2008. This downturn mainly reflects the €187.4 million addition to provisions made in 2009 for impairment of ALNA shares.

IBL did not pay any dividends to Accor SA in 2009 or 2008.

- **Accor Lodging North America** (€1,104 million), the holding company for the Accor Group's Hotels business in the United States. This company reported a net loss of €335 million in 2009 versus net profit of €121 million in 2008.

  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 2009, net revenue climbed 16.3% year-on-year to €85.6 million from €73.6 million. Operating profit before tax and non-recurring items came to €32.2 million, compared with €36.1 million the previous year and net profit for the year was €23.1 million versus €27.2 million, reflecting the combined impacts of subdued business levels and lower interest rates on invested cash.

  Accor Services France paid a €25.4 million dividend to Accor SA in 2009 compared with €27.4 million in 2008.

- **Accor Hôtel Belgium** – AHB (€1,002 million), a Belgian company that operates the Group's hotels in Belgium and also owns 100% of Accor Asia, 81.9% of AAPC – the holding company for the Accor Group's Hotels business in Australia – 39.25% of Accor Participaçoes, a Brazilian holding company, 50% of the Portugal-based hotel operator AHS and 98.3% of Accor TRB.

  AHB reported net profit of €69.2 million in 2009, representing a €31.3 million increase on the €37.9 million recorded in 2008, 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 2009 or 2008.

The other interests held by Accor SA are listed in the table of subsidiaries and affiliates presented after the parent company financial statements on page 260.

3.3. Material contracts

During 2009, material contracts (other than contracts entered into in the ordinary course of business) corresponded to agreements signed in relation to business acquisitions and real estate transactions, as described in paragraph A to B of Note 2 and Note 39 to the consolidated financial statements.

3.4. Significant events of early 2010

The following significant events have occurred since the end of 2009.

Impact of the devaluation of the Venezuelan Bolivar Fuerte

On Friday, January 8, 2010, the Venezuelan monetary authorities decided to devalue the bolivar fuerte. Trading at a fixed exchange rate of VEF 2.15 to the US dollar since its creation, Venezuela's currency will now be trading at VEF 4.30 to the dollar. The 50% devaluation had an impact of €39 million on Accor's 2009 operating profit before tax and non-recurring items. After tax and minority interests of 43%, the impact on net profit before non-recurring items was €15 million.

Sale of five hotels in four European countries for €154 million

As part of the ongoing deployment of its asset right strategy, Accor has completed an international real estate transaction involving the sale of five hotels (representing more than 1,100 rooms) in four European countries for €154 million. The transaction was carried out with Invesco Real Estate, a major real estate manager in the United States, Europe and Asia, with managed assets of more than €18 billion, of which €650 million in European and US hotel properties.

The five hotels were:

- the Novotel Muenchen City in Munich (307 rooms);
- the Novotel Roma la Rustica (149 rooms) and the Mercure Corso Trieste in Rome (97 rooms);
- the Mercure Zabatova in Bratislava, currently under construction (175 rooms);
- the Pullman Paris La Défense (384 rooms).

Accor will continue to operate the first four hotels under variable-rent leases and the Pullman Paris La Défense under a management contract.

Demerging the two businesses and details of the demerger process

On February 23, 2010, the Accor Board of Directors approved the demerger of the Group's two core businesses, Hotels and Services, and defined the demerger process. Employee representatives have already responded to the demerger project, which will be submitted to shareholders for approval at the Extraordinary Meeting on June 29, 2010.

Details of the demerger process and schedule may be found in Chapter 1.5, page 19 above.

Membership of the Executive Committees of the two companies created by the demerger of the Group's two businesses

As part of the project to demerge the Hotels and Prepaid Services businesses and to give new impetus to both business' growth strategies, Gilles Pélisson, Chairman and Chief Executive Officer of Accor Hospitality, and Jacques Stern, Chief Executive Officer of Accor Services, have appointed the members of their respective Executive Committees.

To lead Accor Hospitality, the world's number one hotel manager, as it fulfills its strategic commitment to becoming Europe's largest hotel franchisor and one of the world's top three hotel groups, Gilles Pélisson has created a new Executive Committee comprised of:

Chief Operating Officers of the major regions:

Yann Caillère	Chief Operating Officer, Europe, Africa and Middle East In charge of Sofitel Worldwide, Construction and Maintenance
Michael Issenberg	Chief Operating Officer, Asia Pacific
Michael Flaxman	Chief Operating Officer, Americas

Corporate functions:

Jean-Luc Chrétien	Executive Vice President, Hotel Marketing and Distribution
Sophie Goldblum-Flak	Executive Vice President, Business Transformation, Innovation, Technologies and Sustainable Development
Patrick Ollivier	Executive Vice President, Global Human Resources
Olivier Poirot	Chief Financial Officer In charge of Motel 6/Studio 6 and Procurement
Pascal Quint	Corporate Secretary and Secretary of the Board of Directors In charge of Legal Affairs, Insurance and Risk Management

Jacques Stern, Deputy Chief Executive Officer in charge of Services and Finance, will be responsible for Group Finance until the Extraordinary Shareholders' Meeting voting on the demerger to be called for June 29, 2010.

To give new impetus to the Services business' growth strategy, Jacques Stern has created a new Accor Services Executive Committee. It will be comprised of operating managers representing Services' three major host countries and four regions, as well as managers providing operations with their support expertise:

Country and region Chief Operating Officers

Jean-Louis Claveau	Chief Operating Officer, Hispanic Latin America and North America
Laurent Delmas	Chief Operating Officer, France
Arnaud Erulin	Chief Operating Officer, Central Europe and Scandinavia
Graziella Gavezotti	Chief Operating Officer, Italy
Oswaldo Melantonio Filho	Chief Operating Officer, Brazil
Laurent Pellet	Chief Operating Officer, Southern Europe and South Africa
Bernard Rongvaux	Chief Operating Officer, Northern Europe, Middle East and Africa

Support function Vice Presidents

Philippe Dufour	Vice President, Strategy and Development
Loïc Jenouvrier	Vice President, Finance, Information Systems and Legal Affairs
Philippe Maurette	Vice President, Human Resources
Eliane Rouyer-Chevalier	Vice President, Corporate Communication, Investor Relations and Corporate Social Responsibility

4 Financial Statements

4.1. Consolidated Financial Statements and Notes

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2009

This is a free translation into English of the original Auditors' Report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In accordance with our appointment as statutory auditors at your Annual General Meeting, we hereby report to you for the year ended December 31, 2009 on:

- the audit of the accompanying consolidated financial statements of Accor;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these 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 financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2009 and of the results of its operations for the year then ended in accordance with the IFRSs as adopted by the European Union.

Without qualifying the opinion expressed above, we draw your attention to Note 1 to the consolidated financial statements, which describes the changes in accounting methods and in the presentation of the financial statements adopted with effect from January 1, 2009.

II. Justification of our assessments

The accounting estimates used to prepare the consolidated financial statements for the year ended December 31, 2009 have been made in the context of the economic and financial crisis that already prevailed at the 2008 year-end, leading to a lack of visibility as explained 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:

- Notes 1.D.6 and 1.D.4 to the consolidated financial statements describe the accounting policies and methods used to assess the recoverable amount of property, plant and equipment and intangible assets, as well as the policies and methods used to account for leases and sale-and-leaseback transactions. We verified the appropriateness of these accounting policies and methods and of the related information given in the notes to the consolidated financial statements. We also examined the consistency of the data and assumptions used, and the supporting documentation, and on these bases assessed the reasonableness of the estimates made.
- Note 38 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 describes management's positions concerning these proceedings. Our work consisted of assessing the reasonableness of the elements on which these positions are based and verifying that the note to the consolidated financial statements provides appropriate disclosures.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole and therefore contributed to the formation of the opinion expressed in the first part of this report.

III. Specific verification

As required by law, we also verified the information presented in the Group management report in accordance with the professional standards applicable in France.

We have no comment to make as to the fair presentation of this information or its consistency with the consolidated financial statements.

Neuilly-sur-Seine, March 16, 2010

The Statutory Auditors

Deloitte & Associés	Ernst & Young et Autres
David Dupont Noel	Bruno Bizet

CONSOLIDATED INCOME STATEMENTS

(in million of euros)	Notes	2008 (*)	2009
Revenue		7,593	6,971
Other operating revenue		129	94
CONSOLIDATED REVENUE	**3**	**7,722**	**7,065**
Operating expense	4	(5,432)	(5,089)
EBITDAR	**5**	**2,290**	**1,976**
Rental expense	6	(903)	(884)
EBITDA	**7**	**1,387**	**1,092**
Depreciation, amortization and provision expense	8	(446)	(498)
EBIT	**9**	**941**	**594**
Net financial expense	10	(86)	(143)
Share of profit of associates after tax	11	20	(3)
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS		**875**	**448**
Restructuring costs	12	(56)	(127)
Impairment losses	13	(57)	(387)
Gains and losses on management of hotel properties	14	111	7
Gains and losses on management of other assets	15	13	(85)
OPERATING PROFIT BEFORE TAX		**886**	**(144)**
Income tax expense	16	(273)	(121)
Profit or loss from discontinued operations		-	-
NET PROFIT		**613**	**(265)**
Net Profit, Group Share		**575**	**(282)**
Net Profit, Minority interests	26	38	17
Weighted average number of shares outstanding *(in thousands)*	24	221,237	222,890
EARNINGS PER SHARE *(in euros)*		**2.60**	**(1.27)**
Diluted earnings per share *(in euros)*	24	2.59	(1.26)
Earnings per share from continuing operations *(in euros)*		**2.60**	**(1.27)**
Diluted earnings per share from continuing operations *(in euros)*		**2.59**	**(1.26)**
Earnings per share from discontinued operations *(in euros)*		**N/A**	**N/A**
Diluted earnings per share from discontinued operations *(in euros)*		**N/A**	**N/A**

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

STATEMENTS OF COMPREHENSIVE INCOME

(in million of euros)	Notes	2008 (*)	2009
NET PROFIT		**613**	**(265)**
Currency translation adjustment		(267)	167
Change in fair value resulting from «Available-for-sale financial assets»		1	-
Effective portion of gains and losses on hedging instruments in a cash flow hedge		(6)	(6)
Actuarial gains and losses on defined benefits plans		(4)	(3)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method		-	-
Other comprehensive income, net of tax	27	**(276)**	**158**
TOTAL COMPREHENSIVE INCOME		**337**	**(107)**
Comprehensive income, Group share		**344**	**(127)**
Comprehensive income, Minority interests		(7)	20

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

CONSOLIDATED BALANCE SHEETS

Assets

(in million of euros)	Notes	January, 1, 2008 (*)	Dec. 2008 (*)	Dec. 2009
GOODWILL	**17**	**1,967**	**1,932**	**1,777**
INTANGIBLE ASSETS	**18**	**369**	**512**	**488**
PROPERTY, PLANT AND EQUIPMENT	**19**	**3,321**	**4,324**	**4,306**
Long-term loans	20	107	78	107
Investments in associates	21	421	176	191
Other financial investments	22	182	149	130
TOTAL NON-CURRENT FINANCIAL ASSETS		**710**	**403**	**428**
Deferred tax assets	16	203	226	291
TOTAL NON-CURRENT ASSETS		**6,570**	**7,397**	**7,290**
Inventories		74	103	60
Trade receivables	23	1,598	1,313	1,350
Other receivables and accruals	23	715	824	1,113
Prepaid services voucher reserve funds		392	441	565
Receivables on disposals of assets	28 & 29	52	16	43
Short-term loans	28 & 29	22	34	17
Cash and cash equivalents	28 & 29	1,138	1,253	1,164
TOTAL CURRENT ASSETS		**3,991**	**3,984**	**4,312**
Assets held for sale	31	277	36	144
TOTAL ASSETS		**10,838**	**11,417**	**11,746**

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

Equity and Liabilities

(in million of euros)	Notes	January, 1, 2008 (*)	Dec. 2008 (*)	Dec. 2009
Share capital		665	660	676
Additional paid-in capital		2,276	2,226	2,379
Retained earnings		(102)	151	363
Hedging instruments reserve	25	-	(6)	(12)
Fair value adjustments on financial instruments reserve	25	66	-	-
Reserve for actuarial gains/losses		(19)	(23)	(26)
Reserve related to employee benefits		59	82	102
Currency translation reserve		(145)	(367)	(203)
Net profit, Group share		883	575	(282)
SHAREHOLDERS' EQUITY, GROUP SHARE	**24**	**3,683**	**3,298**	**2,997**
Minority interests	26	61	258	257
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTERESTS		**3,744**	**3,556**	**3,254**
Other long-term financial debt	28 & 29	1,056	1,927	2,332
Long-term finance lease liabilities	28 & 29	216	161	143
Deferred tax liabilities	16	170	199	211
Non-current provisions	32	118	131	132
TOTAL NON-CURRENT LIABILITIES		**5,304**	**5,974**	**6,072**
Trade payables	23	679	765	709
Other payables and income tax payable	23	1,569	1,613	1,463
Prepaid services voucher in circulation		2,894	2,587	2,883
Current provisions	32	248	191	242
Short-term debt and finance lease liabilities	28 & 29	109	165	285
Bank overdrafts	28 & 29	35	122	88
TOTAL CURRENT LIABILITIES		**5,534**	**5,443**	**5,670**
Liabilities of assets classified as held for sale	31	-	-	4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**10,838**	**11,417**	**11,746**

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

CONSOLIDATED CASH FLOW STATEMENTS

	(in million of euros)	Notes	2008 (*)	2009
+	EBITDA	7	1,387	1,092
-	Net financial expense	10	(86)	(143)
-	Income tax expense		(277)	(161)
-	Non cash revenue and expense included in EBITDA		38	32
-	Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes		41	19
+	Dividends received from associates		8	4
=	**FUNDS FROM ORDINARY ACTIVITIES**	**33**	**1,111**	**843**
+	Decrease (increase) in operating working capital	34	25	(61) (**)
=	**NET CASH FROM OPERATING ACTIVITIES**		**1,137**	**781**
+	Cash received (paid) on non-recurring transactions (included restructuring costs and non-recurring taxes)		(86)	(156)
+	Decrease (increase) in non-operating working capital	34	-	(242)
=	**NET CASH FROM OPERATING ACTIVITIES INCLUDING NON-RECURRING TRANSACTIONS (A)**		**1,050**	**383**
-	Renovation and maintenance expenditure	35	(488)	(327)
-	Development expenditure	36	(1,091)	(766)
+	Proceeds from disposals of assets		560	363
=	**NET CASH USED IN INVESTMENTS/ DIVESTMENTS (B)**		**(1,019)**	**(730)**
+	Proceeds from issue of share capital	(***)	8	175
-	Capital reduction		(62)	-
-	Dividends paid		(719)	(396)
-	Repayment of long-term debt		(781)	(1,253)
-	Payment of finance lease liabilities		(65)	(8)
+	New long term debt		1,742	1,842
=	**INCREASE (DECREASE) IN LONG-TERM DEBT**		**896**	**581**
+	Increase (decrease) in short-term debt		23	(33)
=	**NET CASH FROM FINANCING ACTIVITIES (C)**		**146**	**327**
-	**EFFECT OF CHANGES IN EXCHANGE RATES (D)**		**(140)**	**(28)**
=	**NET CHANGE IN CASH AND CASH EQUIVALENTS (E)=(A)+(B)+(C)+(D)**	**29**	**37**	**(48)**
+	Cash and cash equivalents at beginning of period		1,103	1,131
+	Effect of changes in fair value of cash and cash equivalents		(9)	(7)
-	Cash and cash equivalents at end of period		1,131	1,076
=	**NET CHANGE IN CASH AND CASH EQUIVALENTS**	**29**	**37**	**(48)**

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

(**)

Decrease (increase) in operating working capital - Prepaid Services.	*111*
Decrease (increase) in operating working capital - Hospitality.	*(58)*
Reclassification from cash and cash equivalents to restricted cash.	*(114)*
Total decrease (increase) in operating working capital.	**(61)**

(***) *Including stock dividends paid in 2009 for €162 million.*

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in million of euros)	Number of shares outstanding	Share capital	Additional paid-in capital	Currency translation reserve (1)	Fair value adjustments on Financial Instruments reserve	Hedging Instruments reserve	Reserve for actuarial gains/ losses	Reserve related to employee benefits	Retained earnings and profit for the period	Shareholders' equity	Minority interests	Consolidated shareholders' Equity
AT JANUARY 1, 2008	**221,527,644**	**665**	**2,276**	**(145)**	**66**	**-**	**(19)**	**59**	**789**	**3,691**	**61**	**3,752**
Changes in accounting policies (*)	-	-	-	-	-	-	-	-	(8)	**(8)**	**-**	**(8)**
RESTATED JANUARY 1, 2008	**221,527,644**	**665**	**2,276**	**(145)**	**66**	**-**	**(19)**	**59**	**781**	**3,683**	**61**	**3,744**
Issues of share capital												
◗ on exercise of stock options	**204,578**	1	7	-	-	-	-	-	-	**8**	**-**	**8**
Capital reduction (2)	**(1,837,699)**	(6)	(57)	-	-	-	-	-	-	**(63)**	**-**	**(63)**
Dividends paid (3)	-	-	-	-	-	-	-	-	(698)	**(698)**	**(22)**	**(720)**
Effect of scope changes	**-**	-	-	-	-	-	-	-	-	**-**	**226**	**226**
Change in reserve for employee benefits	**-**	-	-	-	-	-	-	23	-	**23**	**-**	**23**
Other Comprehensive Income	**-**	**-**	**-**	**(222)**	**(66)**	**(6)**	**(4)**	**-**	**67**	**(231)**	**(45)**	**(276)**
Net Profit	-	-	-	-	-	-	-	-	575	**575**	**38**	**613**
Total Comprehensive Income	**-**	**-**	**-**	**(222)**	**(66)**	**(6)**	**(4)**	**-**	**642**	**344**	**(7)**	**337**
AT DECEMBER 31, 2008	**219,894,523**	**660**	**2,226**	**(367)**	**-**	**(6)**	**(23)**	**82**	**726**	**3,298**	**258**	**3,556**
Issues of share capital												
◗ in cash	**-**	-	-	-	-	-	-	-	-	**-**	**6**	**6**
◗ on exercise of stock options	**205,349**	1	7	-	-	-	-	-	-	**8**	**-**	**8**
◗ stock dividends and performance share grants	**5,358,327**	15	146	-	-	-	-	-	-	**161**	**-**	**161**
Dividends paid (3)	**-**	-	-	-	-	-	-	-	(363)	**(363)**	**(34)**	**(397)**
Change in reserve for employee benefits	**-**	-	-	-	-	-	-	20	-	**20**	**-**	**20**
Effect of scope changes	**-**	-	-	-	-	-	-	-	-	**-**	**7**	**7**
Other Comprehensive Income	**-**	**-**	**-**	**164**	**-**	**(6)**	**(3)**	**-**	**-**	**155**	**3**	**158**
Net Profit	-	-	-	-	-	-	-	-	(282)	**(282)**	**17**	**(265)**
Total Comprehensive Income	**-**	**-**	**-**	**164**	**-**	**(6)**	**(3)**	**-**	**(282)**	**(127)**	**20**	**(107)**
AT DECEMBER 31, 2009	**225,458,199**	**676**	**2,379**	**(203)**	**-**	**(12)**	**(26)**	**102**	**81**	**2,997**	**257**	**3,254**

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

(1) Exchange differences on translating foreign operations between December 31, 2008 and December 31, 2009 in the amount of €164 million positive impact, mainly concern changes in exchange rates against the euro of the Brazilian real (€100 million positive impact), the Australian dollar (€74 million positive impact), the British pound (€26 million positive impact) and the US dollar (€44 million negative impact).

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

	USD	GBP	BRL	PLN	AUD	VEF
December 2008	*1.3917*	*0.9525*	*3.2436*	*4.1535*	*2.0274*	*2.9880*
December 2009	*1.4406*	*0.8881*	*2.5113*	*4.1045*	*1.6008*	*6.1900*

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

(3) The 2008 and 2009 dividends were as follows:

(in euros)	*2008*	*2009*
Dividend per share	*1.65*	*1.05*

Number of Accor's shares is detailed as follows:

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

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

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

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

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

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

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

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

KEY MANAGEMENT RATIOS

	Note	Dec. 2008	Dec. 2009
Gearing	(a)	30%	50%
Adjusted Funds from Ordinary Activities/Adjusted Net Debt	(b)	25.8%	20.0%
Return On Capital Employed	(c)	14.1%	10.5%
Economic Value Added (EVA ®) *(in million of euros)*	(d)	360	177

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

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

	Dec. 2008	Dec. 2009
NET DEBT AT END OF THE PERIOD	**1,072**	**1,624**
Debt restatement prorated over the period	(51)	(51)
AVERAGE NET DEBT	**1,021**	**1,573**
Rental commitments discounted at 8% (*)	4,141	3,761
TOTAL ADJUSTED NET DEBT	**5,162**	**5,334**
FUNDS FROM ORDINARY ACTIVITIES	**1,111**	**843**
Rental amortization	219	222
ADJUSTED FUNDS FROM ORDINARY ACTIVITIES	**1,330**	**1,065**
ADJUSTED FUNDS FROM ORDINARY ACTIVITIES/ADJUSTED NET DEBT	**25.8%**	**20.0%**

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

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

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

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

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

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

	Dec. 2008	Dec. 2009
Cost of equity [(1)]	9.00%	9.10%
Cost of debt (after tax)	3.35%	4.19%
Equity/debt weighting		
◗ Equity	76.85%	66.71%
◗ Debt	23.15%	33.29%
WEIGHTED AVERAGE COST OF CAPITAL (WACC) [(2)]	**7.69%**	**7.46%**
ROCE AFTER TAX [(3)]	**11.27%**	**9.15%**
CAPITAL EMPLOYED *(in million of euros)*	**10,089**	**10,482**
ECONOMIC VALUE ADDED *(in million of euros)* [(4)]	**360**	**177**

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

(2) WACC is determined as follows:

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

(3) ROCE after tax is determined as follows:

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

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

EBITDA: €1,092 million (see ROCE hereafter)

Depreciation, amortization and provisions: €498 million

Effective tax rate: 23.6% (see Note 16.2)

Capital employed: €10,482 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 €43 million impact on 2008 EVA and a €39 million impact on 2009 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 2008 and 2009 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 2009, ROCE stood at 10.5% versus 14.1% in December 2008.

(in million of euros)	2008	2009
Capital employed	10,308	10,835
Adjustments on capital employed (1)	(316)	(374)
Effect of exchange rate on capital employed (2)	97	21
RESTATED AVERAGE CAPITAL EMPLOYED	**10,089**	**10,482**
EBITDA (see Note 7)	1,387	1,092
Interest income on external loans and dividends	8	10
Share of profit of associates before tax (see Note 11)	28	1
RESTATED ADJUSTED EBITDA	**1,423**	**1,103**
RESTATED ROCE (ADJUSTED EBITDA/CAPITAL EMPLOYED)	**14.1%**	**10.5%**

(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. 2008		Dec. 2009	
Business	**Capital Employed**	**ROCE**	**Capital Employed**	**ROCE**
	(in million of euros)	%	*(in million of euros)*	%
HOTELS	**7,477**	**12.9%**	**7,827**	**8.4%**
Upscale and Midscale Hotels	4,258	10.8%	4,147	6.6%
Economy Hotels	1,778	21.1%	2,114	14.7%
Economy Hotels United States	1,441	9.1%	1,566	4.4%
PREPAID SERVICES	**1,761**	**23.3%**	**1,682**	**22.3%**
OTHER BUSINESSES				
Casinos	471	9.4%	662	8.7%
Restaurants	138	7.5%	93	3.5%
Onboard Train Services	110	8.3%	79	9.9%
Holding Companies and other	132	N/A	139	2.5%
RESTATED GROUP TOTAL	**10,089**	**14.1%**	**10,482**	**10.5%**

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 Accor Group consolidated financial statements for the year ended December 31, 2009, have been prepared in accordance with the International Financial Reporting Standards (IFRSs) adopted by the European Union as of that date. They include comparative annual financial information for 2008, prepared in accordance with the same standards. Financial information for 2007, presented in the 2007 Registration Document filed with the French securities regulator (AMF) on April 3, 2008 under no. D.08-194, is incorporated by reference.

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

- IAS 39, which was only partially adopted;
- IFRIC 12 "Service Concession Arrangements" which is applicable from January 1, 2009 only by European Union companies whose financial year begins on or after March 29, 2009;
- IFRIC 15 "Agreements for the Construction of Real Estate" which is applicable from January 1, 2010;
- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation" which is applicable from January 1, 2009 only by European Union companies whose financial year begins on or after June 30, 2009;
- IFRIC 18 "Transfers of Assets from Customers" which is applicable from January 1, 2009 only by European Union companies whose financial year begins on or after October 31, 2009.

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

As a result, the Group's consolidated financial statements have been prepared in accordance with International Financing Reporting Standards as published by the IASB.

The following new standards and amendments to existing standards adopted by the European Union were applicable from January 1, 2009:

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

  The Group has elected not to change the account headings used in its financial statements.
- IFRIC 13 "Customer Loyalty Programs": this interpretation alters the accounting treatment of customer loyalty programs by requiring recognition of the revenue corresponding to the award credits to be deferred whereas the Group's current policy consists of recording a provision for the cost of its loyalty programs. The consideration allocated to these award credits – measured by reference to their fair value – is recognized as revenue when the credits are redeemed by the customer.

  The Group's adoption of IFRIC 13, which was accounted for as a change in accounting policy in accordance with IAS 8 (adjustments of comparative amounts disclosed for prior periods presented), gave rise to the following impacts on the consolidated financial statements:

(in million of euros)	January 1st, 2008	IFRIC 13 Impact	January 1st, 2008	Published December 2008	IFRIC 13 Impact	December 2008
Consolidated Revenue	**8,121**	**-**	**8,121**	**7,739**	**(17)**	**7,722**
Operating expense	(5,800)	-	(5,800)	(5,449)	17	(5,432)
Operating Profit Before Tax and Non Recurring Items	**907**	**-**	**907**	**875**	**0**	**875**
Gains and losses on management of other assets	188	-	188	12	1	13
Income tax expense	(234)	-	(234)	(272)	(1)	(273)
Net Profit	**912**	**-**	**912**	**613**	**0**	**613**
Deferred tax assets	199	4	203	222	4	226
Total Assets	**10,834**	**4**	**10,838**	**11,413**	**4**	**11,417**
Retained Earnings	(94)	(8)	(102)	158	(7)	151
Net profit, Group Share	883	-	883	575	0	575
Total Shareholders'Equity and Minority Interests	**3,752**	**(8)**	**3,744**	**3,563**	**(7)**	**3,556**
Other payables and income tax payable	1,557	12	1,569	1,602	11	1,613
Total Liabilities and Shareholders'Equity	**10,834**	**4**	**10,838**	**11,413**	**4**	**11,417**

- Amendment to IAS 23 "Borrowing costs": borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are already capitalized as part of the cost of that asset. This amendment had therefore no impact on the consolidated financial statements.
- Amendment to IFRS 2 "Vesting Conditions and Cancellations": this amendment specifies that all features of a share-based payment that are not vesting conditions should be included in the fair value of the equity instruments granted. In addition, if an entity or counterparty can choose whether to meet a non-vesting condition, the entity should treat the entity's or counterparty's failure to meet that non-vesting condition during the vesting period as a cancellation. The Group's application of this amendment had no impact on the consolidated financial statements.
- Amendments to IAS 32 and IAS 1 "Puttable financial instruments and obligations arising on liquidation": these amendments require puttable financial instruments and obligations arising on liquidation to be classified as equity rather than as liabilities. They do not apply to firm or conditional commitments to purchase minority interests. As the Group did not hold any puttable financial instruments at December 31, 2008 its application of the amendments did not impact the prior-year comparative data included in the consolidated financial statements.
- Amendments to IFRS 1 and IAS 27 "Cost of an investment in a subsidiary jointly controlled entity or associate": these amendments only concern separate financial statements and their application had no impact on the Group's consolidated accounts.
- IFRIC 11 "IFRS 2: Group and Treasury Share Transactions": the Group early adopted IFRIC 11 on January 1, 2008 but this did not have an impact on the consolidated financial statements for the periods presented.
- IFRIC 14 "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction". The Group's application of this interpretation did not have an impact on the consolidated financial statements for the periods presented.
- The revised version of the Amendment to IAS 39 and IFRS 7 "Reclassification of Financial Instruments: effective date and transition". Accor has not applied the Amendment to IAS 39 and IFRS 7, which has since been revised and allows the reclassification of certain financial assets. Consequently, the revised version of the amendment to IAS 39 and IFRS 7 has no impact on the Group's financial statements.
- Amendments to IFRIC 9 and IAS 39 "Embedded Derivatives". Accor has not applied the Amendment to IAS 39 and IFRS 7, which has since been revised and allows the reclassification of certain financial assets. Consequently, amendments to IFRIC 9 and IAS 39 have no impact on the Group's financial statements.
- Amendment to IFRS 7 "Improving Disclosures about Financial Instruments". Application of the amendment to IFRS 7 required the Group to present (i) additional disclosures about the fair values of its financial instruments and (ii) a maturity analysis of its financial liabilities (See Note 30). However, these disclosures had no impact on the Group's financial position.

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

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

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

First-time adoption of IFRSs

The following options adopted by Accor in the opening IFRS balance sheet at the IFRS transition date (January 1, 2004) in accordance with IFRS 1, continue to have a material impact on the 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 judgments made by management in the preparation of financial statements concern the valuation and the useful life of intangible assets, property, plant and equipment and goodwill, the amount of provisions for contingencies and the assumptions underlying the calculation of pension obligations, claims and litigation and deferred tax balances.

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

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

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

Capital management

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

Its capital structure is managed and adjusted to keep pace with changes in economic conditions, by adjusting dividends, returning capital to shareholders or issuing new shares. Capital management objectives, policies and procedures were unchanged in 2009.

The main indicator used for capital management purposes is the gearing or debt-to-equity ratio (corresponding to net debt divided by equity: see Note "Key Management Ratios" and Note 29). Group policy consists of keeping this ratio below 100%. For the purpose of calculating the ratio, net debt corresponds to interest-bearing loans and borrowings, cash and cash equivalents. Equity includes convertible preferred stock and unrealized gains and losses recognized directly in equity, but excludes minority interests. The Group has set a target of maintaining the adjusted funds from ordinary activities/Adjusted net debt ratio at more than 20%.

The main accounting methods applied are as follows.

A. Consolidation methods

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

Companies controlled and operated jointly by Accor and a limited number of partners under a contractual agreement are proportionally consolidated.

Companies over which the Group exercises significant influence are accounted for by the equity method. Significant influence is considered as being exercised when the Group owns between 20% and 50% of the voting rights.

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

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

B. Goodwill

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

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

B.1. Positive goodwill

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

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

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

In accordance with IFRS 3 "Business Combinations", goodwill is not amortized but is tested for impairment at least once a year and more frequently if there is any indication that it may be impaired.

The methods used to test goodwill for impairment are described in Note 1.D.6. If the carrying amount of goodwill exceeds its recoverable amount, an irreversible impairment loss is recognized in profit.

B.2. Negative goodwill

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

C. Foreign currency translation

The presentation currency is the euro.

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

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

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

D. Non-current assets

D.1. Intangible assets

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

Brands and lease premiums (*droit au bail)* in France are considered as having indefinite useful lives and are therefore not amortized. Their carrying amount is reviewed at least once a year and more frequently if there is any indication that they may be impaired. If their fair value determined according to the criteria applied at the acquisition date is less than their carrying amount, an impairment loss is recognized (see Note 1.D.6).

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

The clientele of hotels outside France is generally amortized over the life of the underlying lease.

Identifiable intangible assets recognized in a business combination are initially recognized at amounts determined by independent valuations, performed using relevant criteria for the business concerned that can be applied for the subsequent measurement of the assets. Identifiable brands are measured based on multiple criteria, taking into account both brand equity and their contribution to profit. 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	
Capitalized construction-related costs	50 years	35 years
Equipment	5 to 15 years	

D.3. Borrowing costs

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

D.4. Leases and sale and leaseback transactions

Leases are analysed based on IAS 17 "Leases".

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

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

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

Lease payments under operating leases are recognized as an expense on a straight-line basis over the lease term. Future minimum lease payments under non-cancelable operating leases are disclosed in Note 6. Where sale and leaseback transactions result in an operating lease and it is clear that the transaction is established at fair value, any profit or loss is recognized immediately. Fair value for this purpose is generally determined based on independent valuations.

D.5. Other financial investments

Other financial investments, corresponding to investments in non-consolidated companies, are classified as "Available-for-sale financial assets" and are therefore measured at fair value. Unrealized gains and losses on an investment are recognized directly in equity (in the Fair value adjustments on Financial Instruments reserve) and are reclassified to profit when the investment is sold. A significant or prolonged decline in the value of the investment leads to the recognition of an irreversible impairment loss in profit.

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

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

D.6. Recoverable value of assets

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

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

Criteria used for impairment tests

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

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

Cash-generating unit

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

In the hotel business, each hotel is treated as a separate CGU comprising the hotel property and equipment.

In the prepaid services business, CGUs defined for goodwill impairment testing purposes are identified by country; however, for countries that generate revenues in excess of €50 million, they correspond to groups of assets in the country concerned.

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

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

Methods used to determine recoverable value

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

Property, plant and equipment and goodwill:

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

1. Valuation by the EBITDA multiples method.

Accor operates in a capital-intensive industry (involving significant investment in real estate) and the EBITDA multiples method is therefore considered to be the best method of calculating the assets' fair value less costs to sell, representing the best estimate of the price at which the assets could be sold on the market on the valuation date.

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

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

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

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

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

The projection period is limited to five years. Cash flows are discounted at a rate corresponding to the year end weighted average cost of capital. The projected long-term rate of revenue growth reflects each country's economic outlook. For 2009, a long-term growth rate of 2% was used for developed countries.

Intangible assets except goodwill:

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

Impairment loss measurement

If the recoverable amount is less than the carrying amount, an impairment loss is recognized in an amount corresponding to the lower of the losses calculated by the EBITDA multiples and discounted cash flows methods. Impairment losses are recognized in the income statement under "Impairment losses" (see Note 1.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 mainly in France, in Romania and United Kingdom on the use of Prepaid Services 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 based on the most recently updated projections.

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

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

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

1) a tax assessed on the rental value of real estate ("CFE"). Similar to the "*taxe professionnelle*", it fulfills the criteria for recognition as an operating expense;
2) a tax assessed on the value added by the business ("CVAE"), which has some of the characteristics of a tax on income, as defined in IAS 12.

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

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

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 twelve stock option plans set up between 2003 and 2009. Eleven of these plans do not have any specific vesting conditions except for the requirement for grantees to continue to be employed by the Group at the starting date of the exercised period. One plan is a performance option plan with vesting conditions other than market conditions. As for the other plans, grantees must continue to be employed by the Group at the starting date of the exercised period.

