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Consolidated Income Statements

In million of euros	Notes	2011 (*)	2012	2011 Published
CONSOLIDATED REVENUE	3	**5 568**	**5 649**	**6 100**
Operating expense	4	(3 809)	(3 861)	(4 177)
EBITDAR	5	**1 759**	**1 788**	**1 923**
Rental expense	6	(903)	(938)	(995)
EBITDA	7	**856**	**850**	**928**
Depreciation, amortization and provision expense	8	(341)	(324)	(398)
EBIT	9	**515**	**526**	**530**
Net financial expense	10	(92)	(75)	(97)
Share of profit of associates after tax	11	5	17	5
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS		**428**	**468**	**438**
Restructuring costs	12	(38)	(40)	(40)
Impairment losses	13	(64)	(119)	(113)
Gains and losses on management of hotel properties	14	105	11	60
Gains and losses on management of other assets	15	6	(81)	(19)
OPERATING PROFIT BEFORE TAX		**437**	**239**	**326**
Income tax expense	16	(166)	(143)	(274)
Profit or loss from continuing operations		**271**	**95**	**52**
Net Profit from discontinued operations	17	(221)	(679)	(2)
NET PROFIT		**50**	**(584)**	**50**
Net Profit, Group Share from continuing operations		248	80	29
Net Profit, Group Share from discontinued operations		(221)	(679)	(2)
Net Profit, Group Share		**27**	**(599)**	**27**
Net Profit, Minority interests from continuing operations		23	15	23
Net Profit, Minority interests from discontinued operations		(0)	0	(0)
Net Profit, Minority interests		23	15	23
Weighted average number of shares outstanding (in thousands)	25	227 107	227 266	227 107
EARNINGS PER SHARE (in €)		**0,12**	**(2,64)**	**0,12**
Diluted earnings per share (in €)	25	0,12	(2,64)	0,12
Earnings per share from continuing operations (in €)		**1,09**	**0,35**	**0,13**
Diluted earnings per share from continuing operations (in €)		**1,09**	**0,35**	**0,13**
Earnings per share from discontinued operations (in €)		**(0,97)**	**(2,99)**	**(0,01)**
Diluted earnings per share from discontinued operations (in €)		**(0,97)**	**(2,99)**	**(0,01)**

(*) In accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" in the consolidated income statement for the year ended December 31, 2011, the profits or losses from 2012 discontinued operations (including the US Economy Hotels business and Onboard Train Services business) are reported on a separate line (see Note 17)

Income statement indicators are explained in Note 1.R.

Statements of Comprehensive Income

In million of euros	Notes	2011 (*)	2012	2011 Published
NET PROFIT		**50**	**(584)**	**50**
Currency translation adjustment		(47)	101	(47)
Effective portion of gains and losses on hedging instruments in a cash flow hedge		3	3	3
Actuarial gains and losses on defined benefit plans, net of deferred taxes		(2)	(18)	(2)
Other comprehensive income, net of tax	28	**(47)**	**86**	**(47)**
TOTAL COMPREHENSIVE INCOME		**3**	**(498)**	**3**
Comprehensive income, Group share		**8**	**(529)**	**8**
Comprehensive income, Minority interests		(4)	31	(4)

(*) In accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" in the statement of comprehensive income for the year ended December 31, 2011, the net profit from 2012 discontinued operations (including the US Economy Hotels business and Onboard Train Services business) are reported on a separate line (see Note 17)

Consolidated Balance Sheets

Assets

ASSETS In million of euros	Notes	Dec. 2011	Dec. 2012
GOODWILL	18	**712**	**840**
INTANGIBLE ASSETS	19	**373**	**264**
PROPERTY, PLANT AND EQUIPMENT	20	**3 257**	**2 592**
Long-term loans	21	138	147
Investments in associates	22	210	263
Other financial investments	23	201	222
TOTAL NON-CURRENT FINANCIAL ASSETS		**549**	**632**
Deferred tax assets	16	147	151
TOTAL NON-CURRENT ASSETS		**5 038**	**4 479**
Inventories	24	41	47
Trade receivables	24	364	402
Other receivables and accruals	24	680	516
Receivables on disposals of assets	29 & 30	95	48
Short-term loans	29 & 30	26	34
Cash and cash equivalents	29 & 30	1 370	1 878
TOTAL CURRENT ASSETS		**2 576**	**2 925**
Assets held for sale	32	386	156
TOTAL ASSETS		**8 000**	**7 560**

Equity and Liabilities

EQUITY AND LIABILITIES In million of euros	Notes	Dec. 2011	Dec. 2012
Share capital		682	682
Additional paid-in capital and reserves		2 828	2 676
Net profit, Group share	25	27	(599)
SHAREHOLDERS' EQUITY, GROUP SHARE		**3 537**	**2 759**
Minority interests	27	231	230
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTERESTS		**3 768**	**2 989**
Other long-term financial debt	29 & 30	1 524	1 496
Long-term finance lease liabilities	29 & 30	69	56
Deferred tax liabilities	16	156	116
Non-current provisions	33	101	131
TOTAL NON-CURRENT LIABILITIES		**1 850**	**1 799**
Trade payables	24	642	580
Other payables and income tax payable	24	1 333	1 142
Current provisions	33	194	185
Short-term debt and finance lease liabilities	29 & 30	106	811
Bank overdrafts and liability derivatives	29 & 30	18	18
TOTAL CURRENT LIABILITIES		**2 293**	**2 736**
Liabilities of assets classified as held for sale	32	89	36
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**8 000**	**7 560**

Consolidated Cash Flow Statements

	In million of euros	Notes	2011 (*)	2012	2011 Published
+	EBITDA	7	856	850	928
+	Net financial expense	10	(92)	(75)	(97)
+	Income tax expense		(163)	(122)	(163)
-	Non cash revenue and expense included in EBITDA		10	21	10
-	Elimination of provision movements included in net financial expense and non-recurring taxes		47	20	47
+	Dividends received from associates		12	0	12
+	Impact of discontinued operations		58	92	(9)
=	**Funds from operations excluding non-recurring transactions**	34	**728**	**786**	**728**
+	Decrease (increase) in operating working capital	35	(19)	(158)	5
+	Impact of discontinued operations	35	37	81	13
=	**Net cash from operating activities**		**746**	**709**	**746**
+	Cash received (paid) on non-recurring transactions (included restructuring costs and non-recurring taxes)		(77)	(134)	(104)
+	Impact of discontinued operations (**)		(27)	(449)	(0)
=	**Net cash from operating activities including non-recurring transactions (A)**		**642**	**126**	**642**
-	Renovation and maintenance expenditure	36	(268)	(299)	(303)
-	Development expenditure	37	(291)	(676)	(387)
+	Proceeds from disposals of assets		502	371	500
+	Impact of discontinued operations (**)		297	529	430
=	**Net cash used in investments/ divestments (B)**		**240**	**(75)**	**240**
+	Proceeds from issue of share capital		11	3	11
-	Dividends paid		(155)	(269)	(155)
-	Repayment of long-term debt		(157)	(15)	(157)
-	Payment of finance lease liabilities		(9)	(1)	(9)
+	New long term debt		20	727	20
=	**Increase (decrease) in long-term debt**		**(146)**	**711**	**(146)**
+	Increase (decrease) in short-term debt		(187)	146	(118)
+	Change in ownership percentage of subsidiaries		(50)	(6)	(50)
+	Impact of discontinued operations		(130)	(145)	(199)
=	**Net cash from financing activities (C)**		**(657)**	**440**	**(657)**
+	Effect of changes in exchange rates (D)		14	17	(6)
+	Effect of changes in exchange rates on discontinued operations (D)		(22)	(10)	(2)
=	**Net change in cash and cash equivalents (E)=(A)+(B)+(C)+(D)**		**217**	**498**	**217**
-	Cash and cash equivalents at beginning of period		1 098	1 352	1 098
-	Effect of changes in fair value of cash and cash equivalents		4	6	4
-	Cash and Cash equivalents reclassified at end of period in “Assets held for sale”		-	-	33
-	Net change in cash and cash equivalents for discontinued operations		33	4	-
+	Cash and cash equivalents at end of period	30	1 352	1 860	1 352
=	**Net change in cash and cash equivalents**		**217**	**498**	**217**

(*) In accordance with IFRS 5 “Non-Current Assets Held for Sale and Discontinued Operations” in the consolidated cash flow statement for the year ended December 31, 2011, the cash flows from 2012 discontinued operations (including the US Economy Hotels business and Onboard Train Services business) are reported on a separate line (see Note 17)

(**) Including the following items related to the divestment of the US Economy Hotels business (see Note 2.A.1):

(1) Costs associated with the exercise of call options on leased hotels for €(274) million and cancellation, following the purchase of the hotels, of accounting entries recognizing rents on a straight line basis, for €(123) million.

(2) Proceeds from the sale of Motel 6 for €1,338 million and purchase of 268 leased hotels for €(851) million.

Changes in Consolidated Shareholders' Equity

In million of euros	Number of shares outstanding	Share capital	Additional paid-in capital	Currency translation reserve (1)	Hedging Instruments reserve	Reserve for actuarial gains/losses	Reserve related to employee benefits	Retained earnings and profit for the period	Shareholders' equity	Minority interests	Consolidated shareholders' Equity
At January 1, 2011	**226 793 949**	**680**	**1 311**	**14**	**(10)**	**(26)**	**121**	**1 560**	**3 650**	**299**	**3 949**
Issue of share capital											
- Performance share grants	**108 023**	0	-	-	-	-	-	(0)	**-**	**-**	**-**
- On exercise of stock options	**349 474**	1	7	-	-	-	-	-	**8**	**3**	**11**
Dividends paid in cash (2)	-	-	-	-	-	-	-	(141)	**(141)**	**(14)**	**(155)**
Change in reserve related to employee benefits	-	-	-	-	-	-	13	-	**13**	**-**	**13**
Effect of scope changes	-	-	-	-	-	(2)	-	2	**(1)**	**(52)**	**(53)**
Other Comprehensive Income	-	**-**	**-**	**(20)**	**3**	**(2)**	**-**	**-**	**(19)**	**(28)**	**(47)**
Net Profit	-	-	-	-	-	-	-	27	**27**	**23**	**50**
Total Comprehensive Income	-	**-**	**-**	**(20)**	**3**	**(2)**	**-**	**27**	**8**	**(4)**	**3**
At December 31, 2011	**227 251 446**	**682**	**1 318**	**(6)**	**(7)**	**(31)**	**134**	**1 448**	**3 537**	**231**	**3 768**
Issue of share capital											
- On exercise of stock options	**26 526**	0	1	-	-	-	-	-	**1**	**2**	**3**
Dividends paid in cash (2) (3)	-	-	-	-	-	-	-	(255)	**(255)**	**(14)**	**(269)**
Change in reserve related to employee benefits	-	-	-	-	-	-	14	-	**14**	**-**	**14**
Effect of scope changes	-	-	-	-	-	0	-	(9)	**(9)**	**(20)**	**(29)**
Other Comprehensive Income	-	**-**	**-**	**85**	**3**	**(18)**	**-**	**-**	**70**	**16**	**86**
Net Profit	-	-	-	-	-	-	-	(599)	**(599)**	**15**	**(584)**
Total Comprehensive Income	-	**-**	**-**	**85**	**3**	**(18)**	**-**	**(599)**	**(529)**	**31**	**(498)**
At December 31, 2012	**227 277 972**	**682**	**1 318**	**79**	**(4)**	**(49)**	**148**	**585**	**2 759**	**230**	**2 989**

(1) Exchange differences on translating foreign operations between December 31, 2011 and December 31, 2012, representing a positive impact of €85 million, mainly concern the €78 million translation reserve related to the US Economy Hotels business that was recycled to profit during the year (see Note 2.A.1) and changes in exchange rates against the euro of the US Dollar (€9 million negative impact), the Polish Zloty (€44 million positive impact) and the Brazilian Real (€21 million negative impact).

The period-end euro/local currency exchange rates applied to prepare the consolidated financial statements were as follows:

	USD	PLN	BRL
December 2011	1,2939	4,4580	2,4159
December 2012	1,3194	4,0740	2,7036

(2) The 2010, 2011 and 2012 dividends were as follows:

In euros	2010	2011	2012 (*)
Dividende per share	**0,62**	**0,65**	**0,76**
Special dividende per share	**NA**	**0,50**	**NA**

(*) Ordinary dividend per share recommended by the Board of Directors to the Annual Shareholders' Meeting of April 25, 2013.

(3) The €(255) million in dividends include the €6.3 million "précompte" dividend withholding tax refund that Accor is not required to return following the Supreme Court of Appeal ruling in late 2012 in the dispute concerning this tax (see Note 39).

Number of Accor's shares is detailed as follows:

Details on shares	**Dec. 2011**	**Dec. 2012**
Total number of shares authorized	227 251 446	227 277 972
Number of fully paid shares issued and outstanding	227 251 446	227 277 972
Number of shares issued and outstdanding not fully paid	-	-
Per value per share (in €)	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, 2012	**227 251 446**
Shares from conversion of stock option plans	26 526
Outstanding shares at December 31, 2012	**227 277 972**

Accor's share capital at December 31, 2012	**227 277 972**
Shares in treasury at December 31, 2012	-
Outstanding shares at December 31, 2012	**227 277 972**
Stock option plans (see Note 25.3)	11 587 420
Performance shares plans (see Note 25.3)	547 976
Potential number of shares	**239 413 368**

Full conversion would have the effect of reducing debt at December 31, 2012 as follows:

	In million of euros
Theoretical impact of exercising stock options (*)	360
Theoretical impact on net debt of exercising all equity instruments	**360**

(*) assuming exercise of all options outstanding at December 31, 2012.

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

Accor's share capital at December 31, 2012	**227 277 972**	
Outstanding shares at December 31, 2012	**227 277 972**	
Adjustment from stock option plans exercised during the period	(12 346)	
Weighted average number of ordinary shares during the period	**227 265 626**	(See Note 25)
Impact of dilutive stock options plans at December 31, 2012	-	
Impact of dilutive performance shares at December 31, 2012	-	
Weighted average number of shares used to calculate diluted earning per share	**227 265 626**	(See Note 25)

Key Management Ratios

	Note	Dec. 2011 (*)	Dec. 2012 (*)	Dec. 2011 Published (**)
Gearing	(a)	N/A	14,1%	6%
Adjusted Funds from Ordinary Activities / Adjusted Net Debt	(b)	26,0%	28,5%	25,7%
Return On Capital Employed	(c)	13,9%	14,0%	12,3%
Economic Value Added (EVA) (in million of euros)	(d)	N/A	164	108

(*) Based on continuing operations: i.e. excluding Groupe Lucien Barrière, the US Economy Hotels business and the Onboard Train Services business which in accordance with IFRS 5 were reclassified as discontinued operations.

(**) Based on continuing operations; i.e. excluding Groupe Lucien Barrière, which was deconsolidated in 2011, and the Onboard Train Services business, which in accordance with IFRS 5 was reclassified as a discontinued operation.

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:

	Note	Dec. 2011 (*)	Dec. 2012 (*)	Dec. 2011 Published (**)
Net debt at end of the period (see Note 30)	**(1)**	**226**	**421**	**226**
Less Economy Hotels US Debt due to other Group entities reclassified in "Liabilities related to assets held for sale"	(2)	(142)	-	-
Restatement of the debt of sold and acquired businesses prorated over the period	(3)	251	(177)	207
Average net debt		**335**	**244**	**433**
Rental commitments discounted at 7%	(4)	3 144	2 962	3 495
Total Adjusted net debt		**3 479**	**3 206**	**3 928**
Funds from Ordinary Activities		**670**	**694**	**737**
Rental amortization		236	221	271
Adjusted Funds from Ordinary Activities		**906**	**915**	**1 008**
Adjusted Funds from Ordinary Activities / Adjusted Net Debt		**26,0%**	**28,5%**	**25,7%**

(*) Based on continuing operations: i.e. excluding Groupe Lucien Barrière, which was deconsolidated in 2011, and the US Economy Hotels business and the Onboard Train Services business which in accordance with IFRS 5 were reclassified as discontinued operations.

(**) Based on continuing operations; i.e. excluding Groupe Lucien Barrière, which was deconsolidated in 2011, and the Onboard Train Services business, which in accordance with IFRS 5 was reclassified as a discontinued operation in 2011. Published rental commitments at December 31, 2011 were discounted at a rate of 8%.

(1) Net debt at December 31, 2012 does not include the €184.7 million of the "précompte" dividend withholding tax refund that Accor was ordered to repay to the French State, following the Supreme Court of Appeal ruling in December 2012 in the dispute concerning this tax (see Note 39).

(2) Net debt at December 31, 2011 does not include the debt due by the US Economy Hotels entities to other Group entities, which is presented as being due by external debtors, as for the calculation of Funds from Ordinary Activities presented above.

(3) Including €62 million in adjustments for disposals and €(239) million in adjustments for the acquisition of Mirvac and of Grupo Posadas' South American hotel network.

(4) Rental commitments correspond to the amounts presented in Note 6 C. They do not include any variable or contingent rentals. The 7% rate is the rate used by Standard & Poor's in 2012. In prior periods, the rate was 8%.

Adjusted net debt at December 31, 2011 is based on rental commitments discounted at 8% (€3,495 million). If a discount rate of 7% had been applied and if the commitments of the US Economy Hotels business had been excluded, adjusted debt at December 31, 2011, would have been €3,144 million.

Adjusted net debt at December 31, 2012 is based on rental commitments discounted at 7% (€2,962 million).

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

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

2011 and 2012 Economic Value Added (EVA) have been calculated as follows:

		Dec. 2011 published	Dec. 2012
Weighted Average Cost of Capital (WACC)		**9,12%**	**8,90%**
ROCE after tax	(1)	**10,51%**	**11,49%**
Capital Employed (in million of euros)		**7 734**	**6 355**
Economic Value Added (in million of euros)	(2)	**108**	**164**

1) ROCE after tax is determined as follows:

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

For example, at December 31, 2012 the data used in the formula were as follows:

Adjusted EBITDA : €891 million (see ROCE hereafter)
Depreciation, amortization and provisions : €324 million
Effective tax rate : 28.5% (see Note 16.2)
Capital employed : €6,355 million (see ROCE hereafter)

2) EVA is determined as follows:
(ROCE after tax – WACC) x Capital employed

A 0.1 point increase or decrease in the Beta would have had a €36 million impact on 2012 EVA and a €38 million impact on 2011 EVA.

Return On Capital Employed (ROCE) by Business Segment

Return On Capital Employed (ROCE) is a key management indicator used internally to measure the performance of the Group's various businesses. It is also an indicator of the profitability of assets that are either not consolidated or accounted for by the equity method.

It is calculated on the basis of the following aggregates derived from the consolidated financial statements:

- Adjusted EBITDA: for each business, EBITDA plus revenue from financial assets and investments in associates (dividends and interests).
- Capital Employed: for each business, the average cost of 2011 and 2012 non-current assets, before depreciation, amortization and provisions, plus working capital.

ROCE corresponds to the ratio between adjusted EBITDA and average capital employed for the period. In December 2012, ROCE stood at 14.0% versus 13.9% in December 2011.

In million of euros		2011 (*)	2012	2011 published
Capital employed		6 678	6 625	8 194
Adjustments on capital employed	(a)	(302)	(326)	(323)
Effect of exchange rate on capital employed	(b)	(54)	56	(137)
Average Capital Employed		**6 322**	**6 355**	**7 734**
EBITDA (see Note 7)		856	850	928
Interest income on external loans and dividends		18	21	19
Share of profit of associates before tax (see Note 11)		7	20	7
Published Adjusted EBITDA		**881**	**891**	**954**
ROCE (Adjusted EBITDA/Capital Employed)		**13,9%**	**14,0%**	**12,3%**

(*) In line with IFRS 5 (see Note 17), the EBITDA and capital employed of the Economy US Hotels and Onboard Train Services businesses were not taken into account in the calculation of Group ROCE.

(a) For the purpose of calculating ROCE, capital employed is prorated over the period of EBITDA recognition in the income statement. For example, the capital employed of a business acquired on December 31 that did not generate any EBITDA during the period would not be included in the calculation.

(b) Capital employed is translated at the average exchange rate for the year, corresponding to the rate used to translate EBITDA.

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

Business	Dec. 2011 (*)		Dec. 2012		Dec. 2011 published	
	Capital Employed In million of euros	ROCE %	Capital Employed In million of euros	ROCE %	Capital Employed In million of euros	ROCE %
HOTELS	**6 125**	**13,9%**	**6 192**	**14,1%**	**7 537**	**12,2%**
Upscale and Midscale Hotels	4 138	11,1%	4 142	11,4%	4 138	11,1%
Economy Hotels	1 987	19,5%	2 050	19,5%	1 987	19,5%
Economy Hotels United States	NA	N/A	NA	N/A	1 412	5,2%
OTHER BUSINESSES	**197**	**16,6%**	**163**	**13,0%**	**197**	**16,6%**
GROUP TOTAL excluding discontinued operations	**6 322**	**13,9%**	**6 355**	**14,0%**	**7 734**	**12,3%**

(*) In line with IFRS 5 (see Note 17), the EBITDA and capital employed of the Economy US Hotels and Onboard Train Services businesses were not taken into account in the calculation of Group ROCE.

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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 2012, 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 2011 financial information, prepared in accordance with the same standards.

At December 31, 2012, 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").

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, 2012:

- Amendment to IFRS 7 "Disclosures—Transfers of Financial Assets": the purpose of this amendment is to improve understanding of transfer transactions of financial assets (for example, securitizations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. As Accor does not carry out transfer transactions of financial assets, this amendment has no impact on the consolidated financial statements.
- Amendment to IFRS 1 "Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters": this standard concerns companies adopting IFRS for the first time and the revision therefore had no impact on the consolidated financial statements for the periods presented.
- Amendment to IAS 12 "Deferred Tax: Recovery of Underlying Assets": this amendment introduces a rebuttable presumption that the carrying amount of some assets will be recovered entirely through sale. This presumption applies to:
    - Investment property measured using the fair value model defined in IAS 40 "Investment Property", and
    - Property, plant and equipment or intangible assets measured using the revaluation model.

  As Accor does not own any investment property and has not elected to measure any items of property and equipment or intangible assets using the revaluation model, this amendment has no impact on the consolidated financial statements.

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

The Group did not early adopt the following standards, amendments and interpretations adopted or in the process of being adopted by the European Union at December 31, 2012 and applicable after that date:

Standard or Interpretation		Application Date (period beginning on or after)	Measurement of the possible impact on the Accor Group consolidated financial statements in the period of initial application
IFRS 9	« Financial Instruments: Recognition and Measurement"	January 1, 2015	This standard is currently not expected to have a material impact on the consolidated financial statements.
Additions to IFRS 9	« Financial Instruments: Recognition and Measurement"	January 1, 2015	
IFRS 10 and current amendments	"Consolidated Financial Statements"	January 1, 2013*	IFRS 10 establishes a single method of determining whether entities are controlled and should be fully consolidated. The three elements

Standard or Interpretation		Application Date (period beginning on or after)	Measurement of the possible impact on the Accor Group consolidated financial statements in the period of initial application
			of control are: i) power to direct the relevant activities, ii) exposure or rights to variable returns and iii) ability to use power to affect returns. Analyses conducted in 2012 showed that application of this standard will have no significant impact on the consolidated financial statements.
IFRS 11 and current amendments	"Joint Arrangements"	January 1, 2013*	Following adoption of IFRS 11, application of the proportionate consolidation method to jointly controlled entities will no longer be allowed. Consequently from January 1, 2014 these entities will be accounted for by the equity method with retrospective application of this method to 2013. The impact that the standard would have had on the Group's 2012 revenue, expenses and main balance sheet indicators if it had been applied in 2012 is presented in Note 42.
IFRS 12	"Disclosure of Interests in Other Entities"	January 1, 2013*	These standards and amendments to existing standards are currently not expected to have a material impact on the consolidated financial statements.
IFRS 13	"Fair Value Measurement"	January 1, 2013	
Amendment to IAS 27	"Separate Financial Statements"	January 1, 2013	
Amendment to IAS 28	"Investments in Associates and Joint Ventures"	January 1, 2013	
Amendment to IAS 1	"Presentation of Items of Other Comprehensive Income"	July 1, 2012	
Amendment to IFRS 7	"Disclosures – Offsetting Financial Assets and Financial Liabilities"	January 1, 2013	
Amendment to IAS 32	"Offsetting Financial Assets and Financial Liabilities"	January 1, 2014	
Amendment to IFRS 1	"Government Loans"	January 1, 2013	
Annual Improvements to IFRSs 2009–2011 Cycle		January 1, 2013	
IAS 19 (Revised)	"Employee Benefits"	January 1, 2013	The main changes concern: o Abolition of the option allowing actuarial gains and losses to be accounted for by the corridor method. This change will have no impact on the consolidated financial statements because the Group already recognizes actuarial gains and losses directly in other comprehensive income. o The exclusion of the expected return on other plan assets from the calculation of the net interest cost. This change is not expected to have any material impact on the consolidated financial statements.

Standard or Interpretation		Application Date (period beginning on or after)	Measurement of the possible impact on the Accor Group consolidated financial statements in the period of initial application
			o The immediate recognition of unvested past service costs in profit or loss. The impact on opening equity at January 1, 2012 is estimated at a positive €10 million. o Improved disclosures in the notes to the consolidated financial statements.
IFRIC 20	"Stripping costs in the Production Phase of a Surface Mine"	January 1, 2013	The Group is not concerned by this interpretation of an existing standard.

*These standards are applicable in the European Union for annual periods beginning after January 1, 2014, with early adoption allowed from January 1, 2013. All of these standards must be applied at the same time.

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 fiscal year-end, except for certain Indian companies that have a March 31 fiscal year-end and are therefore consolidated based on financial statements prepared up to September 30.

The preparation of consolidated financial statements implies the consideration by Group management of estimates and assumptions that can affect the carrying amount of certain assets and liabilities, income and expenses, and the information disclosed in the notes to the financial statements. Group management reviews these estimates and assumptions on a regular basis to ensure that they are appropriate based on past experience and the current economic situation. Items in future financial statements may differ from current estimates as a result of changes in these assumptions.

The main estimates and judgments made by management in the preparation of financial statements concern the valuation and the useful life of intangible assets, property, plant and equipment and goodwill, the amount of provisions for contingencies and the assumptions underlying the calculation of pension obligations, claims and litigation and deferred tax balances.

The main assumptions made by the Group are presented in the relevant notes to the financial statements.

When a specific transaction is not covered by any standards or interpretations, management uses its judgment in developing and applying an accounting policy that results in the production of relevant and reliable information. As a result, the financial statements provide a true and fair view of the Group's financial position, financial performance and cash flows and reflect the economic substance of transactions.

Capital management

The Group's main capital management objective is to maintain a satisfactory credit rating and robust capital ratios in order to facilitate business operations and maximize shareholder value.

Its capital structure is managed and adjusted to keep pace with changes in economic conditions, by adjusting dividends, returning capital to shareholders or issuing new shares. Capital management objectives, policies and procedures were unchanged in 2012.

The main indicator used for capital management purposes is the gearing or debt-to-equity ratio (corresponding to net debt divided by equity: see Note "Key Management Ratios" and Note 30). Group policy consists of keeping this ratio below 100%. For the

purpose of calculating the ratio, net debt is defined as all short and long-term borrowings, including lease liabilities, derivative instruments with negative fair values and bank overdrafts less cash and cash equivalents, derivative instruments with positive fair values and disposal proceeds receivable in the short-term. Long-term loans, made primarily to hotel owners and to certain companies in which Accor holds a minority interest with the aim of developing long-term investments, are treated as cash flows from investing activities and not financing activities. Consequently, they are excluded from the net debt calculation.

Equity includes convertible preferred stock and unrealized gains and losses recognized directly in equity, but excludes minority interests.

Moreover, the Group has set a target at the end of December 2012 of maintaining the adjusted funds from ordinary activities/Adjusted net debt ratio at more than 25%.

The main accounting methods applied are as follows:

A. Consolidation methods

The companies over which the Group exercises exclusive de jure or de facto control, directly or indirectly, are fully consolidated.

Companies controlled and operated jointly by Accor and a limited number of partners under a contractual agreement are proportionally consolidated.
Companies over which the Group exercises significant influence are accounted for by the equity method. Significant influence is considered as being exercised when the Group owns between 20% and 50% of the voting rights.

In accordance with IAS 27 “Consolidated and Separate Financial Statements”, in assessing whether control exists only potential voting rights that are currently exercisable or convertible are taken into account. No account is taken of potential voting rights that cannot be exercised or converted until a future date or until the occurrence of a future event.

B. Business combinations and loss of control – changes in scope of consolidation

Applicable since January 1, 2010, IFRS 3 (revised) “Business Combinations” and IAS 27 (revised) “Consolidated and Separate Financial Statements” have led the Group to alter its accounting treatment of business combinations and transactions with non-controlling interests carried out on or after this date, as follows:

B.1. Business Combinations

Business combinations are accounted for applying the acquisition method:

- The acquisition cost is measured at the acquisition date at the fair value of the consideration transferred, including all contingent consideration. Subsequent changes in contingent consideration are accounted for either through profit or loss or through other comprehensive income.

- Identifiable assets and liabilities acquired are measured at fair value. Fair value measurements must be completed within one year or as soon as the necessary information to identify and value the assets and liabilities has been obtained. They are performed in the currency of the acquiree. In subsequent years, these fair value adjustments follow the same accounting treatment as the items to which they relate.

- Goodwill is the difference between the consideration transferred and the fair value of the identifiable assets and liabilities assumed at the acquisition date and is recognized as an asset in the balance sheet (see Note C. Goodwill).

Costs related to business combinations are recognized directly as expenses.

