Update to the
2004 “Financial Statements”

This update was filed with Autorité des Marchés Financiers on April 26, 2005 under no. D.05-330-A01, in accordance with the Autorité des Marchés Financiers’ general rules (Titre 1, Livre II of the Règlement Général). It updates the "Fianancial Statements" filed under no. D.05-330 on April 4, 2005 and may be used in connection with a financial transaction, provided that it is accompanied by an information memorandum approved by the Autorité des Marchés Financiers.

Copies of this update are available on request from the Accor Shareholder Relations Department. It may also be downloaded from ***www.accor.com/finance***

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The following information are given to complete the 2004 Financial Statements on the pages indicated:

MANAGEMENT BOARD REPORT

Significant recent events:

- None

Transition to IFRS:

IAS32/39 (page 41 of the Financial Statements)

- The effect on opening equity of applying IAS 32/39 mainly concerns the recognition in equity of the equity component of the "Oceane" bonds (€103 million increase in equity), recognition of derivative instruments at fair value (€20 million decrease), impact of valuing the swap taken out to lock in principal repayments on the Repackaged Perpetual Subordinated Floating Rate Notes and the zero coupon (€9 million decrease) and the provision for impairment in value of Compass shares (€38 million decrease). The provision on Compass shares has been recorded in the IFRS accounts because the shares are classified as available-for-sale and have suffered a material and lasting impairment in value, as determined based on the stock market price.
- Financial assets are classified in the three categories defined in IAS 39, as follows:
  - Time deposits are classified as "Loans and receivables" and measured at amortized cost.
  - Bonds and other debt securities that are not intended to be sold are classified as "Held-to-maturity" and measured at amortized cost.
    Transaction expenses for securities in both of these categories are not material and their amortized cost is therefore equivalent to acquisition cost.
  - Units in mutual funds are classified as "Available-for-sale" and measured at fair value. Gains and losses arising from remeasurement at fair value at each period-end are recognized in equity. These assets are highly liquid and very low risk; consequently, changes in fair value are limited.
- Application of IAS 39 does not have any impact on the accounting treatment of hedging instruments, except as explained above.

IFRS 5

- Application of IFRS 5 has no impact on the consolidated accounts.

CORPORATE GOVERNANCE

■ **Fees paid to the Auditors and the members of their network** (page 132 of the Financial Statements)

The difference in fees paid to the two auditors reflects the breakdown of audit work between the two firms. Deloitte & Associés audits all units outside France, while Ernst & Young audits only the Hotels business in France.

RESOLUTIONS

Proposed resolutions

■ **Twelfth resolution (page 143 of the Finanacial Statements)**

(An information memorandum describing the share buyback program was filed with the AMF on April 8 under no. 05-230. The full information memorandum is available on request from the Accor Shareholder Relations Department. It may also be downloaded from www.accor.com/finance)

- The 1,528,731 shares held in treasury, representing 0.74% of issued capital at December 31, 2004, are earmarked as follows:
  - 550,000 shares to cover the maximum share-based earn-out payment that may be due to Caisse des Dépôts et Consignations under the agreement for the purchase of 1.5 million Club Méditerranée shares.
  - 500,000 shares for allocation on exercise of stock options or under an employee stock ownership plan, or in connection with stock grants without consideration (in the latter case, subject to adoption of the twenty-third resolution).
  - 478,731 shares to be used to maintain a liquid market for the Company's shares, under a liquidity contract with an investment firm that complies with a code of ethics recognized by Autorité des Marchés Financiers.

- In addition, to clarify one of the purposes for which shares may be bought back, subject to compliance with the applicable laws and regulations and in accordance with the practices authorized by the Autorité des Marchés Financiers, the third bullet point of the twelfth resolution has been amended to read as follows:

  "To purchase shares to be held for subsequent delivery in exchange or payment, in connection with external growth transactions".

Thirteenth and fourteenth resolutions **(page 144 of the Finanacial Statements)**

The convertible bonds and redeemable bonds to be issued with suppression of preferential subscription rights of shareholders for the benefit of an identified person, subject to shareholder approval, will be purchased by ColTime Sarl, a Luxembourg company that is wholly-owned by ColLife Sarl, which in turn is controlled by Colony Capital.