The service cost representing consideration for the stock options is recognized in expense over the vesting period by adjusting equity. The expense recognized in each period corresponds to the fair value of the goods and services received at the grant date, as determined using the Black & Scholes option-pricing model. The grant date is defined as the date when the plan's terms and conditions are communicated to Group employees corresponding to the dates on which the Board of Directors approved these plans. Under IFRS 2, vesting conditions, other than market conditions, are not taken into account when estimating the fair value of the options but are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount, so that, ultimately, the amount recognized for goods and services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

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

Employee Stock Ownership Plan

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

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

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

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

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

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

Accor Group Subsidiaries' Share-Based Payment Plans

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

Performance shares plans

Performance shares plans are also recognized and measured in accordance with IFRS 2. The recognition and the measurement principles are those used to recognize and measure the stock option plans excepted for the measurement of the cost of the performance share plans corresponding to:

- for 2007 and 2008 plans, the average of the Accor share prices for the twenty trading days preceding the grant date multiplied by the number of shares granted under the plan;
- for the 2009 plan, the Accor opening share price on the grant date less the present value of dividends unpaid multiplied by the number of shares issued.

M.2. Treasury stock

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

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

N. Financial instruments

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

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

N.1. Financial assets

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

- "Loans and receivables" mainly comprise time deposits and loans to non-consolidated companies. They are initially recognized at fair value and are subsequently measured at amortized cost at each balance-sheet date. If there is an objective indication of impairment, an impairment loss is recognized at the balance-sheet date. The impairment loss 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 (level 1 valuation technique) and the fair value of unlisted equities and mutual funds corresponds to their net asset value (level 1 valuation technique). For unlisted securities, fair value is estimated based on the most appropriate criteria applicable to each individual investment (using level 3 valuation techniques that are not based on observable data). Securities that are not traded on an active market, for which fair value cannot be reliably estimated, are carried in the balance sheet at historical cost plus any transaction expenses. When there is objective evidence of a significant or prolonged decline in value, the cumulative unrealized loss recorded in equity is reclassified to the income statement.

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 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, other sales taxes and fair value of customer loyalty programs.

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

Revenue from sales of services is recognized when the service is rendered.

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

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

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

R.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 23, 2010.

NOTE 2. SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION

A. Divestments and returns to shareholders

A.1. Strategic refocusing on Hotels and Prepaid Services

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

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

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

A.2. Property Strategy

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

* In mature markets

Real estate policy since January 1, 2005

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

(in million of euros)	Number of hotels	Portfolio value	Debt impact	Discounted Rental Commitments impact (*)	Adjusted Debt impact (**)
Sales & Variable Lease Back	533	3,525	1,350	1,516	2,866
Sales & Lease Back	1	3	3	(5)	(2)
Sales & Management Back	23	627	378	315	693
Sales & Franchise Back	161	193	172	141	313
Outright sales	123	538	444	128	572
TOTAL	**841**	**4,886**	**2,347**	**2,095**	**4,442**

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

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

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

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

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

	Company	Country	Number of units	Main contract terms	Rents
2005	**Foncière des Murs**	**France**	128	12-year contract per hotel, renewable four times per hotel at Accor's discretion.	Average rents equal to 15.5% of revenue, without any guaranteed minimum, reduced to 14.5% at the first renewal date
2006	**Foncière des Murs**	**France & Belgium**	67	12-year contract per hotel, renewable four times per hotel at Accor's discretion.	Rent equal to 14% of revenue, without any guaranteed minimum, reduced to 13% at the first renewal date
2007	**Land Securities**	**United Kingdom**	29	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on annual revenues of 21% on average, with no guaranteed minimum.
2007	**Moor Park Real Estate**	**Germany and Netherlands**	86	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on annual revenues of 18% on average, with no guaranteed minimum.
2008	**Axa Reim and Caisse des Dépôts et Consignations**	**France and Switzerland**	55	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on an average of 16% of annual revenue with no guaranteed minimum
2009	**Consortium of leading French institutional investors through a property investment trust (OPCI)**	**France**	157	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on an average of 20% of annual revenue with no guaranteed minimum
2005 - 2009	**Other**	**Germany & Mexico**	11	N/A	N/A
TOTAL 2005-2009			**533**		

These transactions impacted the consolidated financial statements as follows:

(in million of euros)		Sale price	Capital gain/ (loss)	Debt impact	Adjusted debt impact
2005	**Foncière des Murs**	1,025	107	146	831
2006	**Foncière des Murs**	494	143	327	332
2007	**Land Securities**	632	168	157	526
2007	**Moor Park Real Estate**	688	142	181	536
2008	**Axa Reim and Caisse des Dépôts et Consignations**	361	87	267	323
2009	**Consortium of French institutional investors**	203	39	153	214
2005-2009	**Other**	122	N/A	119	104
TOTAL 2005 - 2009		**3,525**	**N/A**	**1,350**	**2,866**

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

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

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

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

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

A.2.2. "Sale and Management back" transactions

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

The strategy for Upscale hotels consists of selling the hotel properties while continuing to manage the business, retaining a minority interest depending on the circumstances.

In the Midscale and Economy segments, the strategy consists of selling the hotel properties while continuing to manage the business without any minority interest.

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

	Company	Main countries	Number of units	Description of the transaction
2006	**Joint venture comprised of GEM Realty, Whitehall Street Global Real Estate Limited Partnership and Accor**	**United States** (Sofitel hotels in United States located in Chicago, Los Angeles, Miami, Minneapolis, San Francisco Bay and Washington)	6	▸ Accor remains a 25% partner in the joint venture which is accounted for by the equity method Accor continues to manage the hotels under the Sofitel brand name under a 25-year management contract renewable three times for successive periods of ten years.
2007	**Joint venture comprised of GEM Realty Capital, Whitehall Street Global Real Estate Limited Partnership and Accor**	**United States** (Sofitel hotels located in New York and Philadelphia)	2	▸ Accor remains a 25% shareholder in the joint venture which is accounted for by the equity method Accor continues to manage the hotels under the Sofitel brand name under a 25-year management contract.
2007	**Société Stratom**	**French West Indies** (2 Sofitel hotels and 2 Novotel hotels)	4	Accor continues to manage the hotels under a management contract.
2008	**Société Hotelière Paris Les Halles**	**The Netherlands** (Sofitel The Grand)	1	▸ Accor retain a 40% interest in the company that owns the property which is accounted for by the equity method . Accor run the hotel under a 25-year management contract.
2008	**Esnee**	**France** (Mgallery Baltimore)	1	Accor continues to manage the hotel under a management contract.
2005-2009	**Other**	**Australia / United States**	9	Accor continues to manage the hotels under a management contract.
TOTAL 2005 - 2009			**23**	

These transactions impacted the consolidated financial statements as follows:

		Sale price	Capital gain/ (loss)	Debt impact	Adjusted debt impact
2006	**6 Sofitel hotels in United States**	295	(15)	184	285
2007	**2 Sofitel hotels in United States**	219	14	85	207
2007	**2 Sofitel hotels and 2 Novotel hotels in French West Indies**	13	(8)	6	6
2008	**Sofitel The rand**	31	(1)	31	69
2008	**Mgallery Baltimore**	28	3	26	27
2005 - 2009	**Other**	41	N/A	46	99
TOTAL 2005 - 2009		**627**	**N/A**	**378**	**693**

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

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

	Sale & Franchise Back	Outright sales	Main countries	Sale price	Debt impact	Adjusted debt impact
		Number of hotels				*(in million of euros)*
2005	25	17	Germany	43	43	164
2006	27	25	France, United States and Denmark	195	109	188
2007	34	39	France, United States, Germany	256	254	302
2008	49	12	France, United States, Germany	117	104	121
2009	26	30	France, United States, Germany, the Netherlands	120	106	110
TOTAL	**161**	**123**		**731**	**616**	**885**

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

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

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

A.4. Return to shareholders of part of the cash proceeds from asset disposals

Accor has returned to shareholders part of the cash proceeds from disposals of investments and assets carried out since 2005.

Since May 10, 2006, Accor has announced several successive share buyback programs, as follows:

- **On May 10, 2006, Accor announced a first program to buy back Accor S.A shares for a total of €500 million**. This program was carried out pursuant to the authorization granted at the Shareholders Meeting held on January 9, 2006, which capped the buy-back price at €62 per share. During 2006, Accor bought back and cancelled 10,324,607 shares. These shares were acquired at a total cost of €481 million, representing an average price per share of €46.56. As of December 31, 2006, a further 332,581 shares had been bought back at a total cost of €19 million. These shares were cancelled at the beginning of January 2007.
- **On May 14, 2007, Accor announced a second program to buy back Accor S.A shares for a total of €700 million**. This program was carried out pursuant to the authorization granted at the Shareholders Meeting held on May 14, 2007, which capped the buy-back price at €100 per share. During 2007, Accor bought back and cancelled 10,623,802 shares. These shares were acquired at a total cost of €700 million, representing an average price per share of €65.89.
- **On August 28, 2007, Accor announced a third program to buy back Accor S.A shares for a total of €500 million**. This program was carried out pursuant to the authorization granted at the Shareholders Meeting held on May 14, 2007, which capped the buy-back price at €100 per share. During the second half of 2007, Accor bought back 8,507,150 shares at a total cost of €500 million, representing an average price per share of €58.78. As of December 31, 2007, 1,300,000 shares had been cancelled. The remaining 7,207,150 shares were cancelled during the second half of 2008.
- **On August 25, 2008, Accor announced a fourth program to buy back Accor S.A shares**. This program was carried out pursuant to the authorization granted at the Shareholders Meeting held on May 13, 2008, which capped the buy-back price at €100 per share. During the second half of 2008, Accor bought back and cancelled 1,837,699 shares at a total cost of €62 million, representing an average price per share of €33.70.

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

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

B. Organic growth and acquisitions

B.1. Hotel Division development strategy

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

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

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

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

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

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

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

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

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

Hotel portfolio by region and brand at December 31, 2009

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

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

Hotel development projects in progress at December 31, 2009

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

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

B.1.2. Acquisition of control of Orbis

2007: Acquisition of a 4.9% stake in Orbis

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

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

During the second half of 2008, Accor acquired an additional 4.53% stake in the Orbis group, raising its interest to 50.01%. The shares were acquired at a price of PLN55.4 per share, representing a total investment of approximately €35 million. Following the transaction, Orbis was fully consolidated in the Accor Group accounts.

This was recognized as fair value adjustments to 21 hotel properties. After purchase accounting adjustments, goodwill amounted to €12 million.

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

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

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

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

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

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

B.1.4. Restructuring of the Dorint AG

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

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

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

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

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

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

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

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

B.2. Prepaid Services Division development strategy

B.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.

B.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 a €1 million earn-out payment paid in 2009.

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 under "brands", €18 million under "exclusive distribution rights" and €181 million 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. 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 reward 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". The €5 million earn-out payment made during the first half of 2009 was added to the original goodwill.

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 approximately €3 million earn-out payment made paid during the at the end of 2009. 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 under "contractual customer relationships", €2 million under "brands" and €1 million 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 for €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 under "IT Platform" and €1 million under "brands". Motivano UK reported 2008 revenue of €3 million.

B.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.

B.2.4. Developments in first-half 2009

On **February 9, 2009** Accor Services and MasterCard entered into a strategic alliance resulting in the creation of a new company, PrePay Solutions. Accor is the majority shareholder with 67%, while MasterCard Europe holds a 33% stake. The creation of PrePay Solutions is underpinned by Accor Services' subsidiary PrePay Technologies Limited, the UK market leader in prepaid cards that was acquired in 2007.

The new company will combine the prepaid and electronic payments expertise of both organizations. PrePay Solutions will market prepaid card-based solutions enabling corporations, the public sector and financial institutions to reduce costs and enhance efficiency.

In **October 2009**, Accor Services acquired **Exit Group**, the fourth largest provider of meal vouchers in the Czech Republic and 8 customer lists. With their strong synergies in terms of geographic coverage and customer bases, Accor Services Czech Republic and Exit Group will combine to make Accor Services a market leader in this high potential region. The transaction was completed at a price of €15 million (including €12 million for the meal-voucher business and €3 million for the customer lists) paid in cash, plus €2 million in contingent consideration that will be paid in 2010. The difference between the cost of the business combination and the net assets acquired amounted to €11 million before deferred taxes. Of this, €2 million was recognized under "contractual customer relationships". Exit Group generated €3 million in revenue in 2009.

B.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.

B.4. Accor increased at 49% its stake in Groupe Lucien Barrière in 2009

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

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

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

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

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

C. Colony Capital / Eurazeo

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

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

- €500 million 3-year 4.5% equity note issue. The notes were issued at a price of €3,900 and were based on a redemption ratio of one note for 100 Accor shares at €39. Conversion of all of the outstanding equity notes would result in the issue of 128,205 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 116,279 new shares. The entire €500 million face value of the convertible bonds was recognized in debt.

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

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

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

In 2009, Colony Capital purchased 18,971,023 Accor shares and sold 3,358,006 new Accor shares. As a result, the concert group held 65,844,245 shares at December 31, 2009, representing 29.20% of the capital and 27.56% of the voting rights.

D. Three Bond Issue

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

- on January 28th 2009, Accor placed a fixed rate bond issue of €600 million, with a 5 year-maturity (February 4, 2014) and a coupon of 7.50%. The bond has been placed with more than 200 European institutional investors;
- on April 23th 2009, Accor placed a fixed rate bond issue of €600 million, with a 4 year-maturity (May 6, 2013) and a coupon of 6.50%. The bond has been placed with more than 350 European institutional investors;
- on July 16th 2009, Accor placed a fixed rate bond issue of €250 million, with a 8 year and 3 months-maturity (November 6, 2017) and a coupon of 6.039%. The bond has been placed with one investor.

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

E. Consolidation rate of the Venezuelan bolivar

On January 8, 2010, the Venezuelan monetary authorities devalued the bolivar fuerte (VEF), leading to an increase in the exchange rate against the US dollar to VEF 4.30 from VEF 2.15 pre-devaluation.

During the 2009 accounting year, the official assents to convert its currency into dollars according to the official rate were withdrawn from the company.

Until then, the official rate had been held by the group to consolidate its subsidiaries.

On 31st December 2009, the group decided to convert the contributions of its Venezuelan subsidiaries to the most likely rate of repatriation of its local currency, namely the devalued rate of the Bolivar as announced on January 8, 2010 by the Venezuelan authorities.

The negative impact on profit before tax and non-recurring items came to €39 million.

F. Proposed demerger of the Hospitality and Prepaid Services businesses

The planned demerger of the Group's two core businesses that has been approved by the Board of Directors on December 15th, 2009, did not lead to any specific accounting entries in the consolidated financial statements for the year ended December 31, 2009.

An analysis of the planned demerger based on IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" showed that the operation fell outside the scope of this standard, which applies to disposals of non-current assets and disposal groups and not to demergers.

On the other hand, the planned demerger falls within the scope of IFRIC 17 "Distributions of Non-Cash Assets to Owners", which covers not only distributions of non-cash assets but also spin-offs along the lines of the operation currently planned by the Accor Group. However, Accor has not chosen to early adopt IFRIC 17, which is applicable for annual periods beginning on or after October 31, 2009. In addition, the distribution is not highly probable, as required for the application of IFRIC 17, because the demerger is not certain of being approved by shareholders.

Consequently, all the assets and liabilities and the income statement related to the prepaid Services segment, have not been reclassified on a line isolated at the bottom of financial statements on December 31, 2009.

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)	2009	2008
HOTELS	**1,817**	**2,077**	**591**	**219**	**462**	**20**	**5,186**	**5,750**
Upscale and Midscale Hotels	1,135	1,375	57	111	328	20	**3,026**	**3,427**
Economy Hotels	682	702	-	108	134	0	**1,626**	**1,723**
Economy Hotels US	-	-	534	-	-	-	**534**	**600**
PREPAID SERVICES	**209**	**335**	**14**	**337**	**48**	**-**	**943**	**978**
OTHER BUSINESSES	**590**	**254**	**-**	**-**	**85**	**7**	**936**	**994**
Casinos	425	-	-	-	16	-	**441**	**346**
Restaurants	97	-	-	-	1	-	**98**	**187**
Onboard Train Services	68	180	-	-	-	-	**248**	**306**
Holding Companies and other	0	74	-	-	68	7	**149**	**155**
TOTAL 2009	**2,616**	**2,666**	**605**	**556**	**595**	**27**	**7,065**	
TOTAL 2008	**2,787**	**2,935**	**683**	**663**	**633**	**21**		**7,722**

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

Consolidated revenue for December 31, 2009 totalled €7,065 million, compared with €7,722 million for the same period of 2008.

The period-on-period decrease of €657 million or (8.5) % breaks down as follows:

(in million of euros)		
◗ Like-for-like growth	(612)	(7.9)%
◗ Business expansion	+337	+4.4%
◗ Currency effects	(111)	(1.4)%
◗ Disposals	(271)	(3.5)%
DECREASE IN 2009 REVENUE	**(657)**	**(8.5)%**

Decrease in 2009 consolidated revenue by business

	Reported change	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
HOTELS	**(564)**	**(580)**	**(10.1)%**
Upscale and Midscale Hotels	(401)	(392)	(11.5)%
Economy Hotels	(97)	(105)	(6.1)%
Economy Hotels US	(66)	(83)	(13.8)%
PREPAID SERVICES	**(35)**	**+14**	**+1.4%**
OTHER BUSINESSES	**(58)**	**(46)**	**(4.6)%**
Casinos	+95	(17)	(4.8)%
Restaurants	(89)	(17)	(9.0)%
Onboard Train Services	(58)	+9	+2.8%
Holding Companies and other	(6)	(21)	(13.7)%
GROUP TOTAL	**(657)**	**(612)**	**(7.9)%**

Decrease in 2009 consolidated revenue by region

	Reported change	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
France	(171)	(188)	(6.7)%
Europe (excl. France)	(269)	(290)	(9.9)%
North America	(78)	(98)	(14.3)%
Latin America & Caribbean	(107)	+7	+1.0%
Other Countries	(38)	(36)	(5.8)%
Worldwide Structures	+6	(7)	(35.9)%
GROUP TOTAL	**(657)**	**(612)**	**(7.9)%**

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

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

NOTE 4. OPERATING EXPENSE

(in million of euros)	2008	2009
Cost of goods sold (1)	(806)	(752)
Employee benefits expense (2)	(2,790)	(2,611)
Energy, maintenance and repairs	(386)	(380)
Taxes, insurance and service charges (co-owned properties)	(267)	(258)
Other operating expense (3)	(1,183)	(1,088)
TOTAL OPERATING EXPENSE	**(5,432)**	**(5,089)**

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

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

Full-time equivalent	2008	2009
Full-time equivalent (*)	85,592	78,411
Ratio employee benefits expense / FTE *(€k)*	(33)	(33)

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

Employee benefits expense includes €20 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)	2009	2008
HOTELS	**510**	**627**	**174**	**57**	**106**	**33**	**1,507**	**1,815**
Upscale and Midscale Hotels	291	360	9	16	58	31	**765**	**950**
Economy Hotels	219	267	-	41	48	2	**577**	**636**
Economy Hotels US	-	-	165	(0)	-	-	**165**	**229**
PREPAID SERVICES	**64**	**157**	**4**	**170**	**15**	**(16)**	**394**	**426**
OTHER BUSINESSES	**71**	**8**	**(0)**	**(6)**	**20**	**(18)**	**75**	**49**
Casinos	60	-	-	-	5	-	**65**	**50**
Restaurants	6	(0)	-	-	(0)	-	**6**	**14**
Onboard Train Services	5	5	-	-	-	1	**11**	**11**
Holding Companies and other	(0)	3	(0)	(6)	15	(19)	**(7)**	**(26)**
TOTAL 2009	**645**	**792**	**178**	**221**	**141**	**(1)**	**1,976**	
TOTAL 2008	**713**	**995**	**252**	**226**	**141**	**(37)**		**2,290**

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

Consolidated EBITDAR for December 31, 2009 totalled €1,976 million compared with €2,290 million for the same period of 2008.

The period-on-period decrease breaks down as follows:

(in million of euros)		
◗ Like-for-like growth	(287)	(12.5)%
◗ Business expansion	+48	+2.1%
◗ Currency effects	(48)	(2.1)%
◗ Disposals	(27)	(1.2)%
DECREASE IN 2009 EBITDAR	**(314)**	**(13.7)%**

Decrease in 2009 EBITDAR by business

	Reported change	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
HOTELS	**(308)**	**(316)**	**(17.4)%**
Upscale and Midscale Hotels	(185)	(183)	(19.3)%
Economy	(59)	(66)	(10.4)%
Economy US	(64)	(67)	(29.2)%
PREPAID SERVICES	**(32)**	**+3**	**+0.7%**
OTHER BUSINESSES	**+26**	**+26**	**+53.6%**
Casinos	+15	(2)	(3.9)%
Restaurants	(8)	(3)	(22.5)%
Onboard Train Services	-	+6	+49.5%
Holding Companies and other	+19	+25	+94.1%
GROUP TOTAL	**(314)**	**(287)**	**(12.5)%**

Decrease in 2009 EBITDAR by region

	Reported change	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
France	(68)	(80)	(11.2)%
Europe (excl. France)	(203)	(190)	(19.1)%
North America	(74)	(78)	(30.9)%
Latin America & Caribbean	(5)	+30	+13.1%
Other Countries	(0)	+3	+1.9%
Worldwide Structures	+36	+28	+77.7%
GROUP TOTAL	**(314)**	**(287)**	**(12.5)%**

NOTE 6. RENTAL EXPENSE

Rental expense amounted to €884 million in December 2009 compared with €903 million in December 2008.

In accordance with the policy described in Note 1.D.4, the expense reported on this line only concern operating leases. Finance leases are recognized in the balance sheet as an asset and a liability. The amount of the liability at December 31, 2009 was €151 million (see Note 28.A).

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

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

The €884 million in rental expense corresponds to 1,448 hotel leases, including 26% with a purchase option. Where applicable, the option price corresponds to either a pre-agreed percentage of the owner's original investment or the property's market value when the option is exercised. The options are generally exercisable after 10 or 12 years. Certain contracts allow for the purchase of the property at the appraised value at the end of the lease.

A. Rental expense by business

Rental expense can be analyzed as follows by business:

(in million of euros)	2008	2009
HOTELS	**(886)**	**(862)**
Upscale and Midscale Hotels	(529)	(498)
Economy	(258)	(267)
Economy US	(99)	(97)
PREPAID SERVICES	**(16)**	**(18)**
OTHER BUSINESSES	**(1)**	**(4)**
Casinos	(5)	(7)
Restaurants	(4)	(3)
Onboard Train Services	(3)	(3)
Holding Companies and other	11	9
TOTAL	**(903)**	**(884)**

B. Rental expense by type of contract

Rental expense breaks down as follows by type of contract:

(in million of euros)	Number of hotels [1]	2009 rental expense	Fixed rental expense	Variable rental expense
Fixed rent with purchase option	378	(112)	(112)	-
Fixed rent without purchase option	322	(271)	(271)	-
Fixed rent with a variable portion [2]	72	(77)	(64)	(13)
Land rent	-	(3)	(2)	(1)
Office rental expenses (Hotels business)	-	(27)	(26)	(1)
Fees on intragroup rent guarantees on Hotels business	-	(20)	(20)	-
TOTAL HOTEL FIXED RENTAL EXPENSE	**772**	**(510)**	**(495)**	**(15)**
Variable rent with a minimum [3]	100	(76)	(64)	(12)
Variable rent with a minimum and cap [4]	8	(11)	(6)	(5)
Variable rent without a minimum [5]	568	(265)	(1)	(264)
TOTAL HOTEL VARIABLE RENTAL EXPENSE	**676**	**(352)**	**(71)**	**(281)**
TOTAL HOTEL RENTAL EXPENSE	**1,448**	**(862)**	**(566)**	**(296)**
Rental expense not related to hotels	-	(42)	(38)	(4)
Internal lease guarantee fees	-	20	20	-
TOTAL RENTAL EXPENSE	**1,448**	**(884)**	**(584)**	**(300)**

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

Leased hotels at December 31, 2009	Fixed rent with purchase option	Fixed rent without purchase option	Fixed rent with a variable portion	Variable rent with a minimum	Variable rent with a minimum and cap	Variable rent without a minimum	Total
Sofitel	1	6	-	2	-	5	**14**
Pullman	-	5	3	4	-	2	**14**
Novotel	3	48	11	19	3	91	**175**
Mercure	9	67	21	14	1	68	**180**
Adagio	-	6	-	-	1	-	**7**
Suitehotel	3	6	-	-	-	-	**9**
All Seasons	-	3	8	-	-	4	**15**
Ibis	19	102	15	55	2	160	**353**
Etap Hotel	1	56	1	5	1	71	**135**
Formule 1	15	2	12	-	-	167	**196**
Motel 6/Studio 6	326	19	1	1	-	-	**347**
Other	1	2	-	-	-	-	**3**
TOTAL	**378**	**322**	**72**	**100**	**8**	**568**	**1,448**

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

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

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

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

C. Minimum rental commitments (cash basis)

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

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

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

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

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

NOTE 7. EBITDA BY BUSINESS AND REGION

(in million of euros)	France	Europe (excl. France)	North America	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2009	2008
HOTELS	**296**	**188**	**75**	**18**	**40**	**28**	**645**	**930**
Upscale and Midscale Hotels	154	63	7	5	12	26	**267**	**422**
Economy Hotels	142	125	-	13	28	2	**310**	**378**
Economy Hotels US	-	-	68	(0)	-	-	**68**	**130**
PREPAID SERVICES	**59**	**151**	**3**	**167**	**12**	**(16)**	**376**	**410**
OTHER BUSINESSES	**56**	**6**	**(0)**	**(3)**	**22**	**(10)**	**71**	**47**
Casinos	49	-	-	-	9	-	**58**	**45**
Restaurants	3	(0)	-	-	(0)	-	**3**	**10**
Onboard Train Services	4	4	-	-	-	0	**8**	**9**
Holding Companies and other	(0)	2	(0)	(3)	13	(10)	**2**	**(17)**
TOTAL 2009	**411**	**345**	**78**	**182**	**74**	**2**	**1,092**	
TOTAL 2008	**478**	**531**	**152**	**187**	**71**	**(32)**		**1,387**

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

Consolidated EBITDA for December 31, 2009 totalled €1,092 million compared with €1,387 million for December 31, 2008.

The period-on-period decrease breaks down as follows:

(in million of euros)		
Like-for-like growth	(268)	(19.3)%
Business expansion	+35	+2.5%
Currency effects	(36)	(2.6)%
Disposals	(26)	(1.9)%
DECREASE IN 2009 EBITDA	**(295)**	**(21.3)%**

Decrease in 2009 EBITDA by business:

	Reported change	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
HOTELS	**(285)**	**(293)**	**(31.5)%**
Upscale and Midscale Hotels	(155)	(163)	(38.6)%
Economy	(68)	(64)	(17.0)%
Economy US	(62)	(66)	(50.9)%
PREPAID SERVICES	**(34)**	**(0)**	**(0.0)%**
OTHER BUSINESSES	**+24**	**+25**	**+53.8%**
Casinos	+13	(2)	(3.4)%
Restaurants	(7)	(3)	(33.4)%
Onboard Train Services	(1)	+5	+59.6%
Holding Companies and other	+19	+25	+147.5%
GROUP TOTAL	**(295)**	**(268)**	**(19.3)%**

Decrease in 2009 EBITDA by region:

	Reported change	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
France	(67)	(71)	(14.8)%
Europe (excl. France)	(186)	(180)	(33.9)%
North America	(74)	(78)	(51.1)%
Latin America & Caribbean	(5)	+27	+14.4%
Other Countries	+3	+6	+8.5%
Worldwide Structures	+34	+28	+84.4%
GROUP TOTAL	**(295)**	**(268)**	**(19.3)%**

NOTE 8. DEPRECIATION, AMORTIZATION AND PROVISION EXPENSE

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

(in million of euros)	2008	2009
Depreciation and amortization	(442)	(493)
Provision	(4)	(5)
TOTAL	**(446)**	**(498)**

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)	2009	2008
HOTELS	**167**	**34**	**1**	**9**	**5**	**19**	**235**	**566**
Upscale and Midscale Hotels	68	(44)	2	(2)	(10)	17	**31**	**215**
Economy Hotels	99	78	-	11	15	2	**205**	**284**
Economy Hotels US	-	-	(1)	(0)	-	-	**(1)**	**67**
PREPAID SERVICES	**47**	**138**	**3**	**158**	**9**	**(16)**	**339**	**379**
OTHER BUSINESSES	**23**	**(5)**	**(0)**	**(4)**	**19**	**(13)**	**20**	**(4)**
Casinos	22	-	-	-	8	-	**30**	**23**
Restaurants	(1)	(0)	-	-	(1)	-	**(2)**	**4**
Onboard Train Services	2	1	-	-	-	0	**3**	**4**
Holding Companies and other	(0)	(6)	(0)	(4)	12	(13)	**(11)**	**(35)**
TOTAL 2009	**237**	**167**	**4**	**163**	**33**	**(10)**	**594**	
TOTAL 2008	**321**	**377**	**84**	**168**	**36**	**(45)**		**941**

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

Consolidated EBIT for December 31, 2009 totalled €594 million compared with €941 million for December 31, 2008.

The period-on-period decrease breaks down as follows:

(in million of euros)		
▸ like-for-like growth	(293)	(31.2)%
▸ business expansion	(13)	(1.3)%
▸ currency effects	(31)	(3.3)%
▸ disposals	(10)	(1.0)%
DECREASE IN 2009 EBIT	**(347)**	**(36.8)%**

Decrease in 2009 EBIT by business:

	Reported change	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
HOTELS	**(331)**	**(319)**	**(56.3)%**
Upscale and Midscale Hotels	(184)	(179)	(83.3)%
Economy	(79)	(74)	(26.1)%
Economy US	(68)	(66)	(98.3)%
PREPAID SERVICES	**(40)**	**(7)**	**(1.9)%**
OTHER BUSINESSES	**+24**	**+33**	**+889.3%**
Casinos	+7	(1)	(4.0)%
Restaurants	(6)	(4)	(80.4)%
Onboard Train Services	(1)	+6	+139.6%
Holding Companies and other	+24	+32	+88.9%
GROUP TOTAL	**(347)**	**(293)**	**(31.2)%**

Decrease in 2009 EBIT by region:

	Reported change	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
France	(84)	(82)	(25.4)%
Europe (excl. France)	(210)	(192)	(50.9)%
North America	(80)	(78)	(93.1)%
Latin America & Caribbean	(5)	+26	+15.7%
Other Countries	(3)	+6	+15.5%
Worldwide Structures	+35	+27	+58.9%
GROUP TOTAL	**(347)**	**(293)**	**(31.2)%**

NOTE 10. NET FINANCIAL EXPENSE

(in million of euros)	2008	2009
Net financial expense [(1)]	(102)	(132)
Other financial income and expense [(2)]	16	(11)
NET FINANCIAL EXPENSE	**(86)**	**(143)**

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

(in million of euros)	2008	2009
Net financial expense - cash	(99)	(131)
Net financial expense - non-cash	(3)	(1)
TOTAL NET FINANCIAL EXPENSE	**(102)**	**(132)**

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

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

(in million of euros)	2008	2009
Dividend income from non-consolidated companies (*Available for sale financial assets*)	1	1
Exchange gains and losses (excl. financial instruments at fair value)	12	0
Movements in provisions	3	(12)
TOTAL OTHER FINANCIAL INCOME AND EXPENSE	**16**	**(11)**

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

(in million of euros)	2008	2009
Share of profit of associates before tax	27	1
Share of tax of associates	(7)	(4)
SHARE OF PROFIT OF ASSOCIATES AFTER TAX	**20**	**(3)**

The main contributions are as follows:

(in million of euros)		2008	2009
Asia/Australia Hotels		3	3
Egyptian investment funds (Macor)		-	1
Sofitel London St James (Hotels, UK)		1	0
Orbis (Hotels, Poland) (*)	(Note 2.B.1.2)	9	-
Société Hôtelière Paris les Halles		4	(0)
Sofitel Hotels US		2	(1)
The Grand Real Estate		-	(3)
Tunisian and Moroccan investment funds (STI and RISMA)		0	(5)
Other		1	2
SHARE OF PROFIT OF ASSOCIATES AFTER TAX		**20**	**(3)**

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

NOTE 12. RESTRUCTURING COSTS

Restructuring costs can be analyzed as follows:

(in million of euros)	2008	2009
Movements in Restructuring provisions	6	7
Restructuring costs	(62)	(134)
TOTAL RESTRUCTURING COSTS	**(56)**	**(127)**

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

NOTE 13. IMPAIRMENT LOSSES

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

The main goodwill and intangible assets with indefinite useful lives included in the carrying amounts of the CGUs tested for impairment at that date were as follows:

(in million of euros)	Goodwill	Intangible assets with indefinite useful life
HOTELS		
Australia	181	-
Germany	180	-
Upscale and Midscale France	173	-
Motel 6	94	140
Asia	41	-
SUB-TOTAL HOTELS	**669**	**140**
PREPAID SERVICES		
Ticket Brazil	144	-
Kadéos	115	19
Accor Services Romania	37	-
Accor Services Italy	36	-
Prepay	28	2
SUB-TOTAL PREPAID SERVICES	**360**	**21**
OTHER BUSINESSES		
Casinos (Accor Casinos, SHCD and Groupe Lucien Barrière SAS)	366	9
Lenôtre	23	-
SUB-TOTAL OTHER BUSINESSES	**389**	**9**
NET GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE INCLUDED IN CASH-GENRATING UNITS	**1,418 (*)**	**170**

(*) This amount represents 80% of goodwill recognized on December 31, 2009.

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

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

	Hotels									Prepaid Services	Other businesses	
	Germany	Australia	Upscale and Midscale France	Asia	Motel 6	Ticket Brazil	Kadéos	Accor Services Romania	Accor Services Italy	Prepay	Casinos	Lenôtre
Basis on which the recoverable amount has been determined	Discounted cash flow method	Discounted cash flow method	EBITDA mulitples method	Discounted cash flow method	Discounted cash flow method	EBITDA mulitples method	Discounted cash flow method	EBITDA mulitples method	EBITDA mulitples method	Market valuation = Mastercard sale	Market valuation = PUT Colony	Discounted cash flow method
Period of projections (years)	5	5	N/A	5	7	N/A	5	N/A	N/A	N/A	N/A	5
Growth rate	2.00%	2.00%	N/A	2.00%	2.00%	N/A	2.00%	N/A	N/A	N/A	N/A	2.00%
Discount rate	7.69%	7.69%	N/A	7.69%	7.30%	N/A	7.30%	N/A	N/A	N/A	N/A	7.69%

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

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

(in million of euros)	2008	2009
Goodwill	(14)	(304)
Intangible assets	-	(29)
Property, plant and equipment	(43)	(54)
Financial assets	-	-
IMPAIRMENT LOSSES	**(57)**	**(387)**

The main assets and cash generating units for which impairment losses were recognized in 2008 and 2009 were as follows:

A. Impairment of goodwill

(in million of euros)	2008	2009
HOTELS	**(10)**	**(173)**
Upscale and Midscale Hotels	(7)	(58)
Economy Hotels	(3)	(2)
Economy Hotels US	-	(113)
PREPAID SERVICES	**(2)**	**(120)**
OTHER BUSINESSES	**(2)**	**(11)**
Casinos	-	-
Restaurants	(1)	(1)
Onboard Train Services	-	(8)
Holding Companies and other	(1)	(2)
TOTAL	**(14)**	**(304)**

In 2008, impairment losses resulted mainly from reviews of the recoverable amount of residual goodwill.