When a business combination is achieved in stages, the previously held equity interest is remeasured at fair value at the acquisition date through profit or loss. The attributable other comprehensive income, if any, is fully reclassified in operating income.

B.2. Loss of control with residual equity interest

The loss of control while retaining a residual equity interest may be analyzed as the disposal of a controlling interest followed by the acquisition of a non-controlling interest. This process involves, as of the date when control is lost:

- The recognition of a gain or loss on disposal, comprising:
  - A gain or loss resulting from the percentage ownership interest sold ;
  - A gain or loss resulting from the remeasurement at fair value of the ownership interest retained in the entity.
- The other comprehensive income items are reclassified in the profit or loss resulting from the ownership interest disposed.

B.3. Purchases or disposals of non-controlling interest

Transactions with non-controlling interests in fully consolidated companies that do not result in a loss of control, are now accounted for as equity transactions, with no effect on profit or loss or on other comprehensive income.

B.4. Loss of significant influence while retaining a residual interest

The loss of significant interest while retaining a residual interest may be analyzed as the disposal of shares accounted for by the equity method followed by the acquisition of a financial asset. This process involves, as of the date of disposal:

- The recognition of a gain or loss on disposal, comprising:
  - A gain or loss resulting from the percentage ownership interest sold, and;
  - A gain or loss resulting from the remeasurement at fair value of the retained percentage ownership interest.
- The reclassification in profit of all of the other comprehensive income items.

C. Goodwill

C.1. Positive goodwill

Goodwill, representing the excess of the cost of a business combination over the Group's interest in the net fair value of the identifiable assets and liabilities acquired at the acquisition date, is recognized in assets under "Goodwill". Residual goodwill mainly results from the expected synergies and other benefits arising from the business combination.

In accordance with IFRS 3 (revised), which is applicable to business combinations carried out on or after January 1, 2010, each time it acquires a less than 100% interest in an entity, the Group must choose whether to recognize goodwill:

- By the full goodwill method (i.e. on a 100% basis): in this case, non-controlling interests are measured at fair value and goodwill attributable to non-controlling interests is recognized in addition to the goodwill recognized on the acquired interest.
- By the partial goodwill method (i.e. based on the percentage interest acquired, with no change possible later in the event of an additional interest being acquired that does not transfer control): in this case, non-controlling interests are measured as the non-controlling interest's proportionate share of the acquiree's identifiable net assets and goodwill is only recognized for the share acquired.

Goodwill arising on the acquisition of associates – corresponding to companies over which the Group exercises significant influence – is included in the carrying amount of the associate concerned.

Goodwill arising on the acquisition of subsidiaries and jointly controlled entities is reported separately.

In accordance with IFRS 3 (revised) "Business Combinations", goodwill is not amortized but is tested for impairment at least once a year and more frequently if there is any indication that it may be impaired. The methods used to test goodwill for impairment are described in Note 1.E.6. If the carrying amount of goodwill exceeds its recoverable amount, an irreversible impairment loss is recognized in profit.

C.2. Negative goodwill

Negative goodwill, representing the excess of the Group's interest in the net fair value of the identifiable assets and liabilities acquired at the acquisition date over the cost of the business combination, is recognized immediately in profit.

D. Foreign currency translation

The presentation currency is the euro.

The balance sheets of foreign subsidiaries are translated into euros at the closing exchange rate, and their income statements are translated at the average rate for the period. Differences arising from translation are recorded as a separate component of equity and recognized in profit on disposal of the business.

For subsidiaries operating in hyperinflationary economies, non-monetary assets and liabilities are translated at the exchange rate at the transaction date (historical rate) and monetary assets and liabilities are translated at the closing rate.
In the income statement, income and expense related to non-monetary assets and liabilities are translated at the historical rate and other items are translated at the average rate for the month in which the transaction was recorded. Differences arising from the application of this method are recorded in the income statement under “Net financial expense”.

E. Non-current assets

E.1. Intangible assets

In accordance with IAS 38 “Intangible Assets”, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

Brands and lease premiums (droit au bail) in France are considered as having indefinite useful lives because the Group considers that there is no foreseeable limit to the period in which they can be used and are therefore not amortized. Their carrying amount is reviewed at least once a year and more frequently if there is any indication that they may be impaired. If their fair value is less than their carrying amount, an impairment loss is recognized (see Note 1.E.6).

Other intangible assets (licenses and software) are considered as having finite useful lives. They are amortized on a straight-line basis over their useful lives.

The clientele of hotels outside France is generally amortized over the life of the underlying lease. Acquired management contracts and entrance fees paid by the Group are amortized over the life of the contract.

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.

Software costs development incurred during the development phase are capitalized as internally-generated assets if the Group can demonstrate all of the following in accordance with IAS 38:

- Its intention to complete the intangible asset and the availability of adequate technical, financial and other resources for this purpose.
- How the intangible asset will generate probable future economic benefits.
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

E.2. Property, plant and equipment

Property, plant and equipment are measured at purchase cost et purchase cost less accumulated depreciation and any accumulated impairment losses, in accordance with IAS 16 “Property, Plant and Equipment”.
Assets under construction are measured at cost less any accumulated impairment losses. They are depreciated from the date when they are put in service.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, determined by the components method, from the date when they are put in service. The main depreciation periods applied are as follows:

	Upscale and Midscale Hotels	Economy Hotels
Buildings	50 years	35 years
Building improvements, fixtures and fittings	7 to 25 years	
Capitalized construction-related costs	50 years	35 years
Equipment	5 to 15 years	

E.3. Borrowing costs

Borrowing costs directly attributable to the construction or production of a qualifying asset are included in the cost of the asset. Other borrowing costs are recognized as an expense for the period in which they are incurred.

E.4. Leases and sale and leaseback transactions

Leases are analysed based on IAS 17 "Leases".

Leases that transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee are qualified as finance leases and accounted for as follows:

- The leased item is recognized as an asset at an amount equal to its fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.
- A liability is recognized for the same amount, under "Finance lease liabilities".
- Minimum lease payments are allocated between interest expense and reduction of the lease liability.
- The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The asset is depreciated over its useful life, in accordance with Group accounting policy, if there is reasonable certainty that the Group will obtain ownership of the asset by the end of the lease term; otherwise the asset is depreciated by the components method over the shorter of the lease term and its useful life.

Lease payments under operating leases are recognized as an expense on a straight-line basis over the lease term. Future minimum lease payments under non-cancelable operating leases are disclosed in Note 6.

Where sale and leaseback transactions result in an operating lease and it is clear that the transaction is established at fair value, any profit or loss is recognized immediately. Fair value for this purpose is generally determined based on independent valuations.

E.5. Other financial investments

Other financial investments, corresponding to investments in non-consolidated companies, are classified as "Available-for-sale financial assets" and are therefore measured at fair value. Unrealized gains and losses on an investment are recognized directly in equity (in the Fair value adjustments on Financial Instruments reserve) and are reclassified to profit when the investment is sold. A significant or prolonged decline in the value of the investment leads to the recognition of an irreversible impairment loss in profit.
Equity-accounted investments in associates are initially recognised at acquisition cost, including any goodwill. Their carrying amount is then increased or decreased to recognise the Group's share of the associate's profits or losses after the date of acquisition.

An impairment test is performed whenever there is objective evidence indicating that an investment's recoverable amount may be less than its carrying amount. Possible indications of impairment include a fall in the share price if the investee is listed, evidence of serious financial difficulties, observable data indicating a measurable decline in estimated cash flows, or information about significant changes with an adverse effect on the investee. Whenever there is an indication that an investment may be impaired, an impairment test is performed by comparing the investment's recoverable amount to its carrying amount. Recoverable amount is estimated using the methods described in Note 1.E.6.

E.6. Recoverable value of assets

In accordance with IAS 36 “Impairment of Assets”, the carrying amounts of property, plant and equipment, intangible assets and goodwill are reviewed and tested for impairment when there is any indication that they may be impaired and at least once a year for the following:

- Assets with an indefinite useful life such as goodwill, brands and lease premiums.
- Intangible assets not yet available for use.

Criteria used for impairment tests

For impairment testing purposes, the criteria considered as indicators of a possible impairment in value are the same for all businesses:

- 15% drop in revenue, based on a comparable consolidation scope; or
- 30% drop in EBITDA, based on a comparable consolidation scope.

Cash-generating unit

Impairment tests are performed individually for each asset except when an asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In this case, it is included in a cash-generating unit (CGU) and impairment tests are performed at the level of the cash-generating unit.
In the hotel business, each hotel is treated as a separate CGU comprising the hotel property and equipment. Impairment tests are therefore performed separately for each individual hotel.

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

For impairment tests performed by country, recoverable amount is determined by applying to the country’s average EBITDA for the last two years a multiple based on its geographic location and a country coefficient.

If the recoverable amount is less than the carrying amount, the asset's recoverable amount will be recalculated according the discounted cash flows method.

2. Valuation by the discounted cash flows method (in particular for goodwill).

The projection period is limited to five years. Cash flows are discounted at a rate corresponding to the year-end weighted average cost of capital. Separation calculations are performed based on each country's specific characteristics. The projected long-term rate of revenue growth reflects each country's economic outlook.

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.6).

REVERSAL OF AN IMPAIRMENT LOSS

In accordance with IAS 36 "Impairment of Assets", impairment losses on goodwill as well as on intangible assets with a finite useful life, such as patents and software, are irreversible. Losses on property, plant and equipment and on intangible assets with an indefinite useful life, such as brands, are reversible in the case of a change in estimates used to determine their recoverable amount.

E.7. ASSETS OR DISPOSAL GROUPS HELD FOR SALE

In accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", assets or group of assets held for sale are presented separately on the face of the balance sheet, at the lower of their carrying amount and fair value less costs to sell.

Assets are classified as "held for sale" when they are available for immediate sale in their present condition, their sale is highly probable, management is committed to a plan to sell the asset and an active program to locate a buyer and complete the plan has been initiated.

This item groups together:

- Non-current assets held for sale.
- Groups of assets held for sale.
- The total current and non-current assets related to a business or geographical segment (i.e. to a discontinued operation) itself held for sale.

F. Inventories

Inventories are measured at the lower of cost and net realizable value, in accordance with IAS 2 "Inventories". Cost is determined by the weighted average cost method.

G. Prepaid expense

Prepaid expenses correspond to expenses paid during the period that relate to subsequent periods. They also include the effect of recognizing rental expense on a straight-line basis over the life of the lease. Prepaid expenses are included in "Other receivables and accruals".

H. Employee benefits expense

Employee benefits expense includes all amounts paid or payable to employees, including statutory and discretionary profit-sharing, pension contributions, payroll taxes 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 are discounted when the effect of the time value of money is material, using a discount rate that reflects current market assessments of the time value of money. The most commonly applied rates are the prime long-term corporate bond rate or the government bond rate.

Provisions for restructuring costs are recorded when the Group has a detailed formal plan for the restructuring and the plan's main features have been announced to those affected by it as of the close of accounts.

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. Income taxes

Income tax expense (or benefit) includes both current and deferred tax expense (or benefit).

Current taxes on taxable profits for the reporting period and previous periods are recognized as liabilities until they are paid.

In accordance with IAS 12 “Income Taxes”, deferred taxes are recognized on temporary differences between the carrying amount of assets and liabilities and their tax base by the liability method. This method consists of adjusting deferred taxes at each period-end, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The effects of changes in tax rates (and tax laws) are recognized in the income statement for the period in which the rate change is announced.

A deferred tax liability is recognized for all temporary differences, except when it arises from the initial recognition of non-deductible goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and which, at the time of the transaction, affects neither accounting profit nor taxable profit.

A deferred tax liability is recognized for all taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures except when:

- The Group is able to control the timing of the reversal of the temporary difference; and
- It is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognized for ordinary and evergreen tax loss carryforwards only when it is probable that the asset will be recovered in the foreseeable future based on the most recently updated projections.

Income taxes are normally recognized in the income statement. However, when the underlying transaction is recognized in equity, the related income tax is also recorded in equity.

Since January 1, 2010, deferred tax assets of acquired companies that are not recognized at the time of the business combination or during the measurement period are recognized in profit or loss without adjusting goodwill if they arise from a post-acquisition event.

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

In France, the "taxe professionnelle" local business tax has been replaced in the 2010 Finance Act by the "Contribution Economique Territoriale" tax (CET). The CET comprises two separate taxes, a tax assessed on the rental value of real estate ("CFE") and a tax assessed on the value added by the business ("CVAE"). In its 2011 and 2012 financial statements, Accor decided therefore to classify CVAE as income tax.

M. Share-based payments

M.1. Share-based payments

Stock Option Plans

Accor regularly sets up option plans for executives, as well as for senior and middle managers. IFRS 2 applies to all stock option plans outstanding at December 31, 2012. 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. Three other plans are a performance option plan with vesting conditions based on performance in relation to the market. As for the other plans, grantees must still be employed by the Group at the starting date of the exercise period.

The service cost representing consideration for the stock options is recognized in expense over the vesting period by adjusting equity. The expense recognized in each period corresponds to the fair value of equity instruments granted at the grant date, as determined using the Black & Scholes option-pricing model. The grant date is defined as the date when the plan’s terms and conditions are communicated to Group employees corresponding to the dates on which the Board of Directors approved these plans.

Under IFRS 2, vesting conditions, other than market conditions, are not taken into account when estimating the fair value of the options but are taken into account by adjusting the number of equity instruments included in the measurement of the transaction

amount, so that, ultimately, the amount recognized for goods and services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

Market conditions are taken into account when estimating the fair value of the equity instruments granted, leading to the options being valued at a discounted price. The value attributed to the discount cannot be adjusted, whatever the extent to which the performance conditions have been met at the end of the vesting period. It is determined using the Monte Carlo method, which consists of simulating the performance of Accor shares and the corresponding index according to a sufficiently large number of Brown scenarios. Assumptions concerning the probability of options being exercised are also factored into the Monte Carlo model.

When the options are exercised, the cash settlement is recorded in cash and cash equivalents and in equity. The amount recognized in equity is allocated between “Share capital” and “Additional paid-in capital”.

EMPLOYEE STOCK OWNERSHIP PLAN

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

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

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

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

The employee benefit is measured as the difference between the fair value of the acquired shares and the price paid by employees at the subscription date, multiplied by the number of shares subscribed.
The fair value, determined as described above, is recognized in full in “Employee benefits expense” at the end of the subscription period, by adjusting equity.

PERFORMANCE SHARES PLANS

Performance shares plans are also recognized and measured in accordance with IFRS 2. The recognition and the measurement principles are those used to recognize and measure the stock option plans excepted for the measurement of the cost of the performance share plans corresponding to the 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 corresponds to the difference between the carrying amount and the recoverable amount (i.e. the present value of the expected cash flows discounted using the original effective interest rate) and is recognized in profit or loss. This loss may be reversed if the recoverable amount increases in a subsequent period.
- "Held to maturity investments" mainly comprise bonds and other money market securities intended to be held to maturity. They are initially recognized at fair value and are subsequently measured at amortized cost at each balance-sheet date. If there is an objective indication of impairment, an impairment loss is recognized at the balance-sheet date. The impairment loss corresponds to the difference between the carrying amount and the recoverable amount (i.e. the present value of the expected cash flows discounted using the original effective interest rate) and is recognized in profit or loss. This loss may be reversed if the recoverable amount increases in a subsequent period.

  For these two categories, initial fair value is equivalent to acquisition cost, because no material transaction costs are incurred.

- "Available-for-sale financial assets" mainly comprise investments in non-consolidated companies, equities, mutual fund units and money market securities. These assets are measured at fair value, with changes in fair value recognized in equity. The fair value of listed securities corresponds to market price (level 1 valuation technique) and the fair value of unlisted equities and mutual funds corresponds to their net asset value (level 1 valuation technique). For unlisted securities, fair value is estimated based on the most appropriate criteria applicable to each individual investment (using level 3 valuation techniques that are not based on observable data). Securities that are not traded on an active market, for which fair value cannot be reliably estimated, are carried in the balance sheet at historical cost plus any transaction expenses. When there is objective evidence of a significant or prolonged decline in value, the cumulative unrealized loss recorded in equity is reclassified to the income statement and can't be reversed.

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.E.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 the fair value of the shares, the amount of the debt is determined based on a multiple of the EBITDA reflected in the 5-year business plan of the subsidiary concerned and is discounted.

For put options granted before January 1, 2010, changes in the debt arising from business plan adjustments are recognized in goodwill. Discounting adjustments are recognized in financial expense.

For put options granted on or after January 1, 2010, changes in the debt are treated as reclassifications in equity and therefore have no impact on profit, in accordance with IAS 27 (revised).

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.

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

R.3. Rental expense and Depreciation, amortization and provision expense

Rental expense and depreciation, amortization and provision expense reflect the operating costs of holding leased and owned assets. For this reason, an additional sub-total has been included in the income statement. Under this presentation:

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

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.4. Operating profit before tax and non recurring items

Operating profit before tax and non-recurring items corresponds to the results of operations of the Group's businesses less the related financing cost. Net financial expense and the share of profit of associates after tax represent an integral part of consolidated operating profit before tax and non-recurring items to the extent that they contribute to the performance indicator used by the Group in its communications to investors.

R.5. Restructuring costs

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

R.6. Impairment losses

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

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

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

R.8. Gains and losses on management of other assets

This item corresponds to gains and losses on management of fixed assets other than hotels and movements in provisions, as well as other gains and losses on non-recurring transactions. The concerned transactions are not directly related to the management of continuing operations.

R.9. Operating profit before tax

Operating profit before tax corresponds to operating profit after income and expenses that are unusual in terms of their amount and frequency that do not relate directly to the Group's ordinary activities.

R.10. Profit or loss from discontinued operations

A discontinued operation is a component of Accor that has been disposed of or is classified as held for sale and:

a) Represents a separate major line of business or geographical area of operations;
b) Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or;
c) Is a subsidiary acquired exclusively with a view to resale.

Profit or loss from discontinued operations corresponds to:

- The profit or loss net of tax of the discontinued operations carried out until the date of transfer or until the closing date if the discontinued operation is not sold at this date.
- The gain or loss net of tax recognized on the disposal of the discontinued operations if the discontinued operation has been sold before the closing date.

R.11. Cash flow statement

The cash flow statement is presented on the same basis as the management reporting schedules used internally to manage the business. It shows cash flows from operating, investing and financing activities.

Cash flows from operating activities include:

- Funds from operations, before non-recurring items and after adjustment for 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 consolidated financial statements for the year ended December 31, 2012 have been prepared under the responsibility of Accor’s Chairman and Chief Executive Officer. They were approved by the Board of Directors of February 19, 2013.

Note 2. Significant Events and Changes in Scope of Consolidation

A. Divestments, property strategy and returns to shareholders

A.1 Sale of the US Economy Hotels Business

On May 22, 2012, Accor signed an agreement to sell its US Economy Hotels business to an affiliate of Blackstone Real Estate Partners VII for a reference price of $1.9 billion before considering the working capital requirement. The network includes Motel 6, the iconic North American brand, and Studio 6, an extended-stay economy chain, and comprised, at December 31, 2012, 1,106 hotels (106 844 rooms) in the USA and in Canada. The transaction was completed on October 1, 2012, after the leased hotels had been bought back and the other closing conditions had been met.

Until the previous period-end, US Economy Hotels represented a core business for Accor and as such was presented as a separate business segment in Accor's segment reporting (US Economy Hotels). Consequently, US Economy Hotels has been classified as a discontinued operation and accounted for in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", as follows:

- Net loss from the US Economy Hotels business for the periods presented has been reclassified as "Net loss from discontinued operations" (see Note 17).
- The loss on the sale has also been reclassified as "Net loss from discontinued operations" (see Note 17).
- Cash flows for the US Economy Hotels business are presented separately as cash flows from discontinued operations in the consolidated statement of cash flows.

The total loss on the sale recognized in the 2012 consolidated financial statements amounted to €679 million, including (i) the €445 million loss for the year arising notably from the exercise of call options on fixed-lease hotels and from impairment charges on assets, and (ii) €234 million in negative fair value adjustments corresponding to the difference between:

1) The reference sale price of $1,900 million (€1,481 million) less other adjustments (mainly the balance of the working capital requirement) for €143 million; and
2) The value of the US Economy Hotels business's net assets in the Group's financial statements at October 1, 2012 (€1,556 million), plus the transaction costs (€16 million).

The transaction proceeds were used to pay down net debt by €249 million. Including the €547 million effect of cancelling rental commitments, the impact on adjusted net debt was a favorable €796 million.

The loss on the sale of the US Economy Hotels business generated an unrecognized deferred tax asset of €72 million. In addition, the cumulative unrecognized deferred tax assets of the US Economy Hotels entities (€442 million) remain available for use by Accor under the US group relief system (see Note 16.4)

A.2. STRATEGIC REFOCUSING ON HOTELS

As part of the Group strategy announced to the financial markets in 2006 and regularly reaffirmed since 2009, various non-strategic assets have been sold. Details of the main divestments carried out since 2006 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 euros	-
	CARLSON WAGONLIT TRAVEL	Accor's total 50% interest	334 millions 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 - ITALIE	Accor's total 94.64% interest	135 million of euros	16 million of euros	-
2008	RESTAURATION COLLECTIVE - BRESIL	Accor's total 50% interest	114 million of euros	32 million of euros	-
2009	CLUB MEDITERRANEE	1,162,630 shares or approximately 4%	12 million of euros	(3) million of euros	-
2010	EDENRED (ex division Services)	Demerger on July 2, 2010	2 937 million of euros (**)	4 044 million of euros	-
2011	GROUPE LUCIEN BARRIERE	(See Note 2.A.2.1)	268 million of euros	5 million of euros	-
	LENÔTRE	(See Note 2.A.2.3)	41 million of euros	23 million of euros	-

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

A.2.1. Groupe Lucien Barriere- sale of the Group's interest in 2011

Events in 2010

As part of its strategic refocusing on hotels, in June 2010 Accor decided to sell all of its 49% stake in Groupe Lucien Barrière.

Events in 2011

In January 2011, an agreement was signed with Fimalac and Groupe Lucien Barrière whereby Accor will sell a 34% interest in Groupe Lucien Barrière to Fimalac for €186 million and a 15% interest to Groupe Lucien Barrière for €82 million, representing a total transaction price of €268 million. The sale was completed on March 4, 2011 for an amount of €268 million plus €7.35 million in dividends. The company was entirely deconsolidated with effect from January 1, 2011. Accor no longer holds any interest in Groupe Lucien Barrière.

A.2.2. Sale of Accor's stake in Onboard train services in 2010 and 2012

On July 7 , 2010, Accor sold Compagnie des Wagons Lits' onboard rail catering businesses in France, Austria and Portugal and part of the Italian business to Newrest through a joint venture that was 60% owned by Newrest and 40% by Accor, which no longer exercised significant influence over the joint venture.

On May 25, 2012, the 40% stake in the joint venture was sold to Newrest for €1.On June 27, 2012, Accor's remaining 17% direct interest in the Austrian subsidiary was sold to Newrest for €1. As the shares had previously been written down in full, the loss on the sale had no impact on profit for the period (see Note 17).

The Italian Onboard Day Train Services business remained classified under "Assets held for sale" at December 31, 2012 (see Note 32) in view of the plans under discussion with the grantor of the concession.

A.2.3. Sale of Lenôtre in 2011

In September 2011, in line with Accor's strategic refocusing on its core Hotel business, Accor sold to Sodexo Lenôtre, French gastronomy group, which operates 64 prestigious outlets across 13 countries.

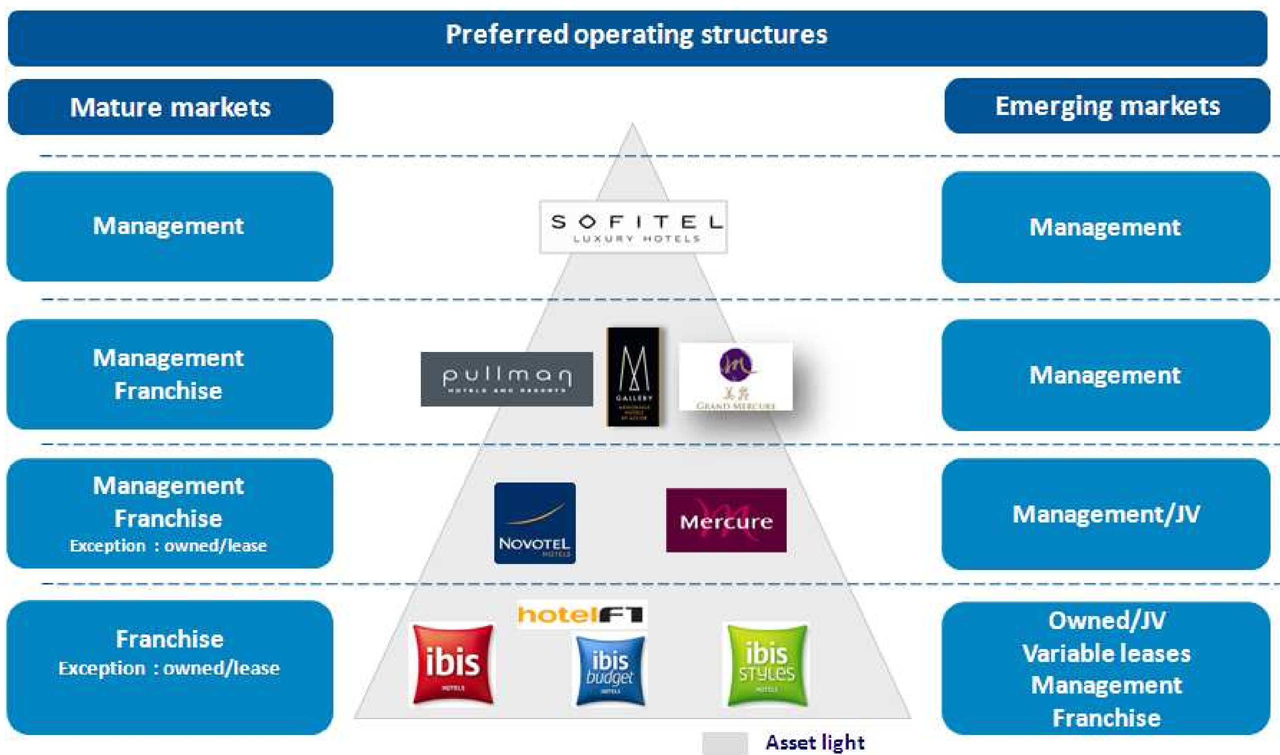
A.3. PROPERTY STRATEGY

As part of the strategy referred to in the Group's communications to the financial markets since 2005, the operating structures of the hotel units have been changed based on a detailed analysis of the risk and earnings profiles of each hotel segment. The aim of this strategy is to reduce the capital tied up in hotel assets and reduce cash flow volatility.

In 2012, Accor announced plans to accelerate implementation of the strategy, with the aim of having a hotel base comprising 40% franchised hotels, 40% managed hotels and 20% owned and leased hotels by the end of 2016 (proportions based on the number of rooms). This objective assumes that future development will be primarily on an asset light basis and will entail restructuring 200 hotels that are currently owned and 600 hotels that are currently leased under leases.

In addition to reducing Group debt, this strategy will:

- Reduce earnings volatility
- Improve operating margin
- Reduce capital spending needs
- Increase return on capital employed
- Drive a significant increase in cash flow generation through the combined effect of all of these favorable factors.



REAL ESTATE POLICY SINCE JANUARY 1, 2005

Since January 1, 2005, the operating structures of 1,240 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	608	3 926	1 778	1 581	3 359
Sales & Lease Back	1	3	3	(5)	(2)
Sales & Management Back	45	993	701	401	1 102
Sales & Franchise Back	375	497	459	334	793
Outright sales	211	829	692	268	960
Total	**1 240**	**6 248**	**3 633**	**2 579**	**6 212**

(*) Rental commitments discounted with an 8% rate until 2011 and with a 7% rate from 2012.
(**) Adjusted from the rental commitments discounted with an 8% rate until 2011 and with a 7% rate from 2012.

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

A.3.1. Sale and Variable Leaseback transactions

In the Midscale and Economy segments, the strategy consists of selling the hotel property while continuing to manage the business, under a variable-rent lease 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 strategy also leads to an improvement in credit ratios, given that variable rents are not subject to any guaranteed minimum and are excluded from the Group’s lease commitments.

