ACCOR

becoming the global benchmark in hospitality

2012

REGISTRATION DOCUMENT

and Annual Financial Report

Information disclosed in the Annual Financial Report is indicated in the contents by the AFR pictogram.

Registration Document
and Annual Financial Report
2012

AUTORITÉ
DES MARCHÉS FINANCIERS

AMF

The original French version of this translated Registration Document was filed with the Autorité des Marchés Financiers on March 28, 2013 in accordance with article 212-13 of the General Regulations of the Autorité des Marchés Financiers. It may be used in connection with a financial transaction in conjunction with an Information Memorandum approved by the Autorités des Marchés Financiers. This document was prepared by the issuer and is binding on its signatories.

1

Corporate Presentation

1.1. CORPORATE PROFILE

Accor, the world's leading hotel operator and market leader in Europe, is present in 92 countries with more than 3,500 hotels and 450,000 rooms. Accor's broad portfolio of hotel brands – Sofitel, Pullman, MGallery, Grand Mercure, Novotel, Suite Novotel, Mercure, Adagio, ibis, ibis Styles, ibis *budget* and hotelF1 – provides an extensive offer from luxury to economy. With more than 160,000 employees in Accor brand hotels worldwide, the Group offers its clients and partners 45 years of know-how and expertise.

1.2. CORE BUSINESSES

1.2.1. HOTELS

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

A portfolio structured to meet demand, from luxury to economy

Luxury and upscale

SOFITEL
LUXURY HOTELS

Sofitel and its Ambassadors bring French elegance to the world through a collection of prestigious hotels, offering their guests and partners personalized service that combines an emotional experience, outstanding performance and excellence. The **Sofitel Luxury Hotels** brand has now been enhanced with two new labels that share its DNA:

- **Sofitel Legend** offers a collection of legendary hotels, often in centuries-old heritage buildings, beautifully set off by stunning renovations.
- **Sofitel So** is the new boutique hotel label epitomized by ultra-contemporary styling in trendy destinations. Sofitel So's chic, modern design skillfully blends Sofitel's famous "art de vivre" and the signature of an internationally renowned designer from the world of art or fashion.

Network: 121 hotels, 30,941 rooms in 40 countries.

Guests: 52% business – 48% leisure.

pullman

In style and cosmopolitan, Pullman is world-renowned as Accor's international upscale brand. Located in the heart of the most sought-after city and tourist destinations, its hotels and resorts cater to an international clientele from around the world, traveling for business or pleasure.

They promise an innovative, efficient guest experience, combining warm, skillful hospitality with personalized offers and services.

Network: 78 hotels, 22,752 rooms in 23 countries.

Guests: 60% business – 40% leisure.

M
GALLERY

MGallery is a Collection of high-end hotels located around the world, each of which talentedly expresses a unique personality and narrative, that guests experience through the architecture, interior design and amenities. Each one is inspired by one of the Collection's three typical atmospheres: "**Heritage**" filled with history; "**Signature**" reflecting an esthetic universe; or "**Serenity**" promising a relaxing retreat.

Network: 58 hotels, 6,447 rooms in 21 countries.

Guests: 44% business – 56% leisure.

GRAND MERCURE

As our regional upscale brand, Grand Mercure places particular emphasis on embodying the essence of local hospitality, in a constant commitment to elegant refinement.

With **Mei Jue** in China and **Maha Cipta*** in Indonesia, Grand Mercure enables travellers to experience local culture to the fullest. Their staff are dedicated to providing every guest with the care and attention that make for an unforgettable stay.

Network: 13 hotels in China and 1 hotel in Indonesia, 4,133 rooms in all.

Guests: 63% business – 37% leisure (China only; Indonesian data unreported).

** The local version of Grand Mercure, unveiled in March 2013 and custom designed for the Indonesian market.*

Midscale

NOVOTEL

Novotel, our international midscale brand, features hotels located in the heart of major international cities, as well as in business districts and tourist destinations.

With its comprehensive range of solutions, Novotel enables business and leisure travelers alike to feel right at home.

Network: 395 hotels, 74,502 rooms in 60 countries.

Guests: 60% business – 40% leisure.

Suite NOVOTEL

Suite Novotel offers midscale hotels located mainly in city centers, whose off-beat, avant-garde spirit invites medium-stay guests to enjoy a totally different hotel living experience.

Guest needs are met around the clock with modular 30 sq.m. suites and a range of innovative services.

Network: 29 hotels, 3,621 rooms in 8 countries.

Guests: 63% business – 37% leisure.

Mercure

Mercure is the only midscale hospitality brand to combine the power of an international network, backed by an uncompromising commitment to quality, and the friendly experience of individually unique hotels rooted in their local community and managed by enthusiastic hoteliers.

In city centers, by the sea or in the mountains, the Mercure network welcomes business and leisure travelers around the world.

Network: 732 hotels, 89,273 rooms in 50 countries.

Guests: 56% business – 44% leisure.

adagio adagio access

Europe's leading aparthotels chain, Adagio Aparthotels offer modern apartments with a kitchen and hotel services for extended stays, based on attractive tiered pricing from the fourth night onwards. The brand covers two product ranges:

- **Adagio**, trendy midscale aparthotels located in the heart of leading cities;
- **Adagio access**, clever, affordable aparthotels located near city centers.

Network: 87 aparthotels, 9,537 apartments in 7 countries.

Guests: 60% business – 40% leisure.

Economy

ibis

ibis, the European leader in economy lodging, offers guests the finest accommodations and highest quality services in its category at the market's lowest price.

Everywhere around the world, the brand guarantees a consistent guest experience, with a modern, connected, soundproofed room, an innovative, supremely comfortable bed, breakfast from 4:00 am to noon, and a wide range of restaurant concepts. ibis was also the world's first hotel chain to seek ISO 14001 certification, with nearly 60% of the hotel base certified by year-end 2012.

Network: 983 hotels, 121,004 rooms in 58 countries.

Guests: 58% business – 42% leisure.

ibis Styles

A non-standardized economy brand with a multitude of styles and a "happy mood" personality, ibis Styles (formerly all seasons) is being developed mainly through franchising. With its focus on business and leisure customers traveling alone or with the family, the brand features customer-friendly solutions at an all-inclusive price covering the room, breakfast, Wi-Fi and a host of extra amenities.

Network: 192 hotels, 16,538 rooms in 18 countries.

Guests: 58% business – 42% leisure.

ibis budget

The global benchmark in budget accommodations, ibis *budget* (formerly Etap Hotel) is our clever, casual brand that expresses the values of simplicity, trendiness and well-being. The hotels feature comfortable cocoon rooms with super-soft duvets and fluffy new pillows, an extra-large shower stall, a flat-screen TV, Wi-Fi and an all-you-can-eat breakfast buffet.

Network: 492 hotels, 44,954 rooms in 17 countries.

Guests: 60% business – 40% leisure.

hotelF1

France's leading low-cost hotel chain, hotelF1 offers twin and triple rooms featuring a contemporary design as well as new reception and breakfast areas. More dynamic than ever, hotelF1 has established itself as a straightforward brand that meets the expectations of smart consumers.

Network: 240 hotels, 18,037 rooms in France.

Guests: 65% business – 35% leisure.

For various contractual reasons, 42 hotels representing 3,309 rooms are still operated under the Formule 1 brand.

A global presence in every market segment

Accor operates on five continents with a unique portfolio of 3,516 hotels (450,487 rooms) as of December 31, 2012 and a presence in every market segment.

Hotel portfolio by region and brand at December 31, 2012

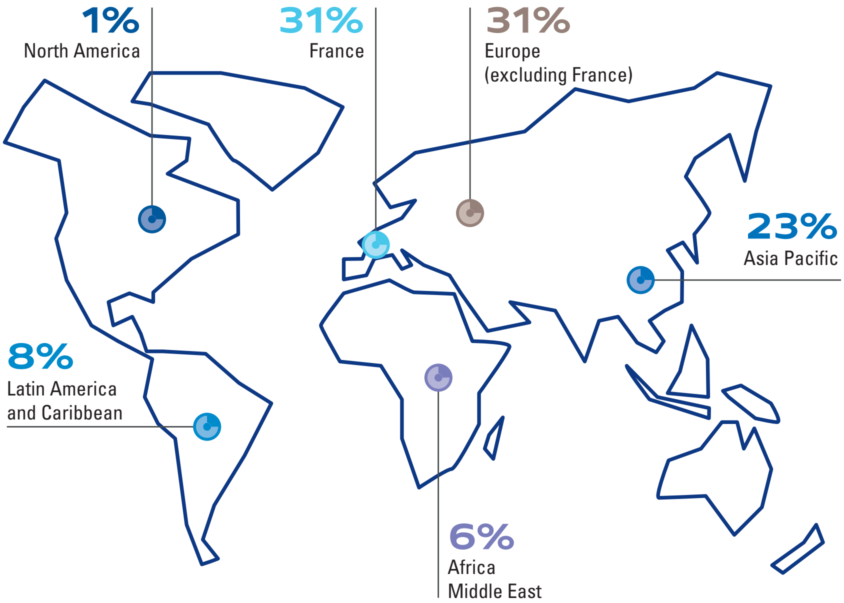
	France		Europe excluding France		Asia-Pacific		Latin America and the Caribbean		Africa/ Middle East		North America		Total	
Brand	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**
Sofitel	12	1,593	19	4,601	39	11,295	7	1,327	24	5,522	9	2,893	110*	27,231
Pullman	13	3,723	14	3,652	41	11,958	2	538	8	2,881	-	-	78	22,752
Novotel	114	15,520	134	25,665	96	23,425	18	3,027	25	4,760	8	2,105	395	74,502
Suite Novotel	19	2,199	8	1,130	-	-	-	-	2	292	-	-	29	3,621
Mercure	244	23,068	303	38,694	149	22,932	77	10,373	31	4,786	-	-	804	99,853
Adagio	28	3,529	8	870	-	-	-	-	-	-	-	-	36	4,399
Other	1	51	7	1,314	40	5,029	14	2,762	2	263	-	-	64	9,419
Luxury, upscale and midscale	**431**	**49,683**	**493**	**75,926**	**365**	**74,639**	**118**	**18,027**	**92**	**18,504**	**17**	**4,998**	**1,516**	**241,777**
ibis	378	33,361	340	43,388	122	22,506	96	14,090	47	7,659	-	-	983	121,004
ibis Styles	106	7,634	43	3,651	42	5,114	-	-	1	139	-	-	192	16,538
Adagio access	49	4,933	2	205	-	-	-	-	-	-			51	5,138
ibis *budget*	311	23,919	141	14,924	25	2,535	12	3,213	3	363	-	-	492	44,954
Formule 1	-	-	19	1,349	-	-	-	-	23	1,690	-	-	42	3,039
hotelF1	240	18,037	-	-	-	-	-	-	-	-	-	-	240	18,037
Economy	**1,084**	**87,884**	**545**	**63,517**	**189**	**30,155**	**108**	**17,303**	**74**	**9,851**	**-**	**-**	**2,000**	**208,710**
TOTAL	**1,515**	**137,567**	**1,038**	**139,443**	**554**	**104,794**	**226**	**35,330**	**166**	**28,355**	**17**	**4,998**	**3,516**	**450,487**

* *121 hotels are marketed through the TARS reservation system.*

Accor is the largest hotel group in **Europe**, with a network of 2,553 hotels and 277,010 rooms accounting for 62% of its room base at December 31, 2012. In other regions, its expertise is deployed through 554 hotels (23% of the room base) in **Asia** and the **Pacific region**, 226 hotels (8% of the room base) in **Latin America** and the **Caribbean**, 166 hotels (6% of the room base) in **Africa** and the **Middle East** and 17 hotels (1% of the room base) in **North America**.

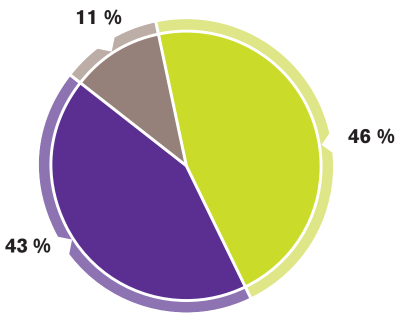
Hotel portfolio by region at December 31, 2012

(% based on number of rooms)



Hotel portfolio by segment at December 31, 2012

(% based on number of rooms)



Differentiated ownership structures

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

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

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

- management contracts in the luxury segment;
- management contracts and franchise agreements in the upscale segment;
- management contracts and/or franchise agreements in the midscale;
- franchise agreements in the economy segment in Europe.

In the emerging markets, the Group focuses on:

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

As of year-end 2012, 57% of the room base was operated under arrangements that limited earnings volatility, such as management contracts and franchise agreements.