In 2009, impairment losses resulted mainly from reviews of the recoverable amount of goodwill related to the American hotel business (€113 million impairment loss), the Italian hotel business (€33 million impairment loss), Kadéos (€83 million impairment loss) and Hungarian Hotel Business (€21 million impairment loss).

Sensitivity analysis:

At December 31, 2008, a 25-basis point increase in the discount rate would have no impact on impairment losses recognized in 2008. A 50-basis point increase in the discount rate would have the effect of increasing impairment losses recognized in 2008 by approximately €15 million. A 100-basis point increase would have a €106 million impact, mainly on hotel assets in the United States.

At December 31, 2009, a 25-basis point increase in the discount rate would have the effect of increasing impairment losses recognized in 2009 by approximately €6 million. A 50-basis point increase in the discount rate would have the effect of increasing impairment losses recognized in 2009 by approximately €39 million. A 100-basis point increase would have a €138 million impact, mainly on hotel assets in the United-States.

B. Impairment of intangible assets with an indefinite useful life

Impairments recognized in 2008 were not material.

Following the periodic review of the recoverable amount of intangible assets with an indefinite useful life, a €29 million impairment loss was recognized in 2009.

C. Impairment of property, plant and equipment

(in million of euros)	2008	2009
HOTELS	**(43)**	**(54)**
Upscale and Midscale Hotels	(21)	(32)
Economy Hotels	(14)	(19)
Economy Hotels US	(8)	(3)
PREPAID SERVICES	**-**	**-**
OTHER BUSINESSES	**-**	**-**
Casinos	-	-
Restaurants	-	-
Onboard Train Services	-	-
Holding Companies and other	-	-
TOTAL	**(43)**	**(54)**

In 2008, the €43 million in impairment losses on property, plant and equipment corresponded mainly to provisions booked on the basis of regular reviews of asset values. Impairment losses recognized during the year concerned 75 hotels for €47 million and impairment losses reversed during the year concerned 15 hotels for €4 million.

At December 31, 2009, impairment losses on property, plant and equipment amounted to €54 million. Impairment losses recognized during the year concerned 86 hotels for €57.2 million and impairment losses reversed during the year concerned 16 hotels for €2.9 million.

NOTE 14. GAINS AND LOSSES ON MANAGEMENT OF HOTEL PROPERTIES

(in million of euros)	2008	2009
Disposal gains and losses	109	74
Provisions for losses on hotel properties	2	(67)
TOTAL	**111**	**7**

In 2008, the total included:

- a €87 million gain on the sale to Axa REIM of 55 units under a sale-and-variable leaseback arrangement based on a percentage of revenue (see Note 2.A.2.1);
- a €9 million gain on the sale in France of units under a sale and franchise-back arrangement;
- €12 million in gains on disposal of non-strategic assets in Europe.

In 2009, the total included:

- a €39 million gain on the sale of 157 F1 hotel units to a consortium of French institutional investors (cf. Note 2.A.2.1);
- a €9.5 million gain on the sale in France of units under a sale and franchise-back arrangement corresponding to 6 hotels;
- €8.5 million gains on disposal of non-strategic assets in France corresponding to 10 hotels;
- a €6 million loss on disposal of Motel 6 units, including sale and franchise-back arrangements (15 hotels) and outright sales (6 hotels).

NOTE 15. GAINS AND LOSSES ON MANAGEMENT OF OTHER ASSETS

(in million of euros)	2008	2009
Disposal gains and losses	41	(33)
Provision movements	(5)	(30)
Gains and losses on non-recurring transactions	(23)	(22)
TOTAL	**13**	**(85)**

In fiscal 2008, the total mainly included:

- net gains on disposals of non-strategic assets for €41 million, including the Brazilian Food Services Business (€32 million gain) and office properties (€7 million gain);
- an additional €23 million impairment loss recognized on the Club Méditerranée shares held by the Group.

In fiscal 2009, the total mainly included:

- a €3 million loss on the sale of Club Méditerranée shares (see Note 2.A.1);
- a €2 million gain on the sale of a building in Brussels;
- a €32 million loss arising from the devaluation of the bolivar fuerte;
- €19 million in impairment losses on receivables.

NOTE 16. INCOME TAX EXPENSE

Note 16.1. Income tax expense for the period

(in million of euros)	2008	2009
Current tax	(254)	(160)
SUB-TOTAL, CURRENT TAX	**(254)**	**(160)**
Deferred taxes (expense) income on new temporary differences and reversals of temporary differences arising in prior periods	(20)	39
Deferred taxes arising from changes in tax rates or tax laws	1	-
SUB-TOTAL, DEFERRED TAX	**(19)**	**39**
INCOME TAX EXPENSE EXCLUDING TAX ON THE PROFITS OF ASSOCIATES	**(273)**	**(121)**
Tax on profits of associates	(7)	(4)
TAX OF THE PERIOD	**(280)**	**(125)**

Note 16.2. Effective tax rate

(in million of euros)	2008	2009
OPERATING PROFIT BEFORE TAX (A)	**886**	**(144)**
Non deductible impairment losses	(18)	334
Elimination of intercompany capital gains	298	368
Tax on share of profit (loss) of associates	7	4
Other	7	15
TOTAL PERMANENT DIFFERENCES (NON-DEDUCTIBLE EXPENSES) (B)	**294**	**721**
UNTAXED PROFIT AND PROFIT TAXED AT A REDUCED RATE (C)	**(422)(*)**	**(381)**
PROFIT TAXED AT STANDARD RATE (D) = (A) + (B) + (C)	**758**	**196**
STANDARD TAX RATE IN FRANCE (E)	**34.43%**	**34.43%**
TAX AT STANDARD FRENCH TAX RATE (F) = (D) X (E)	**(261)**	**(67)**
Effects on tax at standard French tax rate of:		
Differences in foreign tax rates	39	21
Unrecognized tax losses for the period	(31)	(42)
Utilization of tax loss carryforwards	7	10
Changes in deferred tax rates	1	2
Share of profit (loss) of associates	7	4
Net charges to/reversals of provisions for tax risks	(6)	1
Effect of new CET business tax in France in 2010 (replacing taxe professionnelle) (cf. Note 2)	-	(15)
Other items	-	(14)
TOTAL EFFECTS ON TAX AT STANDARD FRENCH TAX RATE (G)	**17**	**(33)**
TAX AT STANDARD RATE (H) = (F) + (G)	**(244)**	**(100)**
TAX AT REDUCED RATE (I)	**(29)(*)**	**(21)(**)**
INCOME TAX EXPENSE (J) = (H) + (I)	**(273)**	**(121)**
Pre-tax operating profit taxed at standard rate	757	196
Income tax expense	(222)	(46)
GROUP EFFECTIVE TAX RATE	**29.3%**	**23.6%**

(*) *In 2008, untaxed profit and profit taxed at a reduced rate mainly concerns real estate transactions in France and Switzerland with Axa Reim (see. Note 2.A.2.1). In France, €80.9 million in capital gains were taxed at the rate of 16.5% under the SIIC (REIT-style) tax regime, representing €13 million in tax, while in Switzerland, capital gains of €18.9 million were taxed in the amount of €6.8 million.*

In addition, gains on sales of shares in France (mainly Accor Services shares transferred within the Group) were taxed at the reduced rate of 5%.

(**) *In 2009, related mainly to the sale of 157 F hotel properties to a consortium of French institutional investors (see. Note 2.A.2.1).*

Operating profit before tax for 2009 includes a €104 million capital gain which was taxed at the reduced rate of 19% under the tax rules applicable to SIICs (the French equivalent of real-estate investment trusts). The corresponding tax amounted to €19 million.

Note 16.3. Details of deferred tax (Balance Sheet)

(in million of euros)	2008	2009
Timing differences between company profit and taxable profit	164	166
Timing differences between consolidated profit and company profit	57	52
Recognized tax losses	5	73
SUB-TOTAL, DEFERRED TAX ASSETS	**226**	**291**
Timing differences between company profit and taxable profit	40	41
Timing differences between consolidated profit and company profit	159	170
SUB-TOTAL, DEFERRED TAX LIABILITIES	**199**	**211**
Deferred tax assets, net (liabilities)	**27**	**80**

Note 16.4. Unrecognized deferred tax assets

Unrecognized deferred tax assets at December 31, 2009 amounts to €216 million (December 31, 2008: €204 million).

Unrecognized deferred tax assets at December 31, 2009 will expire in the following periods if not utilized:

(in million of euros)	Deductible temporary differences	Tax loss carryforwards (1)	Tax credits	Total
Y+1	-	8	-	8
Y+2	-	1	-	1
Y+3	-	12	-	12
Y+4	6	16	-	22
Y+5 and beyond	5	22	-	27
Evergreen	-	145	1	146
DEFERRED TAX, NET	**11**	**204**	**1**	**216**

(1) Unrecognized deferred tax assets at December 31, 2009 include 38 million corresponding to the tax loss carry forwards of the NewGen companies in Germany, France and Austria (see Note 2.B.1.4).

NOTE 17. GOODWILL

(in million of euros)	Dec. 2008	Dec. 2009
Goodwill (gross value)	1,932	2,062
Less impairment losses	-	(285)
GOODWILL, NET	**1,932**	**1,777**

(in million of euros)	Notes	Dec. 2008	Dec. 2009
HOTELS			
Australia		144	181
Germany	2.B.1.4	201	180
Upscale and Midscale France		184	173
Motel 6		212	94
Economy (excluding Motel 6)		91	86
Asia		41	41
Egypt		24	24
Poland	2.B.1.2	95	12
Switzerland		11	11
Portugal		9	9
The Netherlands		13	8
Hungary		25	2
Italy		33	-
Other hotels (< €6 million)		2	4
SUB-TOTAL HOTELS		**1,085**	**825**
PREPAID SERVICES			
Ticket Brazil		111	144
France (Ticket Cadeau)	2.B.2.2	181	115
United Kingdom		83	70
Romania		37	37
Italy		33	36
Mexico		31	31
Sweden		19	17
Australia		11	13
USA		33	13
Czech Republic		2	13
Germany		14	10
Asia		10	10
Venezuela		9	9
Other Prepaid Services (< €6 million)		71	39
SUB-TOTAL PREPAID SERVICES		**645**	**557**
OTHER BUSINESSES			
Casinos (Accor Casinos, SHCD and Groupe Lucien Barrière SAS)	2.B.4	162	366
Lenôtre		25	23
Other businesses (< €6 million)		15	6
SUB-TOTAL OTHER BUSINESSES		**202**	**395**
GOODWILL, NET		**1,932**	**1,777**

During 2008, accumulated goodwill impairment losses at the first time adoption of IFRSs, were written off by reducing the gross amount of the goodwill concerned.

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

(in million of euros)	Notes	Dec. 2008	Dec. 2009
CARRYING AMOUNT AT BEGINNING OF PERIOD		**1,967**	**1,932**
GOODWILL RECOGNIZED ON ACQUISITIONS FOR THE PERIOD AND OTHER INCREASES		**159**	**256**
Hotels			
Hotels, Belgium		-	2
Upscale and Midscale Hotels France		11	2
Hotels, Germany (Earn-Out Newgen)	2.B.1.4	10	1
Hotels, Poland (Consolidation of Orbis)	2.B.1.2	104	-
Economy Hotels (excluding Motel 6)		1	4
Prepaid Services			
Other acquisitions of Prepaid Services		8	22
Prepaid Services, Czech Republic		-	9
Prepaid Services, Asia (Surfgold)	2.B.2.2	-	5
Prepaid Services, Sweden		-	2
Prepaid Services, Mexico		-	-
Prepaid Services, United Kingdom (Acquisition of Motivano)	2.B.2.2	8	-
Prepaid Services, Germany (Acquisition of Quasar)		8	-
Prepaid Services, Australia (Davidson & Trahaire)		4	-
Prepaid Services, Venezuela (Acquisition of Minority Interests)		2	-
Other businesses			
Groupe Lucien Barrière SAS	2.B.4	-	204
Lenôtre (Acquisition of stores)		1	-
Other		2	5
DISPOSALS		**(79)**	**(28)**
IMPAIRMENT LOSSES	**13**	**(14)**	**(304)**
TRANSLATION ADJUSTMENT		**(64)**	**72**
RECLASSIFICATIONS ON PROPERTY, PLANT AND EQUIPMENT	**(*)**	**(27)**	**88**
RECLASSIFICATIONS OF ASSETS HELD FOR SALE		**-**	**-**
OTHER RECLASSIFICATIONS AND MOVEMENTS		**(10)**	**(63)**
CARRYING AMOUNT AT END OF PERIOD		**1,932**	**1,777**

(*) Including Orbis purchase accounting adjustments.

NOTE 18. INTANGIBLE ASSETS

(in million of euros)	Dec. 2008	Dec. 2009
GROSS VALUE		
Motel 6 brand (1)	145	140
Kadeos brand (2)	19	19
Other brands and networks (3)	92	95
Licenses, software	164	239
Other intangible assets (4)	338	311
TOTAL INTANGIBLE ASSETS AT COST	**758**	**804**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES		
Licenses, software	(120)	(189)
Other intangible assets	(126)	(127)
TOTAL ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	**(246)**	**(316)**
INTANGIBLE ASSETS, NET	**512**	**488**

(1) The decrease in value of the Motel 6 brand at December 31, 2009 was due to the change in the dollar/euro exchange rate (1.392 at December 31, 2008 versus 1.441 at December 31, 2009).

(2) The Kadeos brand was valued following the acquisition of this company in March 2007 (see Note 2.B.2.2).

(3) Including €48 million corresponding to land use rights for Ibis and Novotel hotels in China.

(4) Including €155 million in lease premiums (of which €104 million increase in land use rights following the 2008 acquisition of Orbis) and the €54 million value attributed to customer lists (of which €21 million for Kadeos customer lists).

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

(in million of euros)	Dec. 2008	Dec. 2009
CARRYING AMOUNT AT BEGINNING OF PERIOD	**369**	**512**
Additions	13	14
Internally-generated assets (1)	22	27
Intangible assets of newly consolidated companies (2)	133	8
Amortization for the period	(42)	(44)
Impairment losses for the period	-	(29)
Disposals	(4)	(3)
Translation adjustment	(28)	3
Reclassifications	49	-
CARRYING AMOUNT AT END OF PERIOD	**512**	**488**

(1) Acquisitions of licenses and software for €27 million (mainly including €4 million in Brazil and €3 million in the United States).

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

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

(in million of euros)	Dec. 2008	Dec. 2009
Motel 6 brand	145	140
Kadéos brand	19	19
Other brands and Networks	92	95
CARRYING AMOUNT AT END OF PERIOD	**256**	**254**

The above brands and lease premiums have been qualified as having an indefinite useful life because the Group considers that there is no foreseeable limit to the period in which they can be used.

Contracts totalling €12 million have been signed for the purchase of intangible assets at December 31, 2009. They are not recognised in the balance sheet.

NOTE 19. PROPERTY, PLANT AND EQUIPMENT

Note 19.1. Property, plant and equipment by nature

(in million of euros)	Dec. 2008	Dec. 2009
Land	519	480
Buildings	2,639	2,735
Fixtures	2,089	2,138
Equipment and furniture	1,619	1,693
Constructions in progress	312	295
PROPERTY, PLANT AND EQUIPMENT, AT COST	**7,178**	**7,341**

(in million of euros)	Dec. 2008	Dec. 2009
Buildings	(768)	(844)
Fixtures	(981)	(1,030)
Equipment and furniture	(964)	(1,011)
Constructions in progress	(3)	(3)
TOTAL OF AMORTIZATION	**(2,716)**	**(2,888)**
Land	(6)	(5)
Buildings	(81)	(88)
Fixtures	(36)	(36)
Equipment and furniture	(12)	(15)
Constructions in progress	(3)	(3)
TOTAL OF IMPAIRMENT LOSSES	**(138)**	**(147)**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	**(2,854)**	**(3,035)**

(in million of euros)	Dec. 2008	Dec. 2009
Land	513	475
Buildings	1,790	1,803
Fixtures	1,072	1,072
Equipment and furniture	643	667
Constructions in progress	306	289
PROPERTY, PLANT AND EQUIPMENT, NET	**4,324**	**4,306**

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

(in million of euros)	Dec. 2008	Dec. 2009
NET CARRYING AMOUNT AT BEGINNING OF PERIOD	**3,321**	**4,324**
Property, plant and equipment of newly acquired companies	423	199
Capital expenditure	1,240	648 (*)
Disposals	(158)	(231)
Amortization for the period	(393)	(449)
Impairment losses for the period	(43)	(51)
Translation adjustment	(89)	20
Reclassification of assets held for sale (see Note 31)	44	(139)
Other reclassifications	(21)	(15)
NET CARRYING AMOUNT AT END OF PERIOD	**4,324**	**4,306**

(*) Including 9 hotels in France and 84 hotels in the United States acquired following the exercise of purchase options.

At December 31, 2009, contracts totalling €228 million have been signed for the purchase of property, plant and equipment. They are not recognised in the balance sheet. At December 31, 2008, contracts totalized €234 million.

In addition, under the Foncière des Murs transactions (see Note 2.A.2.1 and Note 39), Accor is committed to carrying out €106 million worth of work over the period 2005-2009 and Foncière des Murs is committed to carrying out €148 million worth of work over the same period. At December 31, 2009, €99 million worth of work was carried out by the Group. Moreover, the Group is required to pay the cost of maintaining the hotels over the period from January 1, 2009 to the first possible lease termination date (July 1, 2017). The costs to be paid by the Group may not represent less than a certain percentage of the hotels' revenues (4% for Ibis & Etap Hotel, 3.5% for Novotel & Sofitel, and 3% or 3.5% for Mercure).

In addition, under the Axa Reim transactions (see Note 2.A.2.1), Accor is committed to carry out €28 million worth of work in France and Switzerland.

Borrowing costs included in the carrying amount of property, plant and equipment at December 31, 2009 came to €8 million (€7 million at December 31, 2008). The capitalization rate used to determine the amount of borrowing costs eligible for capitalization was 4.74% (Group average borrowing cost at December 31, 2008).

Note 19.2. Finance leases

At December 31, 2009, the carrying amount of finance leases recognized in the balance sheet in net value is €92 million (December 31, 2008: €125 million), as follows:

(in million of euros)	Dec. 2008	Dec. 2009
Land	24	20
Buildings	160	126
Fixtures	66	63
Equipment and furniture	15	7
PROPERTY, PLANT AND EQUIPMENT, AT COST	**265**	**216**
Buildings	(81)	(75)
Fixtures	(46)	(47)
Equipment and furniture	(13)	(2)
CUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	**(140)**	**(124)**
PROPERTY, PLANT AND EQUIPMENT, NET	**125**	**92**

Finance lease liabilities can be analyzed as follows by maturity:

(in million of euros)	Debt non discounted
2009	151
2010	144
2011	131
2012	116
2013	104
2014	95
2015	78
2016	74
2017	70
2018	62
2019	53
2020	49
2021	45
2022	41
> 2023	38

NOTE 20. LONG-TERM LOANS

(in million of euros)	Dec. 2008	Dec. 2009
Gross value	96	127
Cumulated impairment losses	(18)	(20)
LONG-TERM LOANS, NET	**78**	**107**

(in million of euros)	Dec. 2008	Dec. 2009
Hotels, Asia-Pacific (1)	67	66
Other	11	41
TOTAL	**78**	**107**

(1) Loans to hotels in the Asia-Pacific region mainly include loans to Tahl (an Australian property company) for €61 million at December 31, 2009.

NOTE 21. INVESTMENTS IN ASSOCIATES

(in million of euros)	Dec. 2008	Dec. 2009
Accor Asia-Pacific subsidiaries [*]	94	120
Moroccan investment fund (RISMA) [1]	35	30
Société Hôtelière Paris Les Halles [2]	12	11
Egyptian investment fund	12	12
The Grand Real Estate (Sofitel The Grand, Hotels, Netherlands) [3]	10	7
Sofitel London St James (Hotels, United Kingdom)	4	5
Sofitel Hotels, USA (25%) (Note 2.A.2.2) [4]	(12)	(16)
Other	21	22
TOTAL	**176**	**191**

(*) The Asia-Pacific investments primarily include Interglobe Hotels Entreprises Limited for €28 million, development partnerships in India for €26 million, Ambassador Inc and Ambatel Inc (South Korea) for €15 million and Novotel Mumbai for €9 million.

(1) Key figures for the hotel investment fund in Morocco (Risma) are as follows:

Risma (Moroccan investment fund)

(in million of euros)	Dec. 2008	Dec. 2009
Revenue	98	82
Net profit (loss)	1	(13)
Net cash/ (Net debt)	(138)	(169)
Equity	94	81
Market capitalization	163	143
Total assets	278	323
% interest held	34.92%	34.92%

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

Société Hôtelière Paris Les Halles

(in million of euros)	Dec. 2008	Dec. 2009
Revenue	67	60
Net profit (loss)	12	(0)
Net cash/ (Net debt)	(77)	(107)
Equity	35	30
Market capitalization	N/A	N/A
Total assets	137	158
% interest held	31.19%	31.19%

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

The Grand Real Estate (Hotels, Netherlands) Sofitel The Grand

(in million of euros)	Dec. 2008	Dec. 2009
Revenue	11	8
Net profit (loss)	(4)	(7)
Net cash/ (Net debt)	(6)	(24)
Equity	16	11
Market capitalization	N/A	N/A
Total assets	28	41
% interest held	58.71%	58.71% (*)

This company was fully consolidated in 2007 and accounted for by the equity method in 2008 following a sale-and-management-back transaction.
(*) The percentage of control is 40%.

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

Sofitel Hotels USA

(in million of euros)	Dec. 2008	Dec. 2009
Revenue	167	140
Net profit (loss)	8	(2)
Net cash/ (Net debt)	(469)	(461)
Equity	(46)	(62)
Market capitalization	N/A	N/A
Total assets	481	445
% interest held	25.00%	25.00%

NOTE 22. OTHER FINANCIAL INVESTMENTS

(in million of euros)	Dec. 2008	Dec. 2009
Investments in non-consolidated companies (Available for sale financial assets)	157	126
Deposits (Loans and Receivables)	67	70
OTHER FINANCIAL INVESTMENTS, AT COST	**224**	**196**
Accumulated impairment losses	(75)	(66)
OTHER FINANCIAL INVESTMENTS, NET	**149**	**130**

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

Other financial investments break down as follows:

(in million of euros)	Dec. 2008	Dec. 2009
Club Mediterranée (1)	14	-
Other (2)	135	130
OTHER FINANCIAL INVESTMENTS, NET	**149**	**130**

(1) During 2009, Accor sold its entire remaining interest in Club Méditerranée (1,162,630 shares). At December 31, 2009, the Group no longer held any Club Méditerranée shares.
(2) Including shares in a French property company (Stone) for €17 million, shares in TAHL, an Australian property company, for €20 million, a €21 million deposit for Motel 6 hotel tranches 6 to 10 in the United States and a €10 million deposit concerning hotels in France that were sold in 2008.

NOTE 23. RECEIVABLES AND PAYABLES

Note 23.1. Trade receivables and related provision

(in million of euros)	Dec. 2008	Dec. 2009
Gross value	1,375	1,422
Provisions	(62)	(72)
NET	**1,313**	**1,350**

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

Note 23.2. Details of other receivables and accruals

(in million of euros)	Dec. 2008	Dec. 2009
Recoverable VAT	305	246
Prepaid wages and salaries and payroll taxes	9	10
Other prepaid and recoverable taxes (*)	24	275
Other receivables	345	427
Other prepaid expenses	159	177
OTHER RECEIVABLES AND ACCRUALS, AT COST	**842**	**1,135**
PROVISIONS	**(18)**	**(22)**
OTHER RECEIVABLES AND ACCRUALS, NET	**824**	**1,113**

(*) Including €242 million paid by CIWLT in February 2009 in settlement of a tax reassessment (see Note 38).

Note 23.3. Details of other payables

(in million of euros)	Dec. 2008	Dec. 2009
VAT payable	186	122
Wages and salaries and payroll taxes payable	490	460
Other taxes payable (*)	327	313
Other payables (*)	445	425
Deferred income	165	143
OTHER PAYABLES	**1,613**	**1,463**

(*) Including €192 million of "précompte" (see Note 38).

Note 23.4. Analysis of other receivables / payables' periods

(in million of euros) at December 31, 2009	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Dec. 2009	Dec. 2008
Inventories	60	-	-	60	103
Trade receivables	1,350	-	-	1,350	1,313
Recoverable VAT	174	72	-	246	305
Prepaid payroll taxes	10	-	-	10	9
Other prepaid and recoverable taxes	274	1	-	275	24
Other receivables	404	1	-	405	327
CURRENT ASSETS	**2,272**	**74**	**-**	**2,346**	**2,081**
Trade payables	706	3	-	709	765
VAT payable	122	-	-	122	186
Wages and salaries and payroll taxes payable	444	15	1	460	490
Other taxes payable	313	-	-	313	327
Other payables	423	1	1	425	445
CURRENT LIABILITIES	**2,008**	**19**	**2**	**2,029**	**2,213**

NOTE 24. POTENTIAL ORDINARY SHARES

Note 24.1. Number of potential shares

At December 31, 2009, the Company's share capital was made up of 225,458,199 ordinary shares. The average number of ordinary shares outstanding during the period was 222,890,385. **The number of outstanding shares at December 31, 2009 was 225,458,199.**

In addition, employee stock options exercisable for 9,485,318 ordinary shares, representing 4.21% of the capital, were outstanding at December 31, 2009 (see Note 24.3).

In 2008 and 2009, Accor also made performance share grants to members of senior management, with vesting conditions based on the Group's results:

- on March 28, 2008, Accor made 107,034 performance share grants, with vesting conditions based on the Group's 2008 and 2009 results (see Note 24.3). The performance targets were only partly met in 2008 and 2009, with the result that only 26,166 shares have vested;
- on March 31, 2009, Accor made 242,553 performance share grants, with vesting conditions based on the Group's 2009 and 2010 results (see Note 24.3). The performance targets were only partly met in 2009, with the result that only 116,653 shares have vested.

Conversion of all of the potential shares presented above would have the effect of increasing the number of shares outstanding to 235,086,336.

Note 24.2. Diluted earnings per share

Based on the above number of potential shares and the average Accor share price for 2009 of €32.57, the diluted weighted average number of shares outstanding in 2009 was 222,932,096. Diluted earnings per share were therefore calculated as follows:

(in million of euros)	Dec. 2008	Dec. 2009
Net profit, Group share	575	(282)
Weighted average number of ordinary shares *(in thousands)*	221,237	222,890
Number of shares resulting from the exercise of stock options *(in thousands)*	840	16
Number of shares resulting from performance shares grants *(in thousands)*	-	26
Fully diluted weighted average number of shares *(in thousands)*	222,077	222,932
DILUTED EARNINGS PER SHARE *(in euros)*	**2.59**	**(1.26)**

The following instruments that may have a dilutive impact on basic earnings per share in the future have not been included in the calculation of diluted earnings per share because they did not have a dilutive effect on 2009:

- all of the stock options outstanding under the plans 6, 7, 9, 10, 12, 13, 14, 15, 16, 17 and 18 in force at December 31, 2009;
- 116,653 performance shares granted under the 2009 plan, for which fulfilment of the related performance targets will be assessed at end-2010.

Note 24.3. Share-based payments

Stock option plans

Description of the main plans

The following table summarizes the characteristics of stock options outstanding at December 31, 2009, 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 *(in euros)*	Cash-settled or equity-settled
Plan 5	January 4, 2001	8 years	1,957,000	from 01/04/04 until 01/04/09	32	40.58	Equity
Plan 6	January 8, 2002	8 years	3,438,840	from 01/08/05 until 01/08/10	2,032	37.77	Equity
Plan 7 (*)	July 12, 2002	7 years	104,361	from 07/12/05 until 07/12/09	3,890	39.10	Equity
Plan 8	January 3, 2003	8 years	148,900	from 01/04/06 until 01/03/11	67	31.83	Equity
Plan 9	January 7, 2004	8 years	1,482,900	from 01/08/07 until 01/07/12	1,517	35.68	Equity
Plan 10 (*)	July 9, 2004	8 years	88,131	from 07/09/07 until 07/09/12	3,390	33.94	Equity
Plan 11	January 12, 2005	7 years	1,298,950	from 01/13/09 until 01/12/12	903	32.42	Equity
Plan 12	January 9, 2006	7 years	1,231,200	from 01/10/10 until 01/09/13	191	46.15	Equity
Plan 13	March 24, 2006	7 years	666,950	from 03/25/10 until 03/24/13	818	49.10	Equity
Plan 14	March 22, 2007	7 years	1,492,845	from 03/23/11 until 03/22/14	958	68.65	Equity
Plan 15	May 14, 2007	7 years	95,000	from 05/15/11 until 05/14/14	11	71.72	Equity
Plan 16 (*)	September 13, 2007	8 years	1,403	from 09/13/10 until 09/13/15	40	60.44	Equity
Plan 17	March 28, 2008	7 years	1,409,400	from 03/29/12 until 03/28/15	1,022	46.46	Equity
Plan 18	September 30, 2008	7 years	75,000	from 10/01/12 until 09/30/15	6	42.70	Equity
Plan 19	March 31, 2009	8 years	969,965	from 04/01/13 until 03/31/17	1,138	27.45	Equity

(*) Plans 7, 10 and 16 are stock savings warrants.

Stock options granted under Plan 15 are performance options. The stock options vest in four equal tranches in each of the years 2007 to 2010 based on the attainment of performance targets expressed in terms of growth in the Accor Group's return on capital employed (ROCE) and profit after tax and before non-recurring items.

If the performance targets are met at the end of each year, grantees will receive one quarter of the stock options included in the initial grant. If only one of the two targets is met, they will receive one eighth of the options.

For all of the stock options to vest, ROCE and profit after tax and before non-recurring items will have to increase by around 10% or more per year. If ROCE and profit after tax and before non-recurring items increase by less than 10% (but more than 0%), the number of vested options will be reduced based on the ratio between the actual increase and 10%.

The performance criteria were met in 2007. The performance criteria were only partially met in 2008 and 2009 leading to the cancellation of 26,713 options.

Changes in outstanding stock options during 2008 and 2009 are as follows:

	December 31, 2008		December 31, 2009	
	Number of options	Weighted average exercise price *(in euros)*	Number of options	Weighted average exercise price *(in euros)*
OPTIONS OUTSTANDING AT BEGINNING OF PERIOD	**8,472,298**	**44.71**	**9,591,890**	**45.16**
Options granted	1,485,803	46.28	969,965	27.45
Options cancelled or expired	(163,253)	42.50	(871,188)	43.03
Options exercised	(202,958)	36.81	(205,349)	37.02
OPTIONS OUTSTANDING AT END OF PERIOD	**9,591,890**	**45.16**	**9,485,318**	**43.72**
OPTIONS EXERCISABLE AT END OF PERIOD	**3,396,422**	**37.42**	**3,771,273**	**35.20**

Outstanding options at December 31, 2009 are as follows:

	Exercise price *(in euros)*	Number of outstanding options	Remaining life of the options
Plan 6	37.77	1,239,636	8 days
Plan 8	31.83	55,650	1 year
Plan 9	35.68	1,147,361	2 years
Plan 10	33.94	83,510	2.5 years
Plan 11	32.42	1,245,116	2 years
Plan 12	46.15	1,211,400	3 years
Plan 13	49.10	639,050	3.3 years
Plan 14	68.65	1,417,805	4.3 years
Plan 15	71.72	68,287	4.5 years
Plan 16	60.44	1,403	5.8 years
Plan 17	46.46	1,366,350	5.3 years
Plan 18	42.70	75,000	5.8 years
Plan 19	27.45	934,750	7.3 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 twelve plans set up from 2003 to December 2009.

The fair value of these options at the grant date has been determined using the Black & Scholes option-pricing model.

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

	Plan 8	Plan 9	Plan 10	Plan 11	Plan 12	Plan 13
Accor share price at the option grant date	30.50 €	35.18 €	33.71 €	31.64 €	49.80 €	48.30 €
Option exercise price	31.83 €	35.68 €	33.94 €	32.42 €	46.15 €	49.10 €
Expected volatility (*)	39.58%	39.68%	39.18%	37.64%	35.36%	34.60%
Contractual life of the options	8 years	8 years	8 years	7 years	7 years	7 years
Expected share yield (**)	3.54%	3.44%	3.55%	2.94%	3.13%	3.74%
Fair value of options (***)	8.91 €	10.52 €	10.07 €	8.48 €	14.11 €	12.57 €

	Plan 14	Plan 15	Plan 16	Plan 17	Plan 18	Plan 19
Accor share price at the option grant date	70.95 €	70.45 €	62.35 €	47.10 €	37.12 €	25.49 €
Option exercise price	68.65 €	71.72 €	60.44 €	46.46 €	42.70 €	27.45 €
Expected volatility (*)	31.73%	31.60%	27.57%	27.87%	26.72%	31.91%
Contractual life of the options	7 years	7 years	8 years	7 years	7 years	8 years
Expected share yield (**)	3.94%	4.25%	4.15%	3.84%	4.03%	2.63%
Fair value of options (***)	20.38 €	19.36 €	16.66 €	11.55 €	7.00 €	5.78 €

(*) Weighted volatility based on exercise periods.
(**) Expected share yield based on exercise periods.
(***) Fair value of options based on exercise periods.

The dividend rate used to measure the fair value of options is :

- 3.03% for plans 8, 9, 10;
- 3.22% for plans 11, 12, 13;
- 2.29% for plans 14, 15, 16;and
- 2.53% for plans 17, 18 and 19.

These rates correspond to the average payout rate for the previous two or three years.

Maturities of stock options

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

- 35% of options exercised after 4 years;
- 20% of options exercised after 5 years;
- 35% of options exercised after 6 years;
- 5% of options exercised after 7 years – 10% for plans 11, 12, 13, 14, 15, 17 and 18;
- 5% of options exercised after 8 years.