The main sale and variable leaseback transactions carried out since 2005 are as follows:

	Company	Country	Number of units	Main contract terms	Rents
2005	**Foncière des Murs**	**France**	128	12-year contract per hotel, renewable four times per hotel at Accor's discretion.	Average rents equal to 15.5% of revenue, without any guaranteed minimum, reduced to 14.5% at the second renewal date
2006	**Foncière des Murs**	**France & Belgium**	67	12-year contract per hotel, renewable four times per hotel at Accor's discretion.	Rent equal to 14% of revenue, without any guaranteed minimum, reduced to 13% at the second renewal date
2007	**Land Securities**	**United Kingdom**	29	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on annual revenues of 21% on average, with no guaranteed minimum.
2007	**Moor Park Real Estate**	**Germany and the Netherlands**	86	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on annual revenues of 18% on average, with no guaranteed minimum.
2008	**Axa REIM and Caisse des Dépôts et Consignations**	**France and Switzerland**	55	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on an average of 16% of annual revenue with no guaranteed minimum
2009	**Consortium of leading French institutional investors through a property investment trust (OPCI)**	**France**	157	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on an average of 20% of annual revenue with no guaranteed minimum
2010	**Invesco Real Estate**	**France, Italy, Slovakia, Germany**	4	15-year contract per hotel, renewable per hotel at Accor's discretion.	Rents based on annual revenues of 22% on average, with no guaranteed minimum except for the first 3 years for € 18 million.
2010 - 2011	**A consortium of two investors: Predica and Foncière des Murs**	**France, Belgium, Germany**	45	12-year contract per hotel, per hotel at Accor's discretion.	Rents based on annual revenues of 19% on average, with no guaranteed minimum except for the first 2 years 2011 and 2012 for € 23 million.
2011	**OPCI managed by La Française REM and Atream**	**France**	7	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on an average of 23% of annual revenue with no guaranteed minimum
2012	**The hotel real estate investment fund of Internos Real Investors**	**Germany and the Netherlands**	2	15-year contract per hotel, renewable at Accor's discretion.	Rents based on an average of 21.5% of annual revenue
2005 - 2012	**Other**	**Germany & Mexico & France & Various**	28	NA	NA
Total 2005 - 2012			**608**		

These transactions impacted the consolidated financial statements as follows:

In million of euros		Sale price	Capital gain/(loss)	Debt impact	Adjusted debt impact
2005	**Foncière des Murs**	1 025	107	146	831
2006	**Foncière des Murs**	494	143	327	332
2007	**Land Securities**	632	168	157	526
2007	**Moor Park Real Estate**	688	142	181	536
2008	**Axa REIM and Caisse des Dépôts et Consignations**	361	87	267	323
2009	**Consortium of French institutional investors**	203	39	153	214
2010	**Invesco Real Estate**	83	(5)	76	98
2010 - 2011	**A consortium of two investors: Predica and Foncière des Murs**	228	45	253	254
2011	**OPCI managed by La Française REM and Atream**	63	(5)	68	68
2012	**The hotel real estate investment fund of Internos Real Investors**	18	(5)	15	28
2005 - 2012	**Other**	131	NA	135	150
Total 2005 - 2012		**3 926**	**NA**	**1 778**	**3 359**

In each of these transactions, Accor and its partner may undertake commitments to refurbish the divested assets. These commitments and the related expenditure incurred as of the balance sheet date are presented in Note 40. Most sale and variable leaseback contracts include a commitment by the Group to spend a specified amount on hotel maintenance, generally expressed as a percentage of revenue.

The sale and variable leaseback transaction carried out in 2010 with Predica and Foncière des Murs concerned 46 hotels in France, Belgium and Germany operated under the Novotel, Suite Novotel, ibis and Etap Hotel (now renamed ibis *budget*) brands. In 2010 and 2011, 45 of the properties were divested (29 hotels in France, 10 hotels in Belgium and six hotels in Germany). The sale price amounted to €228 million carried out, accumulated, at the end of December 2011. Accor will continue to manage the hotels through a 12-year variable lease agreement renewable six times at Accor's option, with the rent averaging approximately 19% of the hotels' annual revenue without any guaranteed minimum except during 2011 and 2012 for €23 million. Under the terms of the lease, structural maintenance costs, insurance and property taxes will be payable by the new owner. The transaction includes a €48 million renovation program, of which €33 million to be financed by the buyer. It enabled Accor to reduce adjusted net debt by €254 million accumulated at December 31, 2011.

The sale and variable leaseback transaction carried out in 2011 with La Française REM and ATREAM concerned seven Suite Novotel hotels in France for €63 million. Accor will continue to manage the hotels under a variable lease agreement, with the rent averaging 23% of their annual revenue without any guaranteed minimum. Under the terms of the 12-year lease, which may be renewed six times at Accor's option, structural maintenance costs, insurance and property taxes will be paid by the new owner. The transaction enabled Accor to reduce adjusted net debt by €68 million accumulated at December 31, 2011.

The sale and variable leaseback transaction carried out in 2012 with the hotel real estate investment fund of Internos Real Investors concerned two MGallery hotels in Germany and the Netherlands: the MGallery Mondial Am Dom in Cologne for €21 million (including the €19 million fixed lease buyout cost paid by the investor) and the MGallery Convent Hotel in Amsterdam for €245 million. The transaction terms provide for the execution of a €12 million renovation program, €7 million of which will be financed by the buyer. Both hotels will continue to be operated by Accor under a 15-year commercial lease that will be renewable at Accor's option. The rent will represent an average of 21.5% of the annual revenue generated by the hotels. Insurance costs, real estate taxes and structural capital expenditures will be paid by the new owner. The transaction enabled Accor to reduce adjusted net debt by a cumulative €28 million at December 31, 2012.

A.3.2. Sale and Management-back transactions

The objective of sale and management-back transactions is to reduce capital employed and earnings volatility, consistent with the Group's property strategy (see Note 2.A.3)

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	**Netherlands** (Sofitel The Grand)	1	- Accor retains a 40% interest in the company that owns the property which is accounted for by the equity method . - Accor runs the hotel under a 25-year management contract.
2008	Esnee	**France** (MGallery Baltimore)	1	Accor continues to manage the hotel under a management contract
2011	Host	**New Zealand**	6	Accor continues to manage the hotel under a management contract
2011	Host's European joint venture with APG and an affiliate of GIC	**France** (Pullman Paris Bercy)	1	Accor continues to manage the hotel under a management contract
2011	A consortium of French private investors	**France** (Sofitel Arc de Triomphe in Paris)	1	Accor continues to manage the hotel under a management contract
2012	Joint-venture with Chartres Lodging Group and Apollo Global Management	**United States** (Novotel New York)	1	Accor continues to manage the hotel under a management contract
2012	A-HTRUST	**China** (Novotel and ibis Sanuyan in Beijing)	2	Accor continues to manage the hotel under a management contract
2012	Elliott Aintabi (Group Jesta)	**France** (Pullman Paris Tour Eiffel)	1	Accor continues to manage the hotel under a management contract
2012	Amundi Immobilier and Algonquin	**France** (Sofitel Paris La Défense)	1	Accor continues to manage the hotel under a management contract
2005 - 2012	Other	**Australia / United States / France / India**	18	Accor continues to manage the hotels under a management contract
Total 2005 - 2012			**45**	

These transactions impacted the consolidated financial statements as follows:

	In million of euros	Sale price	Capital gain/(loss)	Debt impact	Adjusted debt impact
2006	6 Sofitel hotels in United States	295	(15)	184	285
2007	2 Sofitel hotels in United States	219	14	85	207
2007	2 Sofitel hotels and 2 Novotel hotels in French West Indies	13	(8)	6	6
2008	Sofitel The Grand	31	(1)	31	69
2008	Mgallery Baltimore	28	3	26	27
2011	4 Novotel and 2 ibis in New Zealand	25	(0)	29	54
2011	Pullman Paris Bercy	90	31	86	86
2011	Sofitel Arc de Triomphe in Paris	41	7	34	34
2012	Novotel New York	71	16	58	58
2012	Novotel and ibis Sanuyan in Beijing	54	9	47	47
2012	Pullman Paris Tour Eiffel	1	(11)	(2)	59
2012	Sofitel Paris La Défense	22	10	16	16
2005 - 2012	Other	104	NA	100	153
Total 2005 - 2012		**993**	**NA**	**701**	**1 102**

In 2011, Accor sold the 396-room Pullman Bercy, in Paris, under a sale and management-back arrangement. The buyer has committed to financing renovation work. Accor will continue to run the hotel under a 24-year management agreement, renewable by Accor for six successive six-year periods.

In 2011, Accor sold the Sofitel Arc de Triomphe in Paris, under a sale and management-back arrangement. The buyer has committed to financing renovation work for an additional €25 million. Accor will act as principal for the renovation work under a property development contract (see note 40). Accor will continue to run the hotel under a 30-year management agreement, renewable by Accor for three successive 10-year periods.

In 2012, Accor sold the Novotel Times Square in New York under a sale and management-back agreement, for a total value of €160 million (€335,000 per room) including renovation work. The cash proceeds from the sale amounted to €71 million and the buyer also committed to complete a full renovation of the hotel between 2012 and 2013, at an estimated cost of €89 million based on a scope defined by Accor. The hotel will remain open while the work is being carried out. In addition, an earn-out payment of up to €12 million could be received depending on the results of the hotel after the refurbishment. This 480-room hotel will continue to be operated by Accor under a long-term management agreement. The buyer is a joint-venture formed by two key players in the hotel property management business in the United-States: Chartres (Chartres Lodging Group, LLC) and Apollo (Apollo Global Management, LLC). The transaction enabled Accor to reduce adjusted net debt by a cumulative €58 million. Accor agreed to provide financing for part of the new owner's refurbishment costs, through a €15 million loan, of which €2 million had not yet been disbursed as of December 31, 2012.

In 2012, Accor sold under a sale and management back contract, the Novotel/ibis Sanyuan in Beijing to A-HTRUST, a listed Hotel Investment Trusts in the Asia-Pacific region, in which Accor took a 5.73% stake (see Note 2.B.5). The transaction amounted to €54 million. The transaction enabled Accor to reduce adjusted net debt by €47 million accumulated at December 31, 2012.

In 2012, Accor refinanced the Pullman Paris Tour Eiffel through a management contract. The Group, which took over the hotel in early 2009 under a fixed lease agreement, will continue to operate the hotel via a long term management contract. Under the terms of the contract, Accor has agreed to waive repayment of a receivable from the owner until 2032 at the latest unless the management contract is rolled over. The present value of the receivable is €20 million, net of a discounting adjustment of €11 million. The hotel will benefit from a refurbishment program representing a €47 million investment. Accor will act as principal for the renovation work under a property development contract (see note 40). The work will be paid for by the hotel's buyer, with part of the cost financed by a €15 million loan from Accor of which €13 million will be disbursed in 2013. The transaction enabled Accor to reduce cumulative adjusted net debt by €59 million at December 31, 2012.

Last, in 2012, Accor sold the Sofitel Paris La Défense under a sale and management-back agreement, for a total value of €22 million (€144,000 per room). The acquisition was carried out jointly by Amundi Real Estate, a leader in third-party real estate asset management, and Algonquin, a hospitality investor and asset manager, which already owns 7 hotels operated by Accor through management or franchise contracts in France and the United Kingdom. The transaction enabled Accor to reduce adjusted net debt by €16 million accumulated at December 31, 2012.

A.3.3. Sale and Franchise back Transactions and Outright sales

Since 2005, Accor has disposed of a total of 586 hotels, through outright asset sales, lease terminations at or before the expiry date and sale-and-franchise-back transactions.

	Sale & Franchise Back	Outright sales	Main countries	Sale price	Debt impact	Adjusted debt impact
	Number of hotels			In million of euros		
2005	25	17	Germany	43	43	164
2006	27	25	France, United States and Denmark	195	109	188
2007	34	39	France, United States, Germany	256	254	302
2008	49	12	France, United States, Germany	117	104	121
2009	26	30	France, United States, Germany, the Netherlands	120	106	110
2010	85	30	France, United States, China, Germany, Brazil, Portugal, Sweden	163	195	252
2011	69	38	France, Germany, Poland, Belgium, Hungary, China, United States	185	152	259
2012	60	20	France, South Africa, China, Germany, Spain, Japon, Italy, the Netherlands, Poland	247	188	357
TOTAL	**375**	**211**		**1 326**	**1 151**	**1 753**

In 2012, Accor sold the Pullman Paris Rive Gauche (617 rooms) to Bouygues Immobilier for €77 million, in line with its asset-right strategy. The hotel, whose operating performance and technical standards fall below Group requirements, shut down in 2012. The contract also includes an earn-out mechanism, whose amount will depend on the terms and conditions of the reconstruction project (up to €10 million). The transaction enabled Accor to reduce net debt by €72 million accumulated.

In 2012, Accor sold its 52.6% stake in “Hotel Formula 1” to its historical South-African partner, Southern Sun Hotels, a subsidiary of the Tsogo Sun group for €28 million. Hotel Formula 1 was formed in 1991, as a joint venture between Accor and Southern Sun. The company owns 20 hotels totaling 1,474 rooms, in addition to managing 3 hotels already owned by Southern Sun across South Africa. All 23 hotels now operate as franchised units, under Formula 1 brand. It enabled Accor to reduce net debt by €28 million accumulated.

In 2012, termination of six hotel leases in Germany and the Netherlands generated a capital loss of €47 million but enabled the Group to reduce adjusted net debt by €35 million.
In all, the lease transactions had a €35 million negative net impact on consolidated cash (corresponding to 2.6 years’ average rent) and enabled the Group to reduce adjusted net debt by €182 million.

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.

Moreover, in 2007, the Group paid a special dividend of €1.50 per share on the 224,233,558 shares outstanding, representing a total payout of €336 million, in 2008 the Group paid another special dividend of €1.50 per share on the 221,529,415 shares outstanding, representing a total payout of €332 million, and in 2012 the Group paid another special dividend of €0.50 per share on the 227 151 466 shares outstanding, representing a total payout of €114 million.

In all, nearly €2.5 billion, excluding ordinary dividends, have been returned to shareholders since 2006.

B. Organic growth and acquisitions

The Group is pursuing its development program in line with the objectives of its strategic plan.

B.1. Investments in hotels (acquisitions and organic growth)

During 2012, the Group added 266 hotels (38,085 rooms) to its portfolio through acquisitions and organic growth. In addition, 82 hotels (11,817 rooms) excluding Motel 6 & Studio 6 were closed during the period.

Hotel portfolio by brand and type of management at December 31, 2012

In number of hotels	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
Sofitel	14	4	7	81	4	**110** (*)
Pullman	6	9	8	45	10	**78**
Novotel	44	46	123	124	58	**395**
Mercure	40	77	88	219	380	**804**
Adagio	2	7	1	25	1	**36**
Suite Novotel	1	8	9	4	7	**29**
ibis	114	113	247	128	381	**983**
ibis Styles	4	12	5	17	154	**192**
Adagio Access	-	-	-	51	-	**51**
ibis Budget	32	77	112	25	246	**492**
Formule 1	11	1	-	-	30	**42**
HotelF1	23	-	158	-	59	**240**
Other	10	1	3	45	5	**64**
Total	**301**	**355**	**761**	**764**	**1 335**	**3 516**
Total (in %)	*8,6%*	*10,1%*	*21,6%*	*21,7%*	*38,0%*	*100,0%*

(*) 121 hotels marketed through the TARS reservation system

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
Sofitel	2 113	1 199	1 173	21 481	1 265	**27 231**
Pullman	1 214	2 392	2 611	13 776	2 759	**22 752**
Novotel	8 201	9 117	20 644	28 982	7 558	**74 502**
Mercure	5 188	12 479	13 162	34 115	34 909	**99 853**
Adagio	207	817	133	3 131	111	**4 399**
Suite Novotel	174	1 238	1 129	488	592	**3 621**
ibis	16 584	15 205	34 861	23 717	30 637	**121 004**
ibis Styles	426	1 016	911	2 758	11 427	**16 538**
Adagio Access	-	-	-	5 138	-	**5 138**
ibis Budget	3 434	8 205	12 216	3 096	18 003	**44 954**
Formule 1	805	79	-	-	2 155	**3 039**
HotelF1	1 647	-	12 572	-	3 818	**18 037**
Other	2 146	51	431	6 334	457	**9 419**
Total	**42 139**	**51 798**	**99 843**	**143 016**	**113 691**	**450 487**
Total (in %)	*9,4%*	*11,5%*	*22,2%*	*31,7%*	*25,2%*	*100,0%*

Hotel portfolio by region and type of management at December 31, 2012

In number of hotels	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
France	76	43	420	105	871	**1 515**
Europe excluding France	144	260	261	95	278	**1 038**
Asia Pacific	31	48	14	347	114	**554**
Latin America & Caribbean	29	2	56	102	37	**226**
Other Countries	21	2	10	115	35	**183**
Total	**301**	**355**	**761**	**764**	**1 335**	**3 516**
Total (in %)	*8,6%*	*10,1%*	*21,6%*	*21,7%*	*38,0%*	*100,0%*

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
France	7 824	4 965	47 856	12 686	64 236	**137 567**
Europe excluding France	20 907	39 136	36 834	13 916	28 650	**139 443**
Asia Pacific	5 147	7 002	3 030	76 565	13 050	**104 794**
Latin America & Caribbean	4 522	288	10 489	15 495	4 536	**35 330**
Other Countries	3 739	407	1 634	24 354	3 219	**33 353**
Total	**42 139**	**51 798**	**99 843**	**143 016**	**113 691**	**450 487**
Total (in %)	*9,4%*	*11,5%*	*22,2%*	*31,7%*	*25,2%*	*100,0%*

Hotel portfolio by region and brand at December 31, 2012

In number of hotels	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other countries	Total
Sofitel	12	19	39	7	33	**110** (*)
Pullman	13	14	41	2	8	**78**
Novotel	114	134	96	18	33	**395**
Mercure	244	303	149	77	31	**804**
Adagio	28	8	-	-	-	**36**
Suite Novotel	19	8	-	-	2	**29**
ibis	378	340	122	96	47	**983**
ibis Styles	106	43	42	-	1	**192**
Adagio Access	49	2	-	-	-	**51**
ibis Budget	311	141	25	12	3	**492**
Formule 1	-	19	-	-	23	**42**
HotelF1	240	-	-	-	-	**240**
Other	1	7	40	14	2	**64**
Total	**1 515**	**1 038**	**554**	**226**	**183**	**3 516**
Total (in %)	*43,1%*	*29,5%*	*15,8%*	*6,4%*	*5,2%*	***100,0%***

(*) 121 hotels marketed through the TARS reservation system

In number of rooms	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other countries	Total
Sofitel	1 593	4 601	11 295	1 327	8 415	**27 231**
Pullman	3 723	3 652	11 958	538	2 881	**22 752**
Novotel	15 520	25 665	23 425	3 027	6 865	**74 502**
Mercure	23 068	38 694	22 932	10 373	4 786	**99 853**
Adagio	3 529	870	-	-	-	**4 399**
Suite Novotel	2 199	1 130	-	-	292	**3 621**
ibis	33 361	43 388	22 506	14 090	7 659	**121 004**
ibis Styles	7 634	3 651	5 114	-	139	**16 538**
Adagio Access	4 933	205	-	-	-	**5 138**
ibis Budget	23 919	14 924	2 535	3 213	363	**44 954**
Formule 1	-	1 349	-	-	1 690	**3 039**
HotelF1	18 037	-	-	-	-	**18 037**
Other	51	1 314	5 029	2 762	263	**9 419**
Total	**137 567**	**139 443**	**104 794**	**35 330**	**33 353**	**450 487**
Total (in %)	*30,5%*	*31,0%*	*23,3%*	*7,8%*	*7,4%*	*100,0%*

Hotel development projects in progress at December 31, 2012

The number of new rooms represented by hotel development projects in progress at December 31, 2012 is as follows:

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
2013	602	535	2 076	19 156	6 725	**29 094**
2014	1 643	966	4 971	30 657	6 058	**44 295**
2015	2 212	1 397	2 543	20 260	2 460	**28 872**
2016 and after	-	312	952	8 896	130	**10 290**
Total	**4 457**	**3 210**	**10 542**	**78 969**	**15 373**	**112 551**

B.2. ACQUISITION OF CONTROL OF ORBIS

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

During the second half of 2008, Accor acquired an additional 4.53% stake in the Orbis group, raising its interest to 50.01%. The shares were acquired at a price of PLN55.4 per share, representing a total investment of approximately €35 million. Following the transaction, Orbis was fully consolidated in the Accor Group accounts.

The additional investment was recognized as fair value adjustments to 21 hotel properties. After purchase accounting adjustments, goodwill amounted to €12 million.

2011 and 2012: Acquisition of additional stakes of 1.54% and 1.13% respectively in the Orbis Group

In 2011 and 2012, Accor successively acquired additional stakes of 1.54% and 1.13% in the Orbis Group, lifting its interest to 52.69% as of December 31, 2012. Details of the transactions were as follows:

- In 2011, acquisition of 711,827 shares at a price of PLN39 per share, representing a total investment of PLN28 million (approximately €6.2 million).
- In 2012, acquisition of 521,480 shares at a price of PLN45 per share, representing a total investment of PLN23 million (approximately €5.6 million).

In accordance with IFRS 3 (revised), these purchases were treated as transactions between owners (see Note 1.B.3) with no impact on the Group's consolidated net profit.

B.3. ACQUISITION OF CITÉA BY ADAGIO IN 2011

In an initial transaction in June 2011, Pierre & Vacances/Center Parcs bought out Lamy's 50% stake in city aparthotel specialist Citéa and its aparthotel management business, to become Citea's sole shareholder.

In a second transaction on July 1, 2011, Adagio, a 50/50 joint venture between Pierre & Vacances/Center Parcs and Accor, acquired all outstanding shares in Citéa from Pierre & Vacances/Center Parcs. With this acquisition, Adagio became Europe's leading aparthotel operator, with some 10,000 apartments.

The price paid by Adagio for Citéa was €9.8 million and the fair value of the net assets acquired represented €1.1 million, generated provisional goodwill of €8.7 million in Adagio's accounts which has been recognized as goodwill.

The fair value of the main net assets acquired breaks down as follows:

- cash and cash equivalents: €1.3 million;
- loans: €12.2 million;
- other receivables: €6.2 million;
- other liabilities: €17.7 million.

In the six months from July 1 to December 31, 2011, Citéa generated revenue of €1.5 million and net profit of €0.7 million. Over the full year of 2011, its revenue amounted to €3.4 million and net profit of €1.3 million.

Adagio is proportionately consolidated in the Accor Group's consolidated financial statements on a 50% basis.

B.4. ACCOR SIGNS MAJOR UK HOTEL DEAL IN 2011

In September 2011, Accor signed a franchise agreement with Jupiter Hotels Ltd, the new owners of the former Jarvis hotels. This franchise deal concerns 24 hotels – of 2,664 rooms.

The new hotels are located in a range of locations across the UK, including popular tourist destinations like Brighton, York, Edinburgh and Inverness, and key towns such as London, Leeds, Bradford, Manchester, Bristol, Gloucester and Leicester. The partnership with Mercure will allow the hotels to retain their individuality and style whilst joining in 2011 an established network of over 700 midscale hotels operating in more than 50 countries across the world.

B.5. Acquisition of Mirvac in 2012

In May 2012, Accor completed the acquisition of Mirvac, a hotel management company in Australia. The total amount paid by Accor for this acquisition was €199 million of which €6 million paid out in 2011 and €193 million paid out in 2012. The transaction included:

- Mirvac Hotels & Resorts, manager of 43 hotels (including two owned hotels acquired on August 1, 2012), representing 5,406 rooms, acquired for €152 million. This amount breaks down as €128 million for the Mirvac Hotels & Resorts shares and €24 million for the two companies that hold the two owned hotels.

- A 21.9% stake in the Mirvac Wholesale Hotel Fund (MWHF), an investment vehicle that owns seven of the hotels, acquired for €47 million.

  In line with Group strategy, the stake in MWHF was subsequently sold in late July 2012 to A-HTRUST, one of the largest publicly listed hotel investment trusts in the Asia-Pacific region. Accor took a 6.99% stake in this new entity. As agreed with Ascendas, which will hold up to 35% of A-HTRUST, Accor will be granted a right of first offer to manage future acquisitions when the hotels are not operated under a pre-existing management contract. Accor subsequently reduced its interest by 1.26% to 5.73% by selling some MVWH shares. The proceeds from the transactions were used to pay down net debt by €29 million. As Accor does not exercise significant influence over A-HTRUST, its 5.73% interest in this trust is carried in the consolidated balance sheet under "Other financial investments" (see Note 23).

The fair value of the main net assets acquired in the Mirvac Hotels & Resorts business combination represented €42 million (excluding the two owned hotels that were purchased at net book value). The €67 million difference (after deducting the debt repayment and the amount in escrow for a total of €20 million) between this amount and the cost of the business combination was allocated as follows in Accor's accounts:

- Value attributed to the management contracts, net of deferred taxes: €28 million (see Note 19);
- Value attributed to the brands: €19 million, written down by €13 million at December 31, 2012 (see Note 13.2);
- Goodwill: €20 million (see Note 18).

The fair value of the main net assets acquired breaks down as follows:

In million of euros	Provisional Amount
Intangible assets	30
Property, plant and equipment	23
Other receivables	6
Deferred tax assets	6
Cash and cash equivalents	7
Debt	(27)
Other payables	(9)

In the period from May 23 to December 31, 2012, Mirvac Hotels & Resorts generated revenue of €81 million and a net loss of €15 million (including €13 million worth of brand impairments and €8 million in integration costs).

B.6. Acquisition of the South American hotel portfolio of Grupo Posadas in 2012

On July 16, 2012, Accor signed a contract in order to acquire the South American hotel portfolio of Grupo Posadas. The sale was completed at October 10, 2012. The total amount paid by Accor for this acquisition is €195 million. The transaction includes 13 hotels, of which three owned hotels, three variable leased hotels and seven hotels under Management contract. The transaction

also includes a secured pipeline of 14 hotels under Management contract and the acquisition of two brands operated by Grupo Posadas in South America: Ceasar Park and Ceasar Business.

Analyses to identify the assets acquired and liabilities assumed in the transaction and determine their fair values were still in progress at December 31, 2012.

The provisional amount of the net assets acquired includes the following items:

In million of euros	Provisional Amount
Property, plant and equipment	23
Other receivables	6
Deferred tax assets	6
Cash and cash equivalents	7
Debt	(27)
Other payables	(9)

Provisional goodwill recorded in Accor's consolidated balance sheet at December 31, 2012 amounted to €160 million, before fair value adjustments to the net assets acquired.

In the period from October 10 to December 31, 2012, the assets acquired generated revenue of €18 million and a net loss of €16 million (including €10 million worth of brand impairments and €8 million in integration costs).

B.7. IBIS MEGABRAND PROJECT

In 2012, Accor implemented its project to overhaul the entire Economy brand line-up under the umbrella of the ibis brand. This project involved reviewing economy hotel codes in depth, renewing more than 100,000 beds, honing an all new concept for its public areas, and briskly installing the new ibis, ibis Styles and ibis *budget* banners.

This led to the recognition in the 2012 financial statements of a €50 million loss reported under "Gains and losses on management of other assets" (see Note 15) and €39 million in costs reported under "Renovation and maintenance expenditure" (see Note 36).

C. Colony Capital / Eurazeo

In March 2005, the Management Board and the Supervisory Board approved a proposal by Colony Capital to invest €1 billion in the Group, in order to expand the capital base and move up a gear in the development program.

This major investment by Colony Capital, which was approved at the Extraordinary Shareholders Meeting of May 3, 2005, was carried out in two simultaneous tranches:

- €500 million 3-year 4.5% equity note issue. The notes were issued at a price of €3,900 and were based on a redemption ratio of one note for 100 Accor shares at €39. Conversion of all of the outstanding equity notes would result in the issue of 12,820,500 new shares. In accordance with the accounting policy described in Note 1.N.5, the equity component of the notes was recognized in equity in the amount of €433 million and the balance of the issue was recognized in debt for €67 million.

- €500 million 5-year 3.25% convertible bond issue. The bonds were issued at a price of €4,300 and were based on a conversion ratio of one bond for 100 Accor shares at €43. Conversion of all of the outstanding bonds would result in the issue of 11,627,900 new shares. The entire €500 million face value of the convertible bonds was recognized in debt.

The equity notes were redeemed for Accor shares on April 2, 2007, at Colony Capital's request. In the consolidated financial statements, the equity component was written off from equity in the amount of €433 million (see Statement of Changes in Equity)

and the debt component (originally €67 million), carried in the balance sheet at December 31, 2006 for €30 million, was reclassified in equity.

On July 3, 2007, Colony Capital converted its convertible bonds for an amount of €500 million. The initial debt (€500 million) was reclassified in equity. Following these conversions, Colony Capital held 10.64% of Accor's capital before dilution at the end of 2007.

On May 4, 2008, Colony Capital and investment group Eurazeo announced a five-year shareholders' agreement under which they will increase their combined stake in the Group's capital to 30%. The first phase of the agreement was completed on May 13, 2008 with the increase of Eurazeo's interest in Accor to 8.9%. This led to Eurazeo being given an additional seat on the Accor Board of Directors on August 27, 2008, raising from two to three the number of directors representing Colony and Eurazeo. During the second half of the year, Eurazeo and Colony further increased their respective interests, to 10.49% and 12.36% respectively on an undiluted basis at December 31, 2008. Their combined interest at that date represented 22.84% of the capital and 20.40% of the voting rights.

In 2009, the concert group purchased 18,971,023 Accor shares and sold 3,358,006 new Accor shares. In May 2009, Eurazeo was given an additional seat on the Accor Board of Directors, raising from three to four the number of directors representing Colony and Eurazeo. The concert group held 65,844,245 shares at December 31, 2009, representing 29.20% of the capital and 27.56% of the voting rights.

At December 31, 2010, the concert group held 61,844,245 shares, representing 27.27% of the capital and 32.78% of the voting rights.
At December 31, 2011, the concert group held 61,844,245 shares, representing 27.21% of the capital and 32.58% of the voting rights.

The commitment given in first-half 2010 by Colony Capital and Eurazeo in connection with the demerger to support the demerged entities Accor and Edenred, by retaining their shares in the two companies, expired on January 1, 2012. On January 5, 2012, the concert group reduced its interest to 48,568,160 shares, representing 21.37% of the capital and 27.51% of the voting rights.

At December 31, 2012, the concert group held 48 673 442 shares, representing 21.4% of the capital and 30.08% of the voting rights following (i) the allocation, during 2012, of double voting rights to shares held for more than two years and (ii) the reduction in the number of shares held by Fonds Stratégique d'Investissement and Caisse des Dépôts et Consignation, leading to the cancellation of a certain number of double voting rights and a resulting decrease in the total number of voting rights.