Consequently :

- The thirteenth resolution tabled at the Annual Shareholders' Meeting has been amended to read as follows:
  - Second bullet point (page 144 of the "Financial Statements"): "decides, in accordance with the provisions of article L.225-138 of the Code de Commerce, to suppress the preferential subscription rights of shareholders to the Convertible Bonds for the benefit of ColTime Sarl, a Luxemburg company, headquartered at 1, rue du Saint Esprit, L-1475 Luxembourg, which will only be entitled to subscribe for the Convertible Bonds."
  - Fourth bullet point (page 144): "acknowledges that this increase of capital will not be taken into account for purposes of the caps provided for at the seventeenth and twenty-first resolutions."

- The fourteenth resolution tabled at the Annual Shareholders' Meeting has been amended to read as follows:
  - Second bullet point (page 151 of the "Financial Statements"): "decides, in accordance with the provisions of article L.225-138 of the Code de Commerce, to suppress the preferential subscription rights of shareholders to the Redeemable Bonds for the benefit of ColTime Sarl, a Luxemburg company, headquartered at 1, rue du Saint Esprit, L-1475 Luxembourg, which will only be entitled to subscribe for the Redeemable Bonds."
  - Fourth bullet point (page 151): "acknowledges that this increase of capital will not be taken into account for purposes of the caps provided for at the seventeenth and twenty-first resolutions."

GENERAL INFORMATION

Ownership structure (page 151 of the "Financial Statements"):

The 85.6% of the capital held by the public breaks down as 1.2% held in registered shares and 84.4% in bearer shares.

PERSONS RESPONSIBLE FOR THE "FINANCIAL STATEMENTS" AND THE AUDIT OF THE ACCOUNTS

Statement by the persons responsible for the update to the "Financial Statements"

To the best of our knowledge, the information contained in this update to the "Financial Statements" filed with the Autorité des Marchés Financiers on April 4, 2005 under no. D.05-330 is correct.

The "Financial Stements" includes all the information required to permit an investor to reach an informed opinion concerning the assets and liabilities, business, financial position, results and outlook of Accor. No information has been omitted that would be likely to alter an investor's opinion.

Jean-Marc Espalioux, Chairman of the Management Board

Benjamin Cohen, Vice Chairman of the Management Board

Statement by the Auditors on the update to the “Financial Statements” for the year ended December 31, 2004

As Statutory Auditors of Accor and in accordance with Book II, article 211-5-2 of the General Regulations of the Autorité des Marchés Financiers, and professional standards applicable in France, we performed certain procedures on the information relating to the historical financial statements of the Company contained in the “Financial Statements” filed with the AMF on April 4, 2005 under no. D.05-330 and the attached update.

The Chairman of the Management Board is responsible for the preparation of the “Financial Statements” and related update. Our responsibility is to report on the fairness of the information presented in the “Financial Statements” and the update relating to the financial situation and the financial statements.

We issued a report on the “Financial Statements” on April 1, 2005, in which we concluded that, based on the procedures performed, we had no matters to report regarding the fairness of the information relating to the financial situation and the financial statements presented in the “Financial Statements”.

Our work, conducted in accordance with professional standards applicable in France, consisted of:

- Verifying that no events had occurred since the date of our report, referred to above, that might affect the fairness of the information on the financial situation and the financial statements presented in the “Financial Statements”, other than as mentioned in the update.
- Assessing the fairness of the information about the financial situation and the financial statements presented in the update and checking the consistency of said information with the accounts on which we expressed an opinion. We also read the other information contained in the update, to identify any material inconsistencies with the information about the financial situation and the financial statements, and to report any apparent material misstatements of facts that we may have found based on our general knowledge of the Company, obtained during the course of our engagement. The forward-looking information in the update corresponds to the objectives of Accor’s management rather than to isolated information determined in accordance with a structured process.

Based on the procedures performed, we have no matters to report regarding the fairness of the information relating to the financial situation and the financial statements presented in the “Financial Statements” and related update.

Neuilly, April 26, 2005

The Statutory Auditors

Barbier Frinault & Autres
Ernst & Young

Deloitte & Associés

Christian CHOCHON

Alain PONS