Maturities stock options correspond to the options' expected lives.

Share price volatility

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

Cost of share-based payments recognized in the accounts

The total cost recognized in employee benefits expense by adjusting equity in respect of share-based payments amounted to €20 million at December 31, 2009 (December 31, 2008: €22 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

2007 Plan

On May 14, 2007, Accor granted 56,171 performance shares to senior executives and certain employees.

The performance shares are subject to vesting conditions based on growth in Accor's return on capital employed (ROCE) and profit after tax and before non-recurring items for each of the years 2007 and 2008. Half of the shares vested in each year if both performance targets are met. If only one of the performance targets is met, a quarter of the shares vested.

For all of the shares to vest, ROCE and profit after tax and before non-recurring items had to increase by around 10% or more per year. If ROCE and profit after tax and before non-recurring items increased by less than 10% (but more than 0%), the number of vested shares reduced based on the ratio between the actual increase and 10%.

The shares are subject to a two-year lock-up.

The cost of the performance share plan – corresponding to the fair value of the share grants – amounted to €4 million and was being recognized on a straight-line basis over the vesting period under "Employee benefits expense" with a corresponding adjustment to equity. The fair value of the share grants was measured as the average of the Accor share prices for the twenty trading days preceding the grant date multiplied by the number of shares granted under the plan.

At December 31, 2007

The performance targets were met in 2007.

At December 31, 2008

In 2008, only one of the two performance criteria was met, leading to a reduction in the fair value of the share grants to €3.7 million

At December 31, 2009

The vesting period for the shares under this plan expired on May 14, 2009. As the related performance targets had been met, 49,804 shares were awarded to the grantees who were still part of the Group at that date.

The final fair value of the plan came to €3.5 million at the end of the vesting period.

2008 Plan

On March 28, 2008, Accor granted 107,034 performance shares to senior executives and certain employees.

The performance shares are subject to vesting conditions based on growth in Accor's return on capital employed (ROCE) and profit after tax and before non-recurring items for each of the years 2008 and 2009. Half of the shares will vest in each year if both performance targets are met. If only one of the performance targets is met, a quarter of the shares will vest.

For all of the shares to vest, ROCE and profit after tax and before non-recurring items will have to increase by around 10% or more per year. If ROCE and profit after tax and before non-recurring items increase by less than 10% (but more than 0%), the number of vested shares will be reduced based on the ratio between the actual increase and 10%.

The shares are subject to a two-year lock-up.

The cost of the performance share plan – corresponding to the fair value of the share grants – amounted to €5 million and was being recognized on a straight-line basis over the vesting period under "Employee benefits expense" with a corresponding adjustment to equity. The fair value of the share grants was measured as the average of the Accor share prices for the twenty trading days preceding the grant date multiplied by the number of shares granted under the plan.

At December 31, 2008

In 2008, only one of the two performance criteria was met, leading to a reduction in the fair value of the share grants to €1.2 million, reflecting the expectation that performance criteria would not be met in 2009.

At December 31, 2009

In 2009, the performance criteria were not met.

The fair value of the share grants was unchanged at €1.2 million, of which €0.6 million was recognized in the 2009 financial statements.

2009 Plan

On March 31, 2009, Accor granted 242,553 performance shares to senior executives and certain employees. Of these:

- 201,194 have a two-year vesting period followed by a two-year lock-up period;
- 41,359 have a four-year vesting period with no subsequent lock-up period.

The performance shares are subject to vesting conditions based on growth in Accor's return on capital employed (ROCE) and profit after tax and before non-recurring items for each of the years 2009 and 2010. Half of the shares will vest in each year if both performance targets are met. If only two of the performance targets are met, around a third of the shares will vest. If only one of the performance targets is met, around a sixth of the shares will vest.

For all of the shares to vest, ROCE, revenue and profit after tax and before non-recurring items will have to increase by around 10% or more per year. If ROCE, revenue and profit after tax and before non-recurring items increase by less than 10% (but more than 0%), the number of vested shares will be reduced based on the ratio between the actual increase and 10%.

The fair value of these share-based payments – representing €5.8 million on March 31, 2009 – is recognized on a straight-line basis over the vesting period of the performance shares in employee benefits expense, with a corresponding adjustment to equity. This fair value is based on Accor's opening share price on the grant date less the present value of unpaid dividends multiplied by the number of shares issued.

At December 31, 2009

In 2009, the performance criteria were not met. This led to a reduction in the fair value of the share grants to €2.9 million. Plan costs recognized in 2009 amounted to €1 million.

NOTE 25. CUMULATIVE UNREALIZED GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

(in million of euros)	Dec. 2008	Dec. 2009
OCEANE convertible bonds	-	-
Equity notes	-	-
Mutual fund units	-	-
Interest rate and currency swaps	(6)	(12)
Fair value adjustments to non-consolidated investments	-	-
Fair value adjustments to available-for-sale investments	-	-
IMPACT ON EQUITY	**(6)**	**(12)**

Fair value adjustments to financial instruments recognized in equity

(in million of euros)	Dec. 2008	Dec. 2009
Available for sale Financial Assets	(66)	-
Gains (losses) recognised in Equity during the period [(1)]	(66)	-
Gains (losses) reclassified to profit or loss	-	-
Cash flow hedges	(6)	(6)
Gains (losses) recognised in Equity during the period	(6)	(6)
Gains (losses) reclassified to profit or loss	-	-
CHANGES IN RESERVE	**(72)**	**(6)**

(1) This corresponds to adjustments to the equity component of the OCEANE convertible bonds.

The equity component of the €570 million 2002 OCEANEs initially amounted to €50 million and that of the €616 million 2003 OCEANEs initially amounted to €75 million.

The negative amount of €66 million corresponds to the adjustments to the equity component recorded as the OCEANEs were converted or redeemed. The last OCEANEs were redeemed in full at the beginning of 2008.

NOTE 26. MINORITY INTERESTS

(in million of euros)	
AT DECEMBER 31, 2007	**61**
Minority interests in profit for the period	38
Dividends paid to minority interests	(22)
Translation adjustment	(45)
Changes in scope of consolidation [1]	226
AT DECEMBER 31, 2008	**258**
Minority interests in profit for the period	17
Dividends paid to minority interests	(34)
Translation adjustment	3
Changes in scope of consolidation	13
AT DECEMBER 31, 2009	**257**

(1) The main change for the year concerned the full consolidation of the Orbis subsidiaries following the acquisition of a further 4.53% stake in the sub-group during the second half of 2008. Orbis was previously accounted for by the equity method. Minority interests in Orbis subsidiaries amounted to €179 million at December 31, 2008.

NOTE 27. COMPREHENSIVE INCOME

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

	Dec. 2008			Dec. 2009		
(in million of euros)	Before tax	Income tax expense	Net of tax	Before tax	Income tax expense	Net of tax
Currency translation adjustment	(267)	-	(267)	167	-	167
Change in fair value resulting from “Available-for-sale financial assets”	1	-	1	-	-	-
Effective portion of gains and losses on hedging instruments in a cash flow hedge	(6)	-	(6)	(6)	-	(6)
Actuarial gains and losses on defined benefits plans	(6)	2	(4)	(4)	1	(3)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	-	-	-	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME	**(278)**	**2**	**(276)**	**157**	**1**	**158**

Comprehensive income can be reconciled with net profit for the period as follows:

(in million of euros)	Dec. 2008	Dec. 2009
Currency translation adjustment	-	-
Change in fair value resulting from «Available-for-sale financial assets»	(23)	-
Effective portion of gains and losses on hedging instruments in a cash flow hedge	-	-
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	-	-
TOTAL RECLASSIFICATION ADJUSTMENTS	**(23)**	**-**

NOTE 28. DEBT BY CURRENCY AND MATURITY

Note 28.A., Long and short-term debt

Long and short-term debt at December 31, 2009 breaks down as follows by currency and interest rate after hedging transactions:

		Effective rate 2008		Effective rate 2009
(in million of euros)	Dec. 2008	%	Dec. 2009	%
EUR	1,595	4.61	2,151	5.73
CNY	79	4.75	94	4.77
PLN	100	7.20	82	4.30
AUD	43	5.54	41	4.57
USD	50	2.01	12	1.28
Other currencies (1)	114	5.14	133	3.31
LONG AND SHORT-TERM BORROWINGS	**1,981**	**4.74**	**2,513**	**5.48**
Long and short-term finance lease liabilities	180	-	151	-
Purchase commitments	65	-	20	-
Changes in fair value of financial liabilities	-	-	-	-
Liability derivatives	87	-	21	-
Other short-term financial liabilities and bank overdrafts	62	-	143	-
LONG AND SHORT-TERM DEBT	**2,375**	**-**	**2,848**	**-**

(1) Including about JPY €28 million and CHF €23 million as at December 31, 2009

(in million of euros)	Dec. 2008	Dec. 2009
Long-term debt	2,088	2,475
Short-term debt	287	373
TOTAL LONG AND SHORT-TERM DEBT	**2,375**	**2,848**

Note 28.B. Maturities of debt

At December 31, 2009, maturities of debt were as follows:

(in million of euros)	Dec. 2008	Dec. 2009
Year Y+1	287	373
Year Y+2	70	209
Year Y+3	168	302
Year Y+4	1,326	949
Year Y+5	346	627
Year Y+6	18	23
Beyond	160	365
TOTAL LONG AND SHORT-TERM DEBT	**2,375**	**2,848**

This analysis of debt by maturity over the long-term is considered as providing the most meaningful liquidity indicator. In the above presentation, all derivatives are classified as short-term. Borrowings and short-term investments denominated in foreign currencies have been translated into euros at the rate on the balance sheet date. The breakdown of interest rate and currency hedging instruments by maturity is disclosed in Note 28.E on Financial instruments.

At December 31, 2009, Accor had several unused confirmed lines of credit with maturities of more than one year, for a total of €2,530 million, expiring between February 2011 and August 2013. The Group intends to roll over its short-term facilities which have therefore been reclassified as long-term debt in an amount of €218 million. Excluding these reclassifications, unused confirmed undrawn long-term lines of credit amount to €2,312 million.

2009 financial costs amounted to €132 million. Future financial costs are estimated at €485 million for the period from January 2010 to December 2013 and €76 million thereafter.

2008 financial costs amounted to €86 million. Future financial costs were estimated at €307 million for the period from December 2008 to December 2012 and €11 million thereafter.

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

Note 28.C. Long and short-term debt before and after hedging

At December 31, 2009, long and short-term debt breaks down as follows before hedging transactions:

	Total debt		
(in million of euros)	Amount	Rate	% of total debt
EUR	2,253	5.17%	90%
CNY	94	4.77%	4%
PLN	78	4.29%	3%
AUD	4	7.52%	0%
USD	1	4.94%	0%
Other currencies	83	4.41%	3%
TOTAL LONG AND SHORT-TERM DEBT	**2,513**	**5.11%**	**100%**

Long and short-term debt after currency and interest rate hedging breaks down as follows at December 31, 2009:

	Total debt		
(in million of euros)	Amount	Rate	% of total debt
EUR	2,151	5.73%	86%
CNY	94	4.77%	4%
PLN	82	4.30%	3%
AUD	41	4.57%	2%
USD	12	1.28%	0%
Other currencies	133	3.31%	5%
TOTAL LONG AND SHORT-TERM DEBT	**2,513**	**5.48%**	**100%**

Note 28.D. Long and short-term debt by interest rate after hedging

	Total debt	
(in million of euros)	Amount	Rate
December 2008	1,981	4.74%
December 2009	2,513	5.48%

At December 31, 2009, 73% of long and short-term debt was fixed rate, with an average rate of 6.61%, and 27% was variable rate, with an average rate of 2.38%.

At December 31, 2009, fixed rate debt was denominated primarily in EUR (99%), while variable rate debt was denominated mainly in EUR (50%), CNY (14%) and PLN (12%).

None of the Group's loan agreements contain any rating triggers or cross-default clauses. Cross acceleration clauses only concern loans for periods of at least three years and they would be triggered only for similar loans representing a significant amount.

Note 28.E. Financial instruments

1. Currency hedges

The following tables analyze the nominal amount of currency hedges by maturity and the carrying amount of these instruments in the balance sheet, corresponding to their fair value, at December 31, 2009:

Forward sales and currency swaps *(in million of euros)*	Maturity 2010	Maturity 2011	December 31, 2009 Nominal amount	December 31, 2009 Fair value
USD	11	-	11	-
AUD	38	-	38	1
JPY	28	-	28	-
Other	26	-	26	-
FORWARD SALES	**103**	**-**	**103**	**1**

Forward purchases and currency swaps *(in million of euros)*	**Maturity 2010**	**Maturity 2011**	**December 31, 2009 Nominal amount**	**December 31, 2009 Fair value**
GBP	368	-	368	(1)
SEK	87	-	87	(1)
USD	42	-	42	(2)
MXN	51	-	51	(1)
CHF	22	-	22	-
Other	85	-	85	(1)
FORWARD PURCHASES	**655**	**-**	**655**	**(6)**
TOTAL CURRENCY HEDGING	**758**	**-**	**758**	**(5)**

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

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

At December 31, 2009, currency instruments had a positive fair value of €5 million.

2. Interest rate hedges

The following tables analyze the notional amount of interest rate hedges by maturity and the carrying amount of these instruments in the balance sheet, corresponding to their fair value, at December 31, 2009:

(in million of euros)	**2010**	**2011**	**2012**	**Beyond**	**December 31, 2009 Notional amount**	**December 31, 2009 Fair value**
EUR: Fixed-rate borrower swaps and caps	-	-	-	356	356	20
INTEREST RATE HEDGES	**-**	**-**	**-**	**356**	**356**	**20**

The "notional amount" corresponds to the amount covered by the interest rate hedge. "Fair value" corresponds to the amount that would be payable or receivable if the positions were unwound on the market.

All the interest rate instruments listed above are used for hedging purposes.

At December 31, 2009, interest rate instruments had a negative fair value of €20 million.

3. Fair value of financial instruments

The carrying amount and fair value of financial instruments at December 31, 2009 are as follows:

(in million of euros)	December 31, 2009 Carrying amount	December 31, 2009 Fair value
Financial Liabilities	2,848	2,978
Bonds [1]	1,440	1,570
Bank borrowings	805	805
Finance lease liabilities	151	151
Other financial liabilities	431	431
Interest rate derivatives (Cash Flow Hedge) [2]	20	20
Currency derivatives (Fair Value Hedge) [2]	1	1
FINANCIAL ASSETS	**(1,224)**	**(1,224)**
Marketable securities [3]	(1,006)	(1,006)
Cash	(152)	(152)
Other	(60)	(60)
Interest rate derivatives (Cash Flow Hedge) [2]	-	-
Currency derivatives (Fair Value Hedge) [2]	(6)	(6)
NET DEBT	**1,624**	**1,754**

(1) The fair value of listed bonds corresponds to their quoted market value on the Luxembourg Stock Exchange and on Bloomberg on the last day of the period.

(2) The fair value of derivative instruments (interest rate and currency swaps and forward contracts) is determined by reference to the market price that the Group would pay or receive to unwind the contracts (level 2 valuation technique).

(3) Marketable securities break down as follows:

(in million of euros)	December 31, 2009 Carrying amount	December 31, 2009 Fair value
Bonds and other negotiable debt securities [a]	(125)	(125)
Money market securities [b]	(866)	(866)
Mutual fund units convertible into cash in less than three months [*] [c]	(12)	(12)
Other	(3)	(3)
TOTAL MARKETABLE SECURITIES	**(1,006)**	**(1,006)**

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

(a) Held to maturity investments.

(b) Loans and receivables issued by the Group.

(c) Held for sale financial assets.

Note 28.F. Financial Risk Management

The Group's risk management objectives, policies and procedures (liquidity risk, credit risk, interest risk and equity risk) are described in the Management Report, which also includes interest rates and currency rates sensibility analyses.

Note 28.G. Credit rating

At December 31, 2009, Accor credit ratings were as follows:

Rating Agency	Long-term debt	Short-term Debt	Last update of the rating	Outlook	Last update of the outlook
Standard & Poor's	BBB	A-3	July 9, 2009	*Credit Watch Negative*	September 10, 2009
Fitch Ratings	BBB-	F3	July 2, 2009	*Rating Watch Evolving*	August 28, 2009

NOTE 29. NET DEBT AND NET CASH

(in million of euros)	Dec. 2008	Dec. 2009
Other long-term financial debt (1)	1,927	2,332
Long-term finance lease liabilities	161	143
Short-term borrowings	165	285
Bank overdrafts	35	67
Liabilities derivatives	87	21
TOTAL DEBT	**2,375**	**2,848**
Short-term loans	(34)	(17)
Marketable securities (2)	(1,054)	(1,006)
Cash	(194)	(152)
Asset derivatives	(5)	(6)
Short-term receivables on disposals of assets	(16)	(43)
FINANCIAL ASSETS (3)	**(1,303)**	**(1,224)**
NET DEBT	**1,072**	**1,624**

(1) See Note 2.D.
(2) See Note 28.E.
(3) Included €743 million related to Prepaid Services compared with €804 million at December 31, 2008.

(in million of euros)	Dec. 2008	Dec. 2009
NET DEBT AT BEGINNING OF PERIOD	**204**	**1,072**
Change in long-term debt	896	387
Change in short-term financial liabilities	37	120
Cash and cash equivalents change	(37)	74
Reclassifications	(28)	(29)
CHANGES FOR THE PERIOD	**868**	**552**
NET DEBT AT END OF PERIOD	**1,072**	**1,624**

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

(in million of euros)	Dec. 2008	Dec. 2009
BALANCE SHEET CASH AND CASH EQUIVALENTS	**1,253**	**1,164**
Bank overdrafts	(35)	(67)
Derivatives included in liabilities	(87)	(21)
CASH FLOW STATEMENT CASH AND CASH EQUIVALENTS	**1,131**	**1,076**

NOTE 30. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES UNDER IFRS 7

The classification of fair values by level of hierarchy is required by the standard IFRS 7 only for assets and liabilities recognized at fair value in the balance sheet. Nevertheless, this information is detailed for all the financial assets and liabilities of the group Accor so that the amounts of fair value presented below are comparable with those of the note 28. E.

At December 31, 2008, and December 31, 2009, financial assets and liabilities broke down as follows by category:

	Category in the balance-sheet						Fair value			
At December 31, 2008 *(in million of euros)*	Cash and cash equivalents	Loans	Receivables on disposals of assets	Other financial invest-ments	Trade recei-vables	Carrying amount	Level 1 valua-tion tech-nique(*)	Level 2 valua-tion tech-nique(*)	Level 3 valua-tion tech-nique(*)	Fair value of the class
HELD TO MATURITY FINANCIAL ASSETS						**181**				**181**
Bonds and other negotiable debt securities	181					181		181		181
LOANS AND RECEIVABLES						**2,368**				**2,368**
Short-term loans		34				34		34		34
Long-term loans		78				78		78		78
Receivables on disposals of assets			16			16		16		16
Deposits				66		66		66		66
Trade receivables					1,313	1,313		1,313		1,313
Money Market securities	858					858		858		858
Other	3					3		3		3
AVAILABLE FOR SALE FINANCIAL ASSETS						**94**				**94**
Investments in non-consolidated companies				82		82			82	82
Mutual fund units convertible into cash	12					12	12			12
Other										
FINANCIAL ASSETS AT FAIR VALUE						**5**				**5**
Interest rate derivatives	5					5		5		5
Currency derivatives										
CASH AT BANK	**194**					**194**		**194**		**194**
FINANCIAL ASSETS AT DECEMBER 31, 2008	**1,253**	**112**	**16**	**148**	**1,313**	**2,842**	**12**	**2,748**	**82**	**2,842**

At December 31, 2009 *(in million of euros)*	Category in the balance-sheet						Fair value			
	Cash and cash equivalents	Loans	Receivables on disposals of assets	Other financial invest-ments	Trade recei-vables	Carrying amount	Level 1 valua-tion tech-nique (*)	Level 2 valua-tion tech-nique (*)	Level 3 valua-tion tech-nique (*)	Fair value of the class
HELD TO MATURITY FINANCIAL ASSETS						**125**				**125**
Bonds and other negotiable debt securities	125					125		125		125
LOANS AND RECEIVABLES						**2,456**				**2,456**
Short-term loans		17				17		17		17
Long-term loans		107				107		107		107
Receivables on disposals of assets			43			43		43		43
Deposits				70		70		70		70
Trade receivables					1,350	1,350		1,350		1,350
Money Market securities	866					866		866		866
Other	3					3		3		3
AVAILABLE FOR SALE FINANCIAL ASSETS						**72**				**72**
Investments in non-consolidated companies				60		60			60	60
Mutual fund units convertible into cash	12					12	12			12
FINANCIAL ASSETS AT FAIR VALUE						**6**				**6**
Interest rate derivatives						-		-		-
Currency derivatives	6					6		6		6
CASH AT BANK	**152**					**152**		**152**		**152**
FINANCIAL ASSETS AT DECEMBER 31, 2009	**1,164**	**124**	**43**	**130**	**1,350**	**2,811**	**12**	**2,739**	**60**	**2,811**

At December 31, 2008 (*in million of euros*)	Category in the balance-sheet						Fair value			
	Bank over-drafts	**Other long-term financial debt**	**Short-term debt**	**Long-term finance lease liabilities**	**Trade payables**	**Carrying amount**	**Level 1 valua-tion tech-nique[*]**	**Level 2 valua-tion tech-nique[*]**	**Level 3 valua-tion tech-nique[*]**	**Fair value of the class**
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS						**87**				**87**
Currency derivatives	74					74		74		74
Interest rate derivatives	13					13		13		13
FINANCIAL LIABILITIES AT AMORTISED COST						**3,018**				**3,018**
Convertible bonds/ Equity Notes		-				-		-		-
Bank Borrowings		1,927				1,927		1,927		1,927
Finance lease liabilities			19	161		180		180		180
Other debts			146			146		146		146
Trade payables					765	765		765		765
CASH AT BANK	**35**					**35**		**35**		**35**
FINANCIAL LIABILITIES AT DECEMBER 31, 2008	**122**	**1,927**	**165**	**161**	**765**	**3,140**	**0**	**3,140**	**0**	**3,140**

At December 31, 2009 (*in million of euros*)	Category in the balance-sheet						Fair value			
	Bank over-drafts	**Other long-term financial debt**	**Short-term debt**	**Long-term finance lease liabilities**	**Trade payables**	**Carrying amount**	**Level 1 valua-tion tech-nique [*]**	**Level 2 valua-tion tech-nique [*]**	**Level 3 valua-tion tech-nique [*]**	**Fair value of the class**
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS						**21**				**21**
Currency derivatives	1					1		1		1
Interest rate derivatives	20					20		20		20
FINANCIAL LIABILITIES AT AMORTISED COST						**3,469**				**3,599**
Other bonds	-					-	-			-
Convertible bonds/ Equity Notes		1,440				1,440	1,570			1,570
Bank Borrowings		673	132			805		805		805
Finance lease liabilities			8	143		151		151		151
Other debts		219	145			364		364		364
Trade payables					709	709		709		709
CASH AT BANK	**67**					**67**		**67**		**67**
FINANCIAL LIABILITIES AT DECEMBER 31, 2009	**88**	**2,332**	**285**	**143**	**709**	**3,557**	**1,570**	**2,117**	**0**	**3,687**

(*) The fair value hierarchies have the following levels:
(a) Level 1: fair value measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities;
(b) Level 2: fair value measured by reference to inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
(c) Level 3: fair value measured by reference to inputs for the asset or liability that are not based on observable data (unobservable inputs).

For cash and cash equivalents, trade receivables, receivables on disposals of assets, loans, deposits, held to maturity investments, trade payables, other debts and finance lease liabilities, Accor considers their carrying amount to be the best proxy for market value.

The methods used to measure the fair value of derivative instruments, mutual fund unit convertible into cash and bonds are described in Note 28.

The method used to measure the fair value of investments in non-consolidated companies is described in Note 1.N.1.

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

NOTE 31. ASSETS AND LIABILITIES HELD FOR SALE

(in million of euros)	Dec. 2008	Dec. 2009
DISPOSAL GROUPS CLASSIFIED AS «HELD FOR SALE» (d)	**-**	**14**
Hotels to be sold to investors (France) (a)	3	80
Hotels to be sold in United States (b)	26	26
Hotels to be sold in Italy (c)	-	18
Hotels to be sold in Switzerland (e)	-	3
Hotels to be sold in Germany (f)	2	-
Other (g)	5	3
TOTAL NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	**36**	**130**
TOTAL ASSETS CLASSIFIED AS HELD FOR SALE	**36**	**144**
TOTAL LIABILITIES CLASSIFIED AS HELD FOR SALE (d)	**-**	**4**

(a) During second-half 2008, in line with the asset management policy, the Group decided to sell five hotel properties in France. In accordance with IFRS 5, the €3 million carrying amount of these hotels was reclassified in the consolidated balance sheet at December 31, 2008 under "Assets held for sale".

At December 31, 2009, in line with the asset management policy the Group plans to sell five units and one spa in France. In accordance with IFRS 5, the €80 million carrying amount of these assets was reclassified in the consolidated balance sheet at December 31, 2009 under "Assets held for sale".

(b) During 2008, in line with the asset management policy, the Group decided to sell 17 Motel 6 units and one Studio 6 unit. In accordance with IFRS 5, the €26 million carrying amount of these hotels was reclassified under "Assets held for sale".

At December 31, 2009, in line with the asset management policy, the Group plans to sell 24 Motel 6 units and one Studio 6 unit. In accordance with IFRS 5, the €26 million carrying amount of these hotels was reclassified in the consolidated balance sheet at December 31, 2009 under "Assets held for sale".

(c) At December 31, 2009, in line with the asset management policy, the Group plans to sell 2 hotel properties in Italy. In accordance with IFRS 5, the €18 million carrying amount of these hotels was reclassified in the consolidated balance sheet at December 31, 2009 under "Assets held for sale".

(d) At December 31, 2009, in line with the asset management policy, the Group plans to sell 6 hotel properties in China. In accordance with IFRS 5, the €14 million carrying amount of these assets and the €4 million carrying amount of these liabilities were reclassified in the consolidated balance sheet at December 31, 2009 under "Assets held for sale" and "Liabilities of assets classified as held for sale".

(e) At December 31, 2009, in line with the asset management policy, the Group plans to sell 1 hotel property in Switzerland. In accordance with IFRS 5, the €3 million carrying amount of this hotel was reclassified in the consolidated balance sheet at December 31, 2009 under "Assets held for sale".

(f) At December 31, 2008, in line with the asset management policy, the Group planned to sell a land in Germany. In accordance with IFRS 5, the €2 million carrying amount of this land was reclassified in the consolidated balance sheet under "Assets held for sale". The sale of this asset did not go through and it was therefore reclassified as "Property, plant and equipment" at December 31, 2009.

(g) At December 31, 2008, the Group planned to sell its food preparation facility in Fresnes, France to Lenôtre. In accordance with IFRS 5, the €3 million carrying amount of this asset was reclassified in the consolidated balance sheet under "Assets held for sale". The asset was sold in 2009 for €3 million.

NOTE 32. PROVISIONS

Movements in long-term provisions between December 31, 2008 and December 31, 2009 can be analyzed as follows:

(in million of euros)	December 31, 2008	Equity impact (*)	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope (*)	December 31, 2009
Provisions for pensions	101	6	14	(7)	(9)	1	2	108
Provisions for loyalty bonuses	30	-	5	(3)	(9)	1	-	24
TOTAL LONG-TERM PROVISIONS	**131**	**6**	**19**	**(10)**	**(18)**	**2**	**2**	**132**

(*) See Note 32.C.

Movements in short-term provisions between December 31, 2008 and December 31, 2009 can be analyzed as follows:

(in million of euros)	December 31, 2008	Equity impact	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope	December 31, 2009
Tax provisions	17	-	3	(5)	(2)	1	8	22
Restructuring provisions	47	-	35	(31)	(6)	1	(1)	45
Provisions for claims and litigation and others contingencies	127	-	98	(27)	(26)	3	-	175
TOTAL SHORT-TERM PROVISIONS	**191**	**-**	**136**	**(63)**	**(34)**	**5**	**7**	**242**

At December 31, 2009, ordinary provisions for claims and litigation and others include:

- €31 million provisions for various claims;
- €32 million provision for employee-related claims;
- a contingency provision in Venezuela (see Note 15).

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

(in million of euros)	Dec. 2008	Dec. 2009
EBIT	3	1
Finance cost, net	(3)	10
Provision for losses on hotel properties	(21)	5
Provision on other assets and restructuring provisions	(18)	15
Provision for tax	(17)	(1)
TOTAL	**(56)**	**30**

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 (55% of the obligation), in the Netherlands (16% of the obligation) and in Italy (7% 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								
2009	**France**	**Netherlands**	**United Kingdom**	**Germany**	**Belgium**	**Italy**	**Switzerland**	**Poland**	**Worldwide Structures**	**Other countries**
Retirement age	65 years	65 years	65 years	65 years	65 years	65 years	64-65 years	60-65 years	65 years	55-65 years
Rate of future salary increases	3.0%	3.0%	3.0%	3.0%	3.0%	2.5%-3.5%	2.0%	3.0%	3%-4%	2%-10%
Payroll tax rate	46%	23%	13%	22%	36%	29%	17%	40%	46%	9%-45%
Discount rate	5.00%	5.00%	5.60%	5.00%	5.00%	5.00%	3.00%	5.50%	5.00%	4% - 8.68%
Expected Rates of return on 2009 plan assets	2.20%-4.5%	4%-5%	5.5%	4.0%	4.5%	N/A	N/A	N/A	4.5%	N/A
Expected Rates of return on 2010 plan assets	2.20%-4.5%	4%-5.5%	5.5%	4.0%	4.5%	N/A	4.3%	N/A	4.5%	N/A

The assumptions concerning the expected return on plan assets and the discount rate applied to calculate the present value of benefit obligations were determined based on the recommendations of independent experts. The discount rate is based on an analysis of investment grade corporate bond yields in each region. The calculation method is designed to obtain a discount rate that is appropriate in light of the timing of cash flows under the plan.

The Accor Group's pension obligations are funded under insured plans or by external funds. Plan assets therefore consist mainly of the classes of assets held in insurers' general portfolios managed according to conservative investment strategies. As a result, the expected long-term return on plan assets is estimated on the basis of the guaranteed yield offered by the insurance companies, ranging from 3.00% to 3.25% depending on the country, plus a spread of 100 to 125 basis points. This method takes into account the techniques used by insurance companies to smooth investment yields and ensures that yield assumptions are reasonable (i.e. below the rates of AA-rated corporate bonds).

The French Social Security Financing Act for 2008 provided for an additional tax levy payable on retirement bonuses in the event of compulsory retirement before the age of 65. This additional tax is 25% in 2008 and 50% as of 2009. The Act also discontinued the favourable tax and social security regime for retirement bonuses negotiated with employees retiring before the statutory age of 65 and paid before 2010.

The Act has led the Group to adjust its assumptions concerning the rate of payroll taxes due on the benefits. In view of the difference in the employer contributions payable on compulsory and voluntary retirement, the corresponding benefit obligation was €11 million higher at December 31, 2007.

This increase in the obligation represents an actuarial loss that had been recognised in full in equity, in accordance with the Group's current policy for recognizing actuarial gains and losses.

The French Social Security Financing Act for 2009 eliminated compulsory retirement bonuses, with all retirements being on a voluntary basis.

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

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

At December 31, 2009 *(in million of euros)*	**Pensions**	**Other post-employment benefits (*)**	**Total**
Present value of funded obligation	136	-	136
Fair value of plan assets	(89)	-	(89)
EXCESS OF BENEFIT OBLIGATION/(PLAN ASSETS)	**47**	**-**	**47**
Present value of unfunded obligation	-	85	85
Unrecognized past service cost	-	-	-
LIABILITY RECOGNIZED IN THE BALANCE SHEET	**47**	**85**	**132**

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

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.