D. Bond Issues

In 2009, Accor completed three bonds issue:

- On February 4, 2009, Accor placed a fixed rate bond issue of €600 million, with a 5 year-maturity (February 4, 2014) and a coupon of 7.50%.
- On May 5, 2009, Accor placed a fixed rate bond issue of €600 million, with a 4 year-maturity (May 6, 2013) and a coupon of 6.50%.
- On August 24, 2009, Accor placed a fixed rate bond issue of €250 million, with a 8 year and 3 months-maturity (November 6, 2017) and a coupon of 6.039%.

In 2010 and 2011, €206.3 million worth of bonds due 2013 and €197.75 million worth of bonds due 2014 were bought back, representing a total transaction price of €404.05 million.

In 2012, Accor placed a fixed rate bond issue of €700 million, with a 5 year-maturity (maturity 19 June 2017) and a coupon of 2.875%.

E. Signature of a syndicated line of credit

In May 2011, Accor closed a €1.5 billion syndicated line of credit that replaced the €2 billion syndicated credit facility signed in June 2007. The old line of credit was reduced to €1.7 billion in June 2010.
The five-year facility will lengthen the average maturity of Accor's financing.

Note 3. Consolidated Revenue by Business and by Region

In million of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2012	2011 (2)
HOTELS	**1 856**	**2 373**	**630**	**396**	**204**	**38**	**5 497**	**5 384**
Upscale and Midscale Hotels	1 173	1 530	451	187	159	36	**3 536**	**3 488**
Economy Hotels	683	843	179	209	45	2	**1 961**	**1 896**
OTHER BUSINESSES	**45**	**6**	**95**	**-**	**4**	**2**	**152**	**184**
Total 2012	**1 901**	**2 379**	**725**	**396**	**208**	**40**	**5 649**	
Total 2011 (2)	**2 071**	**2 359**	**570**	**349**	**206**	**13**		**5 568**

(1) “Worldwide Structures” corresponds to revenue (royalties) that is not specific to a single geographic region.
(2) In accordance with IFRS 5, revenues of the US Economy Hotels and Onboard Train Services businesses have been reported in profit or loss from discontinued operations (see Note 17)

Consolidated revenue for 2012 totalled €5,649 million, compared with €5,568 million for 2011.

The period-on-period increase of €81 million or (+1.5%) breaks down as follows:

• Like-for-like growth	+152	m€	+2,7%
• Business expansion (owned and leased hotels only)	+154	m€	+2,8%
• Currency effects	+60	m€	+1,1%
• Disposals	(285)	m€	(5,1)%
Increase 2012 Revenue	**+81**	**m€**	**+1,5%**

Change in 2012 consolidated revenue by business:

	Δ 2012 / 2011	Like-for-like change	
	In million of euros	In million of euros	%
HOTELS	**+113**	**+144**	**+2,7%**
Upscale and Midscale Hotels	+48	+95	+2,7%
Economy Hotels	+65	+49	+2,6%
OTHER BUSINESSES	**(32)**	**+8**	**+4,1%**
Group Total	**+81**	**+152**	**+2,7%**

Change in 2012 consolidated revenue by region:

	Δ 2012 / 2011	Like-for-like change	
	In million of euros	In million of euros	%
France	(170)	+7	+0,3%
Europe (excl. France)	+21	+31	+1,3%
Asia Pacific	+155	+32	+5,7%
Latin America & Caribbean	+47	+38	+10,8%
Other Countries	+3	+28	+13,8%
Worldwide Structures	+25	+16	+117,8%
Group Total	**+81**	**+152**	**+2,7%**

At December 31, 2012, revenue from managed and franchised hotels, included in the hotels' revenue presented above of €5,497 million, amounted to €511 million. This amount breaks down as follows:

In million of euros	Management fees	Franchise fees	2012 (*)	2011 (*)
HOTELS				
Upscale and Midscale Hotels	310	95	**405**	**329**
Economy Hotels	39	67	**106**	**87**
Total 2012 (*)	**349**	**162**	**511**	
Total 2011 (*)	**289**	**127**		**416**

(*) Due to the faster pace of development through management and franchise agreements and in order to present full information about fee revenues, as from 2011 and 2012, the amounts in the above table include distribution and loyalty program fees. In addition, Economy Hotels US fees for prior period have been reclassified under "Discontinued operations".

Total fees for Managed and Franchised hotels only, excluding currency and acquisitions, up 16.5%

2011 information by business and by region was as follows:

In million of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2011
HOTELS	**1 953**	**2 330**	**536**	**349**	**205**	**11**	**5 384**
Upscale and Midscale Hotels	1 245	1 526	381	162	163	11	**3 488**
Economy	708	804	155	187	42	-	**1 896**
OTHER BUSINESSES	**118**	**29**	**34**	**-**	**1**	**2**	**184**
Total 2011	**2 071**	**2 359**	**570**	**349**	**206**	**13**	**5 568**

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

Note 4. Operating Expense

In million of euros		2011 (*)	2012	2011 published
Cost of goods sold	(1)	(391)	(388)	(391)
Employee benefits expense	(2)	(2 090)	(2 081)	(2 284)
Energy, maintenance and repairs		(298)	(303)	(365)
Taxes, insurance and service charges (co-owned properties)		(195)	(203)	(227)
Other operating expense	(3)	(835)	(886)	(910)
TOTAL OPERATING EXPENSE		**(3 809)**	**(3 861)**	**(4 177)**

(*) In accordance with IFRS 5, operating expense of the US Economy Hotels and Onboard Train Services businesses have been reported in Profit or loss from discontinued operations (see Note 17)

(1) The cost of goods sold includes food and beverage purchases, laundry costs and the cost of telephone calls billed to clients.

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

Full-time equivalent	2011 (*)	2012	2011 published
Full-time equivalent (**)	52 139	52 062	62 589
Ratio employee benefits expense / FTE (€k)	(40)	(40)	(36)

(*) In accordance with IFRS 5, operating expense of the US Economy Hotels and Onboard Train Services businesses have been reported in Profit or loss from discontinued operations (see Note 17)

(**) Full-time equivalent employees are based on the ratio between the number of hours worked during the period and the total working legal hours for the period. For firms which are consolidated using the proportional method, the employee number is calculated with the Group's interest. There is no employee number for associates.

Employee benefits expense includes €13.5 million related to stock option plans and performance share plans (see Note 25) and €6 million to cover the costs generated by new legislation in France requiring companies that increase their dividend to pay a special bonus to employees.

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

Note 5. EBITDAR by Business and Region

In million of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2012	2011 (2)
HOTELS	**571**	**797**	**185**	**136**	**44**	**41**	**1 774**	**1 731**
Upscale and Midscale Hotels	327	469	115	44	26	36	**1 017**	**1 008**
Economy Hotels	244	328	70	92	18	5	**757**	**723**
OTHER BUSINESSES	**6**	**(0)**	**10**	**-**	**4**	**(6)**	**14**	**28**
Total 2012	**577**	**797**	**195**	**136**	**48**	**35**	**1 788**	
Total 2011 (2)	**612**	**786**	**158**	**109**	**43**	**51**		**1 759**

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

(2) In accordance with IFRS 5, EBITDAR of the US Economy Hotels and Onboard Train Services businesses have been reported in profit or loss from discontinued operations (see Note 17)

Consolidated EBITDAR for 2012 totalled €1,788 million compared with €1,759 million for 2011.

The period-on-period increase breaks down as follows:

• Like-for-like growth	+33	m€	+1,9%
• Business expansion (owned and leased hotels only)	+33	m€	+1,1%
• Currency effects	+19	m€	+1,1%
• Disposals	(56)	m€	(3,2)%
Increase 2012 EBITDAR	**+29**	**m€**	**+1,7%**

Change in 2012 EBITDAR by business:

	Δ 2012 / 2011	Like-for-like change	
	In million of euros	In million of euros	%
HOTELS	**+43**	**+30**	**+1,8%**
Upscale and Midscale Hotels	+9	+12	+1,2%
Economy	+34	+18	+2,5%
OTHER BUSINESSES	**(14)**	**+3**	**+10,2%**
Group total	**+29**	**+33**	**+1,9%**

Change in 2012 EBITDAR by region:

	Δ 2012 / 2011	Like-for-like change	
	In million of euros	In million of euros	%
France	(34)	(17)	(2,8)%
Europe (excl. France)	+11	+12	+1,4%
Asia Pacific	+37	+10	+6,6%
Latin America & Caribbean	+27	+21	+19,4%
Other Countries	+5	+14	+32,3%
Worldwide Structures	(17)	(7)	(13,3)%
Group total	**+29**	**+33**	**+1,9%**

Information by business and by region in 2011 was as follows:

In million of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2011
HOTELS	**600**	**777**	**151**	**109**	**42**	**52**	**1 731**
Upscale and Midscale Hotels	347	460	94	34	26	47	**1 008**
Economy	253	317	57	75	16	5	**723**
OTHER BUSINESSES	**12**	**9**	**7**	**-**	**1**	**(1)**	**28**
Total 2011	**612**	**786**	**158**	**109**	**43**	**51**	**1 759**

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

Note 6. Rental Expense

Rental expense amounted to €938 million in 2012 compared with €903 million in 2011.

In accordance with the policy described in Note 1.E.4, the expense reported on this line only concern operating leases. Finance leases are recognized in the balance sheet as an asset and a liability. The amount of the liability at December 31, 2012 was €58 million (see Note 29.A).

Rental expense is recognized on a straight-line basis over the lease term, even if payments are not made on that basis. Most leases have been signed for periods exceeding the traditional nine-year term of commercial leases in France, primarily to protect Accor against the absence of commercial property rights in certain countries.

None of the leases contains any clauses requiring advance payment of rentals in the case of a ratings downgrade or other adverse events affecting Accor, and there are no cross-default clauses or covenants.

The €938 million in rental expense corresponds to 1,116 hotel leases, including 1% 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	2011 (*)	2012	2011 published
HOTELS	**(907)**	**(943)**	**(999)**
Upscale and Midscale Hotels	(564)	(579)	(564)
Economy	(343)	(364)	(343)
Economy Hotels US	-	-	(92)
OTHER BUSINESSES	**4**	**5**	**4**
Total	**(903)**	**(938)**	**(995)**

(*) In accordance with IFRS 5, rental expense of the US Economy Hotels and Onboard Train Services businesses have been reported in profit or loss from discontinued operations (see Note 17)

B. Rental expense by type of contract

Rental expense breaks down as follows by type of contract:

In million of euros		Number of hotels (1)	2012 rental	Fixed rental expense	Variable rental expense
Fixed rent with purchase option		12	(17)	(17)	-
Fixed rent without purchase option		274	(232)	(232)	-
Fixed rent with a variable portion	(2)	69	(93)	(68)	(25)
Land rent		-	(9)	(7)	(2)
Office rental expenses (Hotels business)		-	(45)	(44)	(1)
Fees on intragroup rent guarantees on Hotels business		-	(15)	(12)	(3)
Total hotel fixed rental expense		**355**	**(411)**	**(380)**	**(31)**
Variable rent with a minimum	(3)	122	(100)	(81)	(19)
Variable rent with a minimum and cap	(4)	10	(19)	(7)	(12)
Variable rent without a minimum	(5)	629	(413)	-	(413)
Total hotel variable rental expense		**761**	**(532)**	**(88)**	**(444)**
Total hotel rental expense		**1 116**	**(943)**	**(468)**	**(475)**
Rental expense not related to hotels		-	(10)	(10)	(0)
Internal lease guarantee fees		-	15	12	3
Total rental expense		**1 116**	**(938)**	**(466)**	**(472)**

(1) Rental expense by brand and type of contract at December 31, 2012 is presented as follows:

Leased hotels at December 31, 2012	Fixed rent with purchase option	Fixed rent without purchase option	Fixed rent with a variable portion	Variable rent with a minimum	Variable rent with a minimum and cap	Variable rent without a minimum	Total
Sofitel	1	3	-	2	-	5	**11**
Pullman	-	6	3	3	-	5	**17**
Novotel	1	36	9	23	3	97	**169**
Mercure	5	51	20	16	3	70	**165**
Adagio	-	7	-	-	1	-	**8**
Suite Novotel	-	8	-	1	-	8	**17**
ibis	3	98	13	66	2	178	**360**
ibis Styles	1	3	8	1	-	4	**17**
ibis Budget	1	60	16	8	1	103	**189**
Formule 1 / HotelF1	-	1	-	-	-	158	**159**
Other	-	1	-	2	-	1	**4**
Total	**12**	**274**	**69**	**122**	**10**	**629**	**1 116**

(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 (590 hotels), or a percentage of EBITDAR (39 hotels). None of the leases contains any minimum rent clauses. Variable rents without a minimum based on a percentage of EBITDAR amount to €65 million at December 31, 2012.

C. Minimum rental commitments (cash basis)

Minimum future rentals in the following tables only correspond to long-term rental commitments in the Hotels Division for hotels opened or closed for repairs.

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
2013	(428)
2014	(416)
2015	(403)
2016	(383)
2017	(360)
2018	(349)
2019	(333)
2020	(296)
2021	(244)

Years	In million of euros
2022	(223)
2023	(206)
2024	(191)
2025	(168)
2026	(147)
2027	(88)
2028	(78)
2029	(66)
> 2029	(344)
Total	**(4 723)**

At December 31, 2012, the present value of future minimum lease payments, considered as representing 7% of the minimum lease payments used to calculate the "Adjusted funds from ordinary activities/adjusted net debt" ratio, amounted to €(2,962) million. Until December 31, 2011, the rate used by Standard & Poor's to discount rental commitments was 8% (see Note (b) in the Key Management Ratios).

Interest expense on adjusted net debt, estimated at 7%, amounted to €207 million. The difference between the minimum rent (€428 million) and interest expense (€207 million) amounted to €221 million. This corresponds to the implicit repayment of adjusted debt ("Standard & Poor's method) and therefore constitutes an adjustment for the calculation of the adjusted funds from operations/adjusted net debt ratio (see Note (b) in the Key Management Ratios).

Note 7. EBITDA by Business and Region

In million of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2012	2011 (2)
HOTELS	**307**	**307**	**84**	**59**	**38**	**36**	**831**	**824**
Upscale and Midscale Hotels	169	149	47	21	22	31	**439**	**444**
Economy Hotels	138	158	37	38	16	5	**392**	**380**
OTHER BUSINESSES	**4**	**(1)**	**9**	**-**	**4**	**3**	**19**	**32**
Total 2012	**311**	**306**	**93**	**59**	**42**	**39**	**850**	
Total 2011 (2)	**341**	**306**	**77**	**43**	**32**	**57**		**856**

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

(2) In accordance with IFRS 5, EBITDA of the US Economy Hotels and Onboard Train Services businesses have been reported in profit or loss from discontinued operations (see Note 17)

Consolidated EBITDA for 2012 totalled €850 million compared with €856 million for 2011.

The period-on-period decrease breaks down as follows:

• Like-for-like growth	+14	m€	+1,6%
• Business expansion (owned and leased hotels only)	+16	m€	(0,8)%
• Currency effects	+10	m€	(0,1)%
• Disposals	(46)	m€	(8,5)%
Decrease 2012 EBITDA	**(6)**	**m€**	**(0,7)%**

Change in 2012 EBITDA by business:

	Δ 2012 / 2011	**Like-for-like change**	
	In million of euros	**In million of euros**	**%**
HOTELS	**+7**	**+11**	**+1,3%**
Upscale and Midscale Hotels	(5)	+3	+0,6%
Economy	+12	+8	+2,1%
OTHER BUSINESSES	**(13)**	**+3**	**+8,3%**
Group total	**(6)**	**+14**	**+1,6%**

Change in 2012 EBITDA by region:

	Δ 2012 / 2011	Like-for-like change	
	In million of euros	In million of euros	%
France	(30)	(14)	(4,0)%
Europe (excl. France)	+0	+6	+1,8%
Asia Pacific	+16	+7	+8,6%
Latin America & Caribbean	+16	+11	+25,3%
Other Countries	+10	+12	+38,1%
Worldwide Structures	(18)	(8)	(14,4)%
Group total	**(6)**	**+14**	**+1,6%**

Information in 2011 by business and by region was as follows:

In million of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2011
HOTELS	**334**	**297**	**70**	**43**	**31**	**49**	**824**
Upscale and Midscale Hotels	189	139	40	13	19	44	**444**
Economy	145	158	30	30	12	5	**380**
OTHER BUSINESSES	**7**	**9**	**7**	**-**	**1**	**8**	**32**
Total 2011	**341**	**306**	**77**	**43**	**32**	**57**	**856**

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

Note 8. Depreciation, Amortization and Provision Expense

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

In million of euros	2011 (*)	2012		2011 published
Depreciation and amortization	(339)	(326)		(396)
Provision	(2)	2		(2)
Total	**(341)**	**(324)**		**(398)**

(*) In accordance with IFRS 5, depreciation, amortization and provision expense of the US Economy Hotels and Onboard Train Services businesses have been reported in profit or loss from discontinued operations (see Note 17)

Note 9. EBIT by Business and Region

In million of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2012	2011 (2)
HOTELS	**214**	**160**	**52**	**43**	**17**	**25**	**511**	**500**
Upscale and Midscale Hotels	106	59	30	12	7	20	**234**	**229**
Economy Hotels	108	101	22	31	10	5	**277**	**271**
OTHER BUSINESSES	**4**	**(1)**	**7**	**-**	**5**	**0**	**15**	**15**
Total 2012	**218**	**159**	**59**	**43**	**22**	**25**	**526**	
Total 2011 (2)	**236**	**146**	**45**	**30**	**12**	**46**		**515**

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

(2) In accordance with IFRS 5, EBIT of the US Economy Hotels and Onboard Train Services businesses have been reported in profit or loss from discontinued operations (see Note 17)

Consolidated EBIT for 2012 totalled €526 million compared with €515 million for the same period of 2011.

The period on-period increase breaks down as follows:

• Like-for-like growth	+15	m€	+3,0%
• Business expansion (owned and leased hotels only)	+4	m€	(4,1)%
• Currency effects	+6	m€	+0,6%
• Disposals	(14)	m€	(10,3)%
Increase 2012 EBIT	**+11**	**m€**	**+18,8%**

Change in 2012 EBIT by business:

	Δ 2012 / 2011	Like-for-like change	
	In million of euros	In million of euros	%
HOTELS	**+11**	**+10**	**+2,0%**
Upscale and Midscale Hotels	+5	+5	+2,4%
Economy	+6	+5	+1,7%
OTHER BUSINESSES	**+0**	**+5**	**+37,1%**
Group total	**+11**	**+15**	**+3,0%**

Change in 2012 EBIT by region:

	Δ 2012 / 2011	Like-for-like change	
	In million of euros	In million of euros	%
France	(18)	(16)	(6,8)%
Europe (excl. France)	+13	+13	+8,7%
Asia Pacific	+14	+6	+12,3%
Latin America & Caribbean	+13	+10	+33,0%
Other Countries	+8	+13	+121,7%
Worldwide Structures	(19)	(11)	(23,6)%
Group total	**+11**	**+15**	**+3,0%**

Information in 2011 by business and by region was as follows:

In million of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2011
HOTELS	**232**	**146**	**40**	**30**	**11**	**41**	**500**
Upscale and Midscale Hotels	118	41	26	6	2	36	**229**
Economy	114	105	14	24	9	5	**271**
OTHER BUSINESSES	**4**	**-**	**5**	**-**	**1**	**5**	**15**
Total 2011	**236**	**146**	**45**	**30**	**12**	**46**	**515**

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

Note 10. Net Financial Expense

In million of euros		2011 (*)	2012	2011 published
Net financial expense	(1)	(95)	(84)	(99)
Other financial income and expense	(2)	3	9	2
Net financial expense		**(92)**	**(75)**	**(97)**

(*) In accordance with IFRS 5, net financial expense of the US Economy Hotels and Onboard Train Services businesses have been reported in profit or loss from discontinued operations (see Note 17)

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

In million of euros	2011 (*)	2012	2011 published
- Net financial expense - cash	(99)	(85)	(103)
- Net financial expense - non-cash	4	1	4
Total Net financial expense	**(95)**	**(84)**	**(99)**

(*) In accordance with IFRS 5, net financial expense of the US Economy Hotels and Onboard Train Services businesses have been reported in profit or loss from discontinued operations (see Note 17)

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

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

In million of euros	2011 (*)	2012	2011 published
- Dividend income from non-consolidated companies (Available for sale financial assets)	2	5	2
- Exchange gains and losses (excl. financial instruments at fair value)	3	(1)	2
- Movements in provisions	(2)	5	(2)
Total Other financial income and expense	**3**	**9**	**2**

(*) In accordance with IFRS 5, other financial income and expense of the US Economy Hotels and Onboard Train Services businesses have been reported in profit or loss from discontinued operations (see Note 17)

Note 11. Share of Profit (Loss) of Associates after Tax

In million of euros	2011 (*)	2012	2011 published
Share of profit of associates before tax	7	20	7
Share of tax of associates	(2)	(3)	(2)
Share of profit of associates after tax	**5**	**17**	**5**

(*) In accordance with IFRS 5, share of profit (loss) of associates after tax of the US Economy Hotels and Onboard Train Services businesses have been reported in profit or loss from discontinued operations (see Note 17)

The main contributions are as follows:

In million of euros		2011 (*)	2012	2011 published
Sofitel Hotels US	(1)	0	24	0
Asia/Australia Hotels		3	(4)	3
Egyptian investment funds (Macor)		0	0	0
The Grand Real Estate		(2)	(2)	(2)
Other		4	(1)	4
Share of profit of associates after tax		**5**	**17**	**5**

(*) In accordance with IFRS 5, share of profit (loss) of associates after tax of the US Economy Hotels and Onboard Train Services businesses have been reported in profit or loss from discontinued operations (see Note 17)

(1) In 2012, the profit of the Sofitel US Hotels business was boosted by the €15 million gain on the sale of Chicago Sofitel, the €8 million gain on the sale of San Francisco Sofitel and the €1 million gain on the sale of Miami Sofitel.

Note 12. Restructuring Costs

Restructuring costs can be analyzed as follows:

In million of euros	2011 (*)	2012		2011 published
Movements in restructuring provisions	(2)	3		(2)
Restructuring costs	(36)	(43)		(38)
Total Restructuring costs	**(38)**	**(40)**		**(40)**

(*) In accordance with IFRS 5, restructuring costs of the US Economy Hotels and Onboard Train Services businesses have been reported in profit or loss from discontinued operations (see Note 17)

Restructuring costs in 2011 and 2012 correspond mainly to the costs linked to reorganizations of the Group.

Note 13. Impairment Losses

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

A. Definition of cash-generating units

At December, 2012, the main values (before any impairment losses recognized during the year) of goodwill and intangible assets with indefinite useful lives included in the carrying amounts of the CGUs tested for impairment at that date were as follows:

In million of euros	Goodwill	Intangible assets with indefinite useful life
HOTELS		
Australia (excluding Mirvac goodwill)	192	-
Germany	177	-
France (excluding Adagio)	159	-
Asia	44	-
Net Goodwill and intangible assets with indefinite useful life included in cash-generating units	**572 (*)**	**-**

(*) This amount represents 84 % of goodwill recognized at December 31, 2012, apart from that arising on the recent acquisition of Grupo Posadas' South American hotel network.

At December 31, 2011, the main values (before any impairment losses recognized during the year) of goodwill and intangible assets with indefinite useful lives included in the carrying amounts of the CGUs tested for impairment at that date were as follows:

In million of euros	Goodwill	Intangible assets with indefinite useful life
HOTELS		
Australia	183	-
Germany	180	-
France (excluding Adagio)	163	-
Motel 6	-	156
Asia	45	-
Net Goodwill and intangible assets with indefinite useful life included in cash-generating units	**571 (*)**	**156**

(*) This amount represented 80% of goodwill recognized at December 31, 2011

B. Assumptions applied

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

At December 31, 2012, the average Group discount rate based on market values was 8.90%.

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

December 2012	Hotels			
	Germany	France (excluding Adagio)	Asia	Australia
Basis on which the recoverable amount has been determined	EBITDA multiples method/Discounted cah flow method	EBITDA multiples method	Discounted cah flow method	Discounted cah flow method
Multiple used	see Note 1.E.6	8,5	N/A	N/A
Period of projections (years)	5	N/A	5	5
Growth rate	2,00%	N/A	2,00%	2,60%
Discount rate	8,90%	N/A	10,20%	8,50%

At December 31, 2011, the average Group discount rate based on market values was 9.12%.

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

December 2011	Hotels				
	Germany	France (excluding Adagio)	Asia	Australia	Economy US
Basis on which the recoverable amount has been determined	Discounted cah flow method	EBITDA multiples method	Discounted cah flow method	Discounted cah flow method	Discounted cah flow method
Multiple used	N/A	8,5	N/A	N/A	N/A
Period of projections (years)	5	N/A	5	5	7
Growth rate	2,00%	N/A	2,00%	2,60%	2,00%
Discount rate	8,96%	N/A	10,85%	9,61%	8,81%

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

Impairment losses recognized in 2011 and 2012 can be analyzed as follows:

In million of euros	2011 (*)	2012	2011 published
Goodwill	(21)	(11)	(21)
Intangible assets	(5)	(24)	(5)
Property, plant and equipment	(36)	(83)	(85)
Financial assets	(2)	(1)	(2)
Impairment Losses	**(64)**	**(119)**	**(113)**

(*) In accordance with IFRS 5, impairment losses of the US Economy Hotels and Onboard Train Services businesses have been reported in profit or loss from discontinued operations (see Note 17)

The main assets and cash generating units for which impairment losses were recognized in 2011 and 2012 were as follows:

A. Impairment of goodwill

In million of euros	2011 (*)	2012	2011 published
HOTELS	**(17)**	**(11)**	**(17)**
Upscale and Midscale Hotels	(15)	(10)	(15)
Economy Hotels	(2)	(1)	(2)
Economy Hotels US	-	-	-
OTHER BUSINESSES	**(4)**	**-**	**(4)**
Total	**(21)**	**(11)**	**(21)**

(*) In accordance with IFRS 5, impairment losses on the goodwill of US Economy Hotels and Onboard Train Services businesses have been reported in profit or loss from discontinued operations (see Note 17)

At December 31, 2012, impairment losses resulted mainly from revised estimates of the recoverable amount of goodwill related to the French hotel business (€4 million impairment loss) and to the German hotel business (€7 million impairment loss).

At December 31, 2011, impairment losses resulted mainly from revised estimates of the recoverable amount of goodwill related to the Portuguese hotel business (€8 million impairment loss), the French hotel business (€5 million impairment loss) and the Egyptian hotel business (€4 million impairment loss).

Sensitivity analysis:

The CGU’s value in use is estimated by the discounted cash flows method. The discount rate and the growth rate are the main key assumptions used by the Group to determine the CGU’s recoverable amount.

At December 31, 2011 and December 31, 2012, an increase in the discount rate of 25, 50 or 100 basis points would not have had any impact on recognized impairment losses.

At December 31, 2011 and December 31, 2012, an decrease in the growth rate of 25, 50 or 100 basis points would not have had any impact on recognized impairment losses.

In both 2011 and 2012, analyses showed that, in the case of CGUs for which no impairment was recorded during the year, only a substantial, improbable change in the discount rate in the next twelve months would have caused their net carrying amount to exceed their recoverable amount. For example, the discount rate would have to increase by 1,700 basis points or the growth rate to perpetuity would have to be reduced by 1,000 basis points for their carrying amount to exceed their recoverable amount.

B. Impairment of intangible assets

At December 31, 2012, following a decision by the Group to discontinue certain Mirvac brands and to rebrand certain Mirvac hotels, €13 million in impairment losses were recorded as follows:

- Partial write-down of the Sebel brand for €7 million following the rebranding of certain hotels;
- Total write-down of the following brands that the Group has decided to discontinue:
    - Quay West: €4 million impairment loss
    - Sea Temple: €1 million impairment loss
    - Quay Grand and Citigate: €1 million impairment loss.

The Group also recorded a €10 million impairment loss on the Caesar Park and Caesar Business brands acquired with Grupo Posadas' hotel network in South America (see Note 2.B.6) that the Group has decided to discontinue.

At December 31, 2011, following the periodic review of the recoverable amount of intangible assets, a €5 million impairment loss was recognized.

C. Impairment of property, plant and equipment

In million of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2012	2011 (*)	2011 Published
HOTELS	**(9)**	**(41)**	**(3)**	**-**	**(30)**	**-**	**(83)**	**(34)**	**(83)**
Upscale and Midscale Hotels	(4)	(24)	(1)	-	(30)	-	(59)	(20)	(20)
Economy Hotels	(5)	(17)	(2)	-	-	-	(24)	(14)	(14)
Economy Hotels US	-	-	-	-	-	-	-	-	(49)
OTHER BUSINESSES	**(0)**	**(0)**	**(0)**	**-**	**-**	**-**	**(0)**	**(2)**	**(2)**
TOTAL	**(9)**	**(41)**	**(3)**	**-**	**(30)**	**-**	**(83)**	**(36)**	**(85)**

(*) In accordance with IFRS 5, impairment losses on the property, plant and equipment of the US Economy Hotels and Onboard train Services businesses have been reported in profit or loss from discontinued operations (see Note 17)

At December, 2012, impairment losses on property, plant and equipment amounted to €83 million, of which €7 million on assets held for sale. Impairment losses recognized during the period concerned 85 hotels for €83 million. No impairment losses were reversed.

At December 31, 2011, impairment losses on property, plant and equipment amounted to €85 million, of which €35 million on assets held for sale.
Impairment losses recognized during the year concerned 128 hotels for €86 million, of which €49 million related to the US Economy Hotels business and impairment losses reversed during the year concerned two hotels for €3 million.
The €49 million in impairment losses on US Economy Hotels assets have been reported in profit or loss from discontinued operations in the 2011 adjusted financial statements presented above.