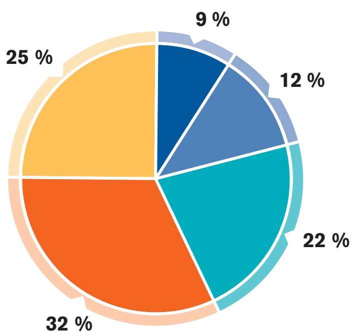
Hotel portfolio by ownership structure and brand at December 31, 2012

	Owned		Fixed lease		Variable lease		Managed		Franchised		Total	
Brand	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**
Sofitel	14	2,113	4	1,199	7	1,173	81	21,481	4	1,265	110*	27,231
Pullman	6	1,214	9	2,392	8	2,611	45	13,776	10	2,759	78	22,752
Novotel	44	8,201	46	9,117	123	20,644	124	28,982	58	7,558	395	74,502
Suite Novotel	1	174	8	1,238	9	1,129	4	488	7	592	29	3,621
Mercure	40	5,188	77	12,479	88	13,162	219	34,115	380	34,909	804	99,853
Adagio	2	207	7	817	1	133	25	3,131	1	111	36	4,399
Other	10	2,146	1	51	3	431	45	6,334	5	457	64	9,419
Luxury, upscale and midscale	**117**	**19,243**	**152**	**27,293**	**239**	**39,283**	**543**	**108,307**	**465**	**47,651**	**1,516**	**241,777**
ibis	114	16,584	113	15,205	247	34,861	128	23,717	381	30,637	983	121,004
ibis Styles	4	426	12	1,016	5	911	17	2,758	154	11,427	192	16,538
Adagio access	-	-	-	-	-	-	51	5,138	-	-	51	5,138
ibis *budget*	32	3,434	77	8,205	112	12,216	25	3,096	246	18,003	492	44,954
Formule 1	11	805	1	79	-	-	-	-	30	2,155	42	3,039
hotelF1	23	1,647	-	-	158	12,572	-	-	59	3,818	240	18,037
Economy	**184**	**22,896**	**203**	**24,505**	**522**	**60,560**	**221**	**34,709**	**870**	**66,040**	**2,000**	**208,710**
TOTAL	**301**	**42,139**	**355**	**51,798**	**761**	**99,843**	**764**	**143,016**	**1,335**	**113,691**	**3,516**	**450,487**

* *121 are marketed through the TARS reservation system.*

Hotel portfolio by ownership structure at December 31, 2012

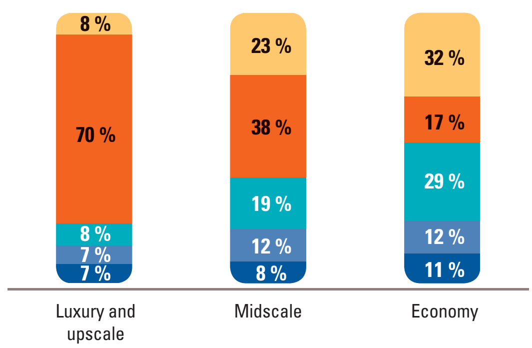
(% based on number of rooms)



- Owned
- Fixed lease
- Variable lease
- Management
- Franchise

Hotel portfolio by segment and ownership structure at December 31, 2012

(% based on number of rooms)



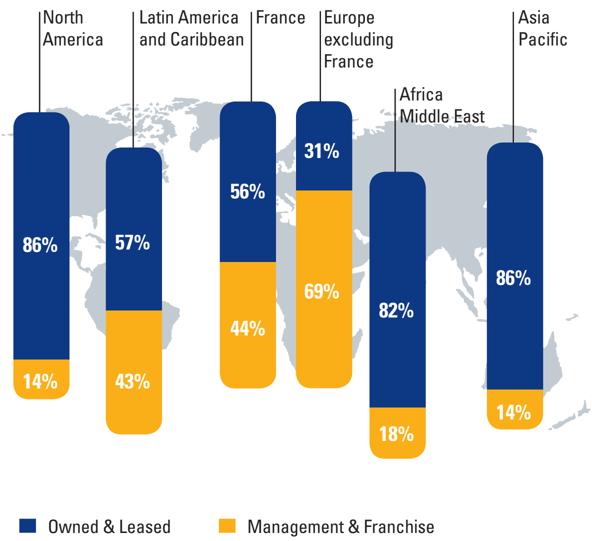
- Owned
- Fixed lease
- Variable lease
- Management
- Franchise

Hotel portfolio by ownership structure and region at December 31, 2012

	Owned		Fixed lease		Variable lease		Managed		Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
France	76	7,824	43	4,965	420	47,856	105	12,686	871	64,236	1,515	137,567
Europe excluding France	144	20,907	260	39,136	261	36,834	95	13,916	278	28,650	1,038	139,443
North America	3	705	-	-	-	-	13	4,144	1	149	17	4,998
Latin America and the Caribbean	29	4,522	2	288	56	10,489	102	15,495	37	4,536	226	35,330
Africa/Middle East	18	3,034	2	407	10	1,634	102	20,210	34	3,070	166	28,355
Asia-Pacific	31	5,147	48	7,002	14	3,030	347	76,565	114	13,050	554	104,794
TOTAL	**301**	**42,139**	**355**	**51,798**	**761**	**99,843**	**764**	**143,016**	**1,335**	**113,691**	**3,516**	**450,487**

Hotel portfolio by ownership structure and region

(% based on number of rooms)



Property

Property, plant and equipment recognized in the consolidated balance sheet primarily corresponds to hotel assets that are either owned outright or held under finance leases. The cost value of these assets stood at €5,119 million at December 31, 2012, while their carrying amount was €2,592 million, representing 34.3% of total consolidated assets at that date (see note 20 to the consolidated financial statements, page 222).

The above breakdown of the hotel portfolio shows the number of rooms, the type of ownership structure and the location of the hotels at December 31, 2012. Occupancy rates, average room rates and Revenue Per Available Room (RevPAR) are described in the analysis of consolidated results on page 142.

Hotel projects currently underway are presented in note 2 to the consolidated financial statements on page 182.

Environmental issues are described in the environmental report on page 47.

Markets and Competition

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

Hotel companies ranked by number of rooms worldwide at December 31, 2012

Rank	Group	Number of hotels	Number of rooms
1	InterContinental Hotels Group	4,602	675,982
2	Hilton Hotels	3,992	652,378
3	Marriott International	3,672	638,793
4	Wyndham Hotel Group	7,342	627,437
5	Choice	6,198	497,023
6	**Accor**	**3,516**	**450,487**

Source: Accor, MKG - March 2013.

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

European hospitality companies by number of rooms at December 31, 2012 (27-country European Union)

Rank	Group	Number of hotels	Number of rooms
1	**Accor**	**2,390**	**257,080**
2	Best Western	1,312	90,577
3	InterContinental Hotels Group	574	89,205
4	Groupe du Louvre	974	70,387
5	Carlson Rezidor Hotel Group	255	50,779

Sources: MKG Hospitality database – February 2013.

According to the **MKG Hospitality** report, three Accor chains rank among the top ten, in number of rooms, in the 27-country European Union.

European integrated hotel chains by number of rooms at December 31, 2012 (27-country European Union)

Rank	Chain	Number of hotels	Number of rooms
1	**ibis megabrand (ibis, ibis Styles, ibis *budget*)**	**1,277**	**121,882**
2	Best Western	1,313	90,738
3	**Mercure**	**505**	**56,968**
4	Premier Inn	641	50,744
5	NH Hoteles	311	45,391
6	Holiday Inn	266	42,150
7	**Novotel**	**257**	**41,885**
8	Travelodge	533	38,551
9	Hilton International	139	34,285
10	Radisson Blu	132	29,926

Sources: MKG Hospitality database – February 2013.

1.2.2. OTHER BUSINESSES

Other businesses, which are not material compared with the Hotels business, include the corporate departments, the Lenôtre Group sold in September 2011 and the marginal casinos business. They are presented as part of the “Other” segment.

1.3. FINANCIAL HIGHLIGHTS

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

The following financial highlights have been taken directly from the consolidated financial statements at December 31, 2012.

Consolidated financial highlights

(in millions of euros)	2011*	2012
Consolidated revenue	5,568	5,649
EBITDAR	1,759	1,788
EBIT	515	526
Operating profit before tax and non-recurring items	428	468
Net profit/(loss)	50	(584)
Net profit/(loss), Group share	27	(599)

Per-share data

(in euros)	2011*	2012
Earnings per share	0.12	(2.64)
Diluted earnings per share	0.12	(2.64)
Ordinary dividend per share	0.65	0.76(1)
Special dividend per share	0.50	N/A

(1) Submitted for approval at the Annual Shareholders' Meeting of April 25, 2013.

Total assets

(in millions of euros)	2011	2012
Total non-current assets	5,038	4,479
Total current assets	2,576	2,925
Assets held for sale	386	156
Total assets	8,000	7,560

Equity and net debt

(in millions of euros)	2011	2012
Equity attributable to shareholders	3,537	2,759
Equity attributable to non-controlling interests	231	230
Equity	3,768	2,989
Net debt	226	421

** In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", the consolidated income statement for the year ended December 31, 2011 has been adjusted for the profit or loss from operations discontinued in 2012, i.e. the US Economy Hotels business and the Onboard Train Services Business (see note 17 to the consolidated financial statements, page 216).*

1.4. MILESTONES

1967

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

1974

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

1975

- Acquisition of Mercure.

1976

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

1980

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

1981

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

1982

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

1983

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

1985

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

1988

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

1989

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

1990

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

1991

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

1993

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

1994

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

1995

- Eurest is sold to Compass, making Accor the largest shareholder in the world's leading food services Company.
- Disposal of 80% of the concession restaurants business.
- Introduction of an extensive training and communication program to improve environmental protection.

1996

- Accor becomes the market leader in the Asia-Pacific region, with 144 hotels in 16 countries and 56 projects under construction.

- Management of the ibis, Etap Hotel and Formule 1 chains is consolidated within Sphere International.
- Launch of the Compliment Card in partnership with American Express.

1997

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

1998

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

1999

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

2000

- Launch of accorhotels.com.
- Brand logos are redesigned to highlight the Accor name, raising international visibility and public awareness.
- 38.5% interest in Go Voyages acquired.
- 80% interest in Courtepaille sold.

2001

- Broader presence in the Chinese hotel market in partnership with Zenith Hotel International and Beijing Tourism Group.
- Suitehotel launched in Europe.

2002

- Acquisition of a 30% interest in German hotel group Dorint AG (87 hotels, 15,257 rooms).
- Accor Casinos is now equally-owned with the Colony Capital investment fund, with Accor continuing to manage the Company.
- Stake in Go Voyages is raised to 60%.

2003

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

2004

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

2005

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

2006

- Accor changes its corporate governance system from a Supervisory Board and Management Board to a Board of Directors, with Serge Weinberg as Chairman and Gilles Pélisson as Chief Executive Officer.
- As part of the non-strategic asset disposal process, Accor sells its 1.42% stake in Compass Group PLC and its 50% interest in Carlson Wagonlit Travel, as well as most of its investment in Club Méditerranée (22.9% out of a total 28.9% stake).
- As part of the on-going shift in the Hotels business model, Accor carries out a second transaction with Foncière des Murs, involving 59 hotels and five seawater spas in France, as well 12 hotels in Belgium. Accor will continue to operate the hotels under 12-year leases with variable rents and no guaranteed minimum, renewable four times per hotel at Accor's option.
- Accor sells six US Sofitel hotels to a joint venture comprised of GEM Realty Capital, Whitehall Street Global Real Estate Limited Partnership 2005 and Accor. Accor remains a 25% shareholder in the joint venture and continues to manage the hotels under the Sofitel brand through a 25-year contract.

- Compagnie des Wagons-Lits wins a tender from French National Railways SNCF for onboard foodservices on the TGV Est Européen high-speed train line.

2007

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

2008

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

2009

- Gilles Pélisson, Chief Executive Officer, appointed Chairman of the Board of Directors.
- Stake in Groupe Lucien Barrière raised to 49%.
- In late August, the Board of Directors approves Gilles Pélisson's recommendation to conduct a review of the potential benefits of demerging the Hotels and Prepaid Services businesses into two self-managing companies, each with its own strategy and resources for growth. The findings demonstrate the sustainable, profitable nature of each business, as well as their ability to meet the challenges of their future growth and development. At year-end, the Board of Directors therefore approves the potential benefits of demerging the two businesses.
- In line with its on-going asset-right strategy, Accor announces a major real estate transaction in the budget segment in France, with the sale of 158 hotelF1 properties, representing a total of 12,300 rooms.
- 27,300 new rooms are opened during the year.

2010

- Initiated in 2009, the project to demerge the Hotels and Prepaid Services businesses is approved by shareholders at the Combined Ordinary and Extraordinary Meeting on June 29, 2010 and becomes effective on July 2 following the initial stock market listing of Edenred, the new company formed from the Services business.
- In line with its Asset Management strategy, Accor continues to dispose of non-strategic operations and hotel properties during the year, including (i) the sale of Compagnie des Wagons-Lits' onboard rail catering businesses in July, (ii) the sale of two portfolios of European hotels, one of five hotels to Invesco Real Estate in February and the other of 49 hotels to Predica and Foncière des Murs in August, and (iii) the sale and franchise back of 18 hotels in Sweden in December.
- Denis Hennequin is appointed Chief Executive Officer in December, then Chairman and Chief Executive Officer in January 2011.
- Following the opening of 25,000 new rooms during the year, the Accor portfolio comprises more than 500,000 rooms at year-end.

2011

- Now a pure player in hotels, Accor launches its new corporate signature: "Open New Frontiers in Hospitality" and revitalizes its economy brands around the ibis megabrand, with ibis, all seasons and Etap Hotel being transformed into the new ibis, ibis Styles and ibis budget brands.
- In March, Accor sells its 49% stake in Groupe Lucien Barrière and in September, completes the disposal of Lenôtre to Sodexo.
- As part of its asset-light strategy, Accor confirms its ability to continue actively managing its assets in order to focus on its core hotel operator business, with the sale and franchise-

back of its 52.6% stake in Hotel Formula 1 (South Africa), the sale and variable leaseback of seven Suite Novotel hotels (France) and the sales and management-back of the Novotel New York Times Square, Pullman Paris Bercy and Sofitel Arc de Triomphe.

- In December, Accor strengthens its presence in Australia and New Zealand with the acquisition of Mirvac, involving 48 hotels (6,100 rooms) and a 29.9% equity interest in Mirvac Wholesale Hotel Fund (MWHF). Accor's offering in the two countries now totals 241 hotels across every hospitality segment.
- In September, a franchise contract is signed with Jupiter Hotels Ltd., whose 24 hotels (2,664 rooms) increases to 68 the number of Mercure hotels in the United Kingdom.
- Annual room openings reach a new historic high, with 38,700 units coming on line during the year.

1.5. STRATEGIC VISION AND OUTLOOK

In 2012, Accor pursued a number of major projects that were initiated in 2011, including the successful launch of the ibis megabrand, the repositioning of MGallery in the upscale segment, the launch of Grand Mercure in China, record hotel development led by management and franchise contracts, important acquisitions in Australia/ New Zealand and Latin America and the disposal of the US Economy Hotels business (Motel 6). At the same time, it introduced a new, more effective organization built around its centers of excellence.