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

	Pensions							
	2009							
		Europe excluding France						
	France	Netherlands	United Kingdom	Germany	Belgium	Poland	Switzerland	Italy
PROJECTED BENEFIT OBLIGATION AT THE BEGINNING OF THE PERIOD	**34**	**28**	**6**	**8**	**9**	**3**	**7**	**14**
Current service cost	3	-	-	-	-	-	1	-
Interest Cost	2	2	-	-	1	-	-	1
Employee contributions for the period	-	-	-	-	-	-	1	-
(Gains) losses on curtailments/settlements	(5)	-	-	-	-	(1)	-	-
Effect of changes in scope of consolidation	3	-	-	-	-	-	-	-
Benefits paid during the period	(1)	-	-	-	-	-	(1)	(2)
Actuarial (gains)/losses recognised during the period	-	-	1	-	2	-	1	-
Exchange differences on foreign plans	-	-	-	-	-	-	-	-
Reclassification in Assets/Liabilities held for sale	-	-	-	-	-	-	-	-
Other	(1)	-	-	-	2	-	-	-
PROJECTED BENEFIT OBLIGATION AT THE END OF THE PERIOD	**35**	**29**	**7**	**9**	**14**	**2**	**9**	**13**

		Europe excluding France						
(in million of euros)	France	Netherlands	United Kingdom	Germany	Belgium	Poland	Switzerland	Italy
FAIR VALUE OF PLAN ASSETS AT THE BEGINNING OF THE PERIOD	**3**	**28**	**4**	**2**	**7**	**-**	**5**	**-**
Actual return on plan assets	-	1	-	-	1	-	2	-
Employers contributions for the period	-	-	-	-	1	-	-	-
Employee contributions for the period	-	-	-	-	-	-	1	-
Benefits paid during the period	-	-	-	-	-	-	(1)	-
Exchange differences on foreign plans	-	-	-	-	-	-	-	-
Assets acquired in business combinations	2	-	-	-	-	-	-	-
Other	-	-	-	-	2	-	-	-
FAIR VALUE OF PLAN ASSETS AT THE END OF THE PERIOD	**4**	**29**	**4**	**2**	**11**	**-**	**7**	**-**

		Europe excluding France						
(in million of euros)	France	Netherlands	United Kingdom	Germany	Belgium	Poland	Switzerland	Italy
UNFUNDED OBLIGATION AT THE BEGINNING OF THE PERIOD	**32**	**-**	**2**	**6**	**2**	**3**	**2**	**14**
Reclassification on Assets/Liabilities held for sale	-	-	-	-	-	-	-	-
Unfunded obligation at the end of the period	**31**	**-**	**3**	**7**	**3**	**2**	**2**	**13**

		Europe excluding France						
(in million of euros)	France	Netherlands	United Kingdom	Germany	Belgium	Poland	Switzerland	Italy
Adjustment to plan assets and plan surplus recognized in assets	-	-	-	-	-	-	-	-
PROVISION AT THE END OF THE EXERCISE	**31**	**-**	**3**	**7**	**3**	**2**	**2**	**13**

		Europe excluding France						
(in million of euros)	France	Netherlands	United Kingdom	Germany	Belgium	Poland	Switzerland	Italy
Current service cost	3	-	-	-	-	-	1	-
Interest cost	2	2	-	-	1	-	-	1
Expected return on plan assets	-	(2)	-	-	-	-	-	-
Past service cost recognized during the period	-	-	-	-	-	-	-	-
(Gains) losses on curtailments/settlements	(5)	-	-	-	-	(1)	-	-
Actuarial (gains)/losses recognised during the period for long-term employee benefits	-	-	-	-	-	-	-	-
Expense for the period	**(1)**	**-**	**-**	**1**	**1**	**(1)**	**1**	**1**
CHANGE IN ACTUARIAL (GAINS) LOSSES FOR POST-EMPLOYMENT DEFINED BENEFIT PLANS	**1**	**-**	**1**	**1**	**1**	**-**	**(1)**	**-**

			Other benefits		
			2009	200/	2008
Worldwide structures	Other	Total	Other benefits	Total	Total
63	**7**	**180**	**30**	**210**	**196**
3	1	9	3	12	10
3	-	9	2	11	9
-	-	1	-	1	-
(2)	(1)	(9)	(4)	(13)	-
-	-	3	-	3	11
(2)	(1)	(8)	(3)	(11)	(14)
4	(1)	8	(4)	4	3
-	-	-	1	1	(4)
-	-	-	-	-	-
-	-	2	-	2	(1)
69	**7**	**195**	**25**	**220**	**210**

Worldwide structures	Other	Total	Other benefits	Total 2009	Total 2008
30	**-**	**79**	**-**	**79**	**79**
1	-	5	-	5	5
-	-	2	-	2	2
-	-	1	-	1	-
(1)	-	(4)	-	(4)	(6)
-	-	-	-	-	(1)
-	-	2	-	2	-
-	-	2	-	2	-
31	**-**	**88**	**-**	**88**	**79**

Worldwide structures	Other	Total	Other benefits	Total 2009	Total 2008
32	**7**	**101**	**30**	**131**	**131**
-	-	-	-	-	-
39	**7**	**107**	**25**	**132**	**131**

Worldwide structures	Other	Total	Other benefits	Total 2009	Total 2008
-	**-**	**-**	**-**	**-**	**-**
39	**7**	**107**	**25**	**132**	**131**

Worldwide structures	Other	Total	Other benefits	Total 2009	Total 2008
3	**1**	**9**	**3**	**12**	**10**
3	-	9	2	11	9
(1)	-	(4)	-	(4)	(4)
-	-	-	-	-	-
(2)	(1)	(9)	(4)	(13)	-
-	-	-	(4)	(4)	(3)
3	**1**	**5**	**(3)**	**2**	**12**
4	**(1)**	**6**	**(4)**	**-**	**5**

Reconciliation of provisions for pensions between January 1, 2008 and December 31, 2009

(in million of euros)	Amount
PROVISION AT JANUARY 1, 2008	**118**
Charge for the year	12
Benefits paid	(11)
Actuarial gains and losses	5
Changes in scope of consolidation (1)	11
Translation adjustement	(4)
PROVISION AT DECEMBER 31, 2008	**131**
Charge for the year	2
Benefits paid	(10)
Actuarial gains and losses	6
Changes in scope of consolidation (2)	2
Changes in exchange rates	1
Other	-
PROVISION AT DECEMBER 31, 2009	**132**

(1) €13 million from the consolidation of Orbis, €(1) million related to the sale of the Brazilian food services business and €(1) million related to the sale of Abidjan Catering.
(2) €2 million from the consolidation of Groupe Lucien Barrière, following an increase in Accor's interest in the company from 30.19% to 49%.

Actuarial gains and losses related to changes in assumptions and experience adjustment

(in million of euros)	Dec. 2008	Dec. 2009
ACTUARIAL DEBT		
Actuarial gains and losses related to experience adjustment	6	5
Actuarial gains and losses related to changes in assumptions	-	3
FAIR VALUE ON ASSETS		
Actuarial gains and losses related to experience adjustment	(1)	(2)

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%

Sensitivity analysis

At December 31, 2008, the sensitivity of provisions for pensions and other post-employment benefits to a change in discount rate is as follows: a 0.5-point increase in the discount rate would lead to a €6.6 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.

At December 31, 2009, the sensitivity of provisions for pensions and other post-employment benefits to a change in discount rate is as follows: a 0.5-point increase in the discount rate would lead to a €4.7 million reduction in the projected benefit obligation, a 0.5-point decrease in the discount rate would lead to a €4.7 million increase in the projected benefit obligation. The impact on the cost for the year would not be material.

NOTE 33. RECONCILIATION OF FUNDS FROM OPERATIONS

(in million of euros)	Dec. 2008	Dec. 2009
Net Profit, Group share	575	(282)
Minority interests	38	17
Depreciation, amortization and provision expense	451	503
Share of profit of associates, net of dividends received	(12)	7
Deferred tax	19	(38)
Change in financial provisions and provisions for losses on asset disposals	69	514
FUNDS FROM OPERATIONS	**1,140**	**721**
(Gains) losses on disposals of assets, net	(150)	(42)
(Gains) losses on non-recurring transactions (included restructuring costs and exceptional taxes)	121	164
FUNDS FROM ORDINARY ACTIVITIES	**1,111**	**843**

NOTE 34. WORKING CAPITAL, PREPAID SERVICES VOUCHER IN CIRCULATION AND PREPAID SERVICES VOUCHER RESERVE FUNDS

(in million of euros)	Dec. 2008	Dec. 2009	Variation
Inventories	103	60	(43)
Trade receivables	1,313	1,350	37
Other receivables and accruals	824	1,113	289
Prepaid Service voucher reserve funds	441	565	124
WORKING CAPITAL ITEMS - ASSETS	**2,681**	**3,088**	**407**
Trade payables	765	709	(56)
Other payables	1,613	1,463	(150)
Prepaid Services voucher in circulation	2,587	2,883	296
WORKING CAPITAL ITEMS - LIABILITIES	**4,965**	**5,055**	**90**
WORKING CAPITAL	**2,284**	**1,967**	**(317)**

DECEMBER 31, 2008 WORKING CAPITAL	**2,284**
Change in working capital [(1)]	(189)
Reclassification from cash ans cash equivalents to restricted cash	(114)
Development Expenditure	21
Disposals	5
Translation adjustment	(55)
Reclassifications	15
NET CHANGE IN WORKING CAPITAL	**(317)**
DECEMBER 31, 2009 WORKING CAPITAL	**1,967**

(1) See cash flow statements.

NOTE 35. RENOVATION AND MAINTENANCE EXPENDITURE

The amounts reported under "Renovation and maintenance expenditure" correspond to capitalized costs for maintaining or improving the quality of assets held by the Group at the beginning of each period (January 1st) as a condition of their continuing operation. This caption does not include development expenditure corresponding to the property, plant and equipment and working capital of newly consolidated companies and the purchase or construction of new assets.

Renovation and maintenance expenditure breaks down as follows:

(in million of euros)	Dec. 2008	Dec. 2009
HOTELS	**429**	**280**
Upscale and Midscale Hotels	220	135
Economy	139	111
Economy US	70	34
PREPAID SERVICES	**24**	**30**
OTHER BUSINESSES	**35**	**17**
Casinos	15	8
Restaurants	6	4
On-board Train Services	3	2
Holding Companies and other	11	3
RENOVATION AND MAINTENANCE EXPENDITURE	**488**	**327**

NOTE 36. DEVELOPMENT EXPENDITURE

Development expenditure corresponds to the property, plant and equipment, and working capital of newly consolidated companies (in accordance with IAS 7 "Cash flow statements") and includes the purchase or construction of new assets and the exercise of call options under sale-and-leaseback transactions, as follows:

Development expenditure excluding assets held for sale

(in million of euros)	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Worldwide Structures (*)	Dec. 2009	Dec. 2008
HOTELS	**90**	**151**	**22**	**22**	**114**	**5**	**404**	**1,014**
Upscale and Midscale Hotels (1)	55	80	7	10	44	5	201	545
Economy Hotels (2)	35	71	-	12	70	-	188	207
Economy Hotels US	-	-	15	-	-	-	15	262
PREPAID SERVICES (3)	**2**	**11**	**-**	**1**	**10**	**19**	**43**	**19**
OTHER BUSINESSES	**302**	**17**	**-**	**-**	**-**	**-**	**319**	**53**
Casinos (4)	301	-	-	-	-	-	301	20
Restaurants	1	-	-	-	-	-	1	2
On-board Train Services	-	3	-	-	-	-	3	4
Holding Companies and other (5)	-	14	-	-	-	-	14	27
TOTAL DECEMBER 31, 2009	**394**	**179**	**22**	**23**	**124**	**24**	**766**	
TOTAL DECEMBER 31, 2008	**303**	**369**	**269**	**29**	**109**	**7**		**1,086**

(*) "Worldwide Structures" corresponds to development expenditure that is not specific to a single geographic region.

(1) Including:

a. Development expenditure on a new Pullman hotel and a new Novotel hotel in Delhi (€17 million);
b. Exercice of a call option on the land and buildings of a Novotel hotel in Germany (€15 million);
c. Renovation financing extended to owner of upscale hotel in the Netherlands (€8 million);
d. Exercise of a call option on the land and buildings of a Mercure hotel in France (€7 million).

(2) Including:

a. Development expenditure on 49 new Ibis hotels in China (€51 million);
b. Development expenditure on six new Ibis hotels in Eastern Europe (€16 million);
c. Development expenditure on 12 new Ibis hotels in India (€11 million);
d. Exercise of a call option on one Ibis hotel in Germany (€11 million);
e. Development expenditure on two new Ibis hotels in Spain (€9 million);
f. Development expenditure on six new Ibis hotels in Latin America (€8 million).

(3) Including the acquisition of all four Exit Group companies in the Czech Republic (€11 million).

(4) Including €271 million for the acquisition of an additional 15% stake in Groupe Lucien Barrière, lifting the Group's interest to 49%.

(5) Including €14 million for the acquisition by Orbis Transport of 35 buses, 833 cars and other technical equipment and vehicles.

Development expenditure related to assets held for sale

No development expenditure was made in respect of assets held for sale at December 31, 2009.

In 2008, development expenditure made in respect of assets held for sale amounted to €5 million.

NOTE 37. SEGMENT INFORMATION

The Group has identified six operating segments:

- hotels, with a portfolio of brands on every segment of the market and its 4,111 establishments in around 100 countries comprises three sub-segments:
  - upscale and Midscale hotels, with the Sofitel, Pullman, Novotel, Mercure, Adagio and Suitehotel brands,
  - economy hotels, with the Formule 1, Etap Hotel, All Seasons and Ibis brands,
  - US Economy hotels with the Motel 6 and Studio 6 brands;
- prepaid services. Accor is a world-leading issuer of prepaid service vouchers and cards;
- restaurants. Accor offers a full range of gourmet dining activities through its Lenôtre subsidiary;
- Casinos. Organized around Groupe Lucien Barrière, the segment is specialized in casino management;
- on-board train services, providing restaurant and hotel services to the railway sector;
- other activities, notably the Group Financial Managements.

Each segment represents a strategic business offering different products and serving different markets. The internal reporting structure for each segment is organized and administered separately. Group Management monitors results and performance on a segment-by-segment basis. Similarly, decisions about resource allocation are taken separately for each segment.

The Group considers that its six business segments meet the definition of operating segments under IFRS 8. The segment information presented is therefore based on the internal reporting system used by Management to assess the performance of the different segments. The performance indicators used by Management are as follows:

- revenue;
- EBITDAR;
- Rental expense;
- EBIT.

An analysis of these indicators by operating segment is provided in the following notes:

- note 3 for revenue;
- note 5 for EBITDAR;
- note 6 for rental expense;
- note 9 for EBIT.

Total assets by segment are presented in the balance sheets below:

At December 31, 2009 *(in million of euros)*	Hotels	Prepaid Services	Other Businesses	Total consolidated
Goodwill	825	557	395	1,777
Intangible assets	352	99	37	488
Property, plant and equipment	3,927	34	345	4,306
Total non-current financial assets	403	3	22	428
Deferred tax assets	199	20	72	291
TOTAL NON-CURRENT ASSETS	**5,706**	**713**	**871**	**7,290**
TOTAL CURRENT ASSETS	**1,289**	**2,507**	**516**	**4,312**
Assets held for sale	141	-	3	144
TOTAL ASSETS	**7,136**	**3,220**	**1,390**	**11,746**
SHAREHOLDERS' EQUITY & MINORITY INTERESTS	**5,394**	**662**	**(2,802)**	**3,254**
TOTAL NON-CURRENT LIABILITIES	**574**	**95**	**2,149**	**2,818**
TOTAL CURRENT LIABILITIES	**1,164**	**2,463**	**2,043**	**5,670**
Liabilities related to assets classified as held for sale	4	-	-	4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**7,136**	**3,220**	**1,390**	**11,746**

At December 31, 2009 *(in million of euros)*	Up and Midscale Hotels	Economy Hotels	Economy Hotels United States	Total Hotels
Goodwill	641	90	94	825
Intangible assets	144	55	153	352
Property, plant and equipment	2,054	1,135	738	3,927
Total non-current financial assets	339	41	23	403
Deferred tax assets	97	12	90	199
TOTAL NON-CURRENT ASSETS	**3,275**	**1,333**	**1,098**	**5,706**
TOTAL CURRENT ASSETS	**850**	**329**	**110**	**1,289**
Assets held for sale	105	10	26	141
TOTAL ASSETS	**4,230**	**1,672**	**1,234**	**7,136**
SHAREHOLDERS' EQUITY & MINORITY INTERESTS	**3,634**	**751**	**1,009**	**5,394**
TOTAL NON-CURRENT LIABILITIES	**416**	**148**	**10**	**574**
TOTAL CURRENT LIABILITIES	**180**	**769**	**215**	**1,164**
Liabilities related to assets classified as held for sale	-	4	-	4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4,230**	**1,672**	**1,234**	**7,136**

At December 31, 2009 *(in million of euros)*	Casinos	Restaurants	On-board Train Services	Holdings & Other	Total Other Businesses
Goodwill	366	23	-	6	395
Intangible assets	17	2	-	18	37
Property, plant and equipment	245	27	14	59	345
Total non-current financial assets	1	3	1	17	22
Deferred tax assets	4	3	-	65	72
TOTAL NON-CURRENT ASSETS	**633**	**58**	**15**	**165**	**871**
TOTAL CURRENT ASSETS	**78**	**20**	**104**	**314**	**516**
Assets held for sale	-	-	1	2	3
TOTAL ASSETS	**711**	**78**	**120**	**481**	**1,390**
SHAREHOLDERS' EQUITY & MINORITY INTERESTS	**363**	**42**	**97**	**(3,304)**	**(2,802)**
TOTAL NON-CURRENT LIABILITIES	**133**	**4**	**11**	**2,001**	**2,149**
TOTAL CURRENT LIABILITIES	**215**	**32**	**12**	**1,784**	**2,043**
Liabilities related to assets classified as held for sale	-	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**711**	**78**	**120**	**481**	**1,390**

NOTE 38. CLAIMS AND LITIGATION

CIWLT tax audit

A tax audit was carried out on the permanent branch in France of Compagnie Internationale des Wagons Lits et du Tourisme (CIWLT), a Belgian company that is 99.65%-owned by Accor SA. Following the audit, the French tax authorities concluded that CIWLT's seat of management was located in France not in Belgium.

Accordingly, the French tax authorities added back CIWLT's profits in Belgium for the purpose of calculating income tax payable in France. At the end of 2003, the resulting reassessments, for a total of €217 million including late interest, were contested by CIWLT, on the basis of the notice received from the Belgian tax authorities confirming that its seat of management was in Belgium. The French tax authorities issued a notice ordering CIWLT to settle the €217 million in tax deficiencies for the years 1998 to 2003 for which a stay of payment had been requested. In conjunction with the request, CIWLT obtained a tax bond from its bank guaranteeing the payment of this amount.

CIWLT subsequently asked the Cergy Pontoise Administrative Court to rule on the contested reassessments. On December 12, 2008, the court found against CIWLT concerning the reassessments for the years 1998 to 2002 but has not yet issued a ruling on the 2003 reassessment. On February 10, 2009, CIWLT has decided to appeal this ruling before the Versailles Administrative Court of Appeal. The appeal has not yet been heard.

Under French law, collection of the tax deficiencies is not suspended while the appeal is being heard and the tax deficiencies for the years 1998 to 2002 were therefore payable, representing a total of €242 million including late interest.

This amount was paid at the end of February 2009. It was recognized as an asset in the balance sheet at December 31, 2009 (see Note 23.2).

Based on advice from its legal and tax advisors, the company believes that it has strong arguments that should lead to a favourable outcome, notably considering that CIWLT is governed by Belgian tax laws.

Dividend withholding tax (*précompte*)

In 2002, Accor mounted a legal challenge to its obligation to pay withholding tax (précompte) on the redistribution of European source dividends.

Until 2004, French parent companies were entitled to a 50% tax credit on dividends received from French subsidiaries, which could be set off against the précompte withholding tax. However, no tax credit was attached to European source dividends. Accor contested this rule, on the grounds that it breached European Union rules.

In the dispute between Accor and the French State, on December 21, 2006 the Versailles Administrative Court ruled that Accor was entitled to a refund of the précompte dividend withholding tax paid in the period 1999 to 2001, in the amount of €156 million.

The amount of €156 million was refunded to Accor during the first half of 2007, together with €36.4 million in late interest due by the French State.

However, on March 8, 2007, the French State appealed the ruling before the Versailles Administrative Court of Appeal. The French State's appeal was rejected on May 20, 2008.

As the State has not yet exhausted all avenues of appeal, a liability has been recognized for the amounts received and the financial impact of the rulings by the Versailles Administrative Court and Court of Appeal has not been recognized in the financial statements at December 31, 2009.

On July 3, 2009, the French Supreme Court of Appeal announced that it would postpone ruling on the French State's appeal and on August 4, 2009, it applied to the Court of Justice of the European Communities for a preliminary ruling on this issue. The French Supreme Court of Appeal asked for the application to be fast-tracked. This request was rejected by the President of the Court of Justice of the European Communities on October 19, 2009.

In parallel, Accor was notified of the Court of Justice of the European Communities' preliminary ruling on September 14, 2009, and filed its observations on November 23.

On February 7, 2007, Accor filed an application originating proceedings before the Cergy Pontoise Adminstrative Court on the same grounds, to obtain a refund of the €187 million in précompte withholding tax paid in the period 2002 to 2004.

Other claims and litigation

In the normal course of its business, the Group is exposed to claims, litigations and proceedings that may be in progress, pending or threatened. The Company believes that these claims, litigations and proceedings have not and will not give rise to any material costs and have not and will not have a material adverse effect on the Group's financial position, business and/or results of operations.

NOTE 39. OFF-BALANCE SHEET COMMITMENTS AT DECEMBER 31, 2009

Note 39.1. Off-balance sheet commitments given

Off-balance sheet commitments given at December 31, 2009 break down as follows:

(in million of euros)	Less than 1 year	1 to 5 years	Beyond 5 years	Dec 31, 2009	Dec 31, 2008
SECURITY INTERESTS GIVEN ON ASSETS (1)	**-**	**-**	**32**	**32**	**17**
Groupe Lucien Barrière SAS (2)	-	-	-	-	140
Other purchase commitments	6	34	-	40	71
PURCHASE COMMITMENTS	**6**	**34**	**-**	**40**	**211**
Construction performance bonds Novotel and Ibis (China) (3)	19	5	-	24	45
Renovation commitment Axa Reim (France) (4)	-	12	-	12	20
Renovation commitment Axa Reim (Switzerland) (4)	4	-	-	4	7
Renovation commitment Moor Park (Germany and the Netherlands) (5)	5	-	-	5	17
Property development projects in Spain (6)	9	-	-	9	14
Renovation commitment Land Securities (United Kingdom) (7)	7	-	-	7	8
Construction commitments Novotel and Ibis (Algeria) (8)	4	-	-	4	5
Renovation commitment Novotel Paris Tour Eiffel (9)	0	-	-	0	5
Renovation commitment Foncière des Murs transaction 1 (France) (10)	4	-	-	4	2
Renovation commitment Foncière des Murs transaction 2 (France) (10)	3	-	-	3	2
Other renovation commitments (11)	40	44	72	156	109
CAPEX COMMITMENTS	**95**	**61**	**72**	**228**	**234**
LOAN GUARANTEES GIVEN	**-**	**8**	**1**	**9**	**6**
COMMITMENTS GIVEN IN THE NORMAL COURSE OF BUSINESS (12)	**75**	**75**	**32**	**182**	**402**
CONTINGENT LIABILITIES	**1**	**1**	**-**	**2**	**2**
TOTAL DECEMBER 31, 2009	**177**	**179**	**137**	**493**	
TOTAL DECEMBER 31, 2008	**578**	**177**	**117**		**872**

(1) Security interests given on assets correspond to pledges and mortgages valued at the net book value of the underlying assets.

(2) Under the agreements between Colony Capital, the Desseigne Barrière family and Accor, Colony Capital has a put option and Accor has a call option on Colony's 15% interest in Groupe Lucien Barrière SAS. Colony exercised its put at the end of March 2009 and in April Accor acquired Colony's shares for €153 million, raising its stake in Groupe Lucien Barrière to 49%.

(3) In connection with development in China, Accor issued performance bonds to the developers of 35 Ibis hotels and 1 Novotel hotels. The related commitments at December 31, 2009 amounted to €24 million.

(4) In connection with the Axa REIM sale-and-variable leaseback transactions, Accor was initially committed to financing €27 million worth of renovation work in France and Switzerland. Addenda to the corresponding agreements were subsequently signed, raising Accor's financing commitment to €28 million. The transactions concern 45 hotels in France and 10 in Switzerland. Commitments for work in progress at December 31, 2009 amounted to €16 million.

(5) In connection with the Moor Park sale-and-variable leaseback transaction, Accor is committed to financing €29 million worth of renovation work in Germany and the Netherlands. As of December 31, 2009, the remaining work amounted to €5 million.

(6) In connection with property development projects in Spain, Accor issued performance bonds to the developers of two Ibis hotels. The related commitments at December 31, 2009 amounted to €9 million.

(7) In connection with the Land Securities sale-and-variable leaseback transaction, Accor is committed to financing €18 million (£16 million) worth of renovation work in the UK. As of December 31, 2009, the remaining work amounted to €7 million (£6 million).

(8) In connection with development in Algeria, Accor is committed to financing four hotel projects (Tlemcen, Oran, Bab Ezzouar and Constantine) representing a total of €15 million. As of December 31, 2009, the remaining work amounted to €4 million.

(9) In connection with the sale of Accor's 40% interest in Novotel Paris Tour Eiffel under a lease-back arrangement, Accor is committed to financing €10 million worth of renovation work before the end of 2012. As of December 31, 2009, the remaining work amounted to €0.4 million.

(10) In connection with the Foncière des Murs sale-and-variable leaseback transactions, Accor was initially committed to financing €98 million worth of renovation work. Addenda to the corresponding agreements were subsequently signed, raising Accor's financing commitment to €106 million. As of December 31, 2009, the remaining work represented €7 million.

(11) Other commitments include €38 million in committed capital expenditure on Australian hotels and €70 million in commitments related to Groupe Lucien Barrière, which has been 49%-owned by Accor since April 2009.

(12) During 2009, CIWLT paid €242 million in settlement of tax reassessments (see Note 38). A ruling has not yet been handed down concerning the reassessment for the year 2003 which continues to be covered by an €18 million tax bond obtained from a bank.

To the best of the Group's knowledge and in accordance with generally accepted accounting principles, no commitments given have been omitted from the above list.

Note 39.2. Off-balance sheet commitments received

Off-balance sheet commitments received at December 31, 2009 break down as follows:

(in million of euros)	Less than 1 year	1 to 5 years	Beyond 5 years	Dec 31, 2009	Dec 31, 2008
Irrevocable commitments received for the purchase of intangible assets and property, plant and equipment	5	-	-	5	5
Irrevocable commitments received for the purchase of financial assets (1)	-	-	11	11	151
Customer orders spanning several years	-	-	-	-	-
PURCHASE COMMITMENTS RECEIVED	**5**	**-**	**11**	**16**	**156**
Sellers' warranties received	-	1	-	1	1
Debt waivers granted with a clawback clause	-	-	-	-	-
Loan guarantees received	-	-	-	-	4
Other guarantees received in the normal course of business (2) + (3) + (4) + (5) + (6)	38	23	-	61	114
OTHER COMMITMENTS AND GUARANTEES RECEIVED	**38**	**24**	**-**	**62**	**119**
TOTAL DECEMBER 31, 2009	**43**	**24**	**11**	**78**	
TOTAL DECEMBER 31, 2008	**81**	**173**	**21**		**275**

(1) Under the agreements between Colony Capital, the Desseigne Barrière family and Accor, Colony Capital has a put option and Accor has a call option on Colony's 15% interest in Groupe Lucien Barrière SAS. Colony exercised its put at the end of March 2009 and in April Accor acquired Colony's shares for €153 million, raising its stake in Groupe Lucien Barrière to 49%.

(2) In connection with the two transactions with Accor, Foncière des Murs agreed to finance a €151 million renovation program. Addenda to the related agreements were subsequently signed reducing the commitment to €148 million. As of December 31, 2009, the remaining work represented €4.5 million.

(3) In connection with transaction in the United Kingdom, Land Securities agreed to finance a €38 million (£34 million) renovation program. As of December 31, 2009, the remaining work amounted to €12 million (£11 million).

(4) In connection with transaction in the Netherlands and in Germany, Moor Park agreed to finance a €59 million renovation program. As of December 31, 2009, the remaining work amounted to €6 million.

(5) In connection with the sale of Accor's 40% interest in Novotel Paris Tour Eiffel under a management-back arrangement, the owner of the hotel agreed to finance €5 million worth of renovation work before the end of 2011. As of December 31, 2009, the remaining work amounted to €1 million.

(6) In connection with transaction with Accor, Axa REIM agreed to finance a €50 million renovation program over three years until the end of 2010. As of December 31, 2009 the remaining work in France and Switzerland amounted to €26 million.

Purchase options under finance leases are not included in this table.

NOTE 40. MAIN CONSOLIDATED COMPANIES AT DECEMBER 31, 2009

The main subsidiaries and associates represent 91% of consolidated revenue, 93% of EBITDAR and 91% of EBIT. The many other subsidiaries and associates represent individually less than 0.25% of consolidated revenue, EBITDAR and EBIT.

IG : fully consolidated

IP : consolidated using the proportional method

MEE : accounted for by the equity method

HOSPITALITY			
France			
Académie Accor	France	IG	100.00%
All Seasons Hotels	France	IG	100.00%
Exhotel	France	IG	100.00%
Etap Hotels	France	IG	96.00%
Hotexco	France	IG	100.00%
La Thermale de France	France	IG	100.00%
Mer et Montagne	France	IG	100.00%
Mercure International Hotels	France	IG	100.00%
Paris Suffren	France	IG	75.00%
Société Hôtelière 18 Suffren	France	IG	100.00%
Pradotel	France	IG	100.00%
Profid	France	IG	100.00%
Société Commerciale des Hôtels Economiques	France	IG	99.96%
Société Hôtelière Danton Michelet	France	IG	100.00%
Société de Management International	France	IG	100.00%
SNC NMP France	France	IG	100.00%
Société d'Etude et de Promotion Hôtelière Internationale	France	IG	100.00%
Société Hôtelière de la Porte de Sèvres	France	IG	100.00%
Société Internationale de Services des Hotels Economiques	France	IG	100.00%
Société d'Exploitation d'Hôtels Suites	France	IG	100.00%
Société Hotelière 61 Quai de Grenelle	France	IG	100.00%
Sofitel Luxury Hotels France	France	IG	100.00%
Adagio	France	IP	50.00%
Thalamer	France	IG	99.90%
Europe Excl. France			
Accor Hôtellerie Deutschland	Allemagne	IG	100.00%
Accor Hospitality Germany	Allemagne	IG	100.00%
Accor Austria AG	Autriche	IG	100.00%
Accoordination	Belgique	IG	99.90%
Accor Hotels Belgium	Belgique	IG	100.00%
Accor Hoteles Espagne	Espagne	IG	100.00%
Société Hôtelière Athènes Centre	Grèce	IG	100.00%
Pannonia Hotels RT	Hongrie	IG	99.94%
Sofitel Gestioni Alberghiere Italia	Italie	IG	99.76%
Accor Hospitality Italia	Italie	IG	96.28%
Accor Hospitality Nederland	Pays-Bas	IG	100.00%
The Grand Real Estate	Pays-Bas	MEE	40.00%
Orbis	Pologne	IG	50.01%
Hekon Hotele Ekonomiczne	Pologne	IG	40.58%
Portis	Portugal	IG	100.00%
Katerinska Hotels	République Tchèque	IG	100.00%
Accor Hotels Romania	Roumanie	IG	100.00%
Accor UK Business & Leisure	Royaume-Uni	IG	100.00%
Accor UK Economy Hotels	Royaume-Uni	IG	100.00%
Accor Hôtels Scandinavia	Suède	IG	100.00%
Accor Gestion Hôtels	Suisse	IG	99.98%
Accor Suisse	Suisse	IG	100.00%
North America			
Accor Canada Inc.	Canada	IG	100.00%
Accor Business & Leisure North America Inc.	Etats-Unis	IG	100.00%
IBL Limited	Etats-Unis	IG	100.00%
Latin America and Carribean			
Accor Argentina	Argentine	IG	99.40%
Hotelaria Accor Brasil	Brésil	IG	99.99%
Other Countries			
Formula1 Pty	Afrique du Sud	IG	52.60%
Premier Lodge South Africa	Afrique du Sud	IG	100.00%
Saudi Hotels Management	Arabie Saoudite	IG	99.96%
Accor Asia Pacific Corp.	Australie / Asie	IG	100.00%
Société Propriétaire de l'Hôtel de l'Union	Sénégal	IG	100.00%
Société Abidjanaise	Côte d'Ivoire	IG	99.99%
Accor Hotels SAE	Egypte	IG	89.30%
Accor Gestion Maroc	Maroc	IG	83.70%
Risma	Maroc	MEE	34.92%

ACCOR S.A.

PREPAID SERVICES

France			
Accor Services France	France	IG	99.70%
Accentiv'House	France	IG	99.03%
Europe Excl. France			
Accor Services Deutschland	Allemagne	IG	99.70%
Quasar	Allemagne	IG	79.76%
Accor Services Austria	Autriche	IG	99.87%
Accor T.R.B.	Belgique	IG	99.32%
Accor Services Empresariales	Espagne	IG	97.71%
Accor Services Hongrie	Hongrie	IG	92.84%
Accor Participation Italie	Italie	IG	94.64%
Accor Services Italie	Italie	IG	94.43%
Euro Servicos Alimentares	Portugal	IG	99.70%
Accor Services CZ SRO	République Tchèque	IG	92.84%
Accor Services Roumania	Roumanie	IG	90.78%
Luncheon vouchers	Royaume-Uni	IG	99.70%
Capital Incentives & Motivation	Royaume-Uni	IG	99.70%
Employee Advisory Resource Limited	Royaume-Uni	IP	45.21%
Motivano	Royaume-Uni	IG	65.86%
Prepay	Royaume-Uni	IG	66.47%
Accor Services Slovakia	Slovaquie	IG	99.40%
Rikskuponger	Suède	IG	99.40%
North America			
Accor Services North America inc.	Etats-Unis	IG	99.70%
Workplace Benefits	Etats-Unis	IP	45.21%
Wirecommute	Etats-Unis	IG	99.70%
Commuter Check Services Corporation	Etats-Unis	IG	99.70%
Latin America and Carribean			
Ticket Brésil	Brésil	IG	99.70%
Accor Services Chili	Chili	IG	74.13%
Accor Servicios Empresariales	Mexique	IG	99.40%
Servicios Empresariales	Venezuela	IG	56.70%
Other Countries			
Accor Services Australia	Australie	IG	99.70%
Davidson & Trahaire	Australie	IG	99.70%
Royal Image Direct	Inde	IG	99.70%

OTHER SERVICES

Accor centre de contacts clients	France	IG	100.00%
Devimco	France	IG	99.99%
Lenôtre	France	IG	99.98%
Société d'Exploitation des Résidences Hotelières Rail	France	IP	49.85%
Groupe Lucien Barrière	France	IP	49.00%
Compagnie Internationale des Wagons Lits & du Tourisme (*)	**Belgique**		
Rail Restauration (*)	France	IG	99.70 %
Treno (*)	Italie	IG	99.76 %

(*) These entities are not held directly by Accor SA, except for Compagnie Internationale des Wagons Lits & du Tourisme

NOTE 41. 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
Groupe Lucien Barrière	72	309	221	160	424	416
Australia (Allegiance Marketing and Reef Casinos Conso)	20	28	14	33	58	45

Above disclosed figures correspond to Group share.

NOTE 42. SUBSEQUENT EVENTS

On February 19, 2010, as part of the ongoing deployment of its "asset right" strategy, Accor has announced an international real estate transaction involving the sale of five hotels (representing more than 1,100 rooms) in four European countries for €154 million. The transaction has been carried out with Invesco Real Estate, a major real estate manager in the United States, Europe and Asia.

The transaction involves:

- the Novotel Muenchen City in Munich;
- the Novotel Roma la Rustica and the Mercure Corso Trieste in Rome;
- the Mercure Zabatova in Bratislava, currently under construction;
- the Pullman Paris La Défense.

All the hotels have been sold under a sale and variable leaseback agreement except for Pullman Paris La Defense that will continue to be operated by Accor under a management contract.

In accordance with IFRS 5, the carrying amount of these assets was reclassified in the consolidated balance sheet at December 31, 2009 under "Assets held for sale".

NOTE 43. RELATED PARTY TRANSACTIONS

For the purpose of applying IAS 24, the Group has identified the following related parties:

- all fully and proportionately consolidated companies and all associated companies accounted for by the equity method;
- all members of the Executive Committee and the Board of Directors and the members of their direct families;
- all companies in which a member of the Executive Committee or the Board of Directors holds material voting rights.

Fully and proportionately consolidated companies and all associated companies accounted for by the equity method

Relationships between the parent company and its subsidiaries, joint ventures and associates are presented in Note 40. Transactions between the parent company and its subsidiaries – which constitute related party transactions – are eliminated in consolidation and are therefore not disclosed in these notes. Transactions between the parent company and its joint ventures and associates were not material in 2009.

Members of the Executive Committee and the Board of Directors

Transactions with members of the Executive Committee and Board of Directors are disclosed in full in Note 44.

Companies in which a member of the Executive Committee or the Board of Directors holds material voting rights

All transactions with companies in which a member of the Executive Committee or the Board of Directors holds material voting rights are conducted in the course of business on arm's length terms.