Note 14. Gains and Losses on Management of Hotel Properties

In million of euros	2011 (*)	2012	2011 published
Disposal gains and losses	113	1	111
Provisions for losses on hotel properties	(8)	10	(51)
Total	**105**	**11**	**60**

(*) In accordance with IFRS 5, gains and losses on management of hotel properties of the US Economy Hotels and Onboard Train Services businesses have been reported in profit or loss from discontinued operations (see Note 17)

At December 31, 2012, the total mainly included:

- ✓ A net gain of €26 million generated by sale & franchise-back transactions in France (29 hotels).
- ✓ A net gain of €18 million generated by sale & franchise-back transactions in South Africa, through the sale of 52.6% stake in "Hotel Formula 1" to Southern Sun Hotels. Hotel Formula owns in particular 20 hotels totaling 1,474 rooms, in addition to managing 3 hotels. All 23 hotels are now operated as franchised units (see Note 2.A.3.3).
- ✓ A net gain of €16 million generated by sale & management-back transactions in the United States, corresponding to the sale of the New York Novotel (see Note 2.A.3.2).
- ✓ A net gain of €10 million generated by sale & management-back transaction of Sofitel Paris La Défense in France (see Note 2.A.3.2).
- ✓ A €9 million gain on the sale of Novotel and ibis Beijing Sanuyan in China under a sale and management-back arrangement (see Note 2.A.3.2).
- ✓ A €1 million loss on the outright sale of Pullman Paris Rive-Gauche in France to Bouygues Immobilier (see Note 2.A.3.3).
- ✓ A €11 million loss on the sale of Pullman Paris Tour Eiffel in France under a sale and management-back arrangement (see Note 2.A.3.2).
- ✓ A net loss of €47 million generated by sale transactions in Germany (5 hotels) and in the Netherlands (1 hotel) (see Note 2.A.3.3).

At December 31, 2011, the total included:

- ✓ A €46 million gain on the outright sale of units in Poland and France essentially (38 hotels) (see Note 2.A.3.3).
- ✓ A €31 million gain on the sale of Pullman Paris Bercy under a sale and management-back arrangement (see Note 2.A.3.2).
- ✓ A €25 million gain on the sale of units in France under sale and franchise-back arrangements (36 hotels) (see Note 2.A.3.3).
- ✓ A €7 million gain on the sale of Sofitel Arc de Triomphe under a sale and management-back arrangement (see Note 2.A.3.2).
- ✓ A €5 million loss on the sale of units in France under sale and variable lease-back arrangements (7 hotels) (see Note 2.A.3.1).
- ✓ A €35 million loss corresponding to asset write-offs in the United States that have been reported in profit or loss from discontinued operations in the 2011 adjusted financial statements presented above.

Note 15. Gains and Losses on Management of Other Assets

In million of euros	2011 (*)	2012	2011 published
Disposal gains and losses	20	(1)	20
Provision movements	2	(11)	1
Gains and losses on non-recurring transactions	(16)	(69)	(40)
Total	**6**	**(81)**	**(19)**

(*) In accordance with IFRS 5, the gains and losses on management of other assets of the US Economy Hotels and Onboard Train Services businesses have been reported in profit or loss from discontinued operations (see Note 17)

At December 31, 2012, the total mainly included €50 million in costs related to the ibis megabrand project, to overhaul the entire Economy brand line-up under the umbrella of the ibis brand (see Note 2.B.7) and €13 million in fees related to acquisitions for the year.

At December 31, 2011, the total mainly included:

- ✓ A €23 million gain realized on the sale of Lenôtre (see Note 2.A.2.3).
- ✓ €3 million in costs related to the ibis megabrand project.
- ✓ A €24 million loss arising from the exercise of call options on 56 hotels in the United States that has been reported in profit or loss from discontinued operations in the 2011 adjusted financial statements presented above.

Note 16. Income Tax Expense

Note 16.1 Income tax expense for the period

In million of euros	2011 (*)	2012	2011 published
Current tax	(174)	(130)	(174)
Sub-total, current tax	**(174)**	**(130)**	**(174)**
Deferred taxes (expense) income on new temporary differences and reversals of temporary differences arising in prior periods	6	(14)	(102)
Deferred taxes arising from changes in tax rates or tax laws	2	1	2
Sub-total, deferred tax	**8**	**(13)**	**(100)**
Income tax expense (excluding tax on the profits of associates and discontinued operations)	**(166)**	**(143)**	**(274)**
Tax on profits of associates	(2)	(3)	(2)
Tax on profits of discontinued operations	(109)	(0)	(1)
Tax of the period	**(277)**	**(146)**	**(277)**

(*) In accordance with IFRS 5, income tax expense of the US Economy Hotels and Onboard Train Services businesses have been reported in profit or loss from discontinued operations (see Note 17)

Note 16.2. Effective tax rate

In million of euros		2011 (*)	2012	2011 published
Operating profit before tax	**(a)**	**437**	**239**	**326**
Non deductible impairment losses		15	75	15
Elimination of intercompany capital gains		28	5	28
Tax on share of profit (loss) of associates		2	3	2
Other		62	11	62
Total permanent differences (non-deductible expenses)	**(b)**	**107**	**94**	**107**
Untaxed profit and profit taxed at a reduced rate	**(c)**	**(106)**	**(11)**	**(104)**
Profit taxed at standard rate	**(d) = (a) + (b) + (c)**	**438**	**322**	**329**
Standard tax rate in France (**)	**(e)**	**36,10%**	**36,10%**	**36,10%**
Tax at standard French tax rate	**(f) = (d) x (e)**	**(158)**	**(116)**	**(119)**
Effects on tax at standard French tax rate of:				
. Differences in foreign tax rates		32	24	36
. Unrecognized tax losses for the period		(30)	(41)	(50)
. Unrecognized or canceled deferred taxes on timing differences		-	-	(132)
. Utilization of tax loss carryforwards		21	18	21
. Deferred tax assets recognized for tax loss		15	-	15
. Share of profit (loss) of associates		2	3	2
. Net charges to/reversals of provisions for tax risks		(11)	(8)	(11)
. Effect of CET business tax in France (see Note 1.L)		(26)	(23)	(26)
. Other items		(11)	0	(10)
Total effects on tax at standard French tax rate	**(g)**	**(8)**	**(27)**	**(155)**
Tax at standard rate	**(h) = (f) + (g)**	**(166)**	**(143)**	**(274)**
Tax at reduced rate	**(i)**	**-**	**-**	**-**
Income tax expense	**(j) = (h) + (i)**	**(166)**	**(143)**	**(274)**

	2011 (*)	2012	2011 published
Pre-tax operating profit taxed at standard rate	438	322	329
Income tax expense	(126)	(92)	(83)
Group effective tax rate	**28,8%**	**28,5%**	**25,3%**

(*) In accordance with IFRS 5, income tax expense of the US Economy Hotels and Onboard Train Services businesses have been reported in profit or loss from discontinued operations (see Note 17)

(**) At December 31, 2011 and December 31, 2012, the Group took into account the 5% increase in corporate income tax introduced in France's amended Finance Bill for 2011.

Note 16.3 Details of deferred tax (Balance Sheet)

In million of euros	Dec. 2011	Dec. 2012
Timing differences between company profit and taxable profit	70	77
Timing differences between consolidated profit and company profit	23	21
Recognized tax losses	54	53
Sub-total, deferred tax assets	**147**	**151**
Timing differences between company profit and taxable profit	66	30
Timing differences between consolidated profit and company profit	85	86
Recognized tax losses	5	0
Sub-total, deferred tax liabilities	**156**	**116**
Deferred tax assets, net (liabilities)	**(9)**	**35**

Note 16.4 Unrecognized deferred tax assets

Unrecognized deferred tax assets at December 31, 2012 amounted to €784 million (December 31, 2011: €360 million of which €201 million corresponding to tax loss carryforwards and temporary differences related to the US Economy Hotels business). The increase for the year reflected:

- The €442 million impact of tax losses accumulated by the US Economy Hotels business prior to its sale in 2012. Under American group relief rules, Accor retains the benefit of these tax loss carryforwards (see Note 2.A.1)
- The €82 million impact of tax losses generated by the final ruling against Accor SA in connection with the CIWLT tax dispute, which has resulted in Accor having the right to a tax deduction in Belgium (see Note 39).

Unrecognized deferred tax assets at December 31, 2012 will expire in the following periods if not utilized:

In million fo euros	Deductible temporary differences	Tax loss carryforwards	Tax credits	Total
Y+1	-	7	-	**7**
Y+2	-	4	0	**4**
Y+3	-	4	0	**4**
Y+4	-	28	0	**28**
Y+5 and beyond	6	561	3	**570**
Evergreen	29	142	-	**171**
Deferred tax, net	**35**	**746**	**3**	**784**

In accordance with IAS 12, deferred tax assets are recognized for ordinary and evergreen tax loss carryforwards only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. The Group generally estimates those future profits over a five-year period, and each year reviews the projections and assumptions on which its estimates are based, in accordance with the applicable tax rules.

Note 17. Profit or Loss from Discontinued Operations

Details of profit or loss from discontinued operations are as follows:

In million of euros	2011 (*)	2012		2011 published
Loss from discontinued operations before tax	(118)	(444)		(7)
Tax on loss from discontinued operations	(108)	(1)		(0)
Loss from discontinued operations during the period	**(226)**	**(445)**		**(7)**
Profit or loss recognized on disposal or on mark-to-market ajustments of the assets constituting the discontinued operations	5	(234)		5
Tax on profit or loss from discontinued operations	-	-		-
Impact of realized gains or losses and mark-to-market adjustments	**5**	**(234)**	**(**)**	**5**
LOSS FROM DISCONTINUED OPERATIONS	**(221)**	**(679)**		**(2)**

(*) In accordance with IFRS 5, the profit or loss of the US Economy Hotels and Onboard Train Services businesses have been reported in profit or loss from discontinued operations.

(**) See Note 2.A.1

In accordance with IFRS 5, profit or loss from discontinued operations includes:

- At December 31, 2012,
  - The profit from the US Economy Hotels Business from January 1st 2012 to October 1, 2012, which has been classified as a discontinued operation in 2012 (see Note 2.A.1).
  - The loss arising from the sale of the US Economy Hotels business on October 1, 2012 (see Note 2.A.1).
  - The profit generated by the Italian Onboard day Train Services business, which remained classified as a "discontinued operations" at December 31, 2012 (see Note 2.A.2.2).

- At December 31, 2011,
  - In the originally published accounts:
    - The profit or loss from Onboard Train Services business, which was maintained in discontinued operations since 2010 (see Note 2.A.2.2).
    - the €5 million gain recognized on the disposal of Groupe Lucien Barrière, classified as a discontinued operation in 2010 and sold at the beginning of 2011 (see Note 2.A.2.1).
  - In the restated accounts at December 31, 2011, the profit of the US Economy Hotels business has been reclassified under "Profit or loss from discontinued operations", in order to permit meaningful comparisons with the profit from discontinued operations reported in 2012 (i.e. including the profit of the US Economy Hotels business).

The consolidated income statements of discontinued operations (including the profit or loss recognized on the disposal) classified in 2011 and 2012 in profit or loss from discontinued operations in Accor's consolidated financial statements are presented below:

A. At December 31, 2012

In million of euros	Economy Hotels US business	Onboard Train Services	Total 2012
CONSOLIDATED REVENUE	**442**	**66**	**508**
Operating expense	(287)	(66)	(353)
EBITDAR	**155**	**(0)**	**155**
Rental expense	(57)	(1)	(58)
EBITDA	**97**	**(1)**	**96**
Depreciation, amortization and provision expense	(46)	(1)	(48)
EBIT	**51**	**(2)**	**49**
Net financial expense	(8)	1	(7)
Share of profit of associates after tax	-	-	-
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS	**43**	**(1)**	**42**
Restructuring costs	-	(1)	(1)
Impairment losses	(47)	-	(47)
Gains and losses on management of hotel properties	(10)	-	(10)
Gains and losses on management of other assets (*)	(431)	3	(428)
OPERATING PROFIT BEFORE TAX	**(445)**	**1**	**(444)**
Income tax expense	0	(1)	(1)
NET PROFIT	(**) **(445)**	**(0)**	**(445)**

Impact of realized gains or losses	(**) **(234)**	**0**	**(234)**

NET LOSS FROM DISCONTINUED OPERATIONS	**(679)**	**(0)**	**(679)**

(*) Including:

- Costs associated with the exercise of purchase options on leased hotels for €(274) million
- Cancellation of accounting entries recognizing rents on a straight-line basis following the purchase of the leased hotels, for €(123) million.

(**) See Note 2.A.1

B. At December 31 2011

In million of euros	Groupe Lucien Barrière	Economy Hotels US business	Onboard Train Services	Total 2011
CONSOLIDATED REVENUE	**-**	**532**	**54**	**586**
Operating expense	-	(368)	(63)	(431)
EBITDAR	**-**	**164**	**(9)**	**155**
Rental expense	-	(92)	(2)	(94)
EBITDA	**-**	**72**	**(11)**	**61**
Depreciation, amortization and provision expense	-	(57)	(1)	(58)
EBIT	**-**	**15**	**(12)**	**3**
Net financial expense	-	(5)	2	(3)
Share of profit of associates after tax	-	-	-	-
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS	**-**	**10**	**(10)**	**-**
Restructuring costs	-	(2)	(1)	(3)
Impairment losses	-	(49)	-	(49)
Gains and losses on management of hotel properties	-	(45)	-	(45)
Gains and losses on management of other assets	-	(25)	4	(21)
OPERATING PROFIT BEFORE TAX	**-**	**(111)**	**(7)**	**(118)**
Income tax expense	-	(108)	(0)	(108)
NET PROFIT	**-**	**(219)**	**(7)**	**(226)**
Impact of realized gains	**5**	**-**	**0**	**5**
NET LOSS FROM DISCONTINUED OPERATIONS	**5**	**(219)**	**(7)**	**(221)**

Note 18. Goodwill

In million of euros	Dec. 2011	Dec. 2012
Goodwill (gross value)	1 017	945
Less impairment losses	(305)	(105)
Goodwill, net	**712**	**840**

In million of euros	Notes	Dec. 2011	Dec. 2012
HOTELS			
Australia	2.B.5	193	212
Germany	13.2.A	180	170
Grupo Posadas' hotel network in South America	2.B.6	-	160
Upscale and Midscale France	13.2.A	157	121
Economy (France)		66	66
Asia		46	45
Egypt		19	19
Poland	2.B.2	9	11
Switzerland		11	11
The Netherlands		8	8
Ivory Coast		13	7
Other hotels (< €6 million)		10	10
Sub-total Hotels		***712***	***840***
OTHER BUSINESSES		**-**	**-**
Goodwill, net		**712**	**840**

Changes in the carrying amount of goodwill over the period were as follows:

In million of euros	Notes	Dec. 2011	Dec. 2012
Carrying amount at beginning of period		**743**	**712**
Goodwill recognized on acquisitions for the period and other increases		**17**	**183**
. Hotels, Asia Pacific	(a)	-	20
. Hotels, Latin America	(b)	-	160
. Hotels, Germany	(c)	-	3
. Hotels, France	(d)	4	-
. Hotels, Africa	(e)	13	-
Disposals	(f)	**(27)**	**(9)**
Impairment losses	**Note 13**	**(21)**	**(12)**
Translation adjustment		**4**	**1**
Reclassifications to Property, Plant and Equipment	(e)	**-**	**(6)**
Reclassifications to Assets held for sale	**Note 32**	**-**	**(3)**
Other reclassifications and movements		**(4)**	**(26)**
Carrying amount at end of period		**712**	**840**

(a) In 2012, acqusition of Mirvac by Accor, generating goodwill of €20 million in the Accor Group's accounts (see Note 2.B.5).

(b) In 2012, the difference between the cost of the Grupo Posadas' hotel network in South America and the book value of the net assets acquired amounted to €160 million (see Note 2.B.6). The difference will be allocated to the acquired assets and liabilities in 2013.

(c) In 2012, goodwill of €3 million was recognized in connection with the Arnulfstrasse project in Munich for the construction of a Novotel unit and an ibis unit.

(d) In 2011, acquisition of Citéa by Adagio, a company that is 50%-owned by Accor, generating goodwill of €4 million in the Accor Group's accounts (see Note 2.B.3).

(e) In 2011, acquisition of SCI Cocoma, owner of the land and buildings of the Abidjan Pullman. The difference between the cost of the business combination and the provisional fair value of the net assets acquired was €13 million.
At December 31, 2012, acquisition accounting adjustments totalling €6 million were recorded as follows:

- €2 million to land.
- €6 million to property, plant and equipment.
- €2 million to deferred tax liabilities.

And €7 million was recognized as goodwill.

(f) In 2011, disposals mainly correspond to the write-off of Lenôtre goodwill for €21 million following the refocusing of the Group on Hotels (see Note 2.A.2.3).

Note 19. Intangible Assets

In million of euros		Dec. 2011	Dec. 2012
Gross value			
Motel 6 brand	(1)	156	-
Other brands and rights	(2)	59	75
Licenses, software		147	157
Other intangible assets	(3)	226	244
Total intangible assets at cost		**588**	**476**
Accumulated amortization and impairment losses			
Licenses, software		(121)	(123)
Other brands and rights	(2)	(23)	(42)
Other intangible assets	(3)	(71)	(47)
Total accumulated amortization and impairment losses		**(215)**	**(212)**
Intangible assets, net		**373**	**264**

(1) The Motel 6 brand sold in 2012 (see Note 2.A.1).

(2) The carrying amount of other brands and rights was €33 million at December 31, 2012, as follows:
   i. €26 million related to ibis in China and
   ii. €5 million for the Sebel brand in Australia.

The other Australian brands acquired as part of the Mirvac acquisition and the Caesar Park and Caesar Business brands included in the acquisition of Grupo Posadas' South American network have been written down in full (see Note 13.2).

(3) At December 31, 2012, the net book value of other intangible assets amounted to €197 million, including

a. €101 million in lease premiums, of which €88 million corresponding to the value attributed to Orbis's land use rights in Poland.
b. €55 million corresponding to the value attributed to management contracts of which:
   i. €30 million for Mirvac's Australian management network (see Note 2.B.5)
   ii. €8 million for Sofitel contracts in Australia and
   iii. €6 million for initial fees and franchise contracts in the United Kingdom.
c. €18 million corresponding to entrance fees for hotels included in Grupo Posadas' South American network that was acquired during the year (see Note 2.B.6).

Changes in the carrying amount of intangible assets over the period were as follows:

In million of euros		Dec. 2011	Dec. 2012
Carrying amount at beginning of period		**409**	**373**
Acquisitions		**5**	**6**
Internally-generated assets	**(1)**	**21**	**30**
Intangible assets of newly consolidated companies	**(2)**	**-**	**80**
Amortization for the period		**(25)**	**(28)**
Impairment losses for the period	**(3)**	**(5)**	**(24)**
Disposals of the period		**(33)**	**(173)**
Disposal of Economy Hotels US business (see Note 2.A.1)		-	(164)
Other disposals	(4)	(33)	(9)
Translation adjustment		**(1)**	**6**
Reclassifications of Assets held for sale (See Note 32)		**1**	**(6)**
Other reclassifications		**1**	**-**
Carrying amount at end of period		**373**	**264**

(1) In 2011, acquisitions of licenses and software for €21 million (including €11 million in Worldwide Structures and €4 million in France).
In 2012, acquisitions of licenses and software for €30 million (including €20 million in Worldwide Structures and €4 million in France).

(2) Intangible assets of newly consolidated companies in 2012 consist of:
   a. Assets recognized on the business combination with the Mirvac Group for €50 million (see Note 2.B.5), as follows:
      i. Value attributed to the management contract: €31 million
      ii. Value attributed to the brand: €19 million.
   b. The €30 million value of entrance fees recognized on the acquisition of Grupo Posadas' hotel network in South America (see Note 2.B.6) of which:
      i. €18 million for hotel entrance fees
      ii. €10 million for the Caesar Park and Caesar Business brands.

(3) Including impairment losses of €13 million recognized on the Mirvac brands and €10 million recognized on the Caesar Park and Caesar Business brands included in Grupo Posadas acquisition that Accor does not intend to use (see Note 13.2.B)

(4) In 2011, disposals mainly corresponded to several hotels in China that were reclassified under "Assets held for sale" at the year-end.

The following intangible assets are considered as having an indefinite useful life:

In million of euros	Dec. 2011	Dec. 2012
Sebel brand (Australia)	-	5
Motel 6 brand	156	-
Other brands and rights	0	1
Carrying amount at end of period	**156**	**6**

The Motel 6 brand was sold in 2012 (see Note 2.A.1).

At December 31, 2012, there were no material contractual commitments related to the acquisition of intangible assets not reported in the balance sheet.

Note 20. Property, Plant and Equipment

Note 20.1 Property, plant and equipment by nature

In million of euros	Dec. 2011	Dec. 2012
Land	341	199
Buildings	2 126	1 699
Fixtures	1 821	1 592
Equipment and furniture	1 478	1 439
Constructions in progress	272	190
Property, plant and equipment, at cost	**6 038**	**5 119**

In million of euros	Dec. 2011	Dec. 2012
Buildings	(659)	(538)
Fixtures	(909)	(836)
Equipment and furniture	(989)	(953)
Constructions in progress	(4)	(4)
Total of depreciation	**(2 561)**	**(2 331)**
Land	(9)	(7)
Buildings	(126)	(104)
Fixtures	(51)	(49)
Equipment and furniture	(28)	(29)
Constructions in progress	(6)	(7)
Total of impairment losses	**(220)**	**(196)**
Accumulated depreciation and impairment losses	**(2 781)**	**(2 527)**

In million of euros	Dec. 2011	Dec. 2012
Land	332	192
Buildings	1 341	1 057
Fixtures	861	707
Equipment and furniture	461	457
Constructions in progress	262	179
Property, plant and equipment, net	**3 257**	**2 592**

Changes in the carrying amount of property, plant and equipment during the period were as follows:

In million of euros	Dec. 2011	Dec. 2012
Net carrying amount at beginning of period	**3 682**	**3 257**
Property, plant and equipment of newly acquired companies	**10**	**93**
Capital expenditure	**576**	**468**
Depreciation for the period	**(373)**	**(345)**
Impairment losses for the period	**(50)**	**(123)**
Translation adjustment	**(18)**	**17**
Disposals for the period	**(336)**	**(694)**
Economy Hotels US business (see Note 2.A.1)	-	(605)
Other disposals	(336)	(89)
Reclassification of assets held for sale (see Note 32)	**(242)**	**(79)**
Other reclassifications	**8**	**(2)**
Net carrying amount at end of period	**3 257**	**2 592**

At December 31, 2012, property, plant and equipment of newly acquired companies correspond mainly to the hotels owned by the Mirvac Group, for €51 million (see Note 2.B.5) and Grupo Posadas' South American hotel network, for €23 million (see Note 2.B.6).

At December 31, 2012, contracts totaling €101 million have been signed for the purchase of property, plant and equipment (see Note 40). They are not recognized in the balance sheet. At December 31, 2011, contracts totalized €103 million.

Note 20.2 Finance leases

At December 31, 2012, the carrying amount of finance leases recognized in the balance sheet in net value is €51 million (December 31, 2011: €24 million), as follows:

In million of euros	Dec. 2011	Dec. 2012
Land	6	8
Buildings	60	59
Fixtures	16	30
Equipment and furniture	5	4
Property, plant and equipment, at cost	**87**	**101**
Buildings	(41)	(29)
Fixtures	(18)	(19)
Equipment and furniture	(4)	(3)
Cumulated depreciation and impairment losses	**(63)**	**(51)**
Property, plant and equipment, net	**24**	**50**

Finance lease liabilities can be analyzed as follows by maturity:

	Debt in million of euros Non Discounted
2013	56
2014	54
2015	45
2016	42
2017	35
2018	30
2019	29
2020	28
2021	28
2022	27
2023	26
2024	26
2025	26
2026	26
> 2026	26

Note 21. Long-Term Loans

En million of euros	Dec. 2011	Dec. 2012
Gross value	158	158
Accumulated impairment losses	(20)	(11)
Long-term loans, net	**138**	**147**

En million of euros		Dec. 2011	Dec. 2012
Hotels, Asia-Pacific	(1)	90	98
Other		48	49
Total		**138**	**147**

(1) Loans to hotels in the Asia-Pacific region mainly consist of the loan to Tahl (an Australian property company) for €59 million at December 31, 2012, paying interest at an average rate of 7%. Part of the loan has been reimbursed during the period (€14 million). In addition, Accor granted a new loan to A.P.V.C. Finance Pty Limited (a timeshare financing company) pour for an amount of €28 million.

Note 22. Investments in Associates

In million of euros		Dec. 2011	Dec. 2012
Accor Asia Pacific subsidiaries (*)	(4) (5) (6) (7) (8) (9)	137	162
Société Hôtelière Paris Les Halles	(1)	11	12
Egyptian investment fund		6	6
The Grand Real Estate (Sofitel The Grand, Hotels, Netherlands)	(Note 2.A.3.2) (2)	6	15
Sofitel London St James (Hotels, United Kingdom)		5	6
Sofitel Hotels, USA (25%)	(Note 2.A.3.2) (3)	(19)	2
Other		64	60
Total		**210**	**263**

(*) The Asia-Pacific investments primarily include Interglobe Hotels Entreprises Limited (the development company for ibis hotel in India) for €41 million, other companies for development partnerships in Asia Pacific for €35 million, Blue Ridge Hotels (Sofitel and Novotel Mumbai) for €29 million, Ambassador Inc, Ambasstel and Ambatel Inc (South Korea) for €25 million, Caddie Hotels (Novotel and Pullman Delhi) for €16 million and a joint-venture for development partnerships in India (Triguna) for €16 million.

(1) Key figures for Société Hôtelière Paris les Halles are as follows:

Société Hôtelière Paris Les Halles (In million of euros)	Dec. 2011	Dec. 2012
Revenue	86	90
Net profit (loss)	(1)	(5)
Net cash/(Net debt)	(106)	(90)
Equity	29	42
Market capitalization	N/A	N/A
Total assets	165	173
% interest held	31,19%	31,19%

(2) Key figures for Sofitel The Grand (Netherlands) are as follows:

The Grand Real Estate (Hotels, Netherlands) Sofitel The Grand (En million of euros)	Dec. 2011	Dec. 2012
Revenue	23	23
Net profit (loss)	(5)	(5)
Net cash/(Net debt)	(29)	(1)
Equity	9	32
Market capitalization	N/A	N/A
Total assets	46	42
% interest held	58,71%	58,71% (*)

(*) The percentage of control is 40 %

(3) Key figures for Sofitel Hotels, USA are as follows:

Sofitel Hotels USA (In million of euros)	Dec. 2011	Dec. 2012
Revenue	128	123
Net profit (loss)	0	94
Net cash/(Net debt)	(404)	(173)
Equity	(76)	9
Market capitalization	N/A	N/A
Total assets	381	244
% interest held	25,00%	25,00%

(a) In 2012, the Sofitel San Francisco, Chicago and Miami disposals had a positive impact of €96 million on 2012 profit.

(4) Key figures for Ambassador Inc are as follows:

Hotels, Korea Ambassador (Novotel, Seoul) (In million of euros)	Dec. 2011	Dec. 2012
Revenue	23	26
Net profit (loss)	4	4
Net cash/(Net debt)	(10)	(9)
Equity	47	52
Market capitalization	N/A	N/A
Total assets	67	72
% interest held	30,19%	30,19%

(5) Key figures for Ambatel Inc are as follows:

Hotels, Korea Ambatel Inc (Novotel, Seoul) (In million of euros)	Dec. 2011	Dec. 2012
Revenue	11	11
Net profit (loss)	2	2
Net cash/(Net debt)	(8)	(8)
Equity	34	38
Market capitalization	N/A	N/A
Total assets	50	53
% interest held	21,83%	21,83%

(6) Key figures for Ambasstel are as follows:

Hotels, Korea Ambasstel (Ibis, Seoul) (In million of euros)	Dec. 2011	Dec. 2012
Revenue	22	25
Net profit (loss)	4	5
Net cash/(Net debt)	5	11
Equity	26	32
Market capitalization	N/A	N/A
Total assets	31	37
% interest held	20,00%	20,00%

(7) Key figures for Beijing Peace Hotel Ltd are as follows:

Beijing Peace Hotel (Hotels, China) Novotel Beijing Peace (In million of euros)	Dec. 2011	Dec. 2012
Revenue	13	15
Net profit (loss)	1	1
Net cash/(Net debt)	(10)	(6)
Equity	5	6
Market capitalization	N/A	N/A
Total assets	22	20
% interest held	22,32%	22,32%

(8) Key figures for Interglobe Hotels Private Ltd are as follows:

Interglobe Hotel (Ibis Hotels, India) Ibis India Development (In million of euros)	March 2011	March 2012
Revenue	7	10
Net profit (loss)	(0)	1
Net cash/(Net debt)	4	(21)
Equity	87	82
Market capitalization	NA	NA
Total assets	127	138
% interest held	40,00%	40,00%

As Interglobe has a March 31 year-end and Accor is only a minority shareholder, the Group is not authorized to disclose details of the Interglobe accounts included in its consolidated financial statements at December 31, 2012 and December 31, 2011. The key figures shown above are extracted from Interglobe's latest audited and published financial statements.

Note 23. Other Financial Investments

In million of euros	Dec. 2011	Dec. 2012
Investments in non-consolidated companies (Available for sale financial assets)	119	147
Deposits (Loans and Receivables)	147	140
Other financial investments, at cost	**266**	**287**
Accumulated impairment losses	(65)	(65)
Other financial investments, net	**201**	**222**

Accumulated impairment losses relate almost entirely to investments in non-consolidated companies.