Now refocused on its traditional Hotels business, and in a commitment to becoming the global reference in the hospitality industry, Accor has undertaken a profound transformation plan to drive faster growth by 2016, with two key objectives: i) to continue to gain new market share, particularly in emerging markets; and ii) to restructure the portfolio of owned and leased hotels to deliver greater performance and, overall, a better geographic earnings mix and a more profitable, less cyclical business model.

1.5.1. AMBITIOUS PROJECTS LAUNCHED

In a hospitality industry that offers a multitude of expansion opportunities, Accor is leveraging its unique strengths to deploy its growth strategy. A transformative year for the Group, 2012 saw the launch of a large number of projects that laid the basic foundations for our 2016 strategic vision.

1. Fast roll-out of the ibis megabrand

Announced in September 2011, the vast ibis megabrand project hit the ground running in April 2012, with teams across the organization driving progress at a very sustained pace throughout the year.

By end-2012, more than 90% of the hotels had been equipped with the new beds and rebranded with the new signage. The new common areas are now being deployed. Although the operating targets – a 2% to 3% increase in RevPAR, a one to two-point improvement in the RevPAR index and a more than 20% return on capital employed – will only be measured beginning in 2014, the project has already proven successful in developing the megabrand. In 2012, the ibis family was expanded by nearly 15,000 new rooms, a 44% increase compared with 2011.

Dedicated distribution resources have been developed, such as a unified website (ibis.com) and a smartphone application. The advertising campaigns rolled out in October 2012 are beginning to deliver benefits and will be pursued in 2013.

2. Successful distribution initiatives

The powerful, efficient TARS system

A powerful driver of room bookings and hotel performance, the Travel Accor Reservation System (TARS) functions as a technological platform connecting all of the distribution channels:

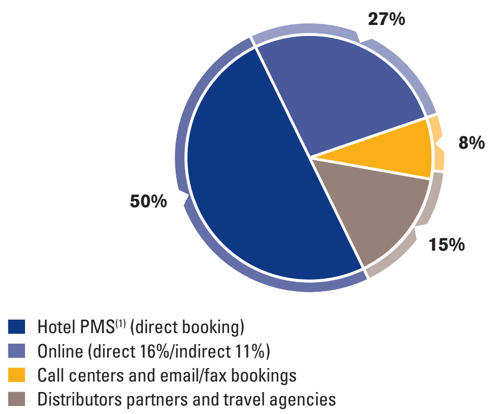
- direct sales, with direct bookings online via the accorhotels.com portal and the brand websites, or by phone, email and fax via dedicated call centers;
- indirect sales via traditional or online travel agencies, wholesalers and tour operators.

As Accor steps up its transformation with a hotel base that is 57% operated under franchise or management contracts, TARS's power is strengthening our ability to deliver revenue growth for franchisees and owners.

In 2012, the performance of the distribution system was consolidated with:

- a further increase in the proportion of central sales, which transit via TARS, to a total of 50% of room business volume from 46% in 2011;
- €2.4 billion in online business volume, or more than a quarter of room sales from owned, leased, managed and franchised hotels.

2012 room business volume by booking channel



(1) Property Management System

A successful loyalty program, renamed Le Club Accorhotels

The free, multi-brand, international Le Club Accorhotels is the only hotel loyalty program that covers every market segment, from luxury to economy. Introduced in September 2008, it has stepped up its expansion and totaled 10.1 million members by year-end 2012, up from 8.3 million a year earlier. Cardholders tend to stay longer and spend more, on average, than other guests.

3. Another record year for development

In 2012, a total of 38,085 new rooms were opened worldwide, including the acquisitions of Mirvac in Australia and New Zealand and of the South American hotel portfolio of Grupo Posadas.

This record expansion reflects a major shift, in that more than 70% of the new rooms were opened in emerging markets, of which 48% in the Asia-Pacific region alone. In all, more than 30,000 rooms were opened through organic growth, which was once again a new record for the Group. The ibis family accounted for half of total new room openings during the year. Mercure is continuing to see fast expansion, mainly under franchise agreements, with 21% of 2012 openings.

The acquisitions of Mirvac in Australia and of the South American hotel portfolio of Grupo Posadas are especially emblematic of our acquisitions strategy. Primarily carried out under asset-light operating structures in high potential markets, at attractive valuations and with first-class partners, these acquisitions have enhanced our competitive advantage in their regions.

In all, 85% of expansion was based on asset-light structures, in line with 2011. Given our strong growth in the upscale and midscale segments outside Europe, the majority of this growth was logically through management contracts.

In all, this growth model is more profitable and less cyclical, with less rental expense and lower amortization, depreciation and impairment charges.

4. Continued deployment of the Asset Management program

A transformative transaction: the sale of Motel 6

Completed on October 1, 2012, the sale of the US Economy Hotels business represented a major new step that will enable Accor to refocus on the markets offering the greatest growth potential and the highest margins, where it already holds demonstrated leadership positions.

The disposal has consolidated our business model, in terms of operating margin, minimum lease payments and return on capital employed.

Adjusted net debt successfully reduced by the targeted €1.2 million over the 2011-2012 period

In 2012, 99 hotels were sold or restructured, for a €606-million impact on adjusted net debt, including a cash impact of €352 million. These transactions included 31 leasebacks, thereby opening the way for the 2013-2016 program.

The total impact on adjusted net debt over the 2011-2012 period came to €1,139 million in line with the objective.

	2011	2012	TOTAL
Sale & variable leaseback	13	9	22
Sale & management-back	9	10	19
Sale & franchise-back	69	60	129
Outright sales	38	20	58
Total hotels	**129**	**99**	**228**
Cash impact (€m)	**394**	**352**	**746**
Impact on adjusted net debt [(1)] (€m)	**533**	**606**	**1,139**

(1) Net debt adjusted for the net present value of minimum lease payments discounted at 7% (Standard and Poor's methodology).

5. 2012 financial objectives met

All of the objectives set for 2012 were met or exceeded during the year:

- **€526 million in EBIT,** at the upper end of the announced range;
- €150 million in **operating free cash flow** before disposals and acquisitions;
- **record expansion** with the **opening of 38,085 rooms,** amply exceeding the objectives for the year;
- an **increase in the number of rooms under asset-light ownership structures,** with 85% of new openings in hotels under management or franchise contracts;
- the **sustained, active deployment of the Asset Management program,** with 99 hotels sold and a €606 million reduction in adjusted net debt;
- the **improvement in ratios and margins** following the sale of Motel 6/Studio 6.

All of the 2012 P&L Performance objectives were also met during the year:

- a 52.6% EBITDAR margin on management and franchise contracts, exceeding the target of more than 50%;
- The Sales & Marketing Fund at EBITDAR breakeven.

2012	Management & franchise [1]	Sales & Marketing Fund [1]	Owned & Leased	Not allocated, plateform & interface	Total
Gross Revenue	11,095	N/A	4,943	152	11,247
o/w Revenue [1]	665	339	4,943	(298)	5,649
EBITDAR	350	1	1,437	0	1,788
Contributive margin	*52.6%*	*0.4%*	*29.1%*	*N/A*	*31.7%*
EBIT	350	1	229	(54)	526
EBIT margin	*52.6%*	*0.4%*	*4.6%*	*N/A*	*9.3%*

[1] Including fees from owned and leased hotels.

P&L Performance for owned and leased hotels

EBIT margin	Owned	Fixed lease	Variable lease
Upscale & Midscale	5.6%	(1.2)%	3.3%
Economy	13.1%	6.1%	8.2%
TOTAL	8.0%	1.2%	5.3%

1.5.2. TRENDS AND OUTLOOK

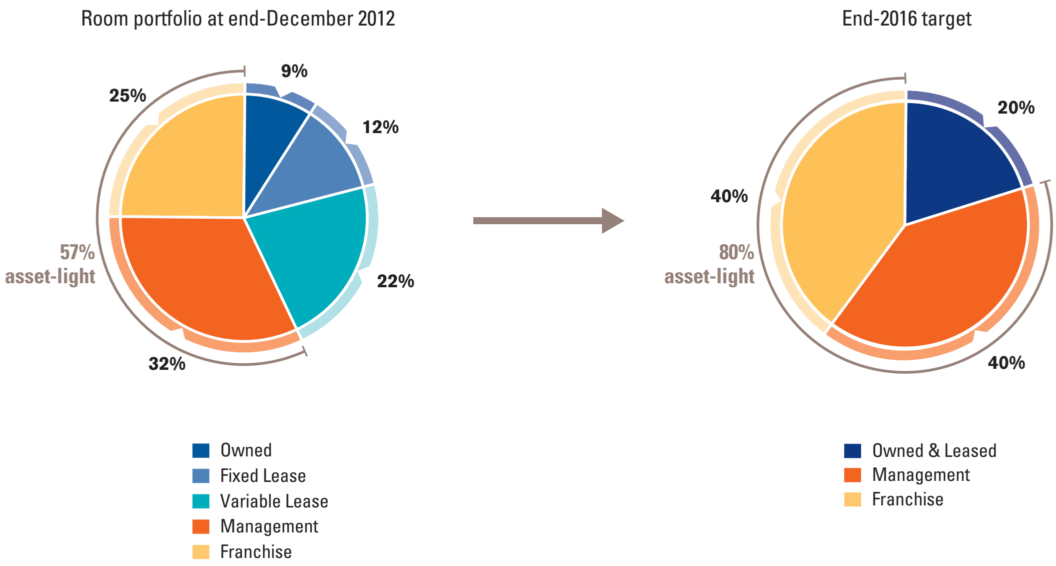
Fourth-quarter 2012 trends continued into January/February 2013, with situations varying by major region. In Europe, demand remained robust in key cities but performance was more mixed in the provinces. Southern Europe (Spain, Italy, Portugal and Greece) was an exception to this trend, with the steady decline observed since 2008 continuing apace. Emerging markets in Latin America, Africa-Middle East and Asia-Pacific continued to deliver a solid performance, despite a slight decline in Australia.

In an economic environment that remains uncertain in Europe, business is holding firm, in line with what was observed in late 2012. As a result, Accor has entered 2013 both cautious and confident in its business outlook.

1.5.3. A NEW AMBITION FOR 2016

In August 2012, Accor stepped up its transformation and redefined the asset-light concept by excluding hotels operated under variable-rent leases.

As part of the transformation of its business model, which is being driven both by fast growth under management and franchise contracts and by a dynamic Asset Management strategy, Accor is now committed, by the end of 2016, to operating a room base 40% under franchise agreements, 40% under management contracts and 20% in owned or leased hotels.



This transformation will also lead to a geographic shift in the income stream, with the target of earning 50% of EBIT from emerging markets, as opposed to 23% at end-2012.

This process will involve consolidating our existing leadership in emerging markets, restructuring the portfolio in Europe to focus on a majority of management and franchise contracts, and strengthening the Group's expertise and accountability.

The strategy is being executed by activating five key drivers:

1. strengthening the brands and distribution;

2. maintaining the fast pace of development;

3. stepping up the Asset Management program;

4. improving organizational efficiency;

5. achieving operational excellence to improve competitiveness.

1. Strengthening the brands and distribution

Accor has a portfolio of strong, strategically aligned brands, clearly positioned in their markets and ranging from luxury to budget hotels. They comprise both international and regional brands, so that we can address all of the specific features and needs of each of our host markets.

Strong brands recognized across the hospitality spectrum

The Accor brand portfolio covers every segment of the hospitality market, with a strategic balance between standardized brands and more open brands, which are particularly suitable for franchise-based expansion and the rebranding of existing properties. Given their reputation, each of these brands offers affiliated hotels the guarantee of high guest awareness and powerful centralizing booking capabilities. They also act as critical drivers of our fast expansion and enjoy strong reputations around the world.

Demonstrated proficiency in every operating structure

The fact that we own, lease, manage and franchise hotels around the world contributes to our strength and operating excellence. Our credibility with franchisees and owner-partners stems from our expertise, acquired since the beginning, in understanding operating issues holistically. As we reorient our portfolio towards a less capital-intensive model, it is vitally important that we retain proficiency in these issues, through subsidiaries capable of acting as the primary vectors for new strategies. The hotels owned or leased by the subsidiaries also serve as emblems of the Group. At the same time, we are developing and enhancing our role as a service provider for hotel owners.

A new approach to distribution

In a highly competitive marketplace, distribution is a business-critical challenge, whose performance offers a compelling argument in working with owners to expand the managed and franchised network.

Accor has developed an incomparable distribution process, with the industry's leading fully web-based central booking system, seamless connectivity with online distributors and a very broad presence in mobile applications. This proficiency in distribution, unmatched anywhere else in the hospitality industry, helps to secure profitability while offering an invaluable tool for enhancing guest intelligence and managing the guest relationship.

Distribution is also a core driver of the asset-light transformation process, and in response to its constantly changing features, Accor is investing an average €30 million a year, i.e. €120 million through 2016, in a commitment to significantly increasing online sales to 50% of total bookings.

These capital outlays will primarily be allocated to upgrading and diversifying online booking channels, such as TARS, the accorhotels.com site and the brand websites, while also optimizing the web and smartphone apps. Another essential aspect of the project concerns customer relationship management, particularly through enhancements to the Le Club Accorhotels loyalty program.

2. Maintaining the fast pace of development

After another year of record expansion in 2012, with 38,085 rooms opened compared with 34,500 in 2011 (excluding rooms opened under the Motel 6/Studio 6 brands), Accor has reaffirmed its objective of opening, from now until 2016, i) 30,000 rooms a year through organic growth, led by an ambitious expansion strategy based on franchise and management contracts; and ii) 5,000 additional rooms per year through targeted acquisitions.