The related party transactions presented below correspond to the main transactions with companies in which a person holding material voting rights is a member of the Accor Board of Directors. Only material transactions are disclosed.

Related party transactions

		Transaction amounts		Related party receivables		Related party payables		Provisions for doubtful accounts		Off-balance sheet commitments	
(in million of euros)	**Type of transaction**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**
Colony Capital	Long-term loan	-	-	-	-	-	-	-	-	-	-
	GLB put option granted to Accor	-	140	-	-	-	-	-	-	140	- (*)
	Bond issues	-	-	-	-	-	-	-	-	-	-

(*) See Note 2.B.4.

NOTE 44. CORPORATE OFFICERS' COMPENSATION

	December 31, 2008		December 31, 2009	
(in million of euros)	**Expenses**	**Balance sheet amount**	**Expenses**	**Balance sheet amount**
Short-term benefits received	12	6	11	5
Post-employment benefits	2	6	2	6
Other long-term benefits	-	-	-	-
Compensation for loss of office	5	-	3	-
Share-based payments	5	-	6	-
TOTAL COMPENSATION	**24**	**12**	**22**	**11**

Corporate officers are defined as members of the Executive Committee and the Board of Directors.

Compensation only concerned the members of the Executive Committee, which currently has nine members compared with twelve until the end of May.

Members of the Board of Directors do not receive any compensation and receive only fees. Directors' fees paid in 2009 by the Group to the members of the Supervisory Board for year 2008 amounted to €679,430.

NOTE 45. FEES PAID TO THE AUDITORS

The table below shows the total fees billed by the Auditors recognized in the income statement in 2009 and prior years.

(in million of euros)	2008	2009
Statutory and contractual audit fees	(11)	(11)
Fees for audit-related services	(1)	(1)
TOTAL FEES BILLED BY THE AUDITORS	**(12)**	**(12)**

4.2. Parent Company Financial Statements and Notes

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Accor, S.A. year ended December 31, 2009

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, 2009 on:

- the audit of the accompanying financial statements of Accor;
- the justification of our assessments;
- the specific verifications and disclosures required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position and the assets and liabilities of the Company as of December 31, 2009 and the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

II. Justification of our assessments

Pursuant to the provisions of Article L.823-9 of the French Commercial Code governing the justification of our assessments, we draw your attention to the following:

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 formation of our opinion expressed in the first part of this report.

III. Specific verifications and disclosures

We have also performed the specific verifications required by law, in accordance with professional guidelines applicable in France.

We have no comment to make as to the fair presentation and consistency with the financial statements of the information given in the Board of Directors' management report and the documents addressed to the shareholders with respect to the financial position and the financial statements.

We verified that the disclosures made in application of Article L.225-102 of the Commercial Code on executive directors' compensation and benefits and the commitments given to executive directors by the Company were consistent with the financial statements or with the data used to prepare the financial statements as well as with any information obtained by Accor SA from any company that controls it or that it controls. Based on these procedures, we certify that these disclosures are accurate and fairly stated.

Pursuant to the law, we have verified that the management report contains the appropriate disclosures as to the acquisition of equity and controlling interests, and the identity of shareholders (percentage of voting rights).

Neuilly-sur-Seine, March 16, 2010

The Statutory Auditors

Deloitte & Associés	Ernst & Young et Autres
David Dupont Noel	Bruno Bizet

BALANCE SHEETS

Assets

(in million of euros)	Notes	Dec. 31, 2008 net	Dec. 31, 2009 net
FIXED ASSETS			
INTANGIBLE ASSETS			
Licenses, trademarks and rights of use	(2-3-4)	57	57
Networks	(2-3-4-7)	36	35
Other intangible assets	(2)	1	3
TOTAL INTANGIBLE ASSETS		**94**	**95**
PROPERTY AND EQUIPMENT			
Land	(2-4)	50	44
Buildings	(2-3-4)	111	95
Machinery and equipment	(2-4)	4	9
Other	(2-4)	29	30
Assets under construction	(2)	2	1
Prepayments to suppliers of property and equipment	(2)	2	2
TOTAL PROPERTY AND EQUIPMENT		**199**	**181**
INVESTMENTS			
Shares in subsidiaries and affiliates	(2-6-7-18)	6,724	6,161
Loans and advances to subsidiaries and affiliates	(2-7-11-17-18)	603	870
Other investment securities	(2-6-7-18)	1	1
Other loans	(2-7-11-17-18)	1	4
Other investments	(2-7-17)	32	31
TOTAL INVESTMENTS		**7,360**	**7,067**
TOTAL FIXED ASSETS		**7,654**	**7,343**
CURRENT ASSETS			
Inventories and work-in-progress	(7)	-	-
Prepayments to suppliers	(5)	1	2
Receivables			
Trade receivables	(5-7-11-17-18)	229	220
Other receivables	(5-7-11-17-18)	546	625
Other			
Marketable securities	(8-11)	20	-
Cash and cash equivalents	(11)	24	109
TOTAL CURRENT ASSETS		**821**	**956**
ACCRUALS AND OTHER ASSETS			
Prepaid expenses	(9-17)	9	5
Deferred charges	(9)	3	12
Unrealized foreign exchange losses	(10)	88	6
TOTAL ACCRUALS AND OTHER ASSETS		**100**	**23**
TOTAL ASSETS	**(1)**	**8,574**	**8,322**

Liabilities and shareholders' equity

(in million of euros)	Notes	Dec. 31, 2008 net	Dec. 31, 2009 net
SHAREHOLDERS' EQUITY			
Share capital	(13-14)	660	676
Additional paid-in capital	(13-14)	2,075	2,228
Legal reserve	(13)	69	69
Untaxed reserves	(13)	9	9
Other reserves	(13-14)	112	112
Retained earnings	(13)	322	442
Net profit (loss) for the year	(13)	482	(302)
Untaxed provisions	(7-13)	3	6
TOTAL SHAREHOLDERS' EQUITY		**3,732**	**3,240**
PROVISIONS FOR CONTINGENCIES AND CHARGES			
Provisions for contingencies	(7)	20	16
Provisions for charges	(7)	64	69
TOTAL PROVISIONS FOR CONTINGENCIES AND CHARGES		**84**	**85**
LIABILITIES			
Bonds	(12-15-16-17)	-	1,519
Bank borrowings	(11-12-16-17)	1,500	499
Other borrowings	(11-12-16-17)	2,759	2,577
Trade payables	(12-16)	125	126
Accrued taxes and payroll costs	(12-17)	230	222
Due to suppliers of fixed assets	(17)	0	0
Other payables	(12-17)	48	44
TOTAL LIABILITIES		**4,663**	**4,987**
ACCRUALS AND OTHER LIABILITIES			
Deferred income	(17)	2	1
Unrealized foreign exchange gains	(10)	93	9
TOTAL ACCRUALS AND OTHER LIABILITIES		**95**	**10**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**(1)**	**8,574**	**8,322**

INCOME STATEMENTS AT 2009 END

(in million of euros)	Notes	Dec. 2008	Dec. 2009
OPERATING REVENUES			
Sales of goods and services		645	677
NET REVENUE	**(20)**	**645**	**677**
Own work capitalized		1	3
Reversals of depreciation, amortization and provisions and expense transfers		19	32
Other income		2	3
TOTAL OPERATING INCOME		**666**	**715**
OPERATING EXPENSES			
Purchases of goods for resale		-	-
Purchases of raw materials and supplies		-	-
Other purchases and external charges	(19)	479	477
Taxes other than on income		15	14
Wages and salaries		106	119
Payroll taxes		44	44
Depreciation, amortization and provision expense:			
◗ Depreciation and amortization of fixed assets	(4)	24	26
◗ Additions to provisions for fixed assets		5	8
◗ Additions to provisions for current assets		6	12
◗ Additions to provisions for contingencies and charges		30	28
Other expenses	(21)	3	5
TOTAL OPERATING EXPENSES		**712**	**733**
OPERATING PROFIT (LOSS)		**(46)**	**(18)**
JOINT VENTURES			
Share of profits from non-managed joint ventures or transferred losses of managed joint ventures		-	-
Share of losses of non-managed joint ventures and transferred profits from managed joint ventures		-	-
FINANCIAL INCOME			
Income from investments in subsidiaries and affiliates	(18)	380	292
Income from investment securities and long-term loans		-	-
Other interest income	(18)	41	34
Provision reversals and expense transfers		38	33
Foreign exchange gains		38	45
TOTAL FINANCIAL INCOME		**498**	**404**
FINANCIAL EXPENSES			
Amortization and provisions – financial assets		102	829
Interest expense	(18)	202	192
Foreign exchange losses		40	43
TOTAL FINANCIAL EXPENSES		**343**	**1,064**
NET FINANCIAL INCOME (EXPENSE)	**(22)**	**155**	**(659)**
RECURRING INCOME (LOSS) BEFORE TAX	**(24)**	**109**	**(678)**

(in million of euros)	Notes	Dec. 2008	Dec. 2009
NON-RECURRING INCOME			
Non-recurring income from revenue transactions		-	-
Non-recurring income from capital transactions		363	473
Exceptional provision reversals and expense transfers		46	75
TOTAL NON-RECURRING INCOME		**409**	**548**
NON-RECURRING EXPENSES			
Non-recurring expenses on revenue transactions		1	2
Non-recurring expenses on capital transactions		85	215
Exceptional additions to depreciation, amortization and provisions		1	5
TOTAL NON-RECURRING EXPENSES		**86**	**221**
NET NON-RECURRING INCOME	**(23)**	**322**	**326**
Income tax expense	(24)	(51)	(50)
TOTAL INCOME		**1,573**	**1,667**
TOTAL EXPENSES		**1,091**	**1,969**
NET PROFIT (LOSS)		**482**	**(302)**

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, 2009 before appropriation of the loss for the year, which shows total assets of 8,322 million, and to the income statement for the year then ended, which shows a net loss for the year of €302 million.

The financial statements cover the 12-month period from January 1 to December 31, 2009.

Accor SA's individual financial statements are included in the consolidated financial statements of the Accor Group.

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

The main estimates and judgments made by management in the preparation of these financial statements concern the valuation and useful lives of intangible assets, property, and equipment and financial assets, as well as the amount of provisions for claims, litigation and contingencies and the assumptions underlying the calculation of pension obligations.

The main assumptions applied by the Company are presented in the relevant notes to the financial statements.

It is not currently possible to accurately predict the magnitude and duration of the current economic and financial crisis beyond December 31, 2009. As a result, the 2009 financial statements have been prepared based on the current environment, particularly for the purpose of estimating the value of fixed assets (mainly shares in subsidiaries and affiliates) as explained below.

Notes 1 to 28 set out below form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Accor SA have been prepared in accordance with French generally accepted accounting principles, including the principles of prudence, materiality and segregation of accounting periods, for the purpose of giving a true and fair view of the assets, liabilities and financial position of the Company and the results of its operations. They are presented on a going concern basis and accounting methods have been applied consistently from one year to the next.

Assets recorded in the balance sheet are stated at historical cost or contributed value, as applicable.

There were no changes in presentation or measurement methods in 2009.

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 and between three and five years for licenses.

Leasehold rights, networks and trademarks with indefinite useful lives are not amortized. Their value is assessed at each year-end and more frequently if events or circumstances indicate a possible impairment in value. If an assessment of fair value based on the same criteria as at the time of acquisition indicates the existence of a prolonged impairment in value, a provision is recorded.

b) Property and equipment

Property and equipment are stated at cost, corresponding to i) the asset's purchase price, ii) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and iii) borrowing costs directly attributable to the construction or production of the asset.

Property and equipment are depreciated on a straight-line basis over their estimated useful lives, as follows:

- buildings: 35 to 50 years;
- fixtures and fittings: 7 to 25 years;
- other assets: 5 to 15 years.

a) and b bis) Fair values of intangible assets and property and equipment

At each year-end, the Company determines whether there are any indicators of impairment in value of intangible assets or property and equipment. Impairment indicators include obsolescence, physical damage, significant changes in the manner in which the asset is used, lower-than-expected economic performance, a steep fall in revenues, or other external indicators. Where there is an indication that the value of an asset may be impaired, its present value is assessed for the purpose of calculating the potential impairment charge.

The present value of an asset is deemed to be the higher of its fair value or value in use.

c) Investments

Shares in subsidiaries and affiliates are stated at cost. Transaction costs on these assets are recorded in the income statement.

At each year-end, the Company determines whether there are any indicators of impairment in value of its investments. Impairment indicators include lower-than-expected economic performance, a drop in share price, rating downgrades and steep falls in revenues or earnings.

Where there is an indication that the value of an investment may be impaired, its present value is assessed for the purpose of calculating the potential impairment charge. The present value of an investment is deemed to be the higher of its fair value or value in use.

Accor considers that the most appropriate method for measuring the fair value of its investments is to calculate its equity in the underlying net assets of the subsidiaries and affiliates concerned. Another method used for investments in hotel companies is to calculate the company's average EBITDA for the last two years and apply a multiple based on the type of hotels owned by the company and their financial position. Accor also uses comparable recent transactions for the purpose of calculating fair values.

If the fair value of an investment in a subsidiary or affiliate calculated as described above is lower than the asset's carrying amount, the Company then also determines the investment's value in use, which corresponds to the present value of the future cash flows expected to be derived from the investment.

The value in use of investments in subsidiaries and affiliates is assessed using a range of indicators, including:

- the historical data used to value the investment at the time of acquisition;
- current profitability data and the current value of the underlying net assets;
- projections of future profitability, realizable values and economic trends.

If shares in subsidiaries and affiliates or other investment securities are deemed to be impaired they are written down to the lower of their fair value or value in use, based on the impairment tests performed and taking into account their financial position. Where the company concerned is not certain of achieving operating profitability in the future, the investment is written down to an amount corresponding to the Company's equity in the underlying net assets. The measurement process also takes into account i) the maturity of the business (for example no provision is recorded for investments in companies that are in the start-up phase and whose future profitability is assured) and ii) the fair value of certain of the subsidiary's assets that are not included in the balance sheet (e.g. trademarks). Provisions for impairment recognized on these investments are not permanent and may be reversed if the financial position of the company concerned improves. However, any reversals of impairment provisions may not result in the investment's carrying amount being increased to above its historical cost.

Additional provisions may be recorded to write down loans and advances to the company concerned and, where necessary, a provision for contingencies is also recorded.

d) Inventories

Inventories are measured at the lower of cost or probable realizable value. Cost is determined by the weighted average cost method.

e) Deferred charges

Following adoption of the new accounting standard relating to assets, as from January 1, 2005 deferred charges consist solely of debt issuance costs which are amortized over the life of the related debt.

f) Receivables

Receivables are measured at nominal value and provisions for impairment are subsequently recorded if their fair value is lower than their carrying amount.

g) Marketable securities

Marketable securities are stated at the lower of cost or market value.

h) Revenue

Revenue corresponds to sales of goods and services in the ordinary course of business. For directly owned and leased hotels, it comprises all revenue received from customers for accommodation, food services and other services, and for managed and franchised hotels, all management and franchise fees. Revenue also includes services billed to subsidiaries and non-related parties as well as business lease fees and fees for rent guarantees and guarantees of debt issued by the Company.

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

Consequently:

- lease revenues and fees billed to subsidiaries and non-related parties are recognized on a straight-line basis over the life of the contract;
- fees for guarantees are recognized on a straight-line basis over the term of the guarantee concerned;
- revenue from other services is recognized when the service is rendered.

i) Untaxed provisions

Hotel fixed assets are depreciated by the reducing balance method for tax purposes. The difference between straight-line depreciation recorded in the accounts and reducing balance depreciation calculated for tax purposes is 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 (plan assets).

l) Plain vanilla bonds

For plain vanilla bonds issued at a discount to face value, the difference between the issue proceeds and the face value of the bonds is amortized on a straight-line basis over the life of the bonds.

m) Foreign currency transactions

Income and expenses in foreign currencies are converted into euros at the exchange rate prevailing on the transaction date.

Payables, receivables and cash balances in foreign currencies are converted at the year-end exchange rate.

Translation differences are recorded in the balance sheet.

No provision for exchange losses is recorded for loans and borrowings denominated in the same currency with broadly equivalent maturities.

n) Currency risks

Currency risks arising on the conversion of euro cash reserves into foreign currencies to meet part of the financing needs of foreign subsidiaries are hedged by swaps with the same maturities as the loans to subsidiaries.

o) Corporate income tax

Accor has elected for group relief in application of the French Act of December 31, 1987. Under the group relief system, tax losses of companies in the tax group can be netted off against the profits of other companies in the group, provided that certain conditions are met. The applicable tax rules are set down in articles 223 A *et seq*. of the French General Tax Code.

Each company in the tax group records in its accounts the tax charge it would have incurred if it had been taxed on a stand-alone basis. The group relief profit or loss is recorded in the balance sheet of Accor as head of the tax group.

Further to changes in tax regulations applicable since January 1, 2005, provisions for unrealized long-term losses on securities may no longer be offset against capital gains realized on the same class of investments.

p) 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 standard CRC 2008-15 on the accounting treatment of employee 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 was recorded for the cost of these plans in the 2009 financial statements.

NOTE 2. MOVEMENTS IN FIXED ASSETS

(in million of euros)	Gross value at Jan. 1, 2009	Acquisitions and inter-item transfers	Retirements and disposals and inter-item transfers	Other	Gross value at Dec. 31, 2009
INTANGIBLE ASSETS					
Trademarks and rights of use	49	-	-	-	49
Licenses and software	97	6	(1)	1	103
Networks [(a)]	81	-	(3)	1	79
Other intangible assets	-	1	(1)	-	-
Prepayments to suppliers of intangible assets	1	3	(1)	-	3
TOTAL INTANGIBLE ASSETS	**228**	**10**	**(6)**	**2**	**234**
PROPERTY AND EQUIPMENT					
Land	51	-	(6)	-	45
Buildings	179	1	(8)	-	172
Machinery and equipment [(a)]	30	2	(3)	12	41
Other property and equipment [(a)]	60	5	(4)	6	67
Assets under construction	2	1	(2)	-	1
Prepayments to suppliers of property and equipment	2	2	(1)	-	3
TOTAL PROPERTY AND EQUIPMENT	**324**	**11**	**(24)**	**18**	**329**
INVESTMENTS					
Shares in subsidiaries and affiliates [(b)]	8,195	395	(241)	(23)	8,326
Loans and advances to subsidiaries and affiliates [(c)]	604	659	(372)	5	896
Other investment securities [(b)]	1	-	-	-	1
Other loans	13	4	(1)	-	16
Other investments	32	-	-	-	32
TOTAL INVESTMENTS	**8,845**	**1,058**	**(614)**	**(18)**	**9,271**
TOTAL FIXED ASSETS	**9,397**	**1,079**	**(644)**	**2**	**9,834**

(a) Movements recorded in the "Other" column for intangible assets and property and equipment reflect the full asset transfer from SEHS to Accor SA carried out during the year. The amount recorded in the "Other" column for networks corresponds to the merger deficit arising on the transaction.

(b) A breakdown of the €131 million change in these items is provided in Note 6.

(c) The €5 million increase in this item reported under "Other" corresponds to the reversal of 2008 translation adjustments and the recognition of translation adjustments for 2009.

NOTE 3. PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

- Trademarks and rights of use:

  This item mainly relates to the valuation of the Novotel trademark and rights granted to subsidiaries to use the Accor Group's trademarks.

- Licenses and software:

  These correspond to IT licenses and software used by the Company in its operating activities.

- Networks:

  Networks primarily correspond to the hotel networks of Novotel, Suitehotel and Mercure.

- Buildings and fixtures and fittings:

  These items mainly correspond to buildings and fixtures and fittings related to hotels, headquarters premises and the Group's training center.

NOTE 4. MOVEMENTS IN DEPRECIATION AND AMORTIZATION

(in million of euros)	At Jan. 1, 2009	Increase	Decrease	At Dec. 31, 2009
INTANGIBLE ASSETS				
Trademarks and rights of use	0	-	-	0
Licenses and software	89	7	(1)	95
Networks	33	1	(1)	33
Other intangible assets	-	-	-	-
TOTAL INTANGIBLE ASSETS	**122**	**8**	**(2)**	**128**
PROPERTY AND EQUIPMENT				
Buildings	67	8	(7)	68
Machinery and equipment	26	9	(3)	32
Other property and equipment	31	9	(2)	38
TOTAL PROPERTY AND EQUIPMENT	**124**	**26**	**(12)**	**138**
TOTAL	**246**	**34**	**(14)**	**266**

NOTE 5. RECEIVABLES (1)

(in million of euros)	Dec. 31, 2008 Gross amount	Dec. 31, 2009 Gross amount
Prepayments to suppliers	**1**	**2**
Trade receivables	**236**	**234**
Other receivables	**624**	**699**
Supplier-related receivables	*1*	*4*
Recoverable VAT and other taxes	*98*	*77*
Current accounts with subsidiaries	*510*	*599*
Other	*15*	*19*
TOTAL	**861**	**935**

(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, 2009
SPATA AIRPORT HOT.CY (Greece)	274,573	2	5.00%
ASM	6,244		99.90% (a)
ASH	6,250		100.00% (a)
DEUTSCHE DAUPHINE	370		5.92%
WBA ST HONORÉ	379,796	14	28.61% (c)
COLSPA	3,700		10.00% (d)
TOTAL		**16**	

Additional investments	Number of shares acquired	% acquired	Amount *(in million of euros)*	% interest at Dec. 31, 2009
SNC SGHP (Formerly SNC Adagio)	330,305	0.12%	15	100.00% (2)
THE NEWGEN HOTELS FRANCE	4,110,463	-	43	100.00% (3)
MARINOTEL (SMIH)	273,835	-	4	99.99% (2)
CIE INTERNATIONALE DES WAGON-LITS ET DU TOURISME	1,957	0.05%	-	99.76%
ASESORIA (Mexico)	996,966	8.89%	2	100.00% (1)
CHAMMANS FINANCE	6,375,000	0.23%	102	100.00% (3)
GROUPE LUCIEN BARRIÈRE	2,785	15.00%	153	49.00%
SOGECOL (Colombia)	250,000	0.95%	1	88.09% (3)
SOC. DE DESARROLLO DE HOTEL PERUANOS (Peru)	5,569,200	0.01%	1	99.97% (3)
TUNISIA HOTELS AND RESORT (Tunisia)	18,499	0.03%	1	99.98% (3)
ACCOR ARGENTINA (Formerly Servicios Ticket Argentina)	46,629	9.73%	10	95.00% (1)
ACCOR CHILE (Chile)	1,899,693	-	3	100.00% (3)
DELICARD GROUP AB	218,500	9.50%	2	98.30%
SILHSA (Sociedad Immobiliara y de Hoteles Larcomar - Peru)	14,009,100	-	3	100.00% (3)
THE NEWGEN HOTELS AG (formerly Dorint AG – Germany)	34,318	0.53%	1	100.00%
ACCOR SERVICES PARTICIPATIONS	116,973	29.72%	20	82.31% (3)
ROYAL IMAGE DIRECT MARKETING PRIVATE LIMITED (India)	205,361	9.84%	1	98.30%
ACCOR SERVICES PRIVATE LIMITED (India)	5,449,533	25.10%	3	94.22%
SURFGOLD (Singapore)	-	-	5	98.30%
PREPAY TECHNOLOGIES (UK)	772,486	11.67%	8	81.75% (1)
Other			1	
TOTAL			**379**	

(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 canceling shares or capitalizing losses.
(3) Partial or full take-up of shares in connection with a share issue.
(a) Acquisition raising the Company's interest to more than 50%.
(b) Acquisition raising the Company's interest to more than 33.33%.
(c) Acquisition raising the Company's interest to more than 20%.
(d) Acquisition raising the Company's interest to more than 10%.

Disposals	Number of shares sold	% sold	Carrying amount of sold shares *(in million of euros)*	% interest at Dec. 31, 2009
SALES				
MARINOTEL (SMIH)	332,710	99.99%	(13)	- [2]
SH VICHYSSOISE	33,800	19.88%	(1)	-
CLUB MÉDITERRANÉE	1,162,630	4.50%	(52)	-
ACCOR ARGENTINA	3,963	4.16%	(1)	95.00%
ASESORIA (Mexico)	11,211,534	100.00%	(9)	-
PREPAY TECHNOLOGIES (UK)	9,772,542	81.75%	(63)	-
ACCOR SERVICE EMPRESARIALES S.A (Mexico)	79,042,890	75.80%	(2)	-
ACCOR SERVICES ROMANIA	552,289	82.28%	(31)	-
Other			(1)	
OTHER TRANSACTIONS				
ACCOR LODGING NORTH AMERICA (A.L.N.A) – capital redemption by reducing par value of shares	-		(34)	62.12%
SHERATON GEZIRAH CAIRO – capital redemption by reducing par value of shares	-		(4)	65.01%
LIQUIDATIONS				
TICKET SERVICE SP ZOO (Poland)	560		(2)	-
SNC DU LAGON	195,901		(1)	-
HOTELES ACCOR DE ARGENTINA	38,541,847		(26)	-
BORUM (Germany)	1,080,000		(1)	-
TOTAL SALES, LIQUIDATIONS AND OTHER			**(241)**	

Other movements	Number of shares cancelled or exchanged	Amount *(in million of euros)*	% interest at Dec. 31, 2009
SALES OF ASSETS IN EXCHANGE FOR SHARES			
MERGERS/DEMERGERS			
Merger – ACCOR HOSPITALITY NL (Netherlands), formerly MMH BV	**4,025,403**	**18**	**58.09%**
NOVOTEL NEDERLAND BV	(3,085,706)	(17)	-
NHERE BV	(862,183)	(1)	-
Merger – ACCENTIV' KADEOS	**601,596**	**206**	**98.30%**
KADEOS	(88,470)	(206)	-
Merger – Sté Internationale des Hôtels Novotel	**1,705,590**	**17**	**95.71%**
STE HÔTELIÈRE BLOIS L'HERMITAGE	(7,995)	(4)	-
SOCIÉTÉ PARISIENNE D'HÔTELLERIE ET D'AFFAIRES	(916,001)	(1)	-
SOCIÉTÉ EUROPÉENNE D'HÔTELLERIE ET D'AFFAIRES	(3,485,320)	(5)	-
SPCA (SNC)	(116,622,824)	(7)	-
Merger – MERCURE INT. HOTELS	**367,101**	**39**	**73.93%**
SOCIÉTÉ RÉGIONALE D'HÔTELLERIE ET D'AFFAIRES	(1,498,851)	(2)	-
VALBOTEL (SNC)	(241,688)	(4)	-
FINEXHOR	(5,209,217)	(33)	-
Full asset transfer to ACCOR			
STE D'EXPLOITATION DES HOTELS SUITES	(460,000)	(23)	-
TOTAL MERGERS/DEMERGERS		**(23)**	
SUMMARY			
Total acquisitions		**395**	
Total disposals and liquidations		**(241)**	
Total other movements		**(23)**	
Total movements		**131**	

NOTE 7. MOVEMENTS IN PROVISIONS

(in million of euros)	At Jan. 1, 2009	Increase	Decrease: Surplus provisions	Decrease: Utilized provisions	At Dec. 31, 2009
UNTAXED PROVISIONS					
Excess tax depreciation	3	4	(1)	-	6
TOTAL UNTAXED PROVISIONS	**3**	**4**	**(1)**	**-**	**6**
PROVISIONS FOR CONTINGENCIES					
Claims and litigation	1	1	-	-	2
Foreign exchange losses	5	-	(4)	-	1
Other [a]	14	4	(4)	(1)	13
TOTAL PROVISIONS FOR CONTINGENCIES	**20**	**5**	**(8)**	**(1)**	**16**
PROVISIONS FOR CHARGES [b]					
Pensions and other post-retirement benefit obligations	27	9	(1)	(1)	34
Taxes	7	-	(1)	-	6
Other	31	17	(6)	(13)	29
TOTAL PROVISIONS FOR CHARGES	**65**	**26**	**(8)**	**(14)**	**69**
TOTAL PROVISIONS	**88**	**35**	**(17)**	**(15)**	**91**
PROVISIONS FOR IMPAIRMENT IN VALUE [c]					
Intangible assets	11	-	-	-	11
Property and equipment	1	9	-	-	10
Investments (*)	1,484	817	(97)	-	2,204
Trade receivables	7	9	(2)	-	14
Other receivables (*)	79	12	(17)	-	74
TOTAL PROVISIONS FOR IMPAIRMENT IN VALUE	**1,582**	**847**	**(116)**	**-**	**2,313**
TOTAL	**1,670**	**882**	**(133)**	**(15)**	**2,404**
Income statement impact of movements in provisions		Increase		Decrease	
Operating income and expenses		49		24	
Financial income and expenses		828		32	
Non-recurring income and expenses		5		75	
Movements with no income-statement impact				17	
TOTAL		**882**		**148**	

(*) Recorded in accordance with the accounting policy described in Note 1c.

(a) Other provisions for contingencies mainly comprised €10 million in provisions for risks related to subsidiaries. These provisions are set aside after taking into account provisions for shares in and loans and advances to subsidiaries and affiliates.

Movements in this item primarily reflect i) additions to provisions for subsidiaries in an amount of €3 million and ii) reversals of provisions for subsidiaries amounting to €3 million.

(b) At the year-end, total provisions for charges included €34 million in provisions for pensions and other post-retirement benefits and €6 million in provisions for taxes.

Movements in other provisions for charges corresponded to i) €17 million in additions (of which €15 million for restructuring provisions), ii) €19 million in reversals (of which €15 million from restructuring provisions and €2 million from provisions for future rental payments and charges following the consolidation of head offices).

The €29 million balance of this item at the year-end primarily corresponds to €16 million in restructuring provisions (including €10 million for the voluntary separation plan) and €9 million in provisions for future rental payments and charges following the consolidation of head offices.

Pension benefit obligations and underlying actuarial assumptions

	Dec. 31, 2008	Dec. 31, 2009
Discount rate	5.50%	5%
Mortality tables	Insee 1998	Insee 1998
Rate of future salary increases	3%	3%
Retirement age	65 years	65 years
Voluntary or compulsory retirement	Voluntary	Voluntary
Payroll tax rate	46%	46%

	2008	2009
Provisions for pensions and other post-retirement benefit obligations at Jan. 1	21	27
Service cost	2	3
Interest cost	2	3
Actuarial (gains)/losses	4	2
Other movements	(2)	(1)
Provisions for pensions and other post-retirement benefit obligations at Dec. 31	27	34

Staff turnover assumptions for employees aged 16 to 67 ranged between 0% and 9.74% for non-managerial employees and between 0% and 6.59% for managerial employees.

(c) These provisions mainly concern impairment in value of shares in subsidiaries and affiliates, with the 2009 year-end balance primarily corresponding to write-downs of Accor.com (€67 million), Accentiv/Kadeos (€105 million), Accor Afrique (€39 million), IBL (€352 million), SIET (€116 million), Newgen France (€43 million), ALNA (€372 million), CIWLT (€546 million) and The Newgen Hotel AG (€92 million).

Additions to these provisions in 2009 primarily corresponded to €792 million set aside for shares in subsidiaries and affiliates and €25 million for loans to subsidiaries. These additions included i) €202 million for IBL and €361 million for ALNA, which both operate in the Hotels business in the United States and ii) €105 million for Accentiv/Kadeos.

NOTE 8. MARKETABLE SECURITIES PORTFOLIO

(in million of euros)	Dec. 31, 2008 Gross value	Dec. 31, 2009 Gross value
Certificates of deposit	20	0
TOTAL	**20**	**0**

Accor did not have any marketable securities at December 31, 2009.

No provisions for impairment in value were set aside in 2008 for marketable securities as their fair value exceeded or was equal to their carrying amount.

NOTE 9. ACCRUALS AND OTHER ASSETS/LIABILITIES

(in million of euros)	Net at Jan. 1, 2009	Increase	Decrease	Net at Dec. 31, 2009
DEFERRED CHARGES				
Debt issuance costs	3	7	(2)	8
TOTAL	**3**	**7**	**(2)**	**8**
BOND ISSUE PREMIUMS				
Issue premiums	-	4	-	4
TOTAL	**-**	**4**	**-**	**4**
PREPAID EXPENSES				
Prepaid IT rental and maintenance costs	5	-	(3)	2
Prepaid advertising expenses	1	-	(1)	-
Prepaid property rents	2	-	-	2
Other	1	1	(1)	1
TOTAL	**9**	**1**	**(5)**	**5**
DEFERRED INCOME				
Software license fees	2	-	(1)	1
TOTAL	**2**	**-**	**(1)**	**1**

NOTE 10. UNREALIZED FOREIGN EXCHANGE GAINS AND LOSSES

Unrealized foreign exchange losses

(in millions of euros)	2008	2009
Decrease in receivables	82	1
Increase in payables	6	5
TOTAL	**88**	**6**

Unrealized foreign exchange gains

(in millions of euros)	2008	2009
Increase in receivables	5	7
Decrease in payables	88	2
TOTAL	**93**	**9**

NOTE 11. ACCRUED INCOME

Accrued income is included in the following balance sheet items *(in millions of euros)*	2008	2009
Loans and advances to subsidiaries and affiliates	6	28
Trade receivables	187	179
Current accounts with subsidiaries	7	2
Cash and cash equivalents	3	2
TOTAL	**203**	**211**

NOTE 12. ACCRUED EXPENSES

Accrued expenses are included in the following balance sheet items *(in millions of euros)*	2008	2009
Bank borrowings	14	6
Other borrowings	19	16
Trade payables	108	112
Accrued taxes and payroll costs	49	42
Bonds	0	69
TOTAL	**190**	**245**

NOTE 13. CHANGES IN SHAREHOLDERS' EQUITY

(in million of euros)	At Dec. 31, 2008	Appropriation of 2008 net profit	Capital increase/ reduction	Other	2009 net loss	At Dec. 31, 2009
Number of shares making up the Company's capital (1)	219,894,523		5,563,676			225,458,199
Share capital	660		16			676
Additional paid-in capital	2,075		153			2,228
Legal reserve	69					69
Untaxed reserves	9					9
Other reserves	112					112
Retained earnings	322	120				442
Net profit/(loss) for the year	482	(482)			(302)	(302)
Untaxed provisions	3			3		6
TOTAL SHAREHOLDERS' EQUITY	**3,732**	**(362)** (2)	**169** (2) (3)	**3** (4)	**(302)**	**3,240**

(1) With a par value of €3 per share.
(2) Including €362.8 million in dividends paid on June 17, 2009, of which €200.7 million in cash and €162.1 million in shares.
(3) Shares issued on the exercise of stock options.
(4) Excess tax depreciation mainly relating to the Hotels business.

Potential shares: if all employee stock options had been exercised at December 31, 2009, the number of issued shares would have been increased by 9,628,137, raising the Company's share capital by €415 million.