Other financial investments break down as follows:

In million of euros		Dec. 2011	Dec. 2012
Deposit for the purchase of the Sofitel Rio de Janeiro	(*)	73	62
Tahl (Australian property company)		24	25
A-HTrust (Singapore investment fund)	2.B.5	-	24
Pullman Tour Eiffel receivable		-	20
Deposit paid following the claim under the loan guarantee issued to the owner of the Los Angeles Sofitel		-	20
Stone (French property company)		11	11
Deposit for hotels in France sold in 2008		10	10
Deposit for phases 6 to 10 of the Motel 6 project in the United States		23	-
Other investments and deposits		60	50
Other financial investments, net		**201**	**222**

(*) Deposit paid in 2011 in preparation for Accor's exercise of its pre-emptive right to purchase the building occupied by the Sofitel Rio de Janeiro Copacabana.

At December 31, 2012 and December 31, 2011, the fair value reserve for assets classified as available-for-sale had a nil balance (see Note 26).

Note 24. Receivables and Payables

Note 24.1. Trade receivables and related provision

In million of euros	Dec. 2011	Dec. 2012
Gross value	400	435
Provisions	(36)	(33)
Net	**364**	**402**

Provisions for impairment in value of trade receivables correspond to numerous separate provisions, none of which are material. Past-due receivables are tracked individually and regular estimates are made of potential losses in order to increase the related provisions if and when required. Past-due receivables not covered by provisions are not material.

Note 24.2. Details of other receivables and accruals

In million of euros	Dec. 2011	Dec. 2012
Recoverable VAT	156	151
Prepaid wages and salaries and payroll taxes	3	2
Other prepaid and recoverable taxes (1)	301	58
Other receivables	309	291
Other prepaid expenses	198	59
Other receivables and accruals, at cost	**967**	**561**
Provisions (1)	**(287)**	**(45)**
Other receivables and accruals, net	**680**	**516**

(1) In 2011, other prepaid and recoverable taxes included €263 million paid by CIWLT in settlement of a tax reassessment, which had been written down in full. In 2012, CIWLT lost its appeal before the French Supreme Court of Appeal and the €242.5 million tax reassessment for the years 1998 to 2002 became final. As a result, the tax receivable was cancelled and the corresponding provision was reversed in the amount of €242.5 million (see Note 39).

Note 24.3. Details of other payables

In million of euros	Dec. 2011	Dec. 2012
VAT payable	110	78
Wages and salaries and payroll taxes payable	408	351
Other taxes payable (1)	276	192
Other payables	428	445
Deferred income	111	76
Other payables	**1 333**	**1 142**

(1) At December 31, 2011, this amount included €156 million of "précompte" dividend withholding tax. Following a ruling handed down by the French Supreme Court of Appeal in December 2012 that Accor was entitled to retain approximately €6.3 million of the €156 million already refunded, the Group cancelled €6.3 million in tax payables by crediting reserves and cancelled €1.4 million by crediting tax expense (see Note 39).

Note 24.4. Analysis of other receivables / payables' periods

In million of euros at December 31, 2012	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Dec. 2012	Dec. 2011
Inventories	47	-	-	47	41
Trade receivables	401	1	-	402	364
Recoverable VAT	147	4	-	151	156
Prepaid payroll taxes	2	-	-	2	3
Other prepaid and recoverable taxes	21	17	-	38	60
Other receivables	265	0	-	265	264
CURRENT ASSETS	**883**	**22**	**-**	**905**	**888**
Trade payables	580	0	-	580	642
VAT payable	78	0	-	78	110
Wages and salaries and payroll taxes payable	350	1	-	351	408
Other taxes payable	192	-	-	192	276
Other payables	445	0	-	445	428
CURRENT LIABILITIES	**1 645**	**1**	**-**	**1 646**	**1 864**

Note 25. Potential Ordinary Shares

Following the demerger on July 2, 2010, the exercise price of outstanding stock options and performance shares was adjusted along with the number of shares to be received by grantees (see Note 3.4.1 in the update to the 2009 Registration Document filed with the Autorité des Marchés Financiers on May 18, 2010 under number D.10-0201-A01). The figures presented in this note are therefore adjusted figures.

Note 25.1. Number of potential shares

At December 31, 2012, the Company's share capital was made up of 227,277,972 ordinary shares. The average number of ordinary shares outstanding during the period was 227,265,626. **The number of outstanding shares at December 31, 2012 was 227,277,972.**

In addition, employee stock options exercisable for 11,587,420 ordinary shares, representing 5.10% of the capital, were outstanding at December 31, 2012 (see Note 25.3).

Lastly, 547,976 performance shares have been granted but have not yet vested.

Conversion of all of the potential shares presented above would have the effect of increasing the number of shares outstanding to 239,413,368.

Note 25.2. Diluted earnings per share

Based on the above number of potential shares and the average Accor share price for 2012 of €25.17, the diluted weighted average number of shares outstanding at December 31, 2012, was 227,265,626. Diluted earnings per share were therefore calculated as follows:

In million of euros	Dec. 2011	Dec. 2012
Net profit, Group share (continuing operations and discontinued operations)	**27**	**(599)**
Weighted average number of ordinary shares (in thousands)	227 107	227 266
Number of shares resulting from the exercise of stock options (in thousands)	686	-
Number of shares resulting from performance shares grants (in thousands)	135	-
Fully diluted weighted average number of shares (in thousands)	227 928	227 266
Diluted earnings per share (in euros)	**0,12**	**(2,64)**

All share-based payment plans in force at December 31, 2012 were anti-dilutive. Consequently, they have not been included in the calculation of diluted earnings per share in line with IAS 33.

Note 25.3. Share-based payments

STOCK OPTION PLANS

Description of the main plans

The following table summarizes the characteristics of stock options outstanding at December 31, 2012, as well as of options that were cancelled or expired during the period.

	Grant date	Life of plan	Number of options granted	Option exercise date	Number of grantees	Exercise price	Cash-settled or equity settled
Plan 9	January 7, 2004	8 years	1 990 485	from 01/08/07 until 01/07/12	1 517	23,66 €	Equity
Plan 10 (*)	July 9, 2004	8 years	131 619	from 07/09/07 until 07/09/12	3 390	22,51 €	Equity
Plan 11	January 12, 2005	7 years	1 750 528	from 01/13/09 until 01/12/12	903	21,50 €	Equity
Plan 12	January 9, 2006	7 years	1 840 601	from 01/10/10 until 01/09/13	191	30,60 €	Equity
Plan 13	March 24, 2006	7 years	963 293	from 03/25/10 until 03/24/13	818	32,56 €	Equity
Plan 14	March 22, 2007	7 years	2 183 901	from 03/23/11 until 03/22/14	958	45,52 €	Equity
Plan 15	May 14, 2007	7 years	129 694	from 05/15/11 until 05/14/14	11	47,56 €	Equity
Plan 16 (*)	September 13, 2007	8 years	2 139	from 09/13/10 until 09/13/15	40	40,08 €	Equity
Plan 17	March 28, 2008	7 years	2 080 442	from 03/29/12 until 03/28/15	1 022	30,81 €	Equity
Plan 18	September 30, 2008	7 years	110 052	from 10/01/12 until 09/30/15	6	28,32 €	Equity
Plan 19	March 31, 2009	8 years	1 429 456	from 04/01/13 until 03/31/17	1 138	18,20 €	Equity
Plan 20	April 2, 2010	8 years	2 618 770	from 04/03/14 until 04/02/18	1 020	26,66 €	Equity
Plan 21	April 2, 2010	8 years	153 478	from 04/03/14 until 04/02/18	10	26,66 €	Equity
Plan 22	November 22, 2010	8 years	92 448	from 11/23/14 until 11/22/18	5	30,49 €	Equity
Plan 23	April 4, 2011	8 years	621 754	from 04/05/15 until 04/04/19	783	31,72 €	Equity
Plan 24	April 4, 2011	8 years	53 125	from 04/05/15 until 04/04/19	8	31,72 €	Equity
Plan 25	March 27, 2012	8 years	527 515	from 03/27/16 until 03/27/20	392	26,41 €	Equity
Plan 26	March 27, 2012	8 years	47 375	from 03/27/16 until 03/27/20	8	26,41 €	Equity

(*) Plans 10 and 16 are stock savings warrants

Stock options granted under Plan 15 are performance options. The stock options vest in four equal tranches in each of the years 2007 to 2010 based on the attainment of performance targets expressed in terms of growth in the Accor Group's return on capital employed (ROCE) and profit after tax and before non-recurring items.
If the performance targets are met at the end of each year, grantees will receive one quarter of the stock options included in the initial grant. If only one of the two targets is met, they will receive one eighth of the options.
For all of the stock options to vest, ROCE and profit after tax and before non-recurring items will have to increase by around 10% or more per year. If ROCE and profit after tax and before non-recurring items increase by less than 10% (but more than 0%), the number of vested options will be reduced based on the ratio between the actual increase and 10%.
The performance criteria were met in 2007. The performance criteria were only partially met in 2008, 2009 and 2010 leading to the cancellation of 44,615 options.

Stock options granted under Plan 21 are performance options based on market conditions. The vesting criterion, which concerned the relative performance of the Accor SA share compared to the CAC 40 index in 2010, 2011, 2012 and 2013, has been adjusted after the Hotels and Services businesses are demerged. The options vest after four years, depending on the annual performance of the Accor SA share versus the CAC 40 index. The number of options that could be exercised after the four-year vesting period may not exceed 100% of the initial amount. The performance criteria were met in 2010. In 2011 and 2012, only some of the performance criteria were met.

Stock options granted under Plan 24 and Plan 26 are subject to an external performance measure. During each year of the vesting period (from 2011 to 2014 for Plan 24 and from 2012 to 2015 for Plan 26) options representing one quarter of the original grant are subject to an external performance measure based on Accor's Total Shareholder Return (TSR) relative to that of eight international hotel groups. The objectives have been set for four years, with intermediate rankings. A fixed percentage of options vest each year for each level in the ranking achieved. In 2011, the Plan 24's performance criteria were not met. In 2012, the Plan 24's performance criteria were met and the Plan 26's performance criteria were partially met.

Changes in outstanding stock options during 2011 and 2012 are as follows:

	December 31, 2011		December 31, 2012	
	Number of options	Weighted average	Number of options	Weighted average
Options outstanding at beginning of period	**12 949 693**	**29,84 €**	**12 997 382**	**30,13 €**
Options granted during the period	675 540	31,71 €	574 890	26,41 €
Options cancelled or expired during the period	(278 377)	30,16 €	(1 958 326)	23,53 €
Options exercised during the period	(349 474)	22,46 €	(26 526)	22,41 €
Options outstanding at end of period	**12 997 382**	**30,13 €**	**11 587 420**	**31,07 €**
Options exercisable at end of period	**6 458 072**	**33,52 €**	**6 635 261**	**35,46 €**

Outstanding options at December 31, 2012 are as follows:

	Exercise price	Number of outstanding options	Remaining life of the options
Plan 12	30,60 €	1 781 404	9 days
Plan 13	32,56 €	820 622	3 months
Plan 14	45,52 €	1 943 903	1.2 years
Plan 15	47,56 €	85 079	1.4 years
Plan 16	40,08 €	2 139	2.7 years
Plan 17	30,81 €	1 899 570	2.3 years
Plan 18	28,32 €	102 544	2.8 years
Plan 19	18,20 €	1 273 857	4.3 years
Plan 20	26,66 €	2 213 777	5.3 years
Plan 21	26,66 €	137 228	5.3 years
Plan 22	30,49 €	92 448	6 years
Plan 23	31,72 €	607 334	6.3 years
Plan 24	31,72 €	53 125	6.3 years
Plan 25	26,41 €	527 015	7,3 years
Plan 26	26,41 €	47 375	7,3 years

Fair value of options

The fair value of these options at the grant date has been determined using the Black & Scholes or Monte Carlo option-pricing models, based on data and assumptions that were valid at that date. The information presented in this table for plans 9 to 21 (particularly the exercise price, the share price at the grant date and the fair value) has not therefore been adjusted for the effects of the July 2, 2010 demerger.

The main data and assumptions used for the fair value calculations are as follows:

	Plan 9	Plan 10	Plan 11	Plan 12	Plan 13	Plan 14	Plan 15	Plan 16	Plan 17
Accor share price at the option grant date	35,18 €	33,71 €	31,64 €	49,80 €	48,30 €	70,95 €	70,45 €	62,35 €	47,10 €
Option exercise price	35,68 €	33,94 €	32,42 €	46,15 €	49,10 €	68,65 €	71,72 €	60,44 €	46,46 €
Expected volatility (1)	39,68%	39,18%	37,64%	35,36%	34,60%	31,73%	31,60%	27,57%	27,87%
Contractual life of the options	8 years	8 years	7 years	7 years	7 years	7 years	7 years	8 years	7 years
Expected share yield (2)	3,44%	3,55%	2,94%	3,13%	3,74%	3,94%	4,25%	4,15%	3,84%
Dividend rate (3)	3,03%	3,03%	3,22%	3,22%	3,22%	2,29%	2,29%	2,29%	2,53%
Fair value of options (4)	10,52 €	10,07 €	8,48 €	14,11 €	12,57 €	20,38 €	19,36 €	16,66 €	11,55 €

	Plan 18	Plan 19	Plan 20	Plan 21	Plan 22	Plan 23	Plan 24	Plan 25	Plan 26
Accor share price at the option grant date	37,12 €	25,49 €	41,47 €	41,47 €	32,19 €	31,96 €	31,96 €	26,55 €	26,55 €
Option exercise price	42,70 €	27,45 €	40,20 €	40,20 €	30,49 €	31,72 €	31,72 €	26,41 €	26,41 €
Expected volatility (1)	26,72%	31,91%	33,96%	33,96%	34,99%	35,74%	35,74%	39,71%	39,71%
Contractual life of the options	7 years	8 years	8 years	8 years	8 years	8 years	8 years	8 years	8 years
Expected share yield (2)	4,03%	2,63%	2,29%	2,29%	1,98%	2,90%	2,60%	1,67%	1,67%
Dividend rate (3)	2,53%	2,53%	3,24%	3,24%	2,22%	2,19%	2,19%	2,42%	2,42%
Fair value of options (4)	7,00 €	5,78 €	10,28 €	9,44 €	9,25 €	9,40 €	8,89 €	7,88 €	6,50 €

(1) Weighted volatility based on exercise periods
(2) Expected share yield based on exercise periods
(3) For the plans granted before 2011, the dividend rate used to measure the fair value of options correspond to the average payout rate for the previous two, three or four years. For the plans granted in 2011, this rate corresponds to the expected payout rate for 2011. For the plans granted in 2012, this rate corresponds to the payout rate for 2011.
(4) Fair value of options based on exercise periods

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.

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. In addition, the employees' initial investment in the shares had been guaranteed by the bank. At the end of the 5-year lock-up period in 2012, employees received 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.

The plan's characteristics are as follows:

- Reference share price: €68.61 before demerger-related adjustment (€42.65 after demerger-related adjustment);
- Employee discount: 18.9%
- Discounted subscription price: €55.64 (except in Germany where employees were not entitled to the discount but were awarded stock warrants)

At the close of the subscription period en 2007, 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

2009 Plan

On March 31, 2009, Accor granted 300,383 performance shares to senior executives and certain employees. Of these:

- 249,084 have a two-year vesting period followed by a two-year lock-up period.
- 51,299 have a four-year vesting period with no subsequent lock-up period.

The performance shares are subject to vesting conditions based on growth in Accor's return on capital employed (ROCE) and profit after tax and before non-recurring items for each of the years 2009 and 2010. Half of the shares will vest in each year if both performance targets are met. If only two of the performance targets are met, around a third of the shares will vest. If only one of the performance targets is met, around a sixth of the shares will vest.

For all of the shares to vest, ROCE, revenue and profit after tax and before non-recurring items will have to increase by around 10% or more per year. If ROCE, revenue and profit after tax and before non-recurring items increase by less than 10% (but more than 0%), the number of vested shares will be reduced based on the ratio between the actual increase and 10%.

The fair value of these share-based payments was 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.

In 2011, 108,023 shares were awarded to the grantees who were still part of the Group at that date. The total fair value of the share grants was finally €1.5 million, of which €0.4 million was recognized in the 2011 financial statements.

2011 Plan

On April 4, 2011, Accor granted 249,107 performance shares to senior executives and certain employees. Of these:

- 20,450 have a three-year vesting period followed by a two-year lock-up period.
- 190,331 have a two-year vesting period followed by a two-year lock-up period.
- 38,326 have a four-year vesting period with no subsequent lock-up period.

The performance shares are subject to vesting conditions based on business revenue, EBIT and operating cash flow for each of the years 2011 and 2012. Targets have been set for annual growth in relation to the budget over the next two years, with interim milestones, and a certain percentage of the shares vest each year as each milestone is met.

The cost of the performance share plan – corresponding to the fair value of the share grants – amounted to €7.6 million at April 4, 2011 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.

In 2011, the performance criteria were met. Plan costs recognized in 2011 amounted to €2.5 million.

In 2012, the performance criteria were almost met. Plan costs recognized in 2012 amounted to €3.3 million.

2012 Plan

On March 27, 2012, Accor granted 284,976 performance shares to senior executives and certain employees. Of these:

- 170,332 have a two-year vesting period followed by a two-year lock-up period and are subject to two vesting conditions.
- 67,269 have a four-year vesting period with no subsequent lock-up period, and are subject to two vesting conditions.
- 47,375 have a two-year vesting period followed by a two-year lock-up period and are subject to three vesting conditions.

The performance shares are subject to vesting conditions based on EBIT margin, operating cash flow and disposals' plan for each of the years 2012 and 2013. Targets have been set for annual growth in relation to the budget over the next two years, with interim milestones, and a certain percentage of the shares vest each year as each milestone is met.

The cost of the performance share plan – corresponding to the fair value of the share grants – amounted to €7.1 million at March 27, 2012 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.

In 2012, the performance criteria were met. Plan costs recognized in 2012 amounted to €2.4 million.

COST OF SHARE-BASED PAYMENTS RECOGNIZED IN THE ACCOUNTS

The total cost recognized in profit or loss by adjusting equity in respect of share-based payments amounted to €14 million at December 31, 2012 (December 31, 2011: €12.9 million).

Note 26. Cumulative Unrealized Gains and Losses on Financial instruments

In million of euros	Dec. 2011	Dec. 2012
Convertible bonds	-	-
Equity notes	-	-
Mutual fund units	-	-
Interest rate and currency swaps	(7)	(4)
Fair value adjustments to non-consolidated investments	-	-
Fair value adjustments to available-for-sale investments	-	-
Impact on equity	**(7)**	**(4)**

Fair value adjustments to financial instruments recognized in equity

In million of euros	Dec. 2011	Dec. 2012
Available for sale Financial Assets	**-**	**-**
Gains (losses) recognised in Equity during the period	-	-
Gains (losses) reclassified to profit or loss	-	-
Cash flow hedges	**3**	**3**
Gains (losses) recognised in Equity during the period	3	3
Gains (losses) reclassified to profit or loss	-	-
Changes in Reserve	**3**	**3**

Note 27. Minority interests

Changes in minority interests break down as follows:

In million of euros	
At December 31, 2010	**299**
Minority interests in net profit for the period	23
Dividends paid to minority interests	(14)
Increase in capital	3
Translation adjustment	(28)
Changes in scope of consolidation (1)	(52)
At December 31, 2011	**231**
Minority interests in net profit for the period	15
Dividends paid to minority interests	(14)
Capital increase	2
Translation adjustment	16
Changes in scope of consolidation (2)	(20)
At December 31, 2012	**230**

(1) Including €(42) million corresponding to the buyout of minority interests in the Italian hotels business.
Including €(7) million corresponding to the buyout of minority interests in Orbis (1.54% - see Note 2.B.2).

(2) Including €(8) million corresponding to the sale of the Formula 1 Hotels in South Africa (see Note 2.A.3.3).
Including €(4) million corresponding to the buyout of minority interests in Orbis (1.13% - see Note 2.B.2).

Note 28. Comprehensive Income

The tax impact of other components of comprehensive income can be analyzed as follows:

In million of euros	Dec. 2011			Dec. 2012		
	Before tax	Income tax expense	Net of tax	Before tax	Income tax expense	Net of tax
Currency translation adjustment	(47)	-	(47)	101	-	101
Effective portion of gains and losses on hedging instruments in a cash flow hedge	3	-	3	3	-	3
Actuarial gains and losses on defined benefits plans	(3)	1	(2)	(26)	8	(18)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	-	-	-	-	-	-
Total Other Comprehensive income	**(48)**	**1**	**(47)**	**77**	**8**	**86**

Note 29. Debt by Currency and Maturity

Note 29.A Long and short-term debt

Long and short-term debt at December 31, 2012 breaks down as follows by currency and interest rate after hedging transactions:

In million of euros	Dec. 2011	Effective rate Dec. 2011 %	Dec. 2012	Effective rate Dec. 2012 %
EUR	1 294	6,80	2 006	5,44
CNY	55	6,57	39	6,32
JPY	42	0,85	37	0,21
MUR	26	7,87	25	7,95
CZK	23	1,40	21	0,54
CHF	22	2,20	21	1,24
PEN	19	8,80	20	8,71
Other currencies	83	6,45	69	6,30
Long and short-term borrowings	**1 564**	**6,51**	**2 238**	**5,37**
Long and short-term finance lease liabilities	82		58	
Purchase commitments	4		10	
Liability derivatives	15		10	
Other short-term financial liabilities and bank overdrafts	52		65	
Long and short-term debt	**1 717**		**2 381**	

In million of euros	Dec. 2011	Dec. 2012
Long-term debt	1 593	1 552
Short-term debt	124	829
Total long and short-term debt	**1 717**	**2 381**

Note 29.B Maturities of debt

At December 31, 2012, maturities of debt were as follows:

In million of euros	Dec. 2011	Dec. 2012
Year Y+1	122	829
Year Y+2	761	439
Year Y+3	435	26
Year Y+4	25	26
Year Y+5	20	975
Year Y+6	262	17
Beyond	92	69
Total long and short-term debt	**1 717**	**2 381**

This analysis of debt by maturity over the long-term is considered as providing the most meaningful liquidity indicator. In the above presentation, all derivatives are classified as short-term. Borrowings and short-term investments denominated in foreign currencies have been translated into euros at the rate on the balance sheet date. Interest rate and currency hedging instruments are analysed by maturity in Note 29.E « Financial Instruments ».

On December 31, 2012, unused long term committed line is amounting to €1,500 million, expiring in May 2016 (see Note 2.E).

On December 31, 2012 financial costs amounted to €84 million. Future financial costs are estimated at €227 million for the period from January 2013 to December 2016 and €34 million thereafter.

2011 financial costs amounted to €99 million. Future financial costs were estimated at €221 million for the period from January 2012 to December 2015 and €38 million thereafter.

These estimates are based on the average cost of debt of the end of the period, after hedging. They have been determined by applying the assumption that no facilities will be rolled over at maturity.

Note 29.C Long and short-term debt before and after hedging

At December 31, 2012, long and short-term debt breaks down as follows before hedging transactions:

In million of euros	Total debt		
	Amount	**Rate**	**% of total debt**
EUR	2 083	4,81%	93%
CNY	39	6,32%	2%
MUR	25	7,95%	1%
CHF	21	1,24%	1%
PEN	20	8,71%	1%
JPY	-	0,00%	0%
CZK	-	0,00%	0%
Other currencies	50	7,37%	2%
Total long and short-term debt	**2 238**	**4,93%**	**100%**

Long and short-term debt after currency and interest rate hedging breaks down as follows at December 31, 2012:

In million of euros	Total debt		
	Amount	**Rate**	**% of total debt**
EUR	2 006	5,44%	90%
CNY	39	6,32%	2%
JPY	37	0,21%	2%
MUR	25	7,95%	1%
CZK	21	0,54%	1%
CHF	21	1,24%	1%
PEN	20	8,71%	1%
Other currencies	69	6,30%	3%
Total long and short-term debt	**2 238**	**5,37%**	**100%**

Note 29.D Long and short-term debt by interest rate after hedging

In million of euros	Total debt	
	Amount	**Rate**
December 2011	1 564	6,51%
December 2012	2 238	5,37%

At December 31, 2012, 90% of long and short-term debt was fixed rate, with an average rate of 5.51%, and 10% was variable rate, with an average rate of 4.12%.

At December 31, 2012, fixed rate debt was denominated primarily in EUR (98%), while variable rate debt was denominated mainly in CNY (17%), JPY (16%) and EUR (14%).

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 €2,238 million, a total of €1,740 million worth is subject to such clauses. In the case of bonds, the acceleration clause can be triggered only if the change of control leads to Accor’s credit rating being downgraded to non-investment grade.

Note, however, that in the case of the syndicated loan negotiated in May 2011, the acceleration clause can be triggered if Accor does not comply with the leverage ratio covenant (consolidated net debt to consolidated EBITDA).

None of the loan agreements include a cross default clause requiring immediate repayment 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.

Note 29.E Financial instruments

1. Currency hedges

The following tables analyze the nominal amount of currency hedges by maturity and the carrying amount of these instruments in the balance sheet, corresponding to their fair value, at December 31, 2012:

Forward sales and currency swaps In million of euros	Maturity 2013	Maturity 2014	December 31, 2012 Nominal amount	December 31, 2012 Fair value
JPY	37	-	37	(4)
CZK	20	-	20	-
AUD	12	-	12	-
HUF	5	-	5	-
Other	3	-	3	-
Forward sales	**77**	**-**	**77**	**(4)**

Forward purchases and currency swaps In million of euros	Maturity 2013	Maturity 2014	December 31, 2012 Nominal amount	December 31, 2012 Fair value
GBP	159	-	159	(1)
HKD	123	-	123	1
CHF	15	-	15	-
PLN	4	-	4	-
Other	2	-	2	-
Forward purchases	**303**	**-**	**303**	**-**
TOTAL CURRENCY HEDGING	**380**	**-**	**380**	**(4)**

For each currency, the nominal amount corresponds to the amount of currency sold or purchased forward. Fair value corresponds to the difference between the amount of the currency sold (purchased) and the amount of the currency purchased (sold), converted in both cases at the period-end forward exchange rate.

All the currency instruments listed above are used for hedging purposes. Most are designated and documented fair value hedges of intra-group loans and borrowings that qualify for hedge accounting.

At December 31, 2012, currency instruments had a positive fair value of €4 million.

2. Interest rate hedges

The following tables analyze the notional amount of interest rate hedges by maturity and the carrying amount of these instruments in the balance sheet, corresponding to their fair value, at December 31, 2012:

In million of euros	2013	2014	2015	Beyond	December 31, 2012 Nominal amount	December 31, 2012 Fair value
EUR: Fixed-rate borrower swaps and caps	352	4	-	-	356	10
Interest rate hedges	**352**	**4**	**-**	**-**	**356**	**10**

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, 2012, interest rate instruments had a negative fair value of €10 million.

3. Fair value

3.1 Fair value of financial instruments

The carrying amount and fair value of financial instruments at December 31, 2012 are as follows:

In million of euros		December 31, 2012 Carrying amount	December 31, 2012 Fair value
FINANCIAL LIABILITIES		**2 381**	**2 479**
Bonds	(1)	1 740	1 838
Bank borrowings		293	293
Finance lease liabilities		58	58
Other financial liabilities		280	280
Interest rate derivatives (Cash Flow Hedge)	(2)	10	10
Currency derivatives (Fair Value Hedge)	(2)	-	-
FINANCIAL ASSETS		**(1 960)**	**(1 960)**
Money market securities		(1 752)	(1 752)
Cash		(122)	(122)
Other		(82)	(82)
Interest rate derivatives (Cash Flow Hedge)	(2)	-	-
Currency derivatives (Fair Value Hedge)	(2)	(4)	(4)
NET DEBT		**421**	**519**

(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).

3.2 Fair value of money market securities

The carrying amount and fair value of money market securities at December 31, 2012 are as follows:

In million of euros		December 31, 2012 Carrying amount	December 31, 2012 Fair value
Other negotiable debt securities	(a)	-	-
Money market securities	(b)	(1 741)	(1 741)
Mutual fund units convertible into cash in less than three months (*)	(c)	(7)	(7)
Other (accrued interest)		(4)	(4)
Total Money market securities		**(1 752)**	**(1 752)**

(*) The fair value of mutual fund units corresponds to their net asset value (level 1 valuation technique).

(a) Held to maturity investments
(b) Loans and receivables issued by the Group
(c) Held for sale financial assets

Note 29.F Financial Risk Management

The Group's Risk Management objectives, policies and procedures (liquidity risk, credit risk, interest risk and equity risk) are described in the Management Report, which also includes rates and currency rates sensibility analyses.

Note 29.G Credit rating

At December 31, 2012, Accor's credit ratings were as follows:

Rating Agency	Long-term debt	Short-term Debt	Last update of the rating	Outlook	Last update of the outlook
Standard & Poor's	BBB-	A-3	April 05, 2011	Stable	March 9, 2012
Fitch Ratings	BBB-	F-3	May 25, 2011	Stable	May 25, 2011

Standard & Poor's reaffirmed Accor's ratings on March 9, 2012 whereas Fitch reaffirmed Accor's ratings and outlooks on May 23, 2012

Note 30. Net Debt and Net Cash

Net debt breaks down as follows:

In million of euros	Dec. 2011	Dec. 2012
Other long-term financial debt (1)	1 524	1 496
Long-term finance lease liabilities	69	56
Short-term borrowings	106	811
Bank overdrafts	3	8
Liabilities derivatives	15	10
Total debt	**1 717**	**2 381**
Short-term loans	(26)	(34)
Money market securities (2)	(1 279)	(1 752)
Cash	(85)	(122)
Asset derivatives	(6)	(4)
Short-term receivables on disposals of assets	(95)	(48)
Financial Assets	**(1 491)**	**(1 960)**
Net debt	**226**	**421**

(1) See Note 2.D.
(2) See Note 29.E.