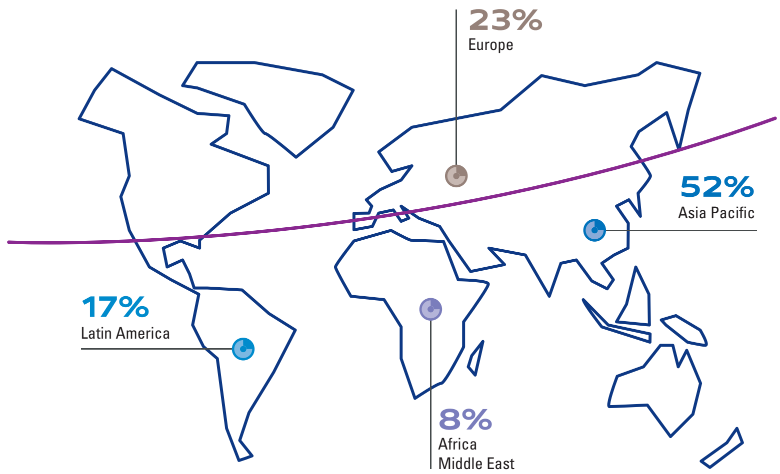
To meet these expansion targets, Accor will capitalize on:

- faster franchise-driven expansion in the midscale and economy segments, thanks to a better approach to the model, with dedicated teams, new franchisee relationship management systems and franchisee involvement in marketing decisions;
- brands that are more flexible, as illustrated by the ibis megabrand project, and more closely aligned with local markets, like the Grand Mercure brands in China with Mei Jue or Indonesia with Maha Cipta;
- asset-light acquisition opportunities in the most attractive markets, to consolidate our leadership, and with a more than 12% targeted ROCE, like the 2012 acquisitions carried out in Australia, New Zealand and Latin America;
- selective investment in high-margin projects in prime locations, mainly in Europe.

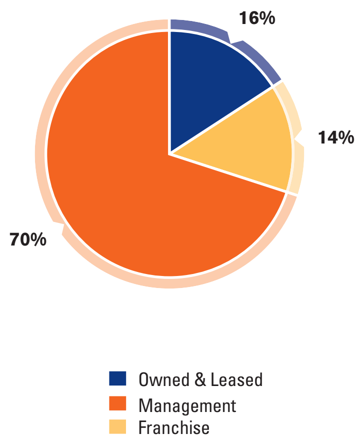
We are committed to deepening our presence in emerging markets, particularly in the Asia-Pacific region where exceptional growth opportunities abound. These markets represent 77% of the pipeline, of which 52% for the Asia-Pacific alone.

633 hotels (112,600 rooms) in the pipeline

Pipeline at year-end 2012 by region and operating structure, in % of total rooms



77% of the pipeline in emerging markets



3. Stepping up the Asset Management program

Another core pillar of the transformation process is Asset Management.

Since 2005, Accor has been deploying a far-reaching Asset Management program aimed at reducing the capital intensity of the hotel portfolio as well as cash flow volatility. The program is unlocking the value of property assets and structurally improving margins.

The previously announced 2013-2015 plan, covering 175 hotels and designed to reduce adjusted net debt by €1 billion, has been stepped up with a new plan for 2016 that will restructure some 800 hotels, of which nearly 200 are owned and 600 leased. Of these, more than 80% are located in Europe.

Asset Management *(in number of hotels)*	New Plan 2013 - 2016
Conversions into Variable Lease contracts	c.25
Conversions into Management contracts	c.125
Conversions into Franchise contracts	c.600
Outright Sales or Termination of Lease contracts	c.50
Total	c.800

The plan will reduce revenue by around €2 billion. The total impact on consolidated adjusted net debt will come to €2 billion by the end of 2016, of which €1 billion in the cash impact and €1 billion in the impact on the net present value of minimum lease payments discounted at 7%.

Asset management of owned hotels

The first part of the plan concerns 200 hotels, which are currently owned and represent two-thirds of today's portfolio.

Although they contribute nearly €500 million in consolidated revenue, their EBIT margin is at an average 6%, lower than the Group's. Their sale will have a positive impact of around €1.3 billion on consolidated adjusted net debt as of end-2016.

Asset management of leased hotels

The second aspect of the Asset Management strategy concerns the restructuring of leased properties, whose performance falls short of Group standards. Optimizing these fix and variable leased hotels will structurally improve consolidated operating margin.

This part of the restructuring program will concern 600 leased hotels, which contributed €1.5 billion in consolidated revenue in 2012 but reported an operating loss of €50 million for the year. These transactions will give rise to exit costs or termination penalties, estimated at €600 million or, on average, less than three years of lease payments. Excluding the net present value of minimum lease payments discounted at 7% and proceeds from the sale of the related business, the impact on adjusted net debt will be a positive €700 million.

4. Improving organizational efficiency

To support and implement all of these projects, the corporate functions have been reorganized around two departments:

- the Operations Department, with, since January 1, 2013, an organization by brand in Europe committed to optimizing each one's identity, reputation, distribution and asset-light development. Its primary KPIs will be the RevPAR index, EBITDAR margin, the flow-through ratio and expansion.
- the Property Management Department, which will be established in first-half 2013. Its central objectives will be to implement the Asset Management plan, manage and optimize capital expenditure, and manage property asset turnover. Its primary KPIs will be EBIT margin, capex, ROCE, the adjusted FFO/adjusted net debt ratio and the asset valuation.

These two departments are both committed to optimizing the generation of free cash flow, backed by the Group's support functions.

5. Achieving operational excellence to improve competitiveness

Operational excellence is one of Accor's major competitive advantages, particularly in the franchising business. As a hotel operator, we have developed a range of highly effective, end-to-end support services and systems, aligned with hotelier challenges and delivered to our managed and franchised partners.

Designed to improve performance in every aspect of our business, operational excellence is demonstrated in three areas:

- growing the revenue base, with average RevPAR outperforming the competition;
- efficiently refurbishing hotels, which helps to maintain a quality network while limiting renovation expenditure to 5% of total revenue;
- improving margins, in particular through the use of efficient cost optimization software.

Concerning this final point, in response to the structural increase in operational costs in Europe, a more competitive market environment (evolution of online distribution) and the sustained deterioration in market conditions in Southern Europe, Accor has launched a €100-million cost savings plan for the 2013-2014 period. In particular, the plan will involve a strategic review and prioritization of projects, as well as a reduction in operating costs for the Group and its subsidiaries in Europe.

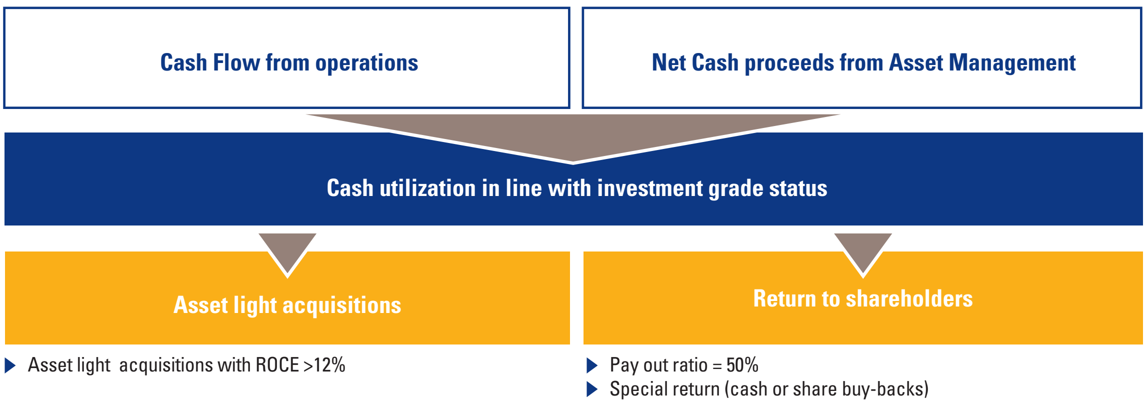
This will come as part of the operational excellence program already underway, which notably implies disciplined cost management. The objective is to systematically strengthen and optimize the strategic transformations launched by the Group.

A value-creating financial strategy

Accor's transformation is designed to optimize its business model through three key performance indicators: i) the structural improvement in cash flow; ii) the improvement in operating margins; and iii) the improvement in return on capital employed.

In line with the commitment to maintaining the investment grade status, cash allocation policies are structured to meet two main objectives:

- asset-light acquisitions offering a more than 12% targeted ROCE, to strengthen our leadership positions in emerging markets;
- return profit to shareholders by paying out 50% of operating profit before non-recurring items, net of tax in ordinary dividends and, if possible while complying with covenants governing investment grade ratings, by paying special cash dividends or by buying back shares.



1.5.4. CORPORATE OBJECTIVES

As part of the new strategy that will be led through the end of 2016, the following **financial objectives** have been set:

- improve the **EBIT margin** to more than 15%, from 9.3% in 2012;
- Increase **return on capital employed,** thanks to a less capital-intensive business model, to more than 18% from 14% in 2012;
- maintain the Group's **investment grade credit rating.**

Together, meeting these three objectives will drive a clear structural improvement in the generation of **operating free cash flow** before disposals.

In addition, the **P&L Performance objectives** for 2016 have been set as follows:

- a more than 50% **EBIT margin in the franchised and managed hotels**;
- the **sales & marketing fund** at breakeven;
- Over the medium term, **EBIT margins on the owned and leased hotels** of:
  - 12% to 15% for owned hotels vs. 8.0% in 2012,
  - 8% to 10% for hotels leased under fixed-rent leases vs. 1.2% in 2012,
  - 8% to 10% for hotels leased under variable-rent leases vs. 5.3% in 2012.

Lastly, the following **operating objectives** are being pursued:

- a **flow-through ratio** of 50% in markets where revenue is increasing and a 40% reactivity rate in markets where it is contracting. This flow-through ratio will be reduced by 5 to 10 points by the 2013-2016 distribution investment plan;
- the **opening of 35,000 rooms** a year, including 30,000 through organic growth and around 5,000 through targeted acquisitions of local networks under franchise or management contracts;
- the structural reduction in **maintenance capital expenditure** through 2016, to around **€200-250 million** per year;
- the reduction in **expansion capital expenditure**, to around **€100-150 million per year** after 2017;
- a **50% reduction in the Group's sensitivity to cycles** compared with 2010.

2

Corporate Responsibility

2.1. OUR COMMITMENTS

Accor's stated ambition is to establish itself as the hospitality industry's uncontested global benchmark. Progress towards that objective is underpinned by our unwavering corporate commitment, as reflected in our core values of innovation, spirit of conquest, performance, respect and trust. Our human resources policies are designed to attract talented individuals and to continuously develop the skills and capabilities of our employees, who are the primary drivers of our success. The PLANET 21 sustainable development strategy, which focuses on environmental and social responsability issues, has reaffirmed the need for responsible growth that creates value for everyone. Lastly, the Accor Foundation is helping to expand our employee-led community outreach initiatives around the world.

CHALLENGES

Accor's responsibility to employees means ensuring that each one enjoys a healthy working environment and a fulfilling quality of worklife, in compliance with local legislation, human rights principles and the freedom of association.

This commitment is embodied in our day-to-day operations by our managers with the support of the Human Resources Departments, which keep them constantly aware of best practices. Application of these principles in employee relations is regularly tracked via opinion surveys, annual performance reviews and other tools. Lastly, our investor, hotel owner and franchisee partners are also actively encouraged to practice socially responsible management, for the greater benefit of everyone working under an Accor banner.

Distribution of the Group's core corporate social responsibility documents, such as the **Accor Management Ethics Guide** and the **Management Values** is helping to instill these practices across the Accor brand base.

The hospitality industry faces the constant challenge of attracting and retaining talented people. This is an area where the quality of hotel management practices plays a critical role, by demonstrating Accor's employer promise on the job every day. While extremely diverse, our employees are all united by a set of shared **management principles**:

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

Accor's ethical and integrity policies were formalized in 2009 with the publication of the *Accor Management Ethics Guide*, which consolidates all of the major principles that every employee is expected to respect. As such, it serves as a common foundation for all of our employees in every host country, who receive a personal copy.

In accordance with the principles of the United Nations Global Compact, which Accor has pledged to support, the *Guide* is built around three closely related points:

- management principles;
- the commitment to integrity and compliance with legislation;
- environmental and social responsibility.

In general, it describes our corporate commitment to complying with or exceeding prevailing legislation and standards in each country, and to integrating this compliance into a comprehensive ethics process. It encourages employees to maintain awareness of the legal environment, request information from legal experts and never leave any compliance issues unresolved.

It also emphasizes the necessity of getting employees to share the Accor vision and fostering close ties between everyone in the corporate community. This process is primarily based on fighting discrimination, embracing employee diversity, recognizing talent, nurturing trust and dialogue, and driving a dynamic sense of co-destiny.

The *Guide* is also intended to promote integrity, and in particular to prevent bribery. In this way, it provides clear definitions of bribery of public officials and the active or passive bribery of private individuals, with real-world examples of situations in which employees could find themselves and how they should respond. Accor pledges that no commission will be paid directly or indirectly to any elected or appointed public official or elected representative with regard to the Company's contracts or its relations with French and foreign government agencies. It further pledges to take all reasonable measures to avoid the use of bribes with regard to both its purchasing and sales procedures. Given the large number of countries in which it operates, Accor pays constant attention to the risk of bribery, which has been included in the risk map prepared by the Risk Management Department (see Chapter 3.4 – Risk Management) and is carefully tracked.

In addition to bribery, the *Guide* also discusses money laundering, anti-competitive practices and the safety of employees and guests.

Lastly, it sets out important guidelines to enable employees to act responsibly in safeguarding the environment. These guidelines promote local development, encourage management to set specific objectives and help employees to respond to everyday events and build guest awareness of environmental stewardship. As the Guide states, "protecting the environment means integrating environmental issues into our decisions and actions, beginning in the design phase for new hotels, products and services."

To craft a environmental and social responsibility strategy that is both innovative and aligned with the challenges of its business, in 2010 Accor undertook an extensive assessment program to order to collect comprehensive, reliable data. In a commitment to helping to drive progress across the industry, we also created PLANET 21 Research, a platform for sharing knowledge on sustainable development in the hospitality industry where all of our publications are available for viewing and download.

In 2011, the first survey, conducted by French polling institute IFOP and involving 7,000 guests in six countries, helped to improve understanding of international hotel guest expectations regarding sustainable development.