NOTE 14. STOCK OPTION AND PERFORMANCE SHARE PLANS

Stock option plans	Plan 5	Plan 6	Plan 8	Plan 9	Plan 11	Plan 12	Plan 13	Plan 14	Plan 15	Plan 17	Plan 18	Plan 19
Grant date	1/4/2001	1/8/2002	1/3/2003	1/7/2004	1/12/2005	1/9/2006	3/24/2006	3/22/2007	5/14/2007	3/28/2008	9/30/2008	2/24/2009
Expiry date	1/4/2009	1/8/2010	1/3/2011	1/7/2012	1/12/2012	1/9/2013	3/24/2013	3/22/2014	5/14/2014	3/28/2015	9/30/2015	3/31/2017
Exercise price *(in euros)*	40.58	37.77	31.83	35.68	32.42	46.15	49.10	68.65	71.72	46.46	42.70	27.45
Value used for calculating the 10% contribution sociale surtax (in euros)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11.55	7.00	5.78
Vesting conditions	3 years of seniority	3 years of seniority	3 years of seniority	3 years of seniority	4 years of seniority	4 years of seniority	4 years of seniority	4 years of seniority	4 years of seniority + performance conditions(*)	4 years of seniority	4 years of seniority	4 years and 1 month of seniority
Number of options granted at the plan launch	1,957,000	3,438,840	148,900	1,482,900	1,298,950	1,231,200	666,950	1,492,845	95,000	1,409,400	75,000	969,965
Number of options outstanding at Dec. 31, 2007	634,550	1,426,343	56,990	1,189,492	1,279,800	1,227,700	659,650	1,492,845	95,000	N/A	N/A	N/A
Number of options granted in 2008										1,409,400	75,000	
Number of options exercised in 2008	-	26,845	740	30,731	2,600	-	-	-	-	-	-	-
Number of options cancelled in 2008	-	7,650	-	3,000	1,000	3,500	5,400	22,180	-	10,650	-	
Number of options outstanding at Dec. 31, 2008	634,550	1,391,848	56,250	1,155,761	1,276,200	1,224,200	654,250	1,470,665	95,000	1,398,750	75,000	N/A
Number of options granted in 2009												969,965
Number of options exercised in 2009	-	159,062	300	6,900	28,284	-	-	-	-	-	-	-
Number of options cancelled in 2009	634,550	(6,850)	300	1,500	2,800	12,800	15,200	52,860	26,713	32,400	-	35,215
Number of options outstanding at Dec. 31, 2009	-	1,239,636	55,650	1,147,361	1,245,116	1,211,400	639,050	1,417,805	68,287	1,366,350	75,000	934,750
Number of options exercised since the plan launch	1,252,450	2,120,654	92,950	316,539	31,584	-	1,300	-	-	-	-	-
Number of options cancelled since the plan launch	704,550	78,550	300	19,000	22,250	19,800	26,600	75,040	26,713	43,050	-	35,215

(*) Performance conditions based on return on capital employed (ROCE) and operating profit after tax.

Stock savings warrants	Plan 7	Plan 10	Plan 16
Grant date	7/12/2002	7/9/2004	9/13/2007
Expiry date	7/12/2009	7/9/2012	9/13/2015
Exercise price *(in euros)*	39.10	33.94	60.44
Value used for calculating the 10% contribution sociale surtax *(in euros)*	N/A	N/A	N/A
Vesting conditions	3 years of seniority	3 years of seniority	3 years of seniority
Number of warrants granted at the plan launch	104,361	88,131	1,403
Number of warrants outstanding at Dec. 31, 2007	75,197	85,039	1,403
Number of warrants granted in 2008			
Number of warrants exercised in 2008	694	1,529	-
Number of warrants cancelled in 2008			
Number of warrants outstanding at Dec. 31, 2008	74,503	83,510	1,403
Number of warrants granted in 2009			
Number of warrants exercised in 2009	10,803	-	-
Number of warrants cancelled in 2009	63,700	-	-
Number of warrants outstanding at Dec. 31, 2009	-	83,510	1,403
Number of warrants exercised since the plan launch	40,661	4,621	-
Number of warrants cancelled since the plan launch	63,700	-	-

Performance share plans	2007 plan	2008 plan	2009 plan	2009 plan
Grant date	5/14/2007	3/28/2008	3/31/2009	3/31/2009
Expiry date	5/14/2009	3/28/2010	3/31/2011	3/31/2013
Value used for calculating the 10% contribution sociale surtax *(in euros)*	N/A	46.46	25.49	25.49
Vesting conditions	2 years of seniority + performance conditions	2 years of seniority + performance conditions	2 years of seniority + performance conditions	4 years of seniority + performance conditions
Number of performance shares granted at the plan launch	56,171	107,034	201,194	41,359
Number of performance shares outstanding at Dec. 31, 2007	56,171	N/A	N/A	N/A
Number of performance shares granted in 2008	-	107,034	-	-
Number of shares vested in 2008	-	-	-	-
Number of performance shares cancelled in 2008	-	-	-	-
Number of performance shares outstanding at Dec. 31, 2008	56,171	107,034	N/A	N/A
Number of performance shares granted in 2009	-	-	207,364	35,189
Number of shares vested in 2009	49,804	-		
Number of performance shares cancelled in 2009	3,085	2,500	7,610	1,198
Number of performance shares cancelled in 2009 due to failure to meet the vesting conditions	3,282	78,368	96,965	20,127
Number of performance shares outstanding at Dec. 31, 2009	-	26,166	102,789	13,864
Number of shares vested since the plan launch	49,804	-	-	-
Number of performance shares cancelled since the plan launch	6,367	80,868	104,575	21,325
Potential number of new shares to be issued if performance conditions met	-	26,166	96,619	20,034

NOTE 15. BONDS

In line with its strategy of increasing the maturity of its borrowings and ensuring the sustainability of its financial resources, Accor carried out three bond issues in 2009, the details of which are shown in the following table.

	Currency	Amount of the issue *(in millions of euros)*	Fixed/ variable rate	% Interest rate	Term	Outstanding principal at Dec. 31, 2008	Outstanding principal at Dec. 31, 2009
January 2009 bond issue	Euros	600	Fixed	7.500%	5 years	0	600
April 2009 bond issue	Euros	600	Fixed	6.500%	4 years	0	600
July 2009 bond issue	Euros	250	Fixed	6.039%	8 years	0	250

NOTE 16. LIABILITIES BY MATURITY

(in millions of euros)	Gross amount	Due within 1 year	Due in 1-5 years	Due beyond 5 years
BORROWINGS				
Bonds (1) (3)	1,519	69	1,200	250
Bank borrowings (1) (3)	499	162	337	-
Other borrowings (1) (2) (3)	2,577	2,388	189	-
OPERATING PAYABLES				
Trade payables (3)	126	126	-	-
MISCELLANEOUS PAYABLES				
Accrued taxes and payroll costs (3)	222	222	-	-
Due to suppliers of fixed assets (3)	-	-	-	-
Other payables (3)	44	44	-	-
Deferred income (3)	1	1	-	-
TOTAL	**4,988**	**3,012**	**1,726**	**250**

(1) Gross amount of new borrowings during the year: €1,769 million (including €1,450 million from bond issues).
Gross amount of borrowings repaid during the year: €1,235 million.
(2) Including €2,348 million due to related parties.

(3) Breaking down as follows by currency:

Liabilities by currency	
AUD	11
CHF	32
CZK	13
EUR	4,281
GBP	375
HUF	65
MXN	50
NZD	11
SEK	91
USD	57
Other currencies	2
TOTAL	**4,988**

Financing policy

At December 31, 2009, Accor had several confirmed lines of credit with maturities of more than one year. The unused portion of these facilities totaled €2,530 million, expiring between 2011 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 17. RECEIVABLES BY MATURITY

(in millions of euros)	Gross amount	Due within 1 year	Due beyond 1 year
FIXED ASSETS			
Loans and advances to subsidiaries and affiliates (1)	896	615	281
Other loans (1)	17	1	16
Other investments (1)	32	-	32
CURRENT ASSETS			
Trade receivables	234	234	-
Other receivables (1)	699	699	-
Prepaid expenses	5	5	-
TOTAL RECEIVABLES	**1,883**	**1,554**	**329**

(1) Breaking down as follows by currency:

Receivables by currency	
AUD	38
CAD	12
EUR	1,522
JPY	28
USD	10
VEB	25
Other currencies	9
TOTAL	**1,644**

NOTE 18. RELATED PARTY ITEMS [(1)]

(in millions of euros)	2008	2009
Shares in subsidiaries and affiliates	7,738	7,776
Loans and advances to subsidiaries and affiliates	603	895
Other investment securities	1	1
Trade receivables	132	138
Other receivables	509	599
Borrowings	2,325	2,348
Trade payables	27	39
Income from investments in subsidiaries and affiliates	335	269
Other financial income	62	36
Financial expenses	122	75

(1) Companies that are fully consolidated in the Accor Group consolidated financial statements are deemed to be related parties.

NOTE 19. FINANCE LEASES

Commitments under finance leases

(in millions of euros)	Lease payments made			Future lease payments				
Asset	2009	Prior years	Total	Due within 1 year	Due in 1-5 years	Due beyond 5 years	Total	Residual purchase price
Buildings	0	171	171	0	0	-	0	1

Assets held under finance leases

(in millions of euros)		Depreciation				
Asset	Cost	2009	Prior years	Expected future depreciation	Total	Net value
Buildings	314	-	313	-	313	1

NOTE 20. BREAKDOWN OF NET REVENUE

(in millions of euros)	2008	2009
FRANCE		
Hotels	478	470
Foodservices	-	-
Holding and Services companies	24	24
TOTAL FRANCE	**502**	**494**
INTERNATIONAL		
Hotels	60	106
Holding and Services companies	82	77
TOTAL INTERNATIONAL	**142**	**183**
TOTAL NET REVENUE	**645**	**677**

NOTE 21. PAYROLL COSTS

Compensation paid to members of the Company's administrative and supervisory bodies

(in millions of euros)	2008	2009
Directors' fees	0.6	0.6
Members of the Executive Committee (excl. payroll taxes)	7.48	9.62
Retirement benefits	(0.22)	-

Number of employees

Employee category	2008	2009
Managerial staff	922	843
Supervisors	278	253
Administrative staff	111	86
Apprentices	11	8
TOTAL	**1,322**	**1,190**

The Company had 1,190 employees at December 31, 2009, including 16 employees seconded to subsidiaries.

Statutory training entitlement

In accordance with Recommendation 2004F issued by the Urgent Issues Task Force of the French National Accounting Board, Accor did not set aside any provisions relating to employees' statutory training entitlement in its 2009 financial statements. At December 31, 2009, Accor employees had accumulated a total of 60,110 training hours under this entitlement.

NOTE 22. FINANCIAL INCOME AND EXPENSES

(in millions of euros)	2008	2009
Income from investments in subsidiaries and affiliates	**380**	**292**
Dividends received from subsidiaries	345	271
Interest received on intragroup loans and receivables	35	21
Other interest income	**41**	**34**
Interest on current accounts	26	16
Interest on interest rate swaps	4	9
Interest on currency swaps	8	7
Other	4	2
Reversals of provisions for financial items	**38**	**33**
Reversals of provisions for shares in subsidiaries and affiliates	20	8
Reversals of provisions for other receivables	17	16
Reversals of provisions for contingencies and charges	1	9
Foreign exchange gains	**38**	**45**
TOTAL FINANCIAL INCOME	**498**	**404**
Interest expense	**(202)**	**(192)**
Interest on bonds	-	(72)
Interest on bank borrowings	(62)	(24)
Interest on other borrowings	(122)	(77)
Interest on interest rate swaps	(4)	(13)
Interest on currency swaps	(5)	(3)
Other	(9)	(2)
Amortization and provisions – financial assets	**(102)**	**(829)**
Additions to provisions for shares in subsidiaries and affiliates	(87)	(792)
Additions to provisions for loans	(1)	(25)
Additions to provisions for current assets	(8)	(7)
Amortization of bond issue premiums	-	(1)
Additions to provisions for contingencies and charges	(6)	(4)
Foreign exchange losses	**(40)**	**(43)**
TOTAL FINANCIAL EXPENSES	**(343)**	**(1,064)**
NET FINANCIAL INCOME (EXPENSE)	**155**	**(659)**

NOTE 23. NON-RECURRING INCOME AND EXPENSES

In 2009, total non-recurring items represented net income of €326 million before tax, breaking down as follows:

(in millions of euros)	2008	2009
Gains (losses) on disposals of intangible assets and property and equipment	13	5
Gains (losses) on disposals and liquidations of investments	265	253 [1]
Reversals of provisions for contingencies and charges	1	1
Additions to provisions for current accounts	-	(1)
Reversals of provisions for current accounts	1	-
Reversals of provisions for shares in subsidiaries and affiliates	43	72 [2]
Additions to provisions for excess tax depreciation	(1)	(4)
Reversals of provisions for excess tax depreciation	1	1
NET NON-RECURRING INCOME	**322**	**326**

(1) Mainly gains on transfers of shares in Prepaid Services subsidiaries and affiliates to other Group companies (including the sale of Accor Services Romania, Asesoria and Accor Services Mexico in 2009).

(2) Mainly provision reversals following disposals of shares (including Club Med and SMIH) and liquidations of companies (including Hoteles Accor de Argentina).

NOTE 24. INCOME TAX

A) Accor SA income tax

In 2009, the Company recorded a tax loss of €144 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 €45 million in 2009, corresponding to the tax savings arising from group relief.

C) Tax group

The tax group headed by Accor SA comprises the following 103 subsidiaries:

Accentiv' Kadeos (formerly Acc. House)	Immobilière de Perrache	SH Porte de Sèvres
Accentiv' Travel (formerly EURO TO)	Lenôtre	SH Sablaise
Accor Afrique	Lenôtre Côte d'Azur	Shema (formerly Mercure RAM)
Accor Centres de Contacts Clients (formerly ARS)	Lionest SCI	Shoret
Accor Services Formations (formerly Joffre)	Marcq Hôtel	SIDH
Accor Services France	Marquise de Presles	Sigest 1
Accor.com	Mercure International Hôtels	SISP SNC
Accueil Partenaires	Mer et Montagne SNC	Sodetis
All Seasons (formerly Mercure France-Est)	Newgen Hôtels France SAS	Sofitel Luxury Hôtels France (formerly SHBA)
Blagnac SCI	NMP France (formerly DGR Ile de France SNC)	Sogetel La Part Dieu
Chammans Finance	Novobiens	Soluxury HMC SARL
Cie d'Exploitation Hôtelière de Bagnolet	Orpa SCI	Soparac
Cie d'Exploitation Hôtelière de Roissy	Paris Clichy (Frantour Berthier)	Sophia Antipolis
Cie Européenne de Patrimoine Immobilier & Hôtelier	Paris Porte de St Cloud	Sparhe
Cie Toulon. d'Invest.et de Développement	Partal	Sté Commerciales des Hôtels Economiques
CIWLT Succursale France	Porte de Montmartre SCI	Sté Comtoise Hôtels Brochets
Courcelles Miromesnil	Pradotel	Sté de Construction des Hôtels Suite
Darly SCI	Pro Fid (formerly Accentiv')	Sté de Gestion Hôtels Parisiens (formerly Adagio SNC)
Datel	Pullman International Hôtels	Sté d'Invest.& d'Expansion Touristique
Devimco	Pullman Océan Indien	Sté Française de Participation & d'Investissement Européen
Domaine de Marlioz	SA des Hôtels de Tradition	Sté Internationale de Participation
EAP-France	Saminvest	Sté Internationale de Services Hôtels Economiques
EHS SNC	SCC de la Pointe de Porticcio	Sté Internationale des Hôtels Novotel
Etap Hotels	SEH Strasbourg la Vigie	Sté Management Intermarques
Exhotel	Seorim	Sté Nouvelle du Pavillon Elysées
Fervo SCI	Sephi	Sté Participation & d'Investisissement de Motels
Frandom	SGHPS - Grand Hôtel Poitiers Sud	Sté Participation d'Ile-de-France
Frantour SAS	SH 18 Suffren (formerly Centre d'Arras SNC)	Sté Participation Financières d'Hôtellerie
Gestal	SH 61 QG (formerly DGR NNE)	Sudaix SCI
GPC Rive Gauche (formerly Sté Hôtel du Gâtinais)	SH Danton Michelet	Suni SCI
Grand Hôtel Prestige SCI	SH de Thalasso Côte Varoise	Thalamer
Hospitel	SH Egletons	Thermale de France
Hôtel de Porticcio	SH Forum	Tramarine
Hotexco	SH La Durance	
IBL	SH Nouveau Bercy SAS	

D) Provision recognized in accordance with Article 312-1 of standard CRC 99-03

In 2009 Accor applied Recommendation 2005-G issued by the French National Accounting Board's urgent issues task force concerning the conditions applicable for recognizing a provision within a parent company that has set up a tax group.

Under the group relief agreement between Accor SA and its subsidiaries, the tax benefits resulting from the utilization by the tax group of a subsidiary's tax losses revert to the subsidiary if it leaves the tax group.

As required by Article 312-1 of CRC standard 99-03, a provision is recorded for the Company's liability when it is probable that the tax benefit will be transferred as a result of a subsidiary leaving the tax group.

In practice, over the past five years the majority of the companies that have left the tax group have done so as a result of a liquidation or merger. Only one case where the subsidiary has been sold to a party outside the tax group has 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 maintained a provision of €0.5 million in this respect at December 31, 2009.

E) Dividend withholding tax (*précompte*)

In 2002, Accor launched a legal challenge to its obligation to pay withholding tax on the redistribution of European-source dividends.

Until 2004, French parent companies that received dividends from their French subsidiaries were entitled to a 50% tax credit which could be set off against the withholding tax payable on redistribution of the dividends. However, no such tax credit was available for European-source dividends.

Accor claimed that the absence of a tax credit on European-source dividends breached European Union rules.

Ruling on a dispute between Accor and the French State, on December 21, 2006 the Versailles Administrative Court ordered the State to refund the précompte withholding tax paid by Accor in the period from 1999 to 2001, for a total of €156 million.

The amount of €156 million was refunded to Accor during the first half of 2007, together with €36.4 million in late payment interest due by the French State.

However, on March 8, 2007, the French State appealed the ruling before the Versailles Administrative Court of Appeal. On May 20, 2008 the Versailles Administrative Court of Appeal ruled in favor of Accor and confirmed the Company's right to the refunded amount.

The French State went on to appeal the ruling before the highest court of appeal and a provision was therefore booked for the amount of the refund and the late payment interest, with the result that the decisions of the Versailles Administrative Court and Administrative Court of Appeal had no net impact on the 2009 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 to 2004, for a total of €187 million.

NOTE 25. DEFERRED TAX

Total provision movements for 2009 recorded by subsidiaries that form part of the Accor tax group represented a net non-deductible charge of €154.7 million, representing a €51.6 million deferred tax asset calculated at the rate of 33.33% excluding the 3.3% contribution sociale surtax.

NOTE 26. FINANCIAL COMMITMENTS

Lease commitments

Commitments given by Accor SA to its subsidiaries concerning fixed and variable lease payments were as follows at December 31, 2009 and 2008:

(in millions of euros)	Dec. 31, 2008	Dec. 31, 2009
Fixed lease payment commitments given to subsidiaries	2,313	2,128
Variable lease payment commitments given to subsidiaries	1,569	1,596
TOTAL LEASE PAYMENT COMMITMENTS GIVEN	**3,883**	**3,723**

A breakdown of the Company's finance lease commitments is provided in Note 19.

Other off-balance sheet commitments

Off-balance sheet commitments given can be analyzed as follows at December 31, 2009 and 2008:

(in millions of euros)	Dec. 31, 2008	Dec. 31, 2009
COMMITMENTS GIVEN (LIABILITIES)		
Groupe Lucien Barrière S.A.S. (call option) (1)	140	-
Buyout of minority interests in NewGen (2)	1	-
Other purchase commitments	56	17
TOTAL PURCHASE COMMITMENTS	**198**	**17**
Construction performance bonds – Novotel and Ibis (China) (3)	45	24
Renovation commitment – AXA Reim (France)	20	12
Renovation commitment – AXA Reim (Switzerland)	7	4
Renovation commitment – Foncière des Murs transaction 1 (France)	2	4
Renovation commitment – Foncière des Murs transaction 2 (France)	2	3
TOTAL RENOVATION COMMITMENTS	**76**	**47**
Guarantees given (4)	97	44
Guarantees for confirmed credit lines (5)	80	126
Guarantees for bank borrowings (5)	30	54
Guarantees given to third parties (5)	110	144
Seller's warranties (5)	199	307
TOTAL GUARANTEE COMMITMENTS	**516**	**675**
COMMITMENTS GIVEN IN THE NORMAL COURSE OF BUSINESS (6)	**265**	**18**
TOTAL COMMITMENTS GIVEN	**1,055**	**758**

(1) Under the agreements signed between Colony Capital, the Barrière Desseigne family and Accor, Colony Capital had a put option and Accor had a call option on Colony's 15% interest in Groupe Lucien Barrière SAS. Colony Capital exercised its put option on April 15, 2009 at a price of €153 million. Consequently, the €140 million off-balance sheet commitment relating to Accor's call option expired at that date.

(2) Accor had previously undertaken to buy out minority interests in NewGen for €5.8 million. At December 31, 2008 this commitment still represented €1.4 million but it was terminated in 2009 following Accor's acquisition of all of NewGen's shares.

(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, 2009 amounted to €24 million.

(4) This item includes various guarantees given on behalf of direct and indirect subsidiaries either to banks or directly to the subsidiaries' customers. It also includes Accor's commitment to financing the programs carried out by the Accor Corporate Foundation, as the Company gave guarantees worth €4.66 million covering the contributions to the Foundation due by its founding companies. As €1.07 million of these contributions had been paid by December 31, 2009, the Company's residual guarantee commitment amounted to €3.59 million at that date.

(5) Accor has given guarantees for i) borrowings (€54.3 million), ii) overdraft facilities (€126 million) and iii) liabilities of SNC limited partnerships (€306.8 million at December 31, 2008). It has also issued other bank guarantees representing €40.8 million. Total guarantees given to other third parties came to €143.9 million at December 31, 2009.

(6) The Accor Group is currently involved in a dispute with the French tax authorities concerning CIWLT. The tax deficiencies amounting to €242 million claimed by the French tax authorities – which were recorded by Accor as off-balance sheet commitments at December 31, 2008 – were paid on February 27, 2009. At December 31, 2009, Accor SA still had an €18 million commitment relating to CIWLT's tax reassessment for 2003 for which a court ruling has not yet been issued.
The sponsoring agreement entered into in 2006 between Accor and the Olympique Lyonnais football club – under which the Company undertook to pay the club an annual flat fee plus performance bonuses – expired on June 30, 2009. Consequently, the related commitment – which represented €4.5 million for the 2008/2009 season plus €0.9 million in bonuses – was no longer included in Accor's off-balance sheet commitments at December 31, 2009.

(in millions of euros)	Dec. 31, 2008	Dec. 31, 2009
Commitments received (assets)		
Irrevocable commitments received for the purchase of financial assets [(7)]	140	-
Purchase commitments received	140	-
Financial guarantees received	-	-
TOTAL COMMITMENTS RECEIVED	**140**	**0**

(7) Under the agreements signed between Colony Capital, the Barrière Desseigne family and Accor, Colony Capital had a put option and Accor had a call option on Colony's 15% interest in Groupe Lucien Barrière SAS. Colony Capital exercised its put option on April 15, 2009 at a price of €153 million. Consequently, the related commitment received – which amounted to €140 million at December 31, 2008 – expired when the put option was exercised.

NOTE 27. SUBSEQUENT EVENTS

On February 19, 2010, as part of the ongoing deployment of its asset right strategy, Accor sold five hotels (representing more than 1,100 rooms) in four European countries for €154 million. The transaction was carried out with Invesco Real Estate, a major real estate manager in the United States, Europe and Asia, and primarily concerned the Pullman Paris La Défense, which was sold for €80 million. The hotel will continue to be operated by Accor under a 12-year management contract that can be renewed six times.

NOTE 28. MAIN SUBSIDIARIES AND AFFILIATES AT DECEMBER 31, 2009

		(in thousands of local currency units)		
Subsidiaries and affiliates	**Currency**	**Share capital**	**Reserves (retained earnings)**	**Percent interest**
A- SUBSIDIARIES AND AFFILIATES WITH A BALANCE SHEET VALUE IN EXCESS OF 1% OF ACCOR'S CAPITAL				
1- SUBSIDIARIES (AT LEAST 50%-OWNED)				
A) FRENCH SUBSIDIARIES				
SPFH 110, avenue de France 75013 Paris	EUR	29,796	(28,850)	100.00%
SH DANTON MICHELET 2, rue de la Mare Neuve 91000 Evry	EUR	16,008	(4,564)	100.00%
IBL 110, avenue de France 75013 Paris (5)	EUR	863,010	(124,430)	100.00%
STE DE CONSTRUCTION DES HOTELS SUITES 2, rue de la Mare Neuve 91000 Evry	EUR	29,296	1,875	100.00%
SIET 2, rue de la Mare Neuve 91000 Evry	EUR	16,914	(3,219)	100.00%
SOLUXURY HMC 2, rue de la Mare Neuve 91000 Evry	EUR	10,226	(1,370)	100.00%
THE NEWGEN HOTEL France Allée des Vergers 95700 Roissy En France	EUR	5,369	(485)	100.00%
CHAMMANS 110, avenue de France 75013 Paris	EUR	102,048	(85)	100.00%
SGHP 2, rue de la Mare Neuve 91000 Evry	EUR	5,090	116	100.00%
FRANTOUR 2, rue de la Mare Neuve 91000 Evry	EUR	30,493	31,787	99.99%
SEPHI 6-8, rue du Bois Briard 91000 Evry	EUR	8,000	18,620	99.99%
SFPIE 110, avenue de France 75013 Paris (5)	EUR	15,129	820	99.99%
SOFITEL LUXURY HOTELS FRANCE 2, rue de la Mare Neuve 91000 Evry	EUR	2,550	(545)	99.99%
LA THERMALE DE France 2, cours de Verdun 40101 Dax Cedex	EUR	2,405	(22,799)	99.99%
P.I.H. 2, rue de la Mare Neuve 91000 Evry	EUR	32,236	30,368	99.99%
HOTEXCO 6-8, rue du Bois Briard 91000 Evry	EUR	39,071	86,660	99.99%
FIMAKER 6-8, rue du Bois Briard 91000 Evry	EUR	1,103	918	99.99%
SPARHE 2, rue de la Mare Neuve 91000 Evry	EUR	9,000	14,726	99.99%
ACCOR.COM 2, rue de la Mare Neuve 91000 Evry	EUR	702	804	99.98%
CTID 2, rue de la Mare Neuve 91000 Evry	EUR	3,481	138	99.98%
CEPIH 110, avenue de France 75013 Paris	EUR	688	13,097	99.98%
STE DES HOTELS DE TRADITION 2, rue de la Mare Neuve 91000 Evry	EUR	13,366	(920)	99.97%
SISHE 6-8, rue du Bois Briard 91000 Evry	EUR	10,039	(52)	99.50%
LENOTRE 44, rue d'Auteuil 75016 Paris	EUR	2,606	(4,160)	99.23%
SCHE 6-8, rue du Bois Briard 91000 Evry (5)	EUR	44,570	101,031	99.09%
ACCOR SERVICE FORMATION 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	190	(1,746)	98.32%
ACCOR SERVICE France 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	388,037	61,937	98.30%
ACCENTIV'TRAVEL 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	2,400	26	98.30%
ACCENTIV'KADEOS 166-180 Bld Gabriel Peri 92240 Malakoff	EUR	17,153	31,403	98.30%

(in thousands of euros)

Carrying amount of shares						
Cost	Net	Outstanding loans and advances	Guarantees given	Last published net revenues	Last published net profit (loss)	Dividends received by the Company during the year
29,796	901	-	-	-	430	-
34,623	13,300	-	-	5,503	(2,264)	-
1,051,705	699,500	-	-	-	(184,150)	-
33,887	28,064	43,534	-	11,379	3,409	-
119,973	3,901	-	-	832	402	-
10,226	10,226	5,786	72	36,929	(1,155)	-
43,000	0	-	-	11,785	(485)	-
108,151	102,000	-	-	-	3	-
14,500	11,983	-	-	6,508	(677)	-
104,366	81,946	-	-	5,686	17,447	10,482
40,399	40,399	8,727	25	95,024	9,197	8,500
24,640	19,399	-	-	-	8,575	-
14,885	2,958	1,573	-	52,949	(1,758)	2,176
10,048	0	16,871	9	12,508	(6,613)	-
29,263	29,263	-	-	-	678	10,073
12,469	12,469	150	299	116,686	2,493	-
7,240	1,460	-	-	3,333	334	441
12,845	12,845	-	-	11,773	14,196	1,920
69,980	2,537	-	-	-	88	5,619
7,331	3,800	-	-	471	236	-
11,799	10,299	-	-	1,734	3,123	2,999
13,065	7,930	11,245	-	4,209	(945)	-
9,984	9,950	-	-	78	(3)	-
48,736	31,187	37,895	230	95,180	(3,386)	-
65,382	65,382	-	27	142,141	39,717	-
7,362	0	2,397	-	4,196	(1,810)	-
411,767	411,767	-	-	85,630	23,141	25,379
14,183	2,890	-	640	948	(251)	425
218,760	114,159	-	-	66,601	(5,901)	4,687

Subsidiaries and affiliates	Currency	Share capital	Reserves (retained earnings)	Percent interest
		(in thousands of local currency units)		
EAP France 1, rue Mozart 92110 Clichy La Garenne	EUR	739	(1,235)	98.15%
ACCOR AFRIQUE 2, rue de la Mare Neuve 91000 Evry	EUR	29,709	2,203	97.22%
MARCQ HOTEL 2, rue de la Mare Neuve 91000 Evry	EUR	6,789	3,762	96.91%
S.I.H.N. 2, rue de la Mare Neuve 91000 Evry	EUR	17,358	72,878	95.70%
PRADOTEL 6-8, rue du Bois Briard 91000 Evry	EUR	789	19,393	90.67%
ACCOR SERVICES PARTICIPATIONS 110, avenue de France 75013 Paris (5)	EUR	14,760	13,274	82.31%
MERCURE INTERNATIONAL HOTELS 2, rue de la Mare Neuve 91000 Evry	EUR	60,707	124,985	73.93%
ROISSY ORLEANS 6-8, rue du Bois Briard 91000 Evry	EUR	2,250	1,126	72.00%
SEORIM 2, rue de la Mare Neuve 91000 Evry	EUR	31,359	3,905	70.94%
SHTC 84, allée Jean Jaurès 31000 Toulouse	EUR	195	2,881	51.44%
B) FOREIGN SUBSIDIARIES				
ACCOR SUISSE SA (Switzerland)	CHF	14,300	36,186	100.00%
SH ATHENES CENTRE (Greece)	EUR	2,933	(172)	100.00%
STE D'EXPL.HOTEK POLSKA (Poland)	PLN	173,038	19,048	100.00%
KATERINSKA HOTEL (Czech Republic) (3)	CZK	300,000	602,131	100.00%
ACCOR UK LTD (United Kingdom) (5)	GBP	32,530	100,683	100.00%
ACCOR HOTEL BELGIUM (Belgium)	EUR	1,062,222	(88,103)	100.00%
ACCOR HOTELLERIE DEUTSCHLAND GMBH (Germany) (3)	EUR	25,570	223,863	100.00%
SOGEDETU (Dominican Republic)	DOP	479,724	(139,000)	100.00%
ACCOR VENEZUELA (Venezuela)	VEF	77,710	10,421	100.00%
STE IMMOBILIARIA HOT. DE MEXICO (Mexico) (3)	MXN	350,423	(134,066)	100.00%
ACCOR AUSTRIA (Austria)	EUR	5,542	5,704	100.00%
THE NEWGEN HOTELS AG (Germany) (3)	EUR	48,750	(25,863)	99.99%
ACCOR CANADA INC (Canada)	CAD	46,999	14,830	99.99%
MARARA S.A. (Polynesia) (5)	XPF	160,000	(787,985)	99.96%
COMPAGNIE DES WAGONS LITS (Belgium)	EUR	50,676	381,214	99.76%
SURFGOLD (Singapore)	SGD	6,392	(4,074)	98.30%
ROYAL IMAGE DIRECT (India)	INR	5,863	95,500	98.30%
ELICARD GROUP AB (Sweden)	SEK	1,150	33,213	98.30%
ACCOR ARGENTINA SA (Argentina)	AR$	10,857	140,578	95.00%
ACCOR HOTELES ESPANA (Spain)	EUR	26,398	2,968	78.54%
ACCOR SERVICES AUSTRALIA (Australia)	AUD	15,000	(3,540)	78.30%
SAFARI CLUB MOOREA (Polynesia) (5)	XPF	172,000	(360,753)	67.44%
SHERATON GEZIRAH LE CAIRE (Egypt)	USD	20,817	11,914	65.01%
HOLPA (Luxembourg)	EUR	53,245	4,252	63.55%
ACCOR LODGING NORTH AMERICA (United States)	USD	1,912,599	262,413	62.12%
ACCOR HOSPITALITY NL (Netherlands)	EUR	6,930	140,240	58.09%
CESTATICKET ACCOR SERVICES C.A. (Venezuela)	VEF	6,000	167,558	55.30%

(in thousands of euros)						
Carrying amount of shares						
Cost	**Net**	**Outstanding loans and advances**	**Guarantees given**	**Last published net revenues**	**Last published net profit (loss)**	**Dividends received by the Company during the year**
7,114	0	-	-	3,433	(208)	-
76,681	37,975	36,547	-	8,958	790	-
9,392	9,392	-	3	6,681	(189)	1,053
80,117	76,973	-	-	11,081	4,506	7,331
7,357	7,357	26	11	23,041	3,639	907
35,515	35,515	32,238	-	-	892	479
103,677	100,377	-	110	57,970	5,927	-
8,592	8,592		-	1,172	473	2,160
22,164	22,164	-	-	-	581	1,390
7,984	7,984	155	-	7,713	(129)	-
25,907	25,907	-	-	-	18,005	39,970
10,362	2,121	915	3,776	4,586	1,181	-
60,481	48,481	4,004	-	9,510	3,563	3,000
9,125	9,125	-	-	22,337	3,466	-
92,790	92,790	-	-	-	54,563	-
1,002,299	1,002,299	-		111,681	69,254	-
218,725	203,725	-	6,811	561,174	16,823	-
20,855	3,390	-	-	4,519	(21)	-
24,851	14,095	-	-	-	1,355	-
28,707	10,880	-	-	9,059	584	-
20,751	20,751	-	-	5,709	2,609	2,254
319,188	227,396	-	-	259,641	(13,707)	-
12,021	12,021	12,241	-	21,921	1,767	-
7,609	1,109	119	3,404	3,930	(3,954)	-
1,150,573	604,206	-	17,816	-	21,550	12,136
14,521	14,521	722	-	7,973	(463)	-
6,765	6,765	-	-	11,041	191	-
7,488	7,488	-	-	-	22	-
27,320	27,220	5,878	-	15,637	(1,563)	-
30,240	20,165	3	-	106,998	(32,875)	-
7,101	7,101	-	-	-	(250)	-
7,030	4,583	35,771	6,285	8,981	(5,098)	-
35,879	35,686	-	-	10,239	6,027	2,658
44,585	44,585	-	-	-	58	934
1,104,018	708,937	-	-	-	(240)	-
17,746	17,746	-	1,947	181,664	(15,343)	15,000
11,101	11,101	10,141	-	76,014	40,870	24,05124,051

Subsidiaries and affiliates	Currency	Share capital *(in thousands of local currency units)*	Reserves (retained earnings) *(in thousands of local currency units)*	Percent interest
2-Affiliates (10 to 50%-owned)				
A) FRENCH AFFILIATES				
GOLF MÉDOC PIAN Chemin de Courmateau 33290 Le Pian Médoc-louens	EUR	1,338	3,340	49,94%
SHCLB 35, Bd des Capucines 75002 Paris [4]	EUR	1,430	950,275	49,00%
WBA SAINT HONORE	EUR	15,930	5,170	28,61%
B) FOREIGN AFFILIATES				
AMORIM HOTELS SERVICOS (Portugal) [3]	EUR	14,300	20,269	50,00%
ORBIS (Poland) [3]	PLN	517,754	1,190,359	45,01%
RISMA (Morocco)	MAD	623,201	242,175	32,53%
ACCOR HOSPITALITY SRL (Italy) [5]	EUR	13,000	14,156	30,65%
PROGETTO VENEZIA (Italy) [1]	EUR	20,750	(10,243)	20,00%
AAPC (Australia)	AUD	522,382	(375,513)	18,10%
CIE ITALIENNE DE TOURISME HOLDING SPA (Italy) [2]	EUR	26,367	(78,730)	10,00%
B- OTHER INVESTMENTS IN COMPANIES WITH A BALANCE SHEET VALUE OF LESS THAN 1% OF ACCOR'S CAPITAL				
1-SUBSIDIARIES (AT LEAST 10%-OWNED)				
A) FRENCH SUBSIDIARIES (AGGREGATE)				
B) FOREIGN SUBSIDIARIES (AGGREGATE)				
2-OTHER INVESTMENTS (LESS THAN 10%-OWNED)				
A) FRENCH COMPANIES (AGGREGATE)				
B) FOREIGN COMPANIES (AGGREGATE)				
TOTAL (NOTE 28)				

(1) Balance sheet at December 31, 2004.
(2) Balance sheet at June 30, 2005.
(3) Balance sheet at December 31, 2008.
(4) Balance sheet at October 31, 2009.
(5) Provisional or unaudited balance sheet.