Net debt at December 31,2012 does not include the €184.7 million of the "précompte" dividend withholding tax refund that Accor was ordered to repay to the French State, following the Supreme Court of Appeal ruling in December 2012 in the dispute concerning this tax (see Note 39).

In million of euros	Dec. 2011	Dec. 2012
Net debt at beginning of period	**730**	**226**
Change in long-term debt	(191)	**(42)**
Change in short-term financial liabilities	(81)	706
Cash and cash equivalents change	(220)	(508)
Changes in other current financial assets	(12)	39
Changes for the period	**(504)**	**195**
Net debt at end of period	**226**	**421**

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. 2011	Dec. 2012
Balance sheet cash and cash equivalents	**1 370**	**1 878**
Bank overdrafts	(3)	(8)
Derivatives included in liabilities	(15)	(10)
Cash flow Statement cash and cash equivalents	**1 352**	**1 860**

Note 31. Analysis of financial assets and liabilities under IFRS 7

At December 31, 2011, and December 31, 2012, financial assets and liabilities broke down as follows by category:

In million of euros	Category in the balance-sheet						Fair value for financial instruments recognized at fair value			
	Cash and cash equivalents	Loans	Receivables on disposals of assets	Other financial investments	Trade receivables	**Carrying amount**	Level 1*	Level 2*	Level 3*	**Fair value of the class**
Held to maturity financial assets										
Bonds and other negotiable debt securities										
Loans and receivables						**2 026**				
Short-term loans		26				**26**				
Long-term loans		138				**138**				
Receivables on disposals of assets			95			**95**				
Deposits				145		**145**				
Trade receivables					364	**364**				
Money market securities	1 252					**1 252**				
Other	6					**6**				
Available for sale financial assets						**77**				**77**
Investments in non-consolidated companies				56		**56**			56	**56**
Mutual fund units convertible into cash	21					**21**	21			**21**
Other										
Financial assets at fair value						**6**				**6**
Interest rate derivatives	-					**-**				**-**
Currency derivatives	6					**6**		6		**6**
Cash at bank	85					**85**				
Financial assets at December 31, 2011	**1 370**	**164**	**95**	**201**	**364**	**2 194**	**21**	**6**	**56**	**83**

In million of euros	Category in the balance-sheet						Fair value for financial instruments recognized at fair value			
	Cash and cash equivalents	Loans	Receivables on disposals of assets	Other financial investments	Trade receivables	**Carrying amount**	Level 1*	Level 2*	Level 3*	**Fair value of the class**
Held to maturity financial assets										
Other negotiable debt securities										
Loans and receivables						**2 514**				
Short-term loans		34				**34**				
Long-term loans		147				**147**				
Receivables on disposals of assets			48			**48**				
Deposits				138		**138**				
Trade receivables					402	**402**				
Money market securities	1 741					**1 741**				
Other	4					**4**				
Available for sale financial assets						**91**				**91**
Investments in non-consolidated companies				84		**84**			84	**84**
Mutual fund units convertible into cash	7					**7**	7			**7**
Other										
Financial assets at fair value						**4**				**4**
Interest rate derivatives	-					**-**				**-**
Currency derivatives	4					**4**		4		**4**
Cash at bank	122					**122**				
Financial assets at December 31, 2012	**1 878**	**181**	**48**	**222**	**402**	**2 731**	**7**	**4**	**84**	**95**

En million of euros	Category in the balance-sheet						Fair value for financial instruments recognized at fair value			
	Bank overdrafts	Other long-term financial debt	Short-term debt	Long-term finance lease liabilities	Trade payables	**Carrying amount**	Level 1*	Level 2*	Level 3*	**Fair value of the class**
Financial liabilities at fair value through profit or loss						**15**				**15**
Currency derivatives	-					**-**				**-**
Interest rate derivatives	15					**15**		15		**15**
Financial liabilities at amortised cost						**2 341**				
Other bonds		1 042				**1 042**				
Bank Borrowings		286	34			**320**				
Finance lease liabilities			13	69		**82**				
Other debts		196	59			**255**				
Trade payables					642	**642**				
Cash at bank	**3**					**3**				
Financial liabilities at December 31, 2011	**18**	**1 524**	**106**	**69**	**642**	**2 359**	**-**	**15**	**-**	**15**

En million of euros	Category in the balance-sheet						Fair value for financial instruments recognized at fair value			
	Bank overdrafts	Other long-term financial debt	Short-term debt	Long-term finance lease liabilities	Trade payables	**Carrying amount**	Level 1*	Level 2*	Level 3*	**Fair value of the class**
Financial liabilities at fair value through profit or loss						**10**				**10**
Currency derivatives										
Interest rate derivatives	10					**10**		10		**10**
Financial liabilities at amortised cost						**2 943**				
Other bonds		1 347	393			**1 740**				
Bank Borrowings		136	157			**293**				
Finance lease liabilities			2	56		**58**				
Other debts		13	259			**272**				
Trade payables					580	**580**				
Cash at bank	**8**					**8**				
Financial liabilities at December 31, 2012	**18**	**1 496**	**811**	**56**	**580**	**2 961**	**-**	**10**	**-**	**10**

* The fair value hierarchies have the following levels:

(a) Level 1: fair value measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities;

(b) Level 2: fair value measured by reference to inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

(c) Level 3: fair value measured by reference to inputs for the asset or liability that are not based on observable data (unobservable inputs).

Fair value hierarchies are presented only for financial instruments measured at fair value.

The methods used to measure the fair value of derivative instruments, mutual fund unit convertible into cash and bonds are described in Note 29. The method used to measure the fair value of investments in non-consolidated companies is described in Note 1.N.1.

No assets were transferred between fair value measurements levels during the periods presented.

Note 32. Assets and Liabilities Held for Sale

Assets and liabilities held for sale break down as follows:

In million of euros	Dec. 2011	Dec. 2012
Onboard Train Services business	28	32
Disposal groups classified as held for sale	151	58
Non-current assets classified as held for sale	207	66
Total Assets classified as Assets held for sale	**386**	**156**
Onboard Train Services business	(26)	(23)
Liabilities related to Disposal Groups classified as held for sale	(63)	(13)
Total Liabilities classified as liabilities of assets classified as held for sale	**(89)**	**(36)**

A. Onboard Train Services

On July 7, 2010, as part of its strategic refocusing on hotels, Accor sold Onboard rail catering businesses in France, Austria and Portugal and part of the Italian business to Newrest through a joint venture that was 60% owned by Newrest and 40% by Accor. The sale was completed in the second half of 2010.

In 2010 and 2011, as Accor also intended to sell its 40% stake in the joint venture and as an active program to locate a buyer for the 40% stake had been initiated, consequently the Group considered that the continued classification of the underlying assets and liabilities (of which the 40% stake in the joint venture) under “Assets held for sale" and "Liabilities related to assets held for sale" was justified based on IFRS 5 “Non-Current Assets Held for Sale and Discontinued Operations”.

During 2012, the 40% stake in the joint venture and Accor’s remaining 17% direct interest in the Austrian subsidiary were sold to Newrest (see Note 2.A.2.2). As Accor still intends to sale its Italian Onboard day Train Services business, the related assets and liabilities remained classified under "Assets held for sale" and "Liabilities related to assets held for sale" at December 31, 2012.

In million of euros	Dec. 2011	Dec. 2012
Property, plant and equipment and intangible assets	5	3
Other assets	23	29
Total Assets classified as Assets held for sale	**28**	**32**
Financial debt	-	-
Other liabilities	(26)	(23)
Total Liabilities classified as liabilities of assets classified as held for sale	**(26)**	**(23)**

B. Other assets held for sale

In million of euros		Dec. 2011	Dec. 2012
Disposal group to be sold in Germany	(a)	31	33
Disposal group to be sold in China	(b)	79	18
Disposal group to be sold in Poland	(c)	7	7
Disposal group to be sold in South Africa	(d)	34	-
Disposal groups classified as "held for sale"		**151**	**58**
Hotels to be sold in France	(e)	83	20
Hotels to be sold in Canada	(f)	-	12
Hotels to be sold in Poland	(c)	5	12
Hotels to be sold in Australia	(g)	-	11
Hotels to be sold in China	(b)	2	7
Hotels to be sold in the United States	(h)	113	-
Other		4	4
Non-current assets classified as held for sale		**207**	**66**

In accordance with IFRS 5, these assets were reclassified in the consolidated balance sheet under “Assets held for sale”.

(a) At December 31, 2010, the Group planned to sell one Novotel unit in Germany. The carrying amount of this asset at December 31, 2012 was €31 million. The hotel will be sold in 2013.

(b) At December 31, 2011, the Group planned to sell two ibis units and one Novotel unit in China. The hotels were sold in 2012. At December 31, 2012, the Group planned to sell seven ibis units in China. The hotels will be sold in 2013.

(c) In 2011, the Group signed an agreement for the sale of the PKS bus transportation business (carried in the balance sheet for a total of €7 million) and the Orbis Poznan Polonez business (carried in the balance sheet for €5 million). These assets were sold in 2012.
As of December 31, 2012, the Group had agreed to sell Orbis Transport’s remaining car rental business (carried in the balance sheet for €7 million) and the Zakopane Mercure hotel (carried in the balance sheet for €11 million) along with a €1 million plot of land.

(d) At December 31, 2011, the Group planned to sell 20 Formula 1 units in South Africa. The €34 million carrying amount of these hotels was reclassified under “Assets held for sale”. The hotels were sold on April, 1st, 2012 (see Note 2.A.3.3).

(e) At December 31, 2011, 12 hotels had been reclassified as assets held for sale, for an aggregate carrying amount of €83 million of which €73 million concerned the Pullman Paris Rive Gauche. Eleven hotels were sold in the first-half of 2012.
At December 31, 2012, 11 hotels had been reclassified as assets held for sale, for an aggregate carrying amount of €20 million of which €14 million concerned the Suite Novotel Paris Saint Denis and the Suite Novotel Paris Porte de Montreuil.

(f) At December 31, 2012, the Novotel Mississauga in Canada has been reclassified as assets held for sale, for a carrying amount of €12 million.

(g) At December 31, 2012, the Sebel Mandurah in Australia has been reclassified as assets held for sale, for a carrying amount of €11 million.

(h) In 2011, the Group planned to sell 53 Motel 6 units and one Novotel unit in the United States. In accordance with IFRS 5, the €113 million carrying amount of these hotels – of which €52 million concerned the Novotel New-York Times Square – was reclassified under “Assets held for sale” (see Note 2.A.3.2). The Novotel New-York Times Square was sold during the first half of 2012, while the 53 Motel 6 units were sold in the period between January 1, 2012 and the date of disposal of the US Economy Hotels business (October 1, 2012).

Note 33. Provisions

Movements in long-term provisions between December 31, 2011 and December 31, 2012 can be analyzed as follows:

In million of euros	Dec. 2011	Equity impact (1)	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope	Dec. 2012
- Provisions for pensions (*)	74	27	9	(6)	(1)	0	0	103
- Provisions for loyalty bonuses (*)	20	-	6	(3)	(1)	0	0	22
- Provisions for claims and litigation and others contingencies	7	-	0	-	-	-	(1)	6
TOTAL LONG-TERM PROVISIONS	**101**	**27**	**15**	**(9)**	**(2)**	**0**	**(1)**	**131**

(*) See Note 33.C

(1) The €27 million correspond to the impact on euro zone provisions of the adjustment to the IBOXX rate to 3% at December 31, 2012 from 4.60% at December 31, 2011. This impact was recognized in connection with the measurement of actuarial gains and losses on defined benefit pension obligations.

Movements in short-term provisions between December 31, 2011 and December 31, 2012 can be analyzed as follows:

In million of euros	Dec. 2011	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope	Dec. 2012
- Tax provisions	30	9	(0)	(1)	(0)	1	38
- Restructuring provisions	23	19	(19)	(2)	(0)	(0)	20
- Provisions for claims and litigation and others contingencies	141	20	(18)	(16)	(2)	2	127
TOTAL SHORT-TERM PROVISIONS	**194**	**48**	**(38)**	**(19)**	**(2)**	**3**	**185**

At December 31, 2012, ordinary provisions for claims and litigation and others include:

- €34 million in provisions for various claims;
- €12 million in provisions for various litigations;
- €10 million in provisions for performance bonds issued in connection with real estate transactions;
- €8 million in provisions for employee-related claims;
- Other provisions for unit amounts that are not material.

At December 31, 2011, ordinary provisions for claims and litigation and others include:

- €34 million provisions for various claims;
- €12 million in provisions for various litigations;
- €10 million in provisions for performance bonds issued in connection with real estate transactions;
- €9 million provision for employee-related claims;
- Other provisions for unit amounts that are not material.

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. 2011	Dec. 2012
EBIT	0	5
Finance cost, net	(0)	1
Provision for losses on hotel properties	3	(17)
Provision on other assets and restructuring provisions	2	(2)
Provision for tax	(9)	8
TOTAL	**(4)**	**(5)**

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 benefits).

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 and region.
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 once a 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 (51% of the obligation), in the Netherlands (23% of the obligation), and in Switzerland (7% of the obligation). The plan in the Netherlands is closed to new participants and is fully funded, with the result that no provision has been recognized in the balance sheet for this plan. Pension benefit obligations are determined by reference to employees' years of service and end-of-career salary. They are funded by payments to external organizations that are legally separate from Accor Group.

B. Actuarial assumptions

Actuarial valuations are based on a certain number of long-term parameters supplied by the Group, which are reviewed each year.

2011	France	Europe excluding France						Worldwide Structures	Other countries
		Netherlands	Germany	Belgium	Poland	Switzerland	Italy		
Rate of future salary increases	3,0%	2,0%	1,5%	3,0%	3,0%	1,5%	N/A	3%-4%	2%-10%
Discount rate	4,6%	4,6%	4,6%	4,6%	5,5%	2,2%	4,6%	4,6%	4% - 8,7%
Expected Rates of return on 2011 plan assets	N/A	4%- 4,5%	4,0%	4,5%	N/A	3,25%	N/A	4,5%	N/A
Expected Rates of return on 2012 plan assets	N/A	4%- 4,5%	4,0%	4,5%	N/A	3,25%	N/A	4,5%	N/A

2012	France	Europe excluding France						Worldwide Structures	Other countries
		Netherlands	Germany	Belgium	Poland	Switzerland	Italy		
Rate of future salary increases	3,0%	3,0%	1,5%	3,0%	3,0%	1,5%	2,0%	3%-4%	2%-10%
Discount rate	3,0%	3,0%	3,0%	3,0%	4,5%	1,8%	3,0%	3,0%	4% - 8,7%
Expected Rates of return on 2012 plan assets	N/A	4%- 4,5%	4,0%	4,5%	N/A	3,25%	N/A	4,5%	N/A
Expected Rates of return on 2013 plan assets	N/A	3,0%	3,0%	3,0%	N/A	1,80%	N/A	3,0%	N/A

The assumptions concerning the expected return on plan assets and the discount rate applied to calculate the present value of benefit obligations were determined based on the recommendations of independent experts. For subsidiaries located in the euro zone, the discount rate is determined based on the Iboxx euro zone index. For subsidiaries outside the euro zone, the discount rate is based on an analysis of investment grade corporate bond yields in each region. The calculation method is designed to obtain a discount rate that is appropriate in light of the timing of cash flows under the plan.

The Accor Group's pension obligations are funded under insured plans or by external funds. Plan assets therefore consist mainly of the classes of assets held in insurers' general portfolios managed according to conservative investment strategies. As a result, the expected long-term return on plan assets is estimated on the basis of the guaranteed yield offered by the insurance companies, ranging from 3.00% to 3.25% depending on the country, plus a spread of 100 to 125 basis points. This method takes into account the techniques used by insurance companies to smooth investment yields and ensures that yield assumptions are reasonable (i.e. below the rates of AA-rated corporate bonds). In line with IAS 19 (revised), the expected long-term return on plan assets will be matched to the discount rate as from 2013 (see Note 1).

In France, 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, 2012

In million of euros	Pensions	Other post-employment benefits (*)	Total
Present value of funded obligation	151	-	**151**
Fair value of plan assets	(101)	-	**(101)**
Excess of benefit obligation/(plan assets)	**50**	**-**	**50**
Present value of unfunded obligation	-	65	**65**
Unrecognized past service cost	-	9	**9**
Liability recognized in the balance sheet	**50**	**74**	**124**

(*) Including length-of-service awards and loyalty bonus

At December 31, 2011

In million of euros	Pensions	Other post-employment benefits (*)	Total
Present value of funded obligation	118	-	**118**
Fair value of plan assets	(88)	-	**(88)**
Excess of benefit obligation/(plan assets)	**30**	**-**	**30**
Present value of unfunded obligation	-	54	**54**
Unrecognized past service cost	-	10	**10**
Liability recognized in the balance sheet	**30**	**64**	**94**

(*) 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

In million of euros	Pensions Dec. 2012										Other benefits Dec. 2012	Dec. 2012	Dec. 2011
		Europe excluding France											
	France	Nether-lands	Germany	Belgium	Poland	Switzerland	Italy	Worldwide structures	Other	Total	Other benefits	Total Dec. 2012	Total Dec. 2011
Projected benefit obligation at the beginning of the period	**18**	**34**	**10**	**12**	**1**	**13**	**4**	**56**	**5**	**152**	**20**	**172**	**184**
Current service cost	1	0	0	1	0	1	-	4	**1**	**7**	**3**	**10**	**11**
Interest Cost	1	2	0	1	0	0	0	2	**0**	**6**	**1**	**7**	**8**
Employee contributions for the period	-	0	-	0	-	1	-	-	**-**	**1**	**-**	**1**	**1**
Past services costs not recognized	-	-	-	-	-	-	-	-	**-**	**-**	**-**	**-**	**(10)**
(Gains) losses on curtailments/settlements	(1)	-	-	-	(0)	-	-	(0)	**(0)**	**(1)**	**(1)**	**(2)**	**(8)**
Effect of changes in scope of consolidation	(0)	(0)	-	-	-	-	-	-	**-**	**(0)**	**0**	**(0)**	**(5)**
Benefits paid during the period	(1)	(1)	(1)	(0)	(0)	(1)	(1)	**(3)**	**(1)**	**(8)**	**(3)**	**(11)**	**(10)**
Actuarial (gains)/losses recognised during the period	8	10	2	3	(0)	0	1	**13**	**0**	**37**	**2**	**39**	**1**
Exchange differences	-	-	-	-	0	0	-	-	**0**	**0**	**(0)**	**0**	**(1)**
Transfers at beginning of period	-	-	-	-	0	-	-	-	**-**	**0**	**-**	**0**	**-**
Other	-	-	-	-	-	-	-	-	**(0)**	**(0)**	**-**	**(0)**	**(0)**
Reclassification of Onboard Train Services in "Assets held for sale"	-	-	-	-	-	-	(0)	-	**-**	**(0)**	**-**	**(0)**	**(0)**
Projected benefit obligation at the end of the period	**26**	**44**	**12**	**16**	**1**	**14**	**4**	**73**	**5**	**195**	**22**	**217**	**172**

In million of euros	France	Europe excluding France						Worldwide structures	Other	Total	Other benefits	Total Dec. 2012	Total Dec. 2011
		Nether-lands	Germany	Belgium	Poland	Switzerland	Italy						
Fair value of plan assets at the beginning of the period	**-**	**34**	**5**	**9**	**-**	**9**	**-**	**32**	**-**	**88**	**-**	**88**	**85**
Actual return on plan assets	-	12	0	2	-	(0)	-	0	-	**14**	**-**	**14**	**1**
Employers contributions for the period	-	0	0	1	-	1	-	0	-	**4**	**-**	**4**	**3**
Employee contributions for the period	-	0	-	0	-	1	-	-	-	**1**	**-**	**1**	**1**
Benefits paid during the period	-	(1)	(0)	(0)	-	(1)	-	(2)	-	**(6)**	**-**	**(6)**	**(5)**
Liquidation of plan	-	-	-	-	-	-	-	-	-	**-**	**-**	**-**	**-**
Effect of changes in scope of consolidation	-	-	-	-	-	-	-	-	-	**-**	**-**	**-**	**(0)**
Exchange differences	-	-	-	-	-	0	-	-	-	**0**	**-**	**0**	**0**
Transfers at beginning of period	-	-	-	-	-	-	-	-	-	**-**	**-**	**-**	**2**
Other	-	-	-	-	-	-	-	-	-	**-**	**-**	**-**	**-**
Fair value of plan assets at the end of the period	**-**	**45**	**5**	**12**	**-**	**10**	**-**	**30**	**-**	**101**	**-**	**101**	**88**

In million of euros	France	Europe excluding France						Worldwide structures	Other	Total	Other benefits	Total Dec. 2012	Total Dec. 2011
		Nether-lands	Germany	Belgium	Poland	Switzerland	Italy						
Unfunded obligation at the end of the period	**26**	**0**	**7**	**4**	**1**	**4**	**4**	**43**	**5**	**93**	**22**	**115**	**84**
Reclassification of Onboard Train Services in "Assets held for sale"	-	-	-	-	-	-	(0)	-	-	**(0)**	-	**(0)**	**(0)**
Past services cost not recognized	3	-	-	-	-	-	-	6	-	**9**	-	**9**	**10**
Provision at the end of the exercice	**29**	**0**	**7**	**4**	**1**	**4**	**4**	**49**	**5**	**103**	**22**	**124**	**94**

In million of euros	France	Europe excluding France						Worldwide structures	Other	Total	Other benefits	Total Dec. 2012	Total Dec. 2011
		Nether-lands	Germany	Belgium	Poland	Switzerland	Italy						
Current service cost	1	0	0	1	0	1	-	4	1	**7**	**2**	**10**	**11**
Interest cost	1	2	0	1	0	0	0	2	0	**6**	**1**	**7**	**8**
Expected return on plan assets	0	(2)	(0)	(0)	-	(0)	-	(1)	-	**(4)**	**-**	**(4)**	**(4)**
Past service cost recognized during the period	(0)	-	-	(0)	-	-	-	(0)	-	**(0)**	**-**	**(0)**	**-**
(Gains) losses on curtailments/settlements	(1)	-	-	-	(0)	-	-	(0)	(0)	**(1)**	**(1)**	**(3)**	**(9)**
Actuarial (gains)/losses recognised during the period for long-term employee benefits	-	-	-	-	-	-	-	-	-	**-**	**2**	**2**	**-**
Expense for the period	**1**	**0**	**1**	**1**	**0**	**1**	**0**	**4**	**0**	**8**	**5**	**13**	**7**

In million of euros	France	Europe excluding France						Worldwide structures	Other	Total	Other benefits	Total Dec. 2012	Total Dec. 2011
		Nether-lands	Germany	Belgium	Poland	Switzerland	Italy						
Actuarial (gains) losses recognized in equity	**8**	**(0)**	**2**	**1**	**(0)**	**1**	**1**	**14**	**0**	**27**	**-**	**27**	**3**

Reconciliation of provisions for pensions between January 1, 2011 and December 31, 2012

In million of euros	Amount
Provision at January 1, 2011	**99**
Charge for the year	7
Benefits paid	(8)
Actuarial gains and losses recognized in equity	3
Changes in scope of consolidation	(1)
Other	(2)
Sale of Lenôtre	(4)
Provision at December 31, 2011	**94**
Charge for the year	13
Benefits paid	(9)
Actuarial gains and losses recognized in equity	27
Changes in exchange rates	0
Other	0
Provision at December 31, 2012	**125**

Actuarial gains and losses related to changes in assumptions and experience adjustment

In million of euros	Dec. 2011	Dec. 2012
Actuarial debt		
Actuarial gains and losses related to experience adjustment	11	4
Actuarial gains and losses related to changes in assumptions	(8)	33
Fair value on assets		
Actuarial gains and losses related to experience adjustment	(2)	(10)

Detail of plan assets

Detail of plan assets	Netherlands	Germany	Belgium	Switzerland	Worldwide Structures
Shares	10%	15% - 25%	15% - 25%	23%	15% - 25%
Bonds	90%	75% - 80%	75% - 80%	44%	75% - 80%
Other	0%	0% - 5%	0% - 5%	33%	0% - 5%

Sensitivity analysis

At December 31, 2011, 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 €8.3 million reduction in the projected benefit obligation, a 0.5-point decrease in the discount rate would lead to a €9.1 million increase in the projected benefit obligation. The impact on the cost for the year would not be material.

At December 31, 2012, 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 €10 million reduction in the projected benefit obligation, a 0.5-point decrease in the discount rate would lead to a €11.2 million increase in the projected benefit obligation. The impact on the cost for the year would not be material.

Note 34. Reconciliation of Funds from Operations

In million of euros	Dec. 2011 (*)	Dec. 2012	Dec. 2011 published
Net Profit, Group share	248	80	29
Minority interests	23	15	23
Depreciation, amortization and provision expense	333	327	391
Share of profit of associates, net of dividends received	7	(17)	7
Deferred tax	(8)	13	100
Change in financial provisions and provisions for losses on asset disposals	102	140	194
Funds from operations from discontinued operations	25	(576)	(14)
FUNDS FROM OPERATIONS INCLUDING NON-RECURRING TRANSACTIONS	**730**	**(18)**	**730**
(Gains) losses on disposals of assets, net	(133)	(0)	(131)
(Gains) losses on non-recurring transactions (included restructuring costs and exceptional taxes)	98	137	124
Non-recurring items from discontinued activities	33	668	5
FUNDS FROM OPERATIONS EXCLUDING NON-RECURRING TRANSACTIONS	**728**	**786**	**728**

(*) In accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" in the reconciliation of Funds from operations for the year ended December 31, 2011, the income statement items of 2012 discontinued operations are reported on a separate line (see Note 17).

Note 35. Change in Working Capital

The change in working capital can be analyzed as follows:

In million of euros	Dec. 2011	Dec. 2012	Change
Inventories	41	47	6
Trade receivables	364	402	38
Other receivables and accruals	680	516	(164)
WORKING CAPITAL ITEMS - ASSETS	**1 085**	**965**	**(120)**
Trade payables	642	580	(62)
Other payables	1 333	1 142	(191)
WORKING CAPITAL ITEMS - LIABILITIES	**1 975**	**1 722**	**(253)**
WORKING CAPITAL	**890**	**757**	**(133)**

December 31, 2011 WORKING CAPITAL	**890**
Change in operating working capital	(158)
Change in operating working capital of discontinued operations	81
Working capital items included in development expenditure	(1)
Working capital items included in asset disposals and assets reclassified as held for sale	(66)
Translation adjustment	(1)
Reclassifications	12
NET CHANGE IN WORKING CAPITAL	**(133)**
December 31, 2012 WORKING CAPITAL	**757**

Note 36. Renovation and Maintenance Expenditure

The amounts reported under "Renovation and maintenance expenditure" correspond to capitalized costs for maintaining or improving the quality of assets held by the Group at the beginning of each period (January 1) as a condition of their continuing operation. This caption does not include development expenditure corresponding to the property, plant and equipment and working capital of newly consolidated companies and the purchase or construction of new assets.

Renovation and maintenance expenditure breaks down as follows:

In million of euros	2011 (*)	2012		2011 published
HOTELS	**261**	**287**		**296**
- Upscale and Midscale Hotels	148	161		148
- Economy	113	126		113
- Economy US	-	-		35
OTHER BUSINESSES	**7**	**12**		**7**
RENOVATION AND MAINTENANCE EXPENDITURE	**268**	**299**		**303**

(*) In line with IFRS 5, renovation and maintenance expenditure of the US Economy Hotels and Onboard train services businesses is not presented in this table.

Expenditure on existing assets includes €39 million related to the ibis megabrand project to overhaul the entire Economy brand line-up under the umbrella of the ibis brand (see Note 2.B.7).

Note 37. Development Expenditure

Development expenditure corresponds to the property, plant and equipment, and working capital of newly consolidated companies (in accordance with IAS 7 "Statement of cash flows") 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 discontinued operations

In million of euros		France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other countries	Worldwide Structures (**)	2012 (*)	2011 (*)
HOTELS		**47**	**278**	**206**	**69**	**37**	**2**	**639**	**275**
Upscale and Midscale Hotels	(1)	44	188	187	61	29	2	**511**	**205**
Economy Hotels	(2)	3	90	19	8	8	-	**128**	**70**
OTHER BUSINESSES		**0**	**5**	**21**	**-**	**1**	**10**	**37**	**16**
Total 2012 (*)		**47**	**283**	**227**	**69**	**38**	**12**	**676**	
Total 2011 (*)		**54**	**70**	**35**	**97**	**35**	**-**		**291**

(*) In accordance with IFRS 5, development expenditure for the US Economy Hotels and Onboard Train Services businesses is not presented in this note.
(**) "Worldwide Structures" corresponds to development expenditure that is not specific to a single geographic region.

(1) Including:
   a. €217 million related to the acquisition of Grupo Posadas' hotel network in South America (see Note 2.B.6) of which €10 million classified in "Other Businesses".
   b. €193 million related to the Mirvac acquisition (see Note 2.B.5) of which €21 million classified in "Other Businesses".
   c. €21 million deposit related to the Sofitel Los Angeles (see Note 23).

(2) Including:
   a. €25 million paid on the exercise of call options on four ibis hotel units in Poland
   b. €11 million contribution to rights issues by associates in India
   c. Other amounts of less than €10 million each.

Note 38. Segment Information

A. Chief operating decision maker

Accor's chief operating decision maker is Executive management, assisted by the Executive Committee. Executive management assesses the results and performance of each operating segment and makes resource allocation decisions.