The second, dealing with Accor's environmental footprint, was carried out in partnership with PwC using the life-cycle analysis method. It provided a holistic view of the environmental impact of all of our hotels, specifying or identifying the primary impacts, areas for improvement and new priorities, such as the impact of food services or construction site waste. Eleven core hospitality industry processes were reviewed to determine their environmental impact in five areas: energy use, water use, waste production, carbon emissions and water pollution.

Lastly, our community outreach expertise, acquired thanks to our longstanding involvement, enabled us to identify major social issues for the hospitality industry, including local development, healthy eating, disease prevention and the protection of children from abuse.

As one of the world's leading hospitality groups, Accor has a responsibility to its guests, its employees, its shareholders and its local host communities. It is actively committed to nurturing constructive dialogue and open communication with all of its stakeholders, both within the Company and in the community.

Accor stakeholders

	Employee and business stakeholders	Public stakeholders	Financial stakeholders	Trade stakeholders
Internal	Employees Employee representatives		Employee shareholders	
External	Franchisees Owners and investors	Public authorities (governments, European Union, etc.) Associations, NGOs, etc. Local communities Media	Shareholders Financial community Investors SRI rating agencies Suppliers and service providers Distributors	Trade organizations Competitors Guests Partners

ENGAGEMENT AND RECOGNITION

Accor has a responsibility to its employees, the environment and its local host communities. To fulfill it, we have pledged to respect **human rights** and the **freedom of association** and to **fight against corruption**. We have also been widely recognized for our efforts to **combat the commercial sexual exploitation of children** and to **reduce greenhouse gas emissions**. This engagement is demonstrated every day by our employees, who play an essential role in implementing our policies, which are shaped by our business and aligned with local conditions and practices.

- On January 31, 1999, at the World Economic Forum in Davos, Switzerland, UN Secretary-General Kofi Annan challenged world business leaders to embrace, support and enact the Global Compact, both individually through their firms and by supporting appropriate public policies. In 2003, Accor pledged to support the Global Compact and respect its ten principles, which cover issues dealing with **human rights**, labor standards, the **fight against corruption** and the environment. The Group is committed to reaching the GC Advanced level by 2015.

In 1995, a worldwide agreement was signed with the International Union of Food Workers (IUF) concerning application of International Labour Organization conventions 87, 98 and 135 on employees' **freedom of association** and right to unionize. The agreement ensures the effective application of these conventions in all of our establishments.

Accor is a member of the ILO Global Business and Disability Network following the official signing of the membership agreement on June 11, 2012 at the United Nations Office in Geneva. The initiative is a response to the needs expressed by multinational corporations and employer organizations. Participating in the Network gives us the possibility of organizing a certain number of events around the world and to embrace the best practices of the initiative's partner companies.

- Since 2001, Accor has fought against the **commercial sexual exploitation of children** with ECPAT International, an NGO comprising 77 organizations in more than 70 countries, whose mission is to end child prostitution, child pornography and trafficking of children for sexual purposes. In 2008, Accor was appointed to the Executive Committee of the Child Protection Code of Conduct, which was developed by EPCAT and the World Tourism Organization. As of year-end 2012, the Code had been signed by 36 of our country organizations.
- Lastly, since 2006, Accor has participated in the Carbon Disclosure Project, a major survey conducted on behalf of 475 institutional investors managing more than €55 trillion in assets. This international organization asks leading corporations to report on their **climate change** strategies, their approach to carbon cost imposition and their greenhouse gas emissions performance. Accor's scores have steadily improved since 2010, both in the Carbon Leadership Disclosure Index and in the Carbon Performance Leadership Index, with a final overall score of 81B in 2012.
- In recognition of its corporate social responsibility commitment and performance, Accor has been included since 2004 in the four leading international socially responsible investment indexes: the Dow Jones Sustainability Indexes, FTSE4Good, ASPI Eurozone and the Ethibel Sustainability Indexes.

RESPONSIBLE GROWTH STRATEGY

At a time when Accor is beginning a phase of sustained expansion, the PLANET 21 program is accelerating and intensifying its sustainable development commitment, transforming it into a decisive competitive advantage for the Group, its brands and its partners.

Structured around 21 commitments backed by measurable objectives that all hotels are expected to meet by 2015, PLANET 21 has embedded sustainable hospitality deep in our strategic vision, as well as in our development and innovation processes.

PLANET 21: 7 pillars, 21 commitments and measurable objectives for 2015

Pillars	Commitments	2015 Objectives	2012 Results	Additional Indicators – 2012 Results (without objectives)
Health	**1. Ensure healthy interiors**	**85%** of hotels use eco-labeled products	**89%**	**88%** of hotels use eco-labeled cleaning products
				11% of hotels use eco-labeled wall paint
				9% of hotels use eco-labeled floor coverings
	2. Promote responsible eating	**80%** of hotels promote balanced dishes	**87%**	Number of hotels offering vegetarian dishes *(indicator under construction)*
	3. Prevent diseases	**95%** of hotels organize disease prevention training for employees	**40%**	**934** hotels are equipped with condom vending machines
				14,637 employees have been trained in HIV/AIDS prevention
				8,940 ergonomic beds installed in France by year-end 2012

Pillars	Commitments	2015 Objectives	2012 Results	Additional Indicators – 2012 Results (without objectives)
Nature	**4. Reduce our water use**	**15%** reduction in water use between 2011 and 2015 *(owned, leased and managed hotels)**	**5%** reduction in 2012	**95%** of hotels monitor and analyze water use monthly
				93% of hotels have installed flow regulators on showers and faucets
				189 hotels are equipped with rainwater recovery installations
	5. Expand waste recycling	**85%** of hotels recycle their waste	**79%**	**91%** of hotels sort and recycle batteries
				90% of hotels sort and process compact fluorescent tubes and light bulbs
				86% of hotels sort and recycle paper and cardboard
	6. Protect biodiversity	**60%** of hotels participate in the Plant for the Planet reforestation project	**39%**	**87%** of hotels use locally adapted plants
				71% use eco-friendly gardening products
				82% of hotels use certified paper for printing
Carbon	**7. Reduce our energy use**	**10%** reduction in energy use between 2011 and 2015 *(owned, leased and managed hotels)**	**3%** increase in 2012	**93%** of hotels monitor and analyze energy use monthly
				94% hotels use low-consumption lamps for 24/7 lighting
				92% of hotels monitor the optimum settings of energy installations
	8. Reduce our CO_2 emissions	**10%** reduction in CO_2 emissions between 2011 and 2015 *(owned, leased and managed hotels)**	**10%** increase in 2012	**76%** of hotels check that equipment containing HCFCs and HFCs is leak-proof
				68% of hotels use energy-efficient boilers
				65% of hotels use energy-efficient air conditioning and cooling equipment
	9. Increase the use of renewable energies	**10%** of hotels use renewable energies	**6%**	**183** hotels use renewable energies
				145 hotels are equipped with solar panels for domestic hot water
Innovation	**10. Encourage eco-design**	**40%** of hotels have at least three eco-designed room components	**23%**	**57%** of hotels use dispensers or eco-responsible packaging for bathroom products
				20% of hotels have eco-labeled bathroom products
				10% of hotels use responsible bedding components
	11. Promote sustainable building	**21 new** or renovated hotels are certified as sustainable buildings	**2 hotels**	**28%** of hotels use building management software to manage their energy use
				68% of hotels use energy-efficient bulbs for frontage lighting
				31% of hotels recover energy from the ventilation system
	12. Introduce responsible hotel offers and technologies	**20%** of owned and leased hotels offer green meeting solutions	**Scheduled for launch in 2013**	LED-based lighting solutions being tested
				Filtered instead of bottled water for meetings being tested

Pillars	Commitments	2015 Objectives	2012 Results	Additional Indicators – 2012 Results (without objectives)
Local	**13. Protect children from abuse**	**70%** of hotels have pledged to protect children	**38%**	**36** country organizations have signed the Code of Conduct for the Protection of Children
				More than **30,000** employees have been trained in preventing child sex tourism
				111 hotels are involved in programs to help marginalized minors reintegrate into society
	14. Support responsible purchasing practices	**70%** of hotels purchase and promote locally sourced products	**68%**	**56%** of hotels serve fair trade products (with the Fairtrade/Max Havelaar label)
				15% of hotels serve sustainable products (with the Rainforest Alliance or other recognized label)
				Around **526** tonnes of fair-trade-sourced hot beverages served in our hotels in 2012
	15. Protect ecosystems	**100%** of hotels ban endangered seafood from restaurant menus	**83%**	**87%** of hotels ensure proper sanitation of wastewater
				97% of hotels train staff in good environmental practices
Employment	**16. Support employee growth and skills**	**75%** of hotel managers are promoted from within *(owned, leased and managed hotels)*	**80%**	Number of employees attending a training course leading to certification *(indicator under construction)*
				321 hotels offer employees classes in the host country language
	17. Make diversity an asset	Women account for **35%** of hotel managers *(owned, leased and managed hotels)*	**27%**	**0.8%** of employees have disabilities *(owned, leased and managed hotels, outside the United States)*
	18. Improve quality of worklife	**100%** of country organizations conduct an employee opinion survey every two years	**71 countries**	**369** hotels organize training to prevent psychosocial risks
Dialogue	**19. Conduct our business openly and transparently**	Accor is included in **6** internationally-recognized socially responsible investment **indices** or standards	**4 indices**	Meetings were held with **523** investors during the year to present our management practices
	20. Engage our franchised and managed hotels	**40%** of all non-budget hotels, across all operating structures, are ISO 14001-certified	**31%**	**55%** of franchised hotels comply with the "standard level" defined in the Charter 21**
	21. Share our approach with suppliers	**100%** of purchasing contracts are in compliance with our Procurement Charter 21	**60%**	**204** suppliers have been audited by an independent organization over the past two years **90%** of European contracts include REACH compliance for chemicals

* *In 2012, managed hotels were added to the PLANET 21 targets concerning water, energy and CO_2.*

** *The standard level is reached when ten of the Charter 21 key action points have been completed.*

Unless otherwise noted, the PLANET 21 Commitments concern all Accor Group hotels, whether owned, leased, managed or franchised.

2.2. HUMAN RESOURCES REPORT

Human resources policies, which are intrinsically linked to our strategic vision and growth challenges, are guided by the key concepts of **professionalism** and **mobility**.

- **Professionalism** is crucial for our hospitality and service jobs in an increasingly competitive marketplace, where demanding customers require a constant focus on adapting to their needs. This is why our employees are regularly trained, effectively motivated and offered opportunities for professional growth.
- **Mobility**, both geographic and occupational, is an important process at Accor, because it supports skills enrichment and opens up more diverse career opportunities.

Our responsibility to employees is expressed in **recognition**, a **commitment to diversity** and **dialogue.**

- **Recognition**, which enhances motivation and the sense of belonging to the corporate community, is based on such fundamentals as compensation, empowerment, attentiveness and engaged, hands-on management.
- **A commitment to diversity in our human resources** is a major strength in fostering team alignment, attracting and retaining talent and nurturing the ability to innovate and to embrace change.
- **Dialogue** is the cornerstone of a working environment that nurtures employee job fulfillment and performance. Managers are supported in this process by open, frank discussions with stakeholders and tools such as employee surveys, which help to maintain a high-quality working environment.

2.2.1. KEY FIGURES

Employee and diversity data are reported and the related indicators managed via the HR DATA application that was revamped in 2009 and redeployed in 2010. The application has been steadily upgraded with new features to enhance user-friendliness, but more importantly to improve the reliability of the reported data. In addition to collecting and consolidating employee and diversity indicators, the application allows users to export employee relations scorecards. They can also easily display data trends from one period to another for a given issue or to compare two issues. Wider use of these scorecards will be encouraged by a series of training sessions to be organized in 2013.

The corporate reporting process is defined in the **human resources reporting protocol** and the **diversity reporting protocol**, which apply to everyone involved in the reporting chain, from the Accor head office to hotels. They provide a detailed, comprehensive description of Group procedures and definitions, the methods used to measure data and indicators, and the areas at risk that require particular attention. They also mention any country-specific features, which are frequently updated.

Versions of the protocols in French and English have been distributed to everyone responsible for the reporting process. They are also available on request from the corporate Human Resources Department, together with all of the training support documents that make up Accor's reporting standards.

Unless otherwise noted, all of the indicators disclosed in the social responsibility report are based on the reported employee and diversity data. The scope of this reporting is described below.

Employee data are reported for:

- people who work in head offices, owned hotels and leased hotels, who are direct employees of the Accor Group;
- people who work in the managed hotels, who are managed by Accor but are not direct employees of the Accor Group.

Employee data do not include:

- employees of owned, leased and managed hotels closed as of December 31, 2012;
- contingent workers, interns and temporary workers;
- employees of franchised hotels or units in which Accor owns an equity interest but does not exercise any management responsibility (commission-based management contracts and Adagio Aparthotels).

Workforce indicators are measured and disclosed on the basis of the monthly average number of employees.

As of December 31, 2012, Accor employed **133,886 people in owned,** leased and managed hotels, compared with 144,893 a year earlier.

Workforce by business and region at December 31, 2012

	France	Europe (excl. France)	Asia-Pacific	Latin America & Caribbean	Other countries	Total 2012	Total 2011
Owned and leased hotels – payroll employees	**15,264**	**21,242**	**4,665**	**4,768**	**2,958**	**48,897**	**67,090**
Upscale and Midscale Hotels	9,672	15,562	3,019	2,536	2,319	33,108	36,882
Economy Hotels	5,592	5,680	1,646	2,232	639	15,789	15,913
Economy Hotels in the United States	-	-	-	-	-	-	14,296
Managed hotels – non-payroll employees	**1,325**	**5,207**	**55,635**	**5,943**	**15,794**	**83,905**	**76,650**
Upscale and Midscale Hotels	1,279	4,232	51,654	4,873	14,184	76,222	69,289
Economy Hotels	46	975	3,981	1,070	1,610	7,683	7,361
Holding company – payroll employees	**1,084**	**-**		**-**		**1,084**	**1,153**
TOTAL (1)	**17,673**	**26,449**	**60,301**	**10,711**	**18,752**	**133,886**	**144,893**

(1) Except for six managed hotels in Germany and 20 managed hotels in France.