(in thousands of euros)

Carrying amount of shares						
Cost	**Net**	**Outstanding loans and advances**	**Guarantees given**	**Last published net revenues**	**Last published net profit (loss)**	**Dividends received by the Company during the year**
9,112	2,892	20	-	1,935	(276)	-
471,272	471,272	-	-	20,332	56,209	-
13,673	13,673	-	-	16,718	1,980	-
7,145	7,145	37,028	-	-	(954)	-
194,769	194,769	-	-	145,772	9,247	-
33,460	29,460	-	-	34,917	(4,738)	-
9,388	0	45,427	-	93,191	(14,815)	-
8,568	0	-	-	1,094	(8,622)	-
66,758	66,758	37,911	-	10,735	(5,226)	-
8,985	0	-	-	3,125	(5,911)	-
126,326	**65,549**	**97,737**	**6,041**			**23,385**
112,328	**58,986**	**59,378**	**131,473**			**36,259**
2,675	**1,450**	**12,896**	**14**			**1**
5,769	**5,591**	**567,798**	**-**			**6,001**
8,327,224	**6,138,583**	**1,125,133**	**178,993**			**251,670**

FIVE-YEAR FINANCIAL SUMMARY

Description *(in millions of euros)*	2005	2006	2007	2008	2009
1- CAPITAL AT YEAR-END					
Share capital	652	637	690	660	676
Number of shares in issue	217,265,774	212,409,741	229,917,794	219,894,523	225,458,199
Number of convertible bonds in issue	10,043,270	6,415,546	-	-	-
2- RESULTS OF OPERATIONS					
Net revenues	576	592	638	645	677
Profit before tax, depreciation, amortization and provisions	237	611	876	500	426
Income tax	(15)	(39)	(65)	(51)	(50)
Net profit (loss)	166	487	805	482	(302)
Dividends	250	626	724	363	237 (1)
3- PER-SHARE DATA (IN EUROS)					
Earnings per share after tax, before depreciation, amortization and provisions	1.15	3.06	4.09	2.51	2.11
Earnings (loss) per share	0.76	2.29	3.50	2.19	(1.34)
Dividend per share (before tax credit/allowance)	1.15	2.95	3.15	1.65	1.05 (1)
4- EMPLOYEES					
Number of employees	1,273	1,271	1,176	1,263	1,174 (2)
Total payroll and employee benefits (3)	120	142	129	138	154

(1) Recommended dividend for 2009 based on 225,458,199 shares.
(2) Number of employees on the Accor SA payroll at December 31, 2009.
(3) The published figures for 2005 did not reflect income corresponding to the rebilling of salaries and payroll taxes.

5 Capital and ownership structure

5.1. Information about the company

Company name

Accor.

Registered office

2 rue de la Mare-Neuve, 91000 Évry, France.

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: 7010Z.

Consultation of corporate documents

Corporate documents, including the Bylaws, balance sheets, income statements, Board of Directors' reports, Auditors' Reports and the annual accounts ledger, may be inspected at the Company's 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 L.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.223-9-1 of the Commercial Code, to above or below any statutory disclosure threshold is required to disclose its interest to the Company. In the case of failure to make such disclosure, the sanctions provided for by law will apply.

In addition, any shareholder that acquires or raises its interest to 1% of the capital or voting rights is required to disclose its interest to the Company by registered letter with return receipt requested sent to the head office, within five trading days of the transaction date or the signature of any agreement resulting in the disclosure threshold being crossed, whatever the date on which the shares are recorded in the holder's account. The notification must include details of the total number of shares and/or share equivalents held and the number of voting rights held as provided for above.

Above said 1% threshold, the same disclosure rules as defined above will apply to any increase in a shareholder's interest by any multiple of 0.5% of the capital or voting rights and to any reduction in a shareholder's interest by any multiple of 1% of the capital or voting rights.

For the application of the above paragraphs, the shares or voting rights referred to in paragraphs 1 to 8 of Article L.233-9-1 of the 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.

5.2. Capital

5.2.1. CAPITAL

At December 31, 2009, the Company's share capital amounted to €676,374,597, divided into 225,458,199 common shares with a par value of €3.00, all fully paid-up and all in the same class.

Shares may be held in either registered or bearer form.

The Company avails itself of legal procedures to identify its shareholders.

Shares are freely transferable within legal and regulatory limits.

The transfer of shares, regardless of price or terms, is made by account transfer, pursuant to regulations in force.

5.2.2. SHARE BUYBACK PROGRAM

Authorization granted by the Ordinary and Extraordinary Shareholders' Meeting of May 13, 2009

The combined Ordinary and Extraordinary Shareholders' Meeting of May 13, 2009 authorized the Board of Directors to trade in the Company's shares on the stock market. The authorization was given for a period of 18 months and supersedes the previous authorization given at the May 13, 2008 Annual Meeting.

The maximum purchase price under this authorization is €80 and the minimum sale price is €30.

The number of shares acquired under the authorization may not exceed 21,900,000, or 9.96% of the share capital at May 13, 2009.

The authorization may be used to purchase, sell or transfer shares for the following purposes:

- for cancellation, in connection with a capital reduction decided or authorized by the Company's shareholders in an Extraordinary Meeting;
- for allocation upon exercise of stock options granted under plans governed by Articles L.225-177 *et seq.* of the French Commercial Code, or to members of an employee stock ownership plan governed by Articles L.443-1 *et seq.* of the Labor Code or to recipients of stock grants made under plans governed by Articles L.225-197-1 *et seq.* of the Commercial Code;
- for allocation on the conversion, redemption, exchange or exercise of share equivalents;
- to be held in treasury for subsequent remittance in exchange or payment in connection with external growth transactions, a merger, demerger or asset contribution within a limit of 5% of the Company's capital;
- to 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 2009

The authorization granted by shareholders on May 13, 2009 was not used during the year and at year-end, Accor did not hold any shares in treasury.

At December 31, 2009 Accor no longer held any shares in treasury.

Additional information may be found in the special report on the share buyback program authorized on May 13, 2009 and in the description of the share buyback program submitted for approval at the May 13, 2009 Annual Meeting (page 272).

Special report on the share buyback program authorized by the Ordinary Shareholders' Meeting of May 13, 2009

Pursuant to Article L.225-209 of the Commercial Code, this special report attests that no shares of Accor SA stock were purchased in 2009 under the authorization granted by the Annual Meeting of May 13, 2009.

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 following table provides a summary of the transactions carried out by the Company in relation to Accor SA shares between May 13 and December 31, 2009.

- percentage of capital held by the Company directly and indirectly: None at December 31, 2009;
- number of shares canceled over the last twenty-four months: 10,227,849;
- number of shares held in treasury: None at December 31, 2009.

5.2.3. FINANCIAL AUTHORIZATIONS

At the Ordinary and Extraordinary Shareholders' Meetings of May 13, 2008 and May 13, 2009, shareholders granted the Board of Directors the following authorizations:

Type of authorization	Date of authorization	Nominal amount authorized	Term and expiry date	Utilization in 2009
Corporate actions				
Issuance of shares and share equivalents	Annual Meeting of May 13, 2009 26th, 27th, 28th, 29th, 30th and 31st resolutions		26 months – July 13, 2011	
▸ 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 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 or existing shares)	Annual Meeting of May 13, 2008 13th resolution	2.5% of the share capital at May 13, 2008	38 months – July 13, 2011	On February 24, 2009, the Board of Directors granted 969,965 stock options
Employee share issue	Annual Meeting of May 13, 2009 32nd resolution	2% of the share capital at May 13, 2009	26 months – July 13, 2011	
Stock grants without consideration	Annual Meeting of May 13, 2008 15th resolution	0.5% of the share capital at May 13, 2008	38 months – July 13, 2011	On February 24, 2009, the Board of Directors granted 242,553 shares subject to performance conditions

5.2.4. EMPLOYEE STOCK OWNERSHIP

The first employee share issue, open to participants in the "Accor en Actions" Corporate Savings Plan, was carried out in France in 1999, with 7,900 employees purchasing shares.

In 2000, Accor launched its first international employee share issue in 23 countries, demonstrating its commitment to offering a significant number of employees worldwide the opportunity to become Accor shareholders by tailoring the plan rules to comply with legal and tax restrictions in each country. A total of 16,000 people participated in the offer.

International employee share issues were again carried out in 2002, with more than 12,600 employees participating in 25 host countries, and in 2004, with 9,100 employees participating in some twenty countries.

In 2007, for the first time, a leveraged employee share ownership plan was offered, with 8,736 employees purchasing shares in the 26 countries where such plans are permitted by local legislation. Under the plan, the partner bank provided financing to enable participating employees to acquire nine additional shares for every Accor share purchased. Following the five-year ban on resale, the employees will recover not only all of their original investment, but also all of the average capital gain on both the shares purchased directly and the additional shares financed by the bank.

At December 31, 2008, 0.93% of the Company's capital was held by 22,408 employees through employee stock ownership plans.

At December 31, 2009, 0.89% of the Company's capital was held by 20,502 employees through employee stock ownership plans.

5.2.5. SHARE EQUIVALENTS

Employee stock options

At December 31, 2009, a total of 9,485,318 stock options were outstanding. Exercise of all of these options would lead to the issuance of 9,485,318 shares representing 4.21% of the Company's capital at December 31, 2009.

5.2.6. SECURITIES NOT CARRYING RIGHTS TO A SHARE IN THE CAPITAL

There are no other share equivalents outstanding.

5.2.7. 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
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
2009	Exercise of stock options at €31.83	900	8,649	659,684,469	219,894,823
	Exercise of stock options at €32.42	84,852	832,115	659,769,321	219,923,107
	Exercise of stock options at €35.68	20,700	225,492	659,790,021	219,930,007
	Exercise of stock options at €37.77	477,186	5,530,586	660,267,207	220,089,069
	Exercise of stock savings warrants at €39.10	32,409	389,988	660,299,616	220,099,872
	Grant of performance shares	149,412	0	660,449,028	220,149,676
	Dividend reinvestment	15,925,569	146,196,723	676,374,597	225,458,199

N.B.: There are no options outstanding to purchasing existing shares of the Company. All options granted are to purchase new shares.

5.3. Ownership structure

5.3.1. OWNERSHIP STRUCTURE

A Euroclear France survey of financial institutions holding at least 200,000 Accor SA shares and of shareholders holding at least 250 shares at December 31, 2009 identified 11,249 shareholders owning an aggregate 76.30% of the Company's capital, representing 72% of total voting rights.

In addition, the Company had 3,759 registered shareholders at December 31, 2009, representing 19.79% of the Company's capital and 24.31% of the voting rights.

At December 31, 2009, the Company's capital consisted of 225,458,199 shares, representing a total of 238,931,232 voting rights, all of which were exercisable.

Shareholders at December 31, 2009

Analysis by shareholder category at December 31, 2009	% total capital	% of total voting rights
International institutions	40.34%	39.25%
French institutions	12.60%	11.89%
Board members and Founders	40.59%	40.66%
Private shareholders	6.47%	8.20%
TOTAL	**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, 2009 investors based in North America (United States and Canada) owned 25.80% of outstanding shares, the United Kingdom 5.93%, other continental European countries 4.49% and other countries 4.12%.

Analysis of shares held by Board members and Founders and free-float	Numbers of shares	Total number of voting rights	% capital	% of total voting rights
ColTime/ColDay/Legendre Holding 19(1)	65,844,245	65,844,245	29.20%	27.56%
Caisse des Dépôts et Consignations	2,884,974	2,891,068	1.28%	1.21%
Founders	6,074,184	11,686,604	2.70%	4.90%
Other	36,136	58,777	0.02%	0.02%
Board members and Founders	**74,839,539**	**80,480,694**	**33.20%**	**33.69%**
Other shareholders	150,618,660	158,450,538	66.80%	66.31%
TOTAL AT DECEMBER 31, 2009	**225,458,199**	**238,931,232(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 17,276,085, 25,506,869 and 23,061,291 shares and voting rights.

(2) All voting rights are exercisable.

There were 13,473,033 double voting rights outstanding at December 31, 2009.

At December 31, 2009, 20,502 employees held 3,041,705 shares (1.34% of the Company's capital) and 5,028,884 voting rights (2.10% of the total), of which 2,010,296 shares (0.89% of the capital) and 3,142,632 voting rights (1.31% of the total) were held under employee stock ownership plans.

During the year, the following registered intermediaries and fund managers notified the Autorité des Marchés Financiers of changes in their interests, in accordance with disclosure threshold rules:

Registered intermediary or fund manager	Disclosure date	AMF reference number	Increase (↗) or decrease (↘) in interest	Number of shares	% capital	Number of voting rights	% voting rights
ColDay/ColTime/Legendre Holding 19	January 13, 2009	209C0066	↗	55,135,776	25.07%	55,135,776	22.40%
ColDay/ColTime/Legendre Holding 19	January 20, 2009	209C0102	↗	56,892,775	25.87%	56,892,775	23.11%
ColDay/ColTime/Legendre Holding 19	January 28, 2009	209C0144	↗	61,960,968	28.18%	61,960,968	25.17%
ColDay/ColTime/Legendre Holding 19	February 9, 2009	209C0230	↗	66,268,589	30.14%	66,268,589	26.92%
ColDay/ColTime/Legendre Holding 19	April 20, 2009	209C0551	↗	66,268,589	30.14%	78,974,987	30.54%
Southeastern Asset Management	June 17, 2009	209C0876	↗	11,029,422	5.02%	11,029,422	4.27%
Southeastern Asset Management	July 8, 2009	209C0993	↗	13,550,762	6.02%	13,550,762	5.13%
Caisse des Dépôts et Consignations	July 21, 2009	209C1023	↘	2,884,974	1.28%	2,892,659	1.17%
Fonds d'Investissement Stratégique	July 21, 2009	209C1023	↗	16,664,265	7.40%	16,664,265	6.74%
ColDay/ColTime/Legendre Holding 19	July 27, 2009	209C1055	↘	65,844,245	29.23%	65,844,245	28.07%

Changes in ownership structure over the past three years

	December 31, 2007			December 31, 2008			December 31, 2009		
	Numbers of shares	% capital	% voting rights	Numbers of shares	% capital	% voting rights	Numbers of shares	% capital	% voting rights
ColTime/ColDay/ Legendre Holding 19	24,504,368	10.66%	9.56%	50,231,228	22.84%	20.40%	65,844,245	29.20%	27.56%
Caisse des Dépôts et Consignations Group	18,695,460	8.13%	13.46%	18,695,060	8.50%	14.02%	2,884,974	1.28%	1.21%
Fonds d'Investissement Stratégique	-	-	-	-	-	-	16,664,265	7.39%	6.97%
Founders	6,069,825	2.64%	4.63%	6,018,028	2.74%	4.68%	6,074,184	2.70%	4.90%
Société Générale	3,381,760	1.47%	1.32%	3,381,760	1.54%	1.37%	-	-	-
BNP Paribas	1,227,080	0.53%	0.96%	1,227,080	0.56%	1.00%	-	-	-
Treasury stock*	8,390,150	3.65%	-	-	-	-	-	-	-
Other shareholders	167,649,151	72.92%	70.07%	140,341,367	63.82%	58.53%	133,990,531	59.43%	59.36%
TOTAL	**229,917,794**	**100.00%**	**100.00%**	**219,894,523**	**100.00%**	**100.00%**	**225,458,199**	**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, 2009 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.

On December 18, 2009, an amendment to the memorandum was signed following the Accor Board of Directors' approval of the potential benefits of demerging the Group's Hotels and Prepaid Services businesses to create two separate listed companies. The purpose of the amendment, assuming that the two core businesses are effectively demerged, is i) to extend until May 4, 2013 the provisions of the May 2008 memorandum of understanding to the shares of the two new companies, and ii) to extend until January 1, 2012 the undertaking in the memorandum not to sell their shares in Accor and in the new Services company.

The main clauses of the agreement are as follows:

- an undertaking to cast the same votes on strategic matters at Board of Directors' meetings;
- an undertaking to cast the same votes at Accor Shareholders' Meetings;
- an agreement that the parties should have equal representation on Accor's Board;
- an agreement that if either of the undertakings set out above with respect to voting are breached by one of the parties, the party that has breached the undertaking shall offer to sell its Accor shares to the other party, at a price equal to 80% of the lower of i) the weighted average price of the Accor share over the twenty trading days preceding the breach, and ii) the closing price on the day of the breach. This offer must be made and taken up within a month of the date of breach;
- an undertaking by each party not to sell its Accor shares for a period of two years, except in the event of a public offer initiated by a third party or by one of the two members of the pact[(4)];
- an undertaking not to enter into any acquisition or other agreement with a third party that would result in the concert group raising its interest to above one third of Accor's capital and/or voting rights;
- in the event that one of the parties decides to sells its shares to an identified purchaser, a right of first refusal for the other party, exercisable within ten days following notification of the intention to sell. The price for the shares sold will be proposed by the selling party;
- a duty for each party to give the other party four days' notice if they decide to sell their shares on the market to unidentified purchasers;
- in the event that one of the parties sells its shares, a right for the other party to sell the same proportion of shares, exercisable within ten days following the related notification;
- in the event that the two parties' existing shareholdings are equal, the obligation for either party that decides to purchase additional shares to propose the acquisition of the same number of shares to the other party;
- a priority share purchase right for the party holding the least number of shares. However, ColDay may freely acquire shares enabling it to raise its interest to 11% of Accor's capital and Eurazeo may freely acquire shares enabling it to raise its interest to 10% of the capital;
- in the event of a public offer initiated by a third party, if one of the two parties does not wish to tender its shares whereas the other one does, the right for the former to acquire the shares tendered to the offer by the other party at the offer price or at a higher price;
- in the event of a public offer initiated by one of the parties, in which the other party does not wish to participate, the right for either of the parties to terminate the concert arrangement. If the party not participating in the offer wishes to sell its Accor shares, the right for the initiator of the offer to acquire said shares before filing the offer, at the offer price or at a higher price.

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.

5.3.2. DIVIDENDS

		Dividend for the year (in euros)			Share price (in euros)			
Year	Shares outstanding at December 31	Dividend	Total revenue	Paid on	High	Low	Year-end closing	Yield based on year-end closing price
2005	217,265,774	1.15	1.15	May 17, 2006	47.15	31.03	46.46	2.48%
2006	212,077,160(1)	2.95(2)	2.95(2)	May 16, 2007	59.25	42.30	58.70	5.03%
2007	229,917,794	3.15(2)	3.15(2)	May 20, 2008	75.32	52.21	54.70	5.80%
2008	219,894,523	1.65	1.65	June 17, 2009	56.30	24.23	35.11	4.70%
2009	225,458,199	1.05(3)	1.05(3)	N/A	39.95	25.20	38.25	2.70%

(1) Shares carrying dividend rights at March 15, 2007.
(2) Including a special dividend of €1.50.
(3) Submitted for approval at the Combined Ordinary and Extraordinary Shareholders' Meeting of June 29, 2010.

No interim dividend was paid in 2009. 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 June 29, 2010 approve the payment of a 2009 dividend of €1.05 per share, payable in cash.

5.4. The market for Accor securities

The market for Accor shares

Accor shares are traded on the NYSE Euronext Paris stock exchange (Compartment A) and are included in the CAC 40 index. They are also included in the four main socially responsible investment stock indexes, the Vigeo ASPI index, the FTSE4Good index, the Ethibel ESI index and the Dow Jones Sustainability Index.

At December 31, 2009, the Accor share closed at €38.25, and the Company's market capitalization stood at €8.6 billion.

Accor share prices and trading volumes (ISIN: FR0000120404)

(in euros)	Average closing price	Cours extrêmes		Trading volume
		High	Low	
2008				
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	26,645,602
March	27.26	29.20	25.20	29,213,182
April	30.42	32.69	25.96	30,670,000
May	33.20	36.65	31.10	27,871,449
June	29.45	32.02	27.24	25,507,526
July	28.17	29.95	26.20	32,642,161
August	33.14	38.73	29.67	27,474,412
September	37.22	39.95	34.27	25,684,394
October	35.81	38.46	31.87	26,228,238
November	35.28	38.07	31.92	24,947,139
December	37.79	38.88	35.93	15,639,905
2010				
January	37.23	38.90	35.70	17,955,237
February	35.98	38.10	34.14	20,154,434

Sources: Euronext.

Registrar

Shareholder services are provided by:

Société Générale

32, rue du Champ-de-Tir

BP 81236

44312 Nantes Cedex 3, France

6 Shareholders' meeting

Shareholders' meeting

In light of the timetable set by the Board of Directors for implementing the demerger of Accor's two businesses, the Annual and Extraordinary Shareholders' Meeting is expected to be called for June 29, 2010. During the Extraordinary session, shareholders will be asked to approve the proposed demerger. Sometime before the end of May, the Board of Directors will meet to approve the resolutions to be submitted at the Meeting. These proposed resolutions will then be presented in the Notice of Meeting, which will be published in the French journal of record, the BALO, in late May.

7 Other information

7.1. Investor relations and documents available to the public

In addition to the Annual Shareholders' Meeting and the events organized to present the annual results, Accor keeps both private and institutional shareholders informed of the latest developments on a highly responsive daily basis. This information is tailored 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 2009, meetings were held with some 840 representatives of 404 financial institutions and 22 roadshows were organized in Europe, the United States and Canada.

These events included hotel visits that enabled investors to talk with line managers and gain a better understanding of our management practices and processes. We also took part in seven investor conferences during the year, in France and the United States.

As in previous years, events were organized to meet with private shareholders, with two such events held in Aix-en-Provence and Lyon attracting a total of around 550 shareholders.

Held on May 13, 2009 in the Novotel Paris Est, the Annual Shareholders' Meeting was attended by 600 people and provided many opportunities 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 nearly 8,000 members at year-end 2009.

Among the many advantages members enjoy are regular e-mail updates with the *latest Letter to Shareholders*, Club Newsletter and press releases, the possibility of subscribing to all of our other corporate publications, the opportunity to discover our businesses in a more personal way through site visits offered in the Club Newsletter and VIP invitations to shareholder meetings and other events in which Accor participates, both in Paris and other French cities.

As part of the A|Club customer loyalty program, Shareholders Club members receive an A|Club Platinum Card which doubles the points earned when they stay at participating hotels and offers them exclusive advantages. Club members also receive promotional offers on Group products.

Working group on the private shareholder relations process

A working group comprising 15 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 in 2009, on May 28 and October 27, with new members joining at the October session, in accordance with the system of replacing one third of the members each year. The agenda at these meetings included a review of the Annual Shareholders' Meeting and an analysis of the supporting documents, a review of the various publications for private shareholders, with the aim of redefining their roles and transitioning them to online versions, and a discussion on how to optimize the voice server. The members' comments and suggestions were taken into account in preparing the publication of documents and the organization of events. During one of the meetings, the group had the opportunity to talk with Gilles Pelisson about the Group's strategy in response to the current crisis. In addition, some of the members were invited by Mr. 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 shareholder publications

All of the Group's financial news and publications can be accessed in the "Finance" section of the www.accor.com website, which serves as a comprehensive investor relations database. The site carries live and deferred webcasts of results presentations and Annual Shareholders' Meetings, The Accor share price can be tracked in real time on the site, which also features a dedicated section for private shareholders and members of the Shareholders Club.

A wide array of documents far exceeding regulatory requirements may be viewed in the "Finance" section of www.accor.com. These documents, which cover both current and previous years, include:

- the Annual Report and the Registration Document filed with *the Autorité des Marchés Financiers* (available in electronic form since 1997);
- a corporate brochure describing the Group and its values;
- information memoranda filed with the *Autorité des Marchés Financiers* concerning corporate actions;
- notices of Shareholders' Meetings, sent systematically to registered shareholders and on request to members of the Shareholders Club;
- the *Letter to Shareholders*, available on request and accessible via the corporate website;
- the Shareholders Club agenda and practical guide, available on request and accessible via the corporate website.

Legal documents may also be consulted at the Company's headquarters, Immeuble Odyssey, 110 avenue du France, 75210 Paris cedex 13, France.

Since January 20, 2007, when the European Transparency Directive was transposed into French law, Accor has issued its regulatory filings through a professional disclosure service that complies with the criteria set out in the AMF's General Regulations. The filings are also available on the corporate website.

Shareholder hotline

Shareholders in France can call 0805 650 750 (calls charged at local rate) at any time to obtain general information about the Group, 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. Messages left out of hours are answered as soon as possible.

Senior Vice President, Investor Relations and Financial Communications

Éliane Rouyer-Chevalier

Immeuble Odyssey

110, avenue de France

75210 Paris cedex 13, France

Phone: +33 1 45 38 88 00

Fax: + 33 1 45 38 85 95

Shareholder hotline (France only): 0 805 650 750 (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.

7.2. Persons responsible for the registration document and the audit of the accounts

Person responsible for the Registration Document

Gilles C. Pélisson

Chairman and Chief Executive Officer

Statement by the person responsible for the Registration Document

I hereby declare that having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I further declare that, to the best of my knowledge, the financial statements included in the Registration Document have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of Accor and its subsidiaries, and the Management Report represents a fair view of the business, results and financial position of Accor and its subsidiaries and provides a description of the main risks and uncertainties to which they are exposed. The Statutory Auditors' report on the consolidated financial statements for the year ended December 31, 2009 contains an observation concerning the changes in accounting method and presentation of the financial statements as from January 1, 2009.

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

Phone: +33 1 45 38 87 33

Éliane Rouyer-Chevalier

Senior Vice President, Investor Relations and Financial Communications

Phone: +33 1 45 38 88 00

Jacques Stern

Member of the Executive Committee – Deputy Chief Executive Officer in charge of Accor Services and Finance

Phone: +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.

7.3. Fees paid to the auditors

The fees paid to the Auditors and the members of their networks by the Group break down as follows:

	Deloitte				Ernst & Young			
	2009		2008		2009		2008	
(in million of euros)	Amount	%	Amount	%	Amount	%	Amount	%
Audit services								
Statutory and contractual audit services								
France: Accor SA	1.0	13%	1.0	12%	0.5	14%	0.4	11%
France: Subsidiaries	0.9	11%	0.9	11%	1.8	47%	1.8	50%
Outside France: Subsidiaries	4.9	64%	5.1	63%	1.5	39%	1.3	36%
Other audit-related services								
France: Accor SA	0.2	3%	0.4	5%	0.0	0%	0.0	0%
France: Subsidiaries	0.0	0%	0.0	0%	0.0	0%	0.0	0%
Outside France: Subsidiaries	0.3	4%	0.4	5%	0.0	0%	0.1	3%
SUB-TOTAL	**7.3**	**95%**	**7.8**	**96%**	**3.8**	**100%**	**3.6**	**100%**
Other services								
Legal and tax advice								
France	0.0	0%	0.0	0%	0.0	0%	0.0	0%
Outside France	0.4	5%	0.3	4%	0.0	0%	0.0	0%
Other services (representing less than 10% of the audit budget)								
France	0.0	0%	0.0	0%	0.0	0%	0.0	0%
Outside France	0.0	0%	0.0	0%	0.0	0%	0.0	0%
SUB-TOTAL	**0.4**	**0%**	**0.3**	**4%**	**0.0**	**0%**	**0.0**	**0%**
TOTAL	**7.7**	**100%**	**8.1**	**100%**	**3.8**	**100%**	**3.6**	**100%**

7.4. Information incorporated by reference

In accordance with Article 28 of European Commission Regulation (EC) **809/2004**, the Registration Document incorporates by reference the following information:

- the consolidated financial statements and the related Auditors' Reports contained in the 2008 Registration Document filed with the *Autorité des Marchés Financiers* on **April 8, 2009** under **no. D.09-219** (pages **127 to 224**, and **126 and 255 to 260** respectively);
- the financial information contained in pages **52 to 60** of the 2008 Registration Document filed with the *Autorité des Marchés Financiers* on **April 8, 2009** under **no. D.09-219**;
- the consolidated financial statements and the related Auditors' Reports contained in the 2007 Registration Document filed with *the Autorité des Marchés Financiers* **on April 3, 2008** under **no. D.08-194** (pages **115 to 208**, and **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**;
- Sections of these documents that are not mentioned above are either not applicable to investors or are covered in another part of the Registration Document.

7.5. Regulatory filings

The following information[1] was published or made available to the public by Accor during the last twelve months from April 8, 2009 to April 1, 2010, 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*.

- press release on Accor's 49% interest in Groupe Lucien Barrière, dated March 31, 2009;
- disclosure of number of shares and voting rights at March 31, 2009;
- 2008 Registration Document filed with *the Autorité des Marchés Financiers* on April 8, 2009 under no; D;09-219;
- notice of meeting for the Ordinary and Extraordinary Shareholders' Meeting held on May 13, 2009, published in the French legal gazette *(Bulletin des annonces légales obligatoires)* on April 8, 2009;
- erratum for the notice of meeting, published in the *Bulletin des annonces légales obligatoires* on April 15, 2009;
- press release on first-quarter 2009 revenue, dated April 16, 2009;
- press release on a €600 million bond issue, dated April 23, 2009;
- disclosure of number of shares and voting rights at April 30, 2009;
- prospectus related to the bond issue, dated April 30, 2009;
- press release on the streamlined Executive Committee, dated May 11, 2009;
- press release on Accor's increased responsiveness at every level, dated May 13, 2009;
- press release on Accor's new governance structure, dated May 13, 2009;
- disclosure of number of shares and voting rights at May 31, 2009;
- press release on the sale of Accor's interest in Club Méditerranée, dated June 9, 2009;
- press release on shareholders reinvesting nearly half of the 2008 dividend, dated June 15, 2009;
- final consolidated and parent company financial statements for 2008, Auditors' Report and appropriation of profit published in the *Bulletin des annonces légales obligatoires* on June 17, 2009;
- press release on the study of a voluntary separation plan to adjust headquarters staff, dated June 30, 2009;
- disclosure of number of shares and voting rights at June 30, 2009;
- press release on first-half 2009 revenue, dated July 16, 2009;
- disclosure of number of shares and voting rights at July 31, 2009;
- press release on 2009 interim results, dated August 27, 2009;
- disclosure of number of shares and voting rights at August 31, 2009;
- press release on the sale of 158 HotelF1 properties, dated September 22, 2009;
- disclosure of number of shares and voting rights at September 30, 2009;
- press release on acquisition of Czech meal voucher company Exit Group, dated October 5, 2009;
- press release on third-quarter 2009 revenue, dated October 15, 2009;
- disclosure of number of shares and voting rights at October 31, 2009;
- press release from the Board of Directors on the analysis of the potential benefits of demerging Accor's two businesses, dated November 16, 2009;
- disclosure of number of shares and voting rights at November 30, 2009;
- press release on Jacques Stern's appointment as Deputy Chief Executive Officer in charge of Accor Services and Finance, dated December 15, 2009;
- press release from the Board of Directors on the potential benefits of demerging Accor's two businesses, dated December 15, 2009;
- disclosure of number of shares and voting rights at December 31, 2009;
- press release on the effect of the devaluation of the Bolivar Fuerte on Accor, dated January 11, 2010;
- press release on annual 2009 revenue, dated January 19, 2010;

(1) Information available on the Company's website at www.accor.com/finance.

- Erratum on the disclosure of number of shares and voting rights at December 31, 2009, dated January 20, 2010;
- disclosure of number of shares and voting rights at January 31, 2010;
- press release on the sale of 5 hotels in 4 European countries for €154 million, dated February 19, 2010;
- press release on the 2009 full-year results, dated February 24, 2010;
- press release on the New Accor Executive Commitee, dated February 25, 2010;
- press release on the demerger process dated February 24, 2010;
- disclosure of number of shares and voting rights at February 28, 2010;

7.6. Cross-Reference Table

The table below provides cross references between the pages in the Registration Document and the key information required under European Commission Regulation (EC) no. 809/2004 implementing EC Directive 2003/71/EC of the European Parliament and of the Council.

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7.7. Annual Financial Report

The 2009 Registration Document contains all of the information in the Annual Financial Report governed by article L.451-1-2 of the French Monetary and Financial Code. To make this information easier to find, the following cross-reference table lists it by main topic.

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