B. Operating segments

In line with its strategy of refocusing on the hotel business, in 2010 and 2011 Accor withdrew from the following operating segments:

- Prepaid services, which has been managed independently by Edenred since July 2, 2010.
- Casinos. This business segment was organized around casino management company Groupe Lucien Barrière. Accor sold its 49% interest in Groupe Lucien Barrière in the first quarter of 2011 (see Note 2.A.2.1).
- Onboard train services. This business, specialized in onboard food and hotel services, was sold on July 7, 2010 to a joint venture owned 60% by Newrest and 40% by Accor. The 40% interest held by Accor was subsequently sold to Newrest (see Note 2.A.2.2).
- Food services, consisting mainly of Lenôtre. Accor sold Lenôtre in September 2011 (see Note 2.A.2.3).

In light of these developments, the Group initially reanalyzed its operating segments in the second half of 2011 based on IFRS 8 – Operating Segments. Then, in the second half of 2012 following the sale of the US Economy Hotels business, a second analysis was carried out to define the presentation of operating segments on a more representative basis.

1) Hotels

Considering the way in which:

a. The internal reporting system is organized (by country in Europe, by region in the rest of the world, i.e. Asia-Pacific, Latin America & Caribbean, North America, and Africa Middle East)
b. The chief operating decision-maker analyzes the Group's performance and results (by country in Europe, by region in the rest of the world, i.e. Asia-Pacific, Latin America & Caribbean, North America, and Africa Middle East)
c. The Group is organized and managed (by country in Europe, by region in the rest of the world, i.e. Asia-Pacific, Latin America & Caribbean, North America, and Africa Middle East)

based on the principles set out in IFRS 8, the Group's operating segments consist of geographical areas that can be broadly defined as:

- Countries in Europe, and
- Regions in the rest of the world.

Under IFRS 8, two or more operating segments may be aggregated into a single operating segment if they exhibit similar economic characteristics and are similar in respect of the nature of their products and services and the type or class of customer they have for their products and services, but also in respect of the methods used to distribute their products or provide their services. Therefore, following an analysis of each of its operating segments, the Group has aggregated all of the European countries except for France in the "Rest of Europe" segment. France, where the entity's headquarters are located, is treated as a separate segment.

The other operating segments correspond to the following regions:

- Asia-Pacific, corresponding to the Asia Oceania region
- Latin America & Caribbean, corresponding to the Latin America & Caribbean region
- Other Countries, corresponding to the North America region and the Africa Middle East region

To improve the quality of its disclosures, the Group has decided to continue publishing segment information for the following three hotel sub-segments:

- Upscale and Midscale hotels, comprising the Sofitel, Pullman, Novotel, Mercure, Adagio and Suite Novotel brands.
- Economy hotels, comprising the Formule 1, HotelF1, ibis *budget*, ibis Styles, Adagio Access and ibis brands.

- Economy hotels in the United States, comprising the Motel 6 and Studio 6 brands. As of December 31, 2012, the business was being sold and was therefore no longer included in the Group's segment reporting (see Note 2.A.1).

2) Other businesses

Other businesses, which are not material compared with the hotel business, include the Group's corporate departments, the food services business sold in 2011 and the casinos business. These are presented as part of the "Other" segment.

C. Segment information

For each of the segments presented, management monitors the following indicators:

- Revenue
- EBITDAR
- Rents
- EBIT

No balance sheet information by segment is reported to the chief operating decision maker.

The above indicators are presented by operating segment in the following notes:

- Note 3 for revenue.
- Note 5 for EBITDAR.
- Note 6 for rents.
- Note 9 for EBIT.

Note that the Group's revenue is derived from a very large number of transactions, of which less than 10% involve a single external customer.

For information, revenue in Germany amounted to €840 million in 2012 and to €821 million in 2011.

Total assets break down as follows:

At December 31, 2012 In million of euros	**Hotels**	**Other Businesses**	**Total consolidated**
Goodwill	840	-	840
Intangible assets	261	3	264
Property, plant and equipment	2 527	65	2 592
Non-current financial assets	*592*	*40*	*632*
Deferred tax assets	130	21	151
Total non-current assets	*4 350*	*129*	*4 479*
Total current assets	*1 337*	*1 588*	*2 925*
Assets held for sale	117	39	156
TOTAL ASSETS	**5 804**	**1 756**	**7 560**
Shareholders' Equity & Minority Interests	4 698	(1 709)	2 989
Total non-current liabilities	*403*	*1 396*	*1 799*
Total current liabilities	*696*	*2 040*	*2 736*
Liabilities related to assets classified as held for sale	7	29	36
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**5 804**	**1 756**	**7 560**

At December 31, 2011 In € millions	**Hotels**	**Other Businesses**	**Total consolidated**
TOTAL ASSETS	**6 731**	**1 269**	**8 000**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**6 731**	**1 269**	**8 000**

At December 31, 2012 In million of euros	Up and Midscale	Economy Hotels	Total Hotels
Goodwill	795	45	840
Intangible assets	207	54	261
Property, plant and equipment	1 420	1 107	2 527
Non-current financial assets	542	50	592
Deferred tax assets	118	12	130
Total non-current assets	*3 082*	*1 268*	*4 350*
Total current assets	*1 011*	*326*	*1 337*
Assets held for sale	88	29	117
TOTAL ASSETS	**4 181**	**1 623**	**5 804**
Shareholders' Equity & Minority Interests	3 798	900	4 698
Total non-current liabilities	*284*	*119*	*403*
Total current liabilities	*99*	*597*	*696*
Liabilities related to assets classified as held for sale	0	7	7
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4 181**	**1 623**	**5 804**

At December 31, 2012 In million of euros	Up and Midscale	Economy Hotels	Total Hotels
TOTAL ASSETS	**4 019**	**1 620**	**6 731**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4 019**	**1 620**	**6 731**

At December 31, 2012 In million of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Worldwide Structures	Other countries	Total
Goodwill	188	207	258	160	-	27	840
Intangible assets	10	113	81	21	37	2	264
Property, plant and equipment	691	1 232	266	191	38	174	2 592
Non-current financial assets	61	56	328	81	25	81	632
Total non-current assets excluding deferred tax assets	*950*	*1 608*	*933*	*453*	*100*	*284*	*4 328*
Deferred tax assets	33	57	12	22	26	1	151
Other assets	*479*	*458*	*267*	*108*	*1 617*	*152*	*3 081*
TOTAL ASSETS	**1 462**	**2 123**	**1 212**	**583**	**1 743**	**437**	**7 560**

At December 31, 2011 In million of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Worldwide Structures	Other countries	Total
Goodwill	223	217	238	-	-	34	712
Intangible assets	8	107	55	4	31	168	373
Property, plant and equipment	744	1 182	241	174	36	880	3 257
Non-current financial assets	53	60	274	94	11	57	549
Total non-current assets excluding deferred tax assets	*1 028*	*1 566*	*808*	*272*	*78*	*1 139*	*4 891*
Other assets	*593*	*541*	*324*	*98*	*1 159*	*394*	*3 109*
TOTAL ASSETS	**1 621**	**2 106**	**1 132**	**370**	**1 237**	**1 534**	**8 000**

For information, total non-current assets (excluding deferred tax assets) in Germany amounted to €331 million at December 31, 2012 and to €325 million at December 31, 2011.

In 2011, the "Other countries" region includes €1,092 million related to the US Economy Hotels business sold in 2012 (see Note 2.A.3).

Note 39. Claims and litigation

CIWLT tax audit

A tax audit was carried out on the permanent branch in France of Compagnie Internationale des Wagons Lits et du Tourisme (CIWLT), a Belgian company that is 99.78%-owned by Accor SA. Following the audit for the years 1998 to 2002 and 2003, 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. The resulting reassessments, for a total of €263 million including late interest, had been contested by CIWLT, on the basis of the notice received from the Belgian tax authorities confirming that its seat of management was in Belgium.

CIWLT subsequently asked the Cergy Pontoise Administrative Court to rule on the contested reassessments. On December 12, 2008 and May 12, 2011, the court found against CIWLT concerning the reassessments for the years 1998 to 2002 and the year 2003. For the years 1998 to 2002 and 2003, CIWLT decided to appeal this ruling before the Versailles Administrative Court of Appeal on February 10, 2009 and on July 11, 2011.

Under French law, collection of the tax deficiencies is not suspended while the appeal is being heard.

For the years 1998 to 2002, €242.5 million was paid at the end of February 2009. The tax deficiencies and penalties for 2003, in an amount of €17.5 million, were paid in July 2011, while the estimated €2.7 million in late interest was paid in August 2011. They were recognized as an asset in the balance sheet (see Note 24.2).

For the years 1998 to 2002, on February 1, 2011, the reporting judge read out his conclusions and stated that he did not support CIWLT's case.

In a ruling handed down on March 15, 2011, the Versailles Administrative Court of Appeal found against CIWLT for the period 1998 to 2002. To appeal the ruling, CIWLT filed a summary motion to institute proceedings with the French Supreme Court of Appeal (Conseil d'Etat) on May 12, 2011, followed by a supplementary brief on August 10, 2011. As regards 2003, the appeal has not yet been heard by the Versailles Administrative Court of Appeal.

In light of these unfavorable developments, the tax receivable recognized as an asset in the balance sheet at December 31, 2010 was written down by €242.5 million in 2010 (see Note 24.2) and an additional provision of approximately €20.6 million was set aside, corresponding to the tax deficiency for 2003 and estimated late interest up to December 31, 2010. Following payment of the tax deficiency in July and August 2011, a tax receivable was recognized as an asset in the balance sheet in an amount of €20.2 million. The asset was immediately written down in full by transferring the same amount from the existing €20.6 million provision, of which the remainder, i.e. €0.4 million, was reversed.

Based on the reporting judge's conclusions, on December 28, 2012 the Supreme Court of Appeal issued a ruling rejecting CIWLT's application to appeal the Versailles Court's ruling.

This decision meant that the €242.5 million tax reassessment became final. However, this had no impact on CIWLT's income statement because the tax receivable was already written down in full. In CIWLT's 2012 financial statements, the €242.5 million tax receivable has been written off and the corresponding provision has been reversed (see Note 24.2). These accounting entries had no adverse effect on the company's cash position, as the tax had been paid in February 2009.

The appeal concerning 2003 is still pending before the Versailles Administrative Court of Appeal. There were no developments in this matter in 2012.

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 had not yet exhausted all avenues of appeal, a liability was recognized for the amounts received (see Note 24.3) and the financial impact of the rulings by the Versailles Administrative Court and Court of Appeal was not recognized in the financial statements.

On July 3, 2009, the French Supreme Court of Appeal announced that it would postpone ruling on the French State's appeal and on August 4, 2009, it applied to the Court of Justice of the European Communities (ECJ) for a preliminary ruling on this issue.

After reviewing the matter, the ECJ's final ruling was handed down on September 15, 2011. In this ruling, the ECJ held that the French précompte/tax credit system restricts the freedom of establishment and free movement of capital.

During 2011 and 2012, Accor and the tax authorities submitted various briefs to the Supreme Court of Appeal and Accor produced documentary evidence of the EU source dividends and of the tax paid by its European subsidiaries on the distributed amount.

On November 21, 2012, the Supreme Court of Appeal met to review the reporting judge's conclusions. In summary, the reporting judge considered that the dividend tax credit and précompte withholding tax systems had been shown to be incompatible.

However, he also considered that the amount to be refunded was subject to strict rules which, to all intents and purposes, restricted Accor's right to a refund.

On December 10, 2012, the Supreme Court of Appeal handed down a ruling closely aligned with the reporting judge's conclusions, according to which Accor was entitled to €6.3 million of the €156 million already refunded. In addition to the €149.7 million to be returned to the French State, Accor is also required to repay the late interest received in 2007, amounting to approximately €36.4 million, less the portion related to the retained refund of €6.3 million. The repayment will be calculated by the tax authorities during the first half of 2013; it is estimated at around €1.4 million. The €149.7 million and related late interest will be repaid to the French State during the first half of 2013.

In the 2012 financial statements, the €6.3 million précompte refunded to Accor and not repayable to the French State has been credited to a reserve account (see Changes in Consolidated Shareholders' Equity). The estimated €1.4 million in late interest received on this amount has been considered as offsetting the early payment of tax, and has therefore been recorded as a tax benefit in the income statement. The total amount repayable to the French State, representing approximately €184.7 million, will lead to an increase in net debt of the same amount.

Accor has noted the Supreme Court of Appeal's decision and is examining the avenues of appeal open to it before the European courts.

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. There were no developments concerning this matter in 2012. Since the beginning of 2013, Accor has been informed that the Administrative Court will complete its examination by May 13 and will hear the case on June 12.

Tax dispute in Italy

In October 2011, the Italian tax authorities notified several Accor and Edenred subsidiaries of a €27.4 million tax reassessment concerning registration duties. The reassessment is based on the requalification as the sale of a business subject to registration duty of a number of transactions carried out as part of the reorganization of Accor's Services division in Italy between 2006 and 2010.

The Accor and Edenred companies concerned wrote to the Italian authorities on December 16, 2011 contesting the reassessments.

The reassessment notices required settlement of the tax deficiencies within 60 days and the companies concerned therefore paid the amounts claimed on December 16, 2011. The cost was shared equally between Accor and Edenred pursuant to an agreement assigning the risk and any resulting costs to the two parties on a 50/50 basis.

The companies believe that the tax reassessment is without merit and, after consulting with their legal and tax advisors, consider that their challenges have a reasonable chance of success. No related impact was recorded in Accor's 2011 consolidated income statements. There were no developments concerning this matter in 2012.

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 at Group level and have not and will not have a material adverse effect on the Group's financial position, business and/or results of operations.

Note 40. Off-Balance Sheet Commitments at December 31, 2012

Note 40.1 Off-balance sheet commitments given

Off-balance sheet commitments (not discounted) given at December 31, 2012 break down as follows:

In million of euros		Less than 1 year	1 to 5 years	Beyond 5 years	31 Dec. 2012 (*)	31 Dec. 2011 (*)
Security interests given on assets	(1)	**5**	**56**	**75**	**136**	**151**
Purchase commitments	(2)	**15**	**69**	**-**	**84**	**31**
. Renovation commitment Netherlands	(3)	9	16	-	25	16
. Renovation commitment Germany	(4)	12	3	-	15	8
. Renovation commitment Switzerland	(5)	7	7	-	14	1
. Renovation commitment Poland	(6)	7	-	-	7	17
. Other renovation commitments	(7)	7	22	11	40	62
Capex Commitments		**42**	**48**	**11**	**101**	**103**
Loan guarantees given		**2**	**16**	**7**	**25**	**34**
Commitments given in the normal course of business		10	30	22	**62**	**78**
Contingent liabilities		3	4	-	**7**	**8**
Total December 31, 2012 (*)		**77**	**223**	**115**	**415**	
Total December 31, 2011 (*)		**121**	**139**	**145**		**405**

(*) In line with IFRS 5, off-balance sheet commitments given by the US Economy Hotels and Onboard Train Services businesses are not presented in this note. Off-balance sheet commitments given by the Onboard Train Services business amounted to €1 million at December 31, 2012 and to €6 million at December 31, 2011.

(1) Security interests given on assets correspond to pledges and mortgages valued at the net book value of the underlying assets.

a. Repayment guarantees for mortgage loans from Crédit Populaire d'Algérie. The mortgages amount to €34 million and concern land, buildings and fixtures for the ibis Bab Ezzouar, ibis Oran, ibis Tlemcen and ibis/Novotel Constantine projects.
b. The Sofitel Bel Ombre hotel assets (€18 million at December 31, 2012) were given as collateral for a loan used to finance 50% of the hotel's construction cost.

(2) In connection with property development projects,

a. Accor is committed to carrying out €47 million worth of renovation work on the Pullman Paris Tour Eiffel in its capacity as developer. As of December 31, 2012, the remaining work amounted to €41 million (see Note 2.A.3.2).
b. Commitment to purchase a plot of land for €26 millions in London's Canary Wharf for the construction of a Novotel.
c. Accor is committed to carrying out €25 million worth of renovation work on the Sofitel Arc de Triomphe in its capacity as developer. As of December 31, 2012, the remaining work amounted to €10 million (see Note 2.A.3.2).

(3) In the Netherlands, Accor was committed to financing renovation of the Novotel Den Haag Forum for €2 million and renovation of the Pullman Eindhoven Cocagne for €16 million. As of December 31, 2012, the work had been completed and the hotels had opened.
Also, Accor was committed to financing construction of the Suite Novotel Den Haag for €13 million, construction of the ibis Rotterdam Center for €10 million, construction of the ibis budget Zaandam for €4 million and renovation works of the MGallery Covent for €3 million.

Commitments for work in progress in the Netherlands as of December 31, 2012 amounted to €25 million of which €10 million for the Suite Novotel Den Haag and €8 million for the ibis Rotterdam Center.

(4) In connection with development plans in Germany, commitments to carry out work mainly concerned renovation of the ibis and ibis *budget* hotels in Berlin Wittenbergplatz (€11 million) and the MGallery Köln Mondial (€2 million) that began in 2012.

(5) In connection with development plans in Switzerland, commitments to carry out work concerned construction of the ibis *budget* Glattbrugg (€14 million) that began in late 2012.

(6) In connection with development plans in Poland, Accor agreed to finance construction of the Novotel Lodz for €9 million. The outstanding commitment concerning Novotel Lodz at December 31, 2012 amounted to €5 million.

(7) Other commitments mainly include €29 million in committed capital expenditure on Australian hotels.

Most sale and leaseback contracts include a commitment by the Group to spend a specified amount on hotel maintenance, generally expressed as a percentage of revenue. These commitments are not included in the above table due to the difficulty of estimating the amounts involved.

To the best of the Group's knowledge and in accordance with generally accepted accounting principles, no commitments given have been omitted from the above list.

Note 40.2 Off-balance sheet commitments received

Off-balance sheet commitments (not discounted) received at December 31, 2012 break down as follows:

In million of euros		Less than 1 year	1 to 5 years	Beyond 5 years	31 Dec. 2012 (*)	31 Dec. 2011 (*)
Irrevocable commitments received for the purchase of intangible assets and property, plant and equipment	(1)	6	41	-	**47**	**11**
Irrevocable commitments received for the purchase of financial assets	(2)	2	-	18	**20**	**8**
Purchase commitments received		**8**	**41**	**18**	**67**	**19**
Sellers' warranties received		0	1	-	**1**	**1**
Other guarantees received in the normal course of business	(3) + (4) + (5) + (6)	24	19	0	**43**	**87**
Other commitments and guarantees received		**24**	**20**	**0**	**44**	**87**
Total December 31, 2012 (*)		**32**	**61**	**18**	**111**	
Total December 31, 2011 (*)		**54**	**44**	**8**		**106**

(*) In line with IFRS 5, off-balance sheet commitments received by the Onboard Train Services and the US Economy Hotels businesses are not presented in this note. Off-balance sheet commitments received by the Onboard Train Services business amounted to €1 million as of December 31, 2011, and to €1 million as of December 31, 2012.

(1) In connection with irrevocable commitments received for the purchase of intangible assets and property, plant and equipment :

a. In connection with the Pullman Paris Tour Eiffel sale-and-management back transaction (see Note 2.A.3.2), Accor is committed to carrying out renovation work on the hotel in its capacity as developer. The investor is committed to paying €47 million for these renovations. As of December 31, 2012, the remaining amount due by the investor stood at €41 million.

b. In connection with the Sofitel Arc de Triomphe sale-and-management back transaction (see Note 2.A.3.2), Accor is committed to carrying out renovation work on the hotel in its capacity as developer. The investor is committed to paying €25 million for these renovations. As of December 31, 2012, the remaining amount due by the investor stood at €6 million.

(2) Under the sale-and-management-back transaction concerning the Sofitel The Grand in Amsterdam with Société Hôtelière Paris Les Halles (SHPH), Accor has an option to sell its 40% interest in this hotel to SHPH for €15 million in the event that SHPH decides not to renew the 25-year management agreement.

(3) In connection with two properties transactions between Accor and Foncière des Murs in 2005 and 2006 (see Note 2.A.3.1), Foncière des Murs, in an addendum signed in 2010, agreed to finance an additional €39 million work program over the period to end-2014. At the end of December 2011, a new addendum has been signed, raising the total work program to €49 million. As of December 31, 2012, the remaining work amounted to €21 million.

(4) In connection with the sale-and-variable leaseback transactions in France, Belgium and Germany in 2010-2011 (see Note 2.A.3.1), Predica and Foncière des Murs agreed to finance €31 million worth of renovation work in the period to end-2012. As of December 31, 2012, the remaining work amounted to €3 million.

(5) In connection with the early-2011 takeover of the Pullman Paris Montparnasse (ex Méridien Montparnasse), Accor and the lessor (Lehwood Montparnasse) agreed to jointly finance a program of renovation work. Lehwood Montparnasse's commitment amounted to €18 million. As of December 31, 2012, the remaining work to be financed by Lehwood Montparnasse amounted to €2 million, payable in 2013.

(6) At December 31, 2012, there were no other outstanding commitments to finance work programs representing individually more than €2 million.

Purchase options under finance leases are not included in this table.

Note 41. Main Consolidated Companies at December 31, 2012

The main subsidiaries and associates represent 96% of consolidated revenue, 96% of EBITDAR and 90% of EBIT. The many other subsidiaries and associates represent individually less than 0.12% of consolidated revenue, EBITDAR and EBIT.

ACCOR SA

IG : fully consolidated
IP : consolidated using the proportional method
MEE : accounted for by the equity method
The percentages correspond to the Group's percentage interest

Company	Country	Method	Interest
France			
Académie France	France	IG	100,00%
Accor Afrique	France	IG	100,00%
Adagio	France	IP	50,00%
All Seasons Hôtels	France	IG	100,00%
Devimco	France	IG	100,00%
Ecotel	France	IG	99,45%
Etap Hôtels	France	IG	96,00%
Exhotel	France	IG	100,00%
Hotexco	France	IG	100,00%
Mer & Montagne	France	IG	100,00%
Paris Berthier	France	IG	100,00%
Paris Porte de Saint-Cloud	France	IG	100,00%
Porticcio	France	IG	100,00%
Pradotel	France	IG	100,00%
Profid	France	IG	100,00%
SHNM	France	IG	100,00%
SIGEST	France	IG	100,00%
SNC Exploitation Hôtels Suitehotels	France	IG	100,00%
SNC NMP France	France	IG	100,00%
So Luxury HMC SARL	France	IG	100,00%
Société Commerciale des Hôtels Economiques	France	IG	99,96%
Société de Management Intermarques	France	IG	100,00%
Société d'Etude et de Promotion Hôtelière Internationale	France	IG	100,00%
Société d'exploitation Hôtel Monegasque	France	IG	100,00%
Société Hôtelière 61 quai de Grenelle	France	IG	100,00%
Société Hôtelière Danton Michelet	France	IG	100,00%
Société Hôtelière Défense Grande Arche	France	IG	100,00%
Société Hôtelière d'Exploitation Marseille	France	IG	100,00%
Société Hôtelière Paris Eiffel Suffren	France	IG	75,00%
Société Hôtelière Paris Les Halles	France	MEE	31,19%
Société Hôtelière Toulouse	France	IG	51,44%
Société Parisienne des Hôtels Economiques	France	IG	100,00%
Société Porte de Montreuil	France	IG	99,96%
Sofitel Luxury Hôtels France	France	IG	100,00%
SOGECA	France	IG	100,00%
Thalamer	France	IG	99,93%
WBA	France	IG	100,00%
Rest of Europe (excluding France)			
Accor Hospitality Germany GMBH	Germany	IG	100,00%
Accor Hotelbetriebs GMBH	Austria	IG	100,00%
Pannonia Hotelbetriebs	Austria	IG	99,94%
Accor Hotels Belgium	Belgium	IG	100,00%
Accor Hoteles Espana	Spain	IG	100,00%
Pannonia Hotels ZRT	Hungary	IG	99,94%
Accor Hospitality Italia	Italy	IG	100,00%
Accor Hospitality Nederland	The Netherlands	IG	100,00%
The Grand Real Estate	The Netherlands	MEE	58,71%
Hekon-Hotele Ekonomiczne	Poland	IG	52,69%
Orbis	Poland	IG	52,69%
Portis	Portugal	IG	100,00%
Upsite Investimentos Hoteleiros	Portugal	IG	100,00%
Katerinska Hotels	Czech Republic	IG	100,00%
Accor Hotels Romania	Romania	IG	100,00%
Accor UK Business & Leisure	United Kingdom	IG	100,00%
Accor UK Economy Hotels	United Kingdom	IG	100,00%
Saint James Hotel	United Kingdom	MEE	30,00%
Accor Gestion Hôteliere & Services	Switzerland	IG	100,00%
Berne Messe	Switzerland	IG	60,00%
Société d'exploitation Hôtelière	Switzerland	IG	99,78%
Asia Pacific			
Accor Asia Pacific Corp	Asia/Australia	IG	100,00%
Accor Australia and New Zealand Hospitality	Australia/New Zealand	IG	100,00%
AAPC India Hotel Management Private	India	IG	70,00%
Safari club	French Polynesia	IG	100,00%
Latin America/Caribbean			
Accor Hospitality Arg	Argentina	IG	100,00%
Posadas Do Brasil	Brazil	IG	100,00%
Hotelaria Accor Brasil	Brazil	IG	100,00%
Accor Chile	Chile	IG	100,00%
Sociedad de desarollo de hoteles peruanos (SDHP)	Peru	IG	100,00%
Other Countries			
Société immobilière d'exploitation algérienne	Algeria	IP	50,00%
Saudi Franch Company Hotel MGT	Saudi Arabia	IG	99,98%
Accor Canada	Canada	IG	100,00%
Société Abidjannaise Hoteliere	Ivory Coast	IG	99,99%
Société Hoteliere La Lagune	Ivory Coast	IG	100,00%
Accor Hotel SAE	Egypt	IG	99,77%
Accor Gestion Maroc	Marocco	IG	77,94%
RISMA	Marocco	MEE	33,21%
Si Hotelera De Mexico	Mexico	IG	100,00%
Hotel Union Pullman	Senegal	IG	100,00%
Société Hoteliere Barachois	Senegal	IG	90,58%
Société Togolaise d'investissement et d'exploitation hoteliere	Togo	IG	100,00%
Accor Business And Leisure North America	USA	IG	100,00%

Company	Country	Method	Interest
OTHER SERVICES			
Société d'Exploitation des Résidences Hôtelières Rail	France	IP	50,00%
Compagnie Internationale des Wagons Lits & du Tourisme (*) - Belgium			
Treno	Italy	Asset held for sale	99,78%

(*) These entities are not held directly by Accor SA, except for Compagnie Internationale des Wagons Lits & du Tourisme

Note 42. Additional Information about Jointly-controlled Entities

In million of euros	Current assets	Non-current assets	Current liabilities	Non-current liabilities (excluding shareholders' equity and minority interests)	Revenue for the Group	Costs for the Group
Reef Casinos	7	31	(10)	48	22	(19)
Adagio	20	11	30	1	22	(20)
Société d'Exploitation des Résidences Hôtelières Rail	11	-	7	4	41	(37)
Société Immobilière d'Exploitation Hôtelière Algérienne	6	18	5	19	10	(10)
Ibis Colombie	1	5	1	5	2	(3)

The above figures correspond to Group share.

Accor has not incurred any material contingent liabilities or entered into any binding capital commitments in relation to these investments.

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.
- Companies that exercises significant influence over Accor.
- Fully or proportionately consolidated companies by a company that exercise significant influence over Accor.

✓ **Fully and proportionately consolidated companies and all associated companies accounted for by the equity method.**

Relationships between the parent company and its subsidiaries, joint ventures and associates are presented in Note 41. Transactions between the parent company and its subsidiaries – which constitute related party transactions – are eliminated in consolidation and are therefore not disclosed in these notes. Transactions between the parent company and its joint ventures and associates were not material in 2012.

✓ **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 and are not material.

✓ **Companies that exercises significant influence over Accor**

Eurazeo and Colony Capital exercise significant influence over Accor. Transactions between the parent company and Eurazeo and Colony Capital were not material in 2011 and 2012.

Note 44. Corporate Officers' Compensation

In million of euros	2011		2012	
	Expenses	Balance sheet amount	Expenses	Balance sheet amount
Short-term benefits received	10	6	7	4
Post-employment benefits	2	4	3	7
Other long-term benefits	-	-	-	-
Compensation for loss of office	3	0	-	-
Share-based payments	2	-	3	-
Rémunération globale	**17**	**10**	**13**	**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 eight members at December 31, 2012.

Members of the Board of Directors do not receive any compensation and receive only fees. Directors' fees paid in 2012 by the Group to the members of the Supervisory Board for year 2011 amounted to €512 800.

Note 45. Fees Paid to the Auditors

The table below shows the total fees billed by the Auditors recognized in the income statements in 2012 and prior year.

In million of euros	2011 (*)	2012 (*)
Statutory and contractual audit fees	(9)	(8)
Fees for audit-related services	(0)	(2)
Total fees billed by the Auditors	**(9)**	**(10)**

(*) The fees paid by companies reclassified as discontinued operations according to IFRS 5 are included in this chart. In accordance with IFRS 5, the fees billed by the Auditors of Motel 6 and the Onboard Train Services business have been reclassified as "Net loss from discontinued operations" for an amount of €1 million (see Note 17).

Note 46. Subsequent Events

Sale of the Sofitel Paris Le Faubourg under a Sale & Management-Back agreement

As part of its asset management strategy, Accor announces the sale of the Sofitel Paris Le Faubourg in Paris, under a sale and management-back agreement, for a total value of €113 million (€769,000 per room), including a €13 million renovation program.
This 147 rooms & suites flagship hotel will continue to be operated by Accor under a long-term management agreement. The buyer is Mount Kellett Capital Management LP, a global investment management firm.