"Other countries" includes the Africa-Middle East and North America regions. As of end-2012, Accor had 15,943 employees in Africa-Middle East, of whom 2,720 were payroll employees, and 2,809 employees in North America, of whom 238 were payroll employees.

In addition to employees working in head offices and in owned, leased and managed hotels, Accor estimates that another 30,000 people are employed in the franchised hotels.

Lastly, by the nature of its business and in its relationships with partners, Accor is a major source of indirect jobs. The outside workforce includes temporary and contingent workers who support in-house teams during peak periods, as well as sub-contractor employees in such areas as laundry services, housekeeping, landscaping and call centers.

Employee movements

Accor hired 72,463 people in 2012, primarily in response to its strong organic growth and the competition it is facing as an employer in regions where the services industry is experiencing fast growth, such Asia-Pacific and Latin America. In addition, the total workforce was increased by the acquisition of Mirvac in **Asia-Pacific**.

The number of total employees in **North America** declined following disposal of the Motel 6 and Studio 6 brands in the economy segment. In **France**, the number of payroll employees is trending downwards in conjunction with the asset-light strategy.

A total of 60,024 people working under permanent and fixed-term contracts left the Group in 2012, of which 35,918 resignations, 7,407 involuntary separations (dismissals, contractual termination by mutual agreement, unsuccessful trial periods, etc.), and 665 voluntary separations under redundancy plans.

Changes in operating structure

Although Accor takes into account the jobs impact of its asset-light strategy, when a hotel is sold under a management-back or franchise-back agreement, the employment contracts of its staff are automatically transferred to the buyers.

When a hotel changes operating structure, human resources teams around the world help to support employees through the transition. In France, for example, an agreement on the principles and procedures for managing and supporting the transfer of employees during hotel divestments was signed in 2009 and amended in December 2010. The impact of the asset-light objectives for 2016 will be presented to employee representatives in 2013. As part of this process, new negotiations on employee support measures will be opened.

Human resources data at December 31, 2012

	France	Europe (excl. France)	Asia-Pacific	Latin America & Caribbean	Other countries	Total 2012	Total 2011
Number of payroll and non-payroll employees	**17,673**	**26,449**	**60,301**	**10,711**	**18,753**	**133,886**	**144,893**
% women	57%	56%	44%	53%	27%	47%	50%
% men	43%	44%	56%	47%	73%	53%	50%
% under permanent contracts	86%	82%	62%	95%	72%	73%	77%
% women	*56%*	*55%*	*44%*	*53%*	*31%*	*47%*	*51%*
% men	*44%*	*45%*	*56%*	*47%*	*69%*	*53%*	*49%*
By age							
Under 25	*15%*	*20%*	*24%*	*20%*	*11%*	*20%*	*20%*
25 to 34	*32%*	*36%*	*41%*	*42%*	*39%*	*39%*	*37%*
35 to 44	*26%*	*22%*	*22%*	*25%*	*27%*	*23%*	*24%*
45 to 54	*19%*	*15%*	*10%*	*10%*	*17%*	*13%*	*14%*
Over 55	*8%*	*7%*	*3%*	*3%*	*6%*	*5%*	*5%*
By seniority							
Less than six months	*10%*	*9%*	*19%*	*17%*	*11%*	*15%*	*17%*
Six months to two years	*18%*	*26%*	*38%*	*35%*	*27%*	*31%*	*28%*
Two to five years	*19%*	*24%*	*22%*	*25%*	*22%*	*22%*	*24%*
Five to ten years	*23%*	*19%*	*12%*	*16%*	*18%*	*16%*	*14%*
More than ten years	*30%*	*22%*	*9%*	*7%*	*22%*	*16%*	*17%*
Management							
% of total workforce (1)	26%	17%	27%	12%	12%	22%	19%
% women	*48%*	*48%*	*39%*	*46%*	*26%*	*41%*	*43%*
% men	*52%*	*52%*	*61%*	*54%*	*74%*	*59%*	*57%*
By age							
Under 25	*2%*	*2%*	*7%*	*2%*	*3%*	*5%*	*5%*
25 to 34	*32%*	*34%*	*47%*	*48%*	*27%*	*41%*	*39%*
35 to 44	*34%*	*36%*	*31%*	*31%*	*35%*	*33%*	*33%*
45 to 54	*24%*	*20%*	*12%*	*15%*	*26%*	*16%*	*18%*
Over 55	*8%*	*8%*	*3%*	*4%*	*9%*	*5%*	*5%*
Working hours							
% full-time employees	77%	79%	89%	99%	99%	88%	89%
% part-time employees (2)	23%	21%	11%	1%	1%	12%	11%
Average number of days absent per employee over the year for illness, occupational disease and workplace accidents (3)	16.7	10.0	2.3	12.3	4.4	6.9	6.2
Average number of days absent per employee over the year for other reasons (4)	7.7	2.2	0.7	2.6	2.0	2.3	1.8
Training							
Average number of days of training per employee (5)	1.5	1.7	4.1	4.7	4.7	3.4	3.0
Average number of days of training for managers	2.6	2.8	4.5	5.1	9.4	4.3	4.4

	France	Europe (excl. France)	Asia-Pacific	Latin America & Caribbean	Other countries	Total 2012	Total 2011
Average number of days of training for non-managers	1.1	1.4	4.0	4.6	4.1	3.2	2.7
Number of employees having attended at least one training course	8,685	22,151	85,222	11,111	16,835	144,004	143,937
Of whom managers	*3,059*	*4,238*	*22,051*	*1,225*	*2,691*	*33,264*	*31,566*
Of whom non-managers	*5,626*	*17,913*	*63,171*	*9,886*	*14,144*	*110,740*	*112,371*
TOTAL NUMBER OF DAYS OF TRAINING	26,005	43,818	248,174	49,938	88,831	456,766	435,092

(1) A manager is defined as an employee who manages a team and/or has a high level of expertise.
(2) A part-time employee is one who works fewer than a country's legal working hours, without including any overtime.
(3) Total number of days absent, divided by total number of employees. Does not include maternity and paternity leave.
(4) Total days of authorized and un-authorized unpaid leave, divided by total number of employees. Does not include maternity and paternity leave.
(5) Total number of days of training over the year divided by total number of employees.

Methodology

- ***Training***: the number of reported training days includes courses conducted by the Académie Accor and contract service providers for hotels and head offices, as well as the brand program training led by managers for their teams. Accor considers that these data reflect the majority of the training offered to employees. However, part of the training conducted in the hotels may not be reported to Group level. Examples include induction courses for new hires or non-brand program courses led by managers with the help of specialized materials provided by the Académie Accor.
- ***Number of days of training***: training in a country's hotels and head offices is reported in number of days rather than hours. When courses, such as e-learning modules, last only a few hours, they are converted into days on the basis of eight hours per day.
- ***Absenteeism "for other reasons"***: these absences do not give rise to any direct costs for the Group because they include authorized and unauthorized unpaid leave (other than for family events), depending on local labor laws.

2.2.2. HUMAN RESOURCES POLICIES

Accor's human resources strategy is designed to support the development of the brands and to continuously enhance employee capabilities in the diverse, ever-changing array of hospitality skill-sets. To meet our core challenges of professionalism and mobility, therefore, we continuously strive to develop employee expertise and recognize and reward this expertise with career opportunities.

Attracting new talent

Hiring and retaining the right people is an ongoing objective of our human resources strategy, with policies aligned with local conditions in every host country.

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

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

Tools and resources deployed in the Group

Accor offers franchise partners and the owners of managed hotels all the benefits of a world-renowned organization and its brands, while helping them to enhance their image as a good place to work with **international resources** adapted to every job market.

A global **employer brand** is displayed on all forms of corporate media for employee and public use, including advertising, online media and below-the-line advertising (booths, posters, job-fair folders, etc.). It visually recalls the advantages of a career with Accor, such as training and skills development, promotion from within and recognition systems.

On the **accor.com website**, the "Recruitment & Careers" section is designed to present the wide variety of career opportunities available in our corporate community. Applicants can also take a quiz to discover which jobs are right for them or browse a comprehensive guide that presents our many jobs in detail.

Available in 12 languages, the **AccorJobs** job vacancies site posted nearly 20,000 offers for jobs or internships in 2012, generating more than 500,000 applications. Applicants can also search the offers from their smart phone, thanks to a new mobile-friendly website.

An **online HR strategy**, extensively developed in 2012, is extending these existing resources to such new media as Facebook, Twitter, LinkedIn, YouTube and other social networks. In early 2013, Potentialpark ranked Accor best in France in online human resources communication and fourth in Europe, in recognition for the actions undertaken in 2012.

Apprenticeship programs

In France, Accor has signed the Charter initiated by the French Apprenticeships and Vocational Training Ministry to promote access to work/study contracts for young people supported by local young-adult employment agencies. The Charter helps to improve the information young people receive regarding local work/study programs, orient them to the right one and prevent dropout by fostering dialogue between the student, their local employment advisor and their company mentor. In 2012, 650 people were involved in work/study programs in France, of which two-thirds under apprenticeship contracts.

Also in France, M'App, a **special apprenticeship label, is awarded to Mercure hotels** that make a commitment to provide quality training and support to young people in work/study programs. The hotel team, the apprentice and his or her mentor all sign a "contract of trust" describing the rights and responsibilities of each party in ensuring the program's success. The label system enables work/study participants to receive personalized training and support, while helping the hotels to attract, train and retain young employees. Through this system, the Mercure brand has created a reservoir of potential employees, with 500 people participating in the program since its launch, including more than 230 who have stayed on as Group employees. Accor also recognizes the important role played by Mercure mentors with a specific training module at the Académie Accor that has been taken by more than 280 participants since 2008.

Enhancing employee capabilities

Training and skills development for all of our teams in every aspect of the business is a core component of Accor's human resources policies. The emphasis on promoting from within means that employees enjoy exciting career development opportunities. As part of this commitment, adult training programs have been especially introduced to enable employees to move into management positions.

Partnering with educational systems

A dedicated outreach strategy for recent graduates is in place to attract, onboard and develop talent from universities and professional schools. Its scope of application covers:

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

Close **relationships and partnerships with local educational systems** are being nurtured and expanded in our host countries, involving a large number of business schools, hotel management schools and universities. In 2012, the school partnership teams met with 3,800 bachelor's and master's level students during international conferences and trade fairs, with the goal of enabling several hundred of them to participate in internships and find jobs in Accor hotels and support functions.

As part of the partnership with the **Lausanne Hotel School (EHL)**, an Accor back-to-school event was organized on September 18, 2012, during which Group senior executives, the co-Founding Chairmen and the Chairman and Chief Executive Officer met with incoming EHL students to share their passion for the Hospitality business.

In France, a vocational and adult training agreement signed in 1999 with the National Education Ministry is helping to deepen cooperation with higher education institutions through hands-on initiatives, provide young graduates with more information to guide their career choices, and inform high school and middle school teachers about jobs in the hospitality and foodservices industry.

In recent years, Accor has been deploying an assertive job tracks strategy to improve hotel performance by creating talent pools in jobs that will play key roles in tomorrow's hospitality industry.

For employees, this offers an opportunity to acquire new skills or to sharpen their expertise at a time when the profession is changing very quickly. In particular, this is the case for:

- **sales**, where the Sales & Distribution Pass training module was offered to 200 sales experts in 2012. It allows sales managers to take their capabilities to the next level and measure themselves against the basic, fundamental principles of hospitality sales. These courses are included in an ambitious program to improve the professionalism of our sales teams, from hiring to career development;
- **revenue management**. A dedicated revenue manager job track has been in place since 2007, supported by the RM Pass series of specialized training courses offered in association with the Académie Accor. They are designed to enhance the capabilities of revenue managers and other employees who help to optimize hotel revenue. In addition, partnerships are regularly formed with schools to train and pre-hire talented young people who will fill tomorrow's strategic positions. Certain schools, for example, offer our RM Partner School program, which is helping to enhance revenue management education. Since late 2011, we have also partnered the Revenue Management Masters degree offered by Institut Paul Bocuse and IAE Savoie Mont-Blanc in France;
- **distribution**, with the new Distribution Excellence (DEX) program primarily designed for hotel general managers and revenue managers. The program is helping hotel managers to understand the major issues and challenges raised by distribution channels and room booking methods. It also provides keys to building a strategy and developing everyday distribution tactics for their hotels.

Accor believes in **promoting from within**. Programs have been especially introduced to enable employees, either newly hired or with several years experience, to move into management positions over the medium to long term. This system is being supported by certification programs that validate skills learned on the job, thereby guaranteeing enhanced employability for employees both within the Group and elsewhere.

In New Zealand, for example, a graduate management trainee program has been set up in partnership with the Ministry of Social Development. Each year, around twenty graduates from local universities and hotel management schools are selected and hired. During their first year of employment, they receive classroom and on-the-job training that puts them on the fast track to management positions. In addition, employees who do not have a higher-education degree can also participate in the program, once they have completed an Accor-sponsored certification course for adult learners.

Since 1997, our **International Hospitality Management Program** (IHMP) has been helping to create a pool of international managers ready to take on new operating responsibilities in both the short and medium term. IHMP is the result of a collaborative venture between the ESSEC business school's MBA in Hospitality Management program (IMHI), the Accor Operations Human Resources Department and the Académie Accor. The classes are given in English, with a curriculum built around six main subjects: Business Strategy and Value Creation; Human Resources Management; Finance; Revenue Management; Marketing, Sales and Distribution; and Communication. IHMP certification gives participants 20% of the credits required for the ESSEC MBA in Hospitality Management. The class of 2012 comprised 27 employees, aged 26 to 48 and representing 17 different nationalities, seven brands and nine job tracks. One third were women.

A **partnership with the Glion Institute of Higher Education** enables any Accor hotel manager without a college degree to validate his or her years of experience in the profession with an MBA in International Hospitality and Service Industries Management. The Institute's core courses are given online in English in a virtual classroom. Earning the MBA can enable hotel department heads and General Managers to move up to higher positions within the organization.

The Académie Accor

Created in 1985, the Académie Accor was the first corporate university in the services industry in Europe. For 27 years, this pioneering institution has been dedicated to training all of our employees, while serving a forum for exchanging best practices and instilling the Accor corporate culture.

The Académie Accor is supported by a network of 18 campuses around the world that offer training in every aspect of hospitality-related expertise and jobs. Courses may be attended by any employee of an Accor-brand hotel, regardless of job family, educational background, position or seniority. All of the owned, leased, managed or franchised hotels have access to the courses, which may be custom-tailored to the needs of each hotel's management structure.

The Académie Accor's primary mission is to train employees so that every guest enjoys impeccable quality of service. Its second mission is to support the Group's expansion by enhancing professionalism in every job family. With the current commitment to opening 1,000 hotels by 2015, training is playing an essential role in maintaining the pace of growth. This is particularly the case in certain countries without any hotel schools, where the Académie serves as an effective substitute.

The Académie Accor is guided by three fundamental teaching goals:

- to reflect **each brand**'s real promise and **identity** by designing, producing and delivering their dedicated course content;
- to stay attuned to the latest economic, technological and social trends, by offering **innovative learning resources** in phase with changes in the marketplace;
- to ensure that all of the programs convey Accor's unique culture, management philosophy and **hotel management methods**.

Always an innovation-driven organization, the Académie Accor now offers training programs increasingly based on blended learning technologies. In this way, it can train employees both on-site and online, to develop their skills where they work via e-learning modules, virtual classrooms and other computer-mediated activities.

Today, detecting, developing and retaining the finest talent is a critical challenge for supporting Accor's assertive growth strategy, making training and education a core aspect of our business. With more than 250 training modules offered in 20 languages and adapted to local requirements, the Académie Accor is positioned as the international benchmark in hospitality skills development.

International mobility

With operations in 92 countries, Accor offers employees a wide range of **international career opportunities**. Employees who want to take postings outside their home country are supported by the International Mobility and Expatriation team, whose role is to:

- help managers and human resources teams in each country to identify and recruit the right people for their needs and to define the contractual terms applicable to each employee;
- support employees at every stage of their project and the mobility process, by verifying their project's feasibility, for example, or providing cross-cultural sensitivity training;
- ensure compliance with the Group's international mobility policies covering moving costs, temporary lodging on arrival and other issues.

To support the change in its business model, one of the Group's challenges today is to identify local talent and help them to evolve by giving them international experience. Acquiring new expertise, sharing experience and comparing best practices will enable them to move up the organization.

Because Accor is committed to putting down deep roots in every host country, it is encouraging local employees to take on greater responsibilities in its hotels. As of December 31, 2012, 73% of the General Managers of owned, leased and managed hotels were nationals.

A dedicated **International Mobility intranet** site provides employees with such useful information as travel and visa formalities, checklists and country guides. The site reflects the Group's ever-changing needs with testimonials and news on business development and regions looking to recruit. In this way, it serves as an effective resource, aligned with both our operating requirements and the mobility aspirations of our employees.

An internal mobility application

Accor managers and executives can map out their own career opportunities using the Success international management application, which offers more than 5,000 employees a view of all of the management vacancies across the Group. Participants can inform their direct manager of a proposed career change by posting their résumé, job aspirations and annual performance reviews on the site. They can also submit applications for any vacancies. This information may be viewed by other managers, who can use it to foresee and plan their staffing needs.

Assessing performance and providing effective guidance

Every year, it is recommended that employees have an **annual review** with their manager, during which they mutually discuss performance over the past year and set objectives for the next. The review also gives employees an opportunity to express their career goals so that an appropriate development plan can be proposed.

Supporting brand development

As part of our growth strategy, the brands are playing a greater role in our human resources strategic landscape, while instilling a management culture aligned with their identity. They are enhancing their appeal with employee training programs, thereby helping to develop the expertise and employability of their teams.

Enabling employees to move forward

In 2012, for example, **Sofitel** continued to deploy its "Ambassador" program, which is designed to offer eligible employees career development opportunities through a three-stage process:

- **Be Yourself**, the talent selection stage, is led by the School of Excellence, a program for future Sofitel managers offered in exclusive partnership with 15 hotel schools worldwide;
- **Be Ready** trains participants to become Ambassadors. Flexibly organized over one to 24 months, this stage includes seven training modules and leads to accreditation as Ambassador;
- **Be Magnifique** offers accredited Ambassadors the possibility of managing a team, communicating brand knowledge and culture, becoming an expert in their field or becoming a certified trainer at their hotel.

Launched in 2010, **Novotel**'s "Move Up" global human resources policy was still being rolled out across the worldwide Novotel network in 2012. It is designed to increase Novotel's attractiveness and employee retention through six programs:

- **Welcome**, a six-month onboarding program for all new employees that by year-end 2012 had been deployed in 253 hotels around the world;
- **Itineraries**, a skills qualification course that employees can complete at their own pace. By year-end 2012, it had been deployed in 112 hotels, with roll-out in Europe scheduled for completion in 2013;
- **Novotel Service Attitudes**, a program defining the brand's service style and spirit that by year-end 2012 had instilled new service skills in teams at 250 hotels around the world;
- **Globe-Trotter** offers participants a two-year track towards a position as department manager, with one year spent in another country on the same continent;
- **GM Pass**, a 12-month program for department managers interested in moving up to a hotel General Manager position;
- **Visa** provides an opportunity for top performers in a given job to work for a month in another country. A total of 121 employees have been selected for the program since 2010.

Keeping the brand spirit alive

The brands also offer their employees training programs to help them express the brand identity to customers and deliver the excellent guest experience they expect.

In 2012, **Mercure** began to deploy the Mercure Quality Pact, supported by two e-learning modules developed in partnership with the Académie Accor. Intended for non-management personnel, "Discover Mercure" offers a comprehensive introduction to the brand and its quality commitments, while the "Manage Mercure Quality Guarantee" module for managers focuses more on the quality process, with a review of its stages, practices and compliance procedures.

Following the creation of the **ibis** megabrand in late 2011, the challenge in 2012 was to make every employee an ambassador in demonstrating to customers the meaning of this strategic change in our economy brands. By November, 97% of General Managers had participated in kick-off events organized in the various countries and regions. To get all of teams behind the project, two training modules were developed and led by the General Managers: "Discover ibis family" and "Becoming a Customer Ambassador." A full 91% of the teams attended the courses in November 2012.

2.2.3. OUR COMMITMENTS TO EMPLOYEES

Accor's commitments to employees are also expressed in the goal of promoting **diversity**, as well as in fair **compensation**, good **working conditions** and meaningful **social dialogue** with stakeholders.

A commitment to diversity

Accor is deeply dedicated to recognizing the individual differences of every employee and to ensuring that human resources management processes are based entirely on capabilities and performance. This commitment, which is structured around formalized undertakings for the Group and priorities set for 2015, reflects four major challenges for Accor:

- **corporate social responsibility**. As a fair and sustainable employer, Accor has the duty to reflect the diversity of its host communities;
- **being perceived as a good place to work.** A diverse company that respects its employees is well perceived by the public;
- **sales and marketing**. Integrating diversity helps us to understand guest expectations and to devise solutions that resonate with them;

- **performance**. Inclusiveness and social cohesion are important factors for well-being in the workplace, because a fulfilled employee is an efficient employee.

Commitments to support diversity

Our steady support for diversity and rejection of all forms of discrimination have been formalized in a charter and a Group-wide agreement.

Signed by Chairman and Chief Executive Officer Denis Hennequin and deployed in 15 languages in 2011, the **International Diversity Charter** serves as the foundation of our diversity policies. It expresses seven key commitments:

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

Four priorities have been defined for the period to 2015:

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

Our support for diversity and rejection of discrimination follows on directly from the 2004 signature of the French government's **Diversity Charter**.

More recently, in 2012, our Polish subsidiary Orbis became one of the first companies to sign the **Polish Diversity Charter**. During the year, the subsidiary's senior management focused on two diversity priorities: maintaining gender equality in executive positions (women accounted for 40% of hotel General Managers in Poland at year-end) and raising employee awareness of age diversity in order to improve management behavior.

Promoting diversity and equal opportunity

The measures undertaken to promote diversity have been shaped both by the ambitious commitments demonstrated at the highest level and by locally defined action plans. The main initiatives led in 2012 addressed the following issues.

Populations in need

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

We are a founding member of the **Second Chance School in Paris**, part of a network created in French cities in association with the European Social Fund to facilitate the workplace integration of young adults, 18 to 26, without any qualifications or degrees and who have been out of the educational system for at least two years. Accor informs them about hospitality jobs and the vocational degrees and qualifying certifications they require and provides support and advice in writing résumés, preparing for job interviews and other critical job-seeking skills. We are currently working with every Second Chance School in France. Furthermore, a national partnership agreement has been signed with EPIDE, a Ministry of Defense-sponsored organization that assists young people with workforce integration.

Created in 2006 in association with the German Agency for Technical Cooperation (GTZ) and the Moroccan Ministry of Labour and Vocational Training (DFP), **Accor Morocco**'s apprentice training center has three objectives: to train young dropouts, fight against the marginalization and exclusion of people seeking to re-enter society and defend women's rights in rural communities. During the 8th International Diversity Symposium, held in Morocco in 2012, Accor Morocco received the Diversity Award in the "Hiring and Integrating the Disadvantaged" category.

In **Australia**, Accor hotels continued their Indigenous Job Ready Program for the fourth straight year. Since 2009, the program has offered intensive training sessions to develop basic hospitality job skills. In partnership with the Australian Department of Education, Employment and Workplace Relations and Job Services Australia (JSA), Accor organized 16 workshops across the country in 2012. 130 indigenous people attended, enabling 90 of them to be hired by the Group.

Gender equality in the workplace

The **2012 diversity reporting process** enabled us to determine the percentage of women in management positions at the hotel General Manager, Operations Director and country Executive Committee levels, as well as in head offices, notably among senior executives. At December 31, 2012, 27% of General Managers of owned, leased and managed hotels were women.

The **worldwide target** is for women to account for 35% of hotel General Managers by 2015, which represents a mid-point on the way to meeting the overall objective of 50%.

As of year-end 2012, three of the eleven members of the **Board of Directors** were women, or 27%, and two of the eight Executive Committee members were women.

At that same date, Accor had 62,363 women employees worldwide, accounting for 47% of the total workforce and 41% of managerial staff.

On December 10, 2012, Accor launched **Women at Accor Generation** (WAAG), an international women's network open to both men and women employees of any Accor brand. Through its eight regional networks, WAAG is committed to fighting against stereotypes and the self-censorship of women, primarily by mentoring women employees, sharing experience, conducting training and facilitating networking.

In 2011, Accor joined eight other French companies in a **research study of gender stereotypes conducted by IMS Entreprendre Pour la Cité**, a French organization that promotes corporate social responsibility practices. In the case of Accor, IMS surveyed employees of our hotels and head offices in order to quantify gender stereotypes and their impact on discrimination against women and opportunities for women to serve in positions of responsibility. Published in 2012, the findings showed that while Accor demonstrated positive stereotypes, due to its high percentage of women employees, much remained to be done to improve social cohesion and attenuate feelings of gender discrimination. The study helped to raise employee awareness and led to a number of action plans, which will be implemented in the future.

All of the teams in the head offices and the owned and leased hotels in France are covered by a **gender diversity agreement**, signed in 2011 for the hotels and in 2012 for the Accor SMI headquarters in Evry and the Accor SA headquarters in Paris.

People with disabilities

In France, the Integrating the Disabled Project (MIPH) is an integral part of the diversity action plan. It is governed by a **Group-wide agreement** concerning the hiring and retention of disabled employees, whose renewal for a further three-year period (2012-2014) was signed with all of the employee representatives in 2012.

Under the agreement, the **MIPH** team carried out the following actions during the year:

- 37 people were hired in Accor France operations, mostly under permanent contracts;
- 92 training and awareness-building sessions were conducted in our hotels, in particular through partnerships with schools. These sessions are sometimes a first step to hiring, with nine participants being offered job contracts.
- 57 people with a hearing or vision impairment or a psychological disability were hired and trained in kitchen, dining room and housekeeping skills through custom-designed training programs. The Novotel Paris Tour Eiffel, for example, took on nine disabled people for a three-month training program with the goal of offering them a permanent employment contract upon graduation;
- 30 employees were able to keep their jobs thanks to support from Mission Handicap, which i) helped to analyze their workstation ergonomics, leading to improvements in design and equipment; ii) provided financial support for the purchase of medical equipment; or iii) conducted skills reviews;
- 30 disabled people working in sheltered workshops were employed under a Group partnership program.

In November 2012, two new communication campaigns – one for employees and the other for young people in hotel schools, apprentice training centers and special needs schools – were launched to facilitate the hiring and integration of people with disabilities. Expressing the same strong message – "every day, we welcome very different people and we have always hired them" – both campaigns illustrated the reality of the diversity and disability experience at Accor with messages resonant with the target audience.

In France, on a full-time equivalent basis, a total of 536 disabled persons were employed at December 31, 2012, representing 4.15% of the workforce for the year.

In other host countries, a variety of initiatives have been taken to support jobs for the disabled, depending on local legislation and local management priorities.

For the past year, **Accor Thailand** has pursued a program to hire and onboard people with disabilities in all of its hotels. On December 3, 2012, the International Day of People with Disability, it received an award in Bangkok from the Ministry of Labor. So far, more than 30 disabled people have been hired by our operations in Thailand.

In **Brazil**, application of our disabled diversity policy is being facilitated by local legislation encouraging the hiring of the disabled. As of December 31, 2012, the various Group brands employed a total of 105 people with disabilities.

Age diversity

At Accor headquarters, jobs for people over 55 are being promoted through a three-year action plan, signed on November 2, 2009 and running through December 31, 2012. It is designed to keep the percentage of these employees in the workforce steady over the period at the 5% observed at the date of signature by implementing measures in six areas:

- encouraging the hiring of people over 55 by developing the anonymous résumé and creating a module to train managers and HR staff in non-discriminatory hiring practices;
- offering all employees over 45 a second-half career interview;
- improving and guaranteeing access to training for employees over 45;
- expanding information on retirement systems and introducing part-time working solutions;

- developing mentoring programs to transfer knowledge and skills;
- improving working conditions and avoiding physically and mentally strenuous situations.

In late 2009, the French Hotels business signed a three-year agreement, running from January 1, 2010 until December 31, 2012, to promote the employment of older people, with measurable targets for retaining employees over 55 and for hiring people over 50. The target for December 31, 2012 was a 10% increase in the number of employees over 55 compared with December 31, 2010. In addition, based on feedback from reporting indicators, measures to retain older employees are being implemented in three main areas: i) offering career development opportunities; ii) improving working conditions and avoiding physically and mentally strenuous situations; and iii) enhancing skills and access to training.

While scheduled to end on December 31, 2012 in compliance with regulatory requirements, the agreements remain in effect ahead of new French legislation to be passed in 2013 offering payroll tax exemptions if companies simultaneously hire a person under 26 and assign an employee over 57 to mentor him or her. During this interim period, new negotiations will be opened.

Fighting discrimination

Locally defined discrimination alert plans

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

In Brazil, for example, an annual employee satisfaction survey provides valuable feedback on the working environment in general and discrimination issues in particular, notably with regard to origin, age, gender or sexual orientation. When significant variances are noted for a particular department or site, a roundtable is organized to get a better understanding of the situation and an action plan is deployed.

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

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

Since 2008, the Group's non-discrimination and diversity policies have been led by the Diversity Department. In addition, an email address is available on the global diversity intranet site. Together, these two channels enable employees to report any perceived discrimination or unfair treatment.

The anonymous résumé on the AccorJobs website

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

This solution helps to **ensure equal treatment from the outset of the hiring process**, since candidates are short-listed solely on the basis of their training, experience and skills so as to preclude even subconscious discrimination due to age, gender or origin and to counter recruiters' natural tendency to hire people like themselves.

Diversity training

The commitment to diversity is meaningful only if it is embraced by every employee and demonstrated in their day-to-day working practices. To eradicate stereotyping, two levers are being activated: training and the sharing of the best practices already being applied in the Group.

The "Managing Diversity" *e-learning* module, which was awarded the 2011 Grand Prix AFPA by France's national adult vocational training association, was completed by nearly 2,000 managers in France in 2011 and 2012. Now aligned with European legislation and translated into English, it will be deployed in Europe in 2013.

The primary communication medium for the commitment to diversity is the diversity intranet site, which since January 2011 has described the best practices reported from across the Group. It also provides links to international reference documents, like the Group's International Diversity Charter, and to such resource documents as European directives on non-discrimination and diversity and a recruitment guide in six languages.

Compensation and benefits

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

Compensation and benefits policies are guided by four principles:

- offer **compensation** that is **competitive** in each market and country;
- ensure that employee **compensation** is determined **fairly**;

- encourage **employee savings** and stock ownership;
- strengthen employee **healthcare coverage** and other benefits.

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

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

Managers [(1)] receive a base salary and an incentive bonus reflecting their performance in meeting personal and team objectives and their contribution to the Group's success.

To monitor implementation of this policy and its alignment with market practices, **compensation studies** are regularly conducted by job track, skills-set or region. In 2012, for example, hotel industry-specific compensation studies were conducted worldwide, with more countries and brands covered in the Europe, Middle East, Africa region and hospitality jobs surveys carried out in North America, Latin America and Asia-Pacific. During the year, Accor again participated in the International Hospitality Industry Club Survey, the global benchmark for compensation and benefits in the hospitality industry, which in 2012 reviewed the regional compensation packages for internationally mobile employees of leading hotel operators in Brazil, China, India and the United Arab Emirates.

To strengthen our compensation and career management policies, management-level benchmark jobs are now being mapped worldwide, by job track. This process was completed for the Operations track in 2011 and the Information Technology and Sales-Distribution tracks in 2012, when the Marketing mapping program was successfully launched.

Payroll costs for the head offices, owned hotels and leased hotels are presented in section 5.1.9, note 4. Operating Expense.

Employee savings and stock ownership

Every year since 1985, Accor employees in France have been able to participate in a **Corporate Savings Plan** (PEEG), which has been regularly updated and improved over the years. It allows employees to invest in various mutual funds in either of two ways, with Accor contributing matching funds in each case.

Under the conventional system, employees invest whenever they like and qualify for the employer's contribution; in 2012, 3,858 employees paid into the plan this way. The supplemental system allows employees to make regular payments directly debited from their pay, which are also eligible for the employer's contribution. In 2012, 2,427 people invested via this system, which is designed to help employees with little capital available for savings.

To encourage long-term employee savings, Accor negotiated the creation of a PERCO group retirement savings plan with employee representatives in 2011. The plan enables employees to build a nest egg that will supplement their income during retirement, with matching funds contributed by Accor. A total of 8,681 employees invested in the new plan during the year.

All of these French employee savings plans are explained in a dedicated brochure given to employees each year, with the information also posted on the French intranet site.

Employees in France also receive profit-shares under a corporate agreement covering 93 companies in respect to 2011. Non-discretionary profit-shares earned in 2011 and paid in 2012 amounted to an aggregate net €8.8 million for 22,590 employees, or an average net amount of €390 per person.

In compliance with the French Pension Reform Act of November 10, 2010, employees had the option of allocating all or part of these profit-shares to the PERCO retirement savings plan or the PEEG Corporate Savings Plan, or else requesting immediate payment.

In 2012, an additional non-discretionary profit-share was negotiated with employee representatives, in compliance with the Act of July 28, 2011 creating a mandatory "profit-sharing bonus." The related agreement, providing for a payment based solely on the period worked in 2011, was signed by all of the unions. Under its terms, €5 million (excluding the *forfait social* employer surtax) was allocated among employees covered by the Group-level non-discretionary profit-sharing agreement in France. This represented a more than 50% increase in total euros paid in non-discretionary profit shares in respect to 2011.

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

In 2012, nearly €21 million in discretionary profit-shares earned in 2011 was paid to 24,092 employees, representing an average net amount of €871 per person for the year.

On several occasions since 1999, employees around the world have been offered the opportunity to purchase new Accor shares on preferential terms and conditions, as part of employee share issues. As of December 31, 2012, 11,514 employees owned shares in their company (for more details, please refer to page 311).

(1) For Accor, a manager is defined as an employee who manages others and/or has a high level of expertise.

Insurance coverage

In France, a new Group agreement providing blanket insurance and supplementary health coverage was negotiated in 2012 and came into effect on January 1, 2013. Insurance and supplementary health coverage is an important benefit for employees and their families. The new agreement has upgraded the cover to align guarantees with employee needs and to fulfill the commitments of responsibility and mutual support that will make them sustainable over time. At the same time, coverage was improved and the cost negotiated thanks to the competitive bidding process involving several market insurers.

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

In the Other countries, and particularly in Europe, Middle East, Africa, Accor pursued the comprehensive, detailed review of existing coverage and the deployment of healthcare and other insurance, depending on local needs. To improve conditions for local employees and encourage employee mobility, benefits include both insurance and healthcare coverage for routine care, hospitalization, maternity benefits, eye care and other expenses.

Retirement benefits

Set up in 2007, the Group Retirement Benefits Committee continued its activities in 2012. Designed to encourage dialogue and consensual management, the Committee is comprised of representatives from the corporate Human Resources, Consolidation, Treasury and Financing, and Administrative Services Departments, as well as the Group's consulting actuary.

Issues addressed in 2012 included:

- actuarial assumptions and the Group-level consolidation process;
- tracking the financial management of outsourced pension plan assets in Brazil, the United States and the United Kingdom;
- analyzing employee investment strategies and percentage take-up for the PERCO retirement savings plan in France, described in the "Employee savings and stock ownership" section;
- the Group's position on the taxation of France's Article 39 defined benefit pension plans.

Health and working conditions

Accor ensures a safe working environment for employees in its hotels and head offices, while informing and training them in best health and work posture practices. This commitment is underpinned by collective agreements signed with employee representatives. We also encourage franchisees to lead prevention campaigns for their employees, in particular by providing them with support materials and setting measureable Group-wide targets as part of the PLANET 21 sustainable development strategy.

Employee health and safety

Accor believes that employee well-being and the quality of worklife are critical drivers of an aligned workforce in its hotels and head offices.

We carefully take into consideration the employee health risks in every job family, with a special focus on housekeeping jobs. Preventive measures have been taken, for example in France, where the Levly® hydraulic bed-lifting system has been introduced to improve the working conditions of housekeeping staff. By raising the mattress to waist level, these ergonomic beds attenuate the risk of joint injuries. Currently deployed in the Upscale & Midscale brands, a study is underway to determine the feasibility of using the technology in the new ibis bedding. Since 2007, the Integrating the Disabled Project (MIPH) has subsidized the installation of 8,940 Levly® systems in France, of which 311 in 2012. The initiative is also being deployed in other countries, such as the United Kingdom, Belgium, Bulgaria, Ghana, the Netherlands and Poland.

For the phase-in of the new **ibis** bedding across the brand, a new bedclothes folding technique helped to lighten the load lifted daily by housekeeping staff, thereby reducing the risk of muscular-skeletal disorders.

Occupational illnesses are not reported to Group level. In France, this data is tracked via the different Health, Safety and Working Conditions Committees in each legal entity, with a centralized reporting system scheduled for deployment in 2013. In other countries, this type of data is not yet reported to Group level.

In 2012, the **lost-time incident frequency rate** (i.e. the number of lost-time incidents, as defined by local legislation, per million hours worked) in the owned, leased and managed hotels stood at 13.5%, versus 14.5% in 2011. Note that in 2012 and 2011, the scope of reporting did not include one hotel in Turkmenistan, where reporting of this information is prohibited by law, and in 2011 it did not include the Motel 6 and Studio 6 units in the United States, where this information is not defined consistently in the local payroll system.

In 2012, an employee in Thailand died in a commuting accident. There were no fatal workplace accidents during the year.

In general, the **lost-time incident severity rate** is not yet measured by the Group.

Creation of Health and Safety Committees

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

Health and Safety Committees in **France** have been continuously trained and kept in compliance with prevailing legislation, in order to guarantee safe, appropriate working conditions.

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

Workplace health and safety agreements

In France, the Accor SA head office signed a framework agreement on addressing psychosocial risks in the workplace in 2010. The agreement has led to the introduction of measurable indicators, as well as more qualitative tools like the questionnaire administered during occupational health check-ups and the subsequent definition of preventive action plans. A steering committee made up of managers, human resources managers, risk management specialists, occupational physicians, members of the Health, Safety and Working Conditions Committee and members of the Works Council has been created and will meet once or twice a year to prepare action plans to reduce stress. A training module for managers was also rolled out in partnership with the Académie Accor.

In 2011, the French Hotels business signed a framework agreement on psychosocial risks with employee representatives, covering i) the prevention of these risks by offering sensitivity courses open to any employee and ii) the sharing and deployment of a method for jointly assessing workplace distress. This assessment was carried out in 2011, with 7,321 people or 54.74% of employees in owned and leased hotels in France responding to the survey. The findings, which were reported in 2012, showed that employees had a positive perception of their relationship with their manager and their colleagues. Needs were expressed, in particular to improve work-life balance. Presentation of the findings to the Hotels Consultation Committee will lead to the development of action plans.

Employee training in good health and eating habits

Accor supports employee training and instruction in best practices to attenuate the risk of illness and workplace accidents.

As part of the Planet 21 program, the owned, leased, managed and franchised hotels are encouraged to offer employees awareness-building and training sessions, with a focus on the prevention of HIV/AIDS and of chronic diseases like diabetes, cancer and cardiovascular ailments, the importance of nutrition and a balanced diet, the prevention of psychosocial risks, and first aid. In each case, the approach is carefully aligned with the relevant health issues specific to each country or region. The hotels report data on these sessions in OPEN, our sustainable development management application.

Charter 21 Results Health/well-being training	France	Europe excl. France	Asia-Pacific	Latin America and Caribbean	Rest of the world	Owned, leased and managed hotels	Franchised hotels	Total 2012 scope of reporting
Hotels organizing health and well-being training	24%	44%	61%	52%	72%	47%	27%	40%

HIV/AIDS

Since 2002, Accor has deployed a wide-ranging commitment to fighting against epidemics, particularly of HIV/AIDS and malaria, through protection programs for employees and awareness campaigns for guests.

Employee-focused actions are structured by ACT-HIV, our front-line HIV/AIDS awareness program introduced in Accor in 2007. It offers hotel General Managers a six-step action plan built on our commitment's three core principles: confidentiality, non-discrimination and equal access to treatment.

By the end of 2012, nearly 15,000 employees had attended awareness and training sessions; 934 hotels were equipped with condom vending machines.

To get answers to their questions about health and well-being, employees in eleven African countries can now visit the new Accor E-care website, which was launched on February 14, 2012. Originally focused on HIV/AIDS prevention, the site has since been expanded to other diseases prevalent in the region.

Workweek organization

Given the nature of our business and the long opening hours of hotels, employees in the Hotels business can work according to flexible schedules, including nights, holidays and weekends.

In the **French** Hotels business, the workweek has been set at 39 hours for non-managerial employees. However, in compliance with amendment 2 to the Hotels, Cafés and Restaurant industry agreement, time worked from the 36th to the 39th hour is paid 10% overtime. In owned and leased hotels, overtime from the 36th to the 39th hour is paid at the normal rate, with the 10% overtime taken in the form of additional time off. Most managers are paid a fixed annual salary for 218 days worked per year. At Accor head offices, the workweek for non-managerial staff is 35 hours, with most managers expected to work a set 218 days a year.

Worldwide, 88% of employees in head offices and in owned, leased and managed hotels work full-time and 12% work part-time. Their working hours are set in compliance with local legislation or collective bargaining agreements.

Work-life balance

Accor is committed to promoting local programs to enhance work-life balance as the most effective way to meet culturally-specific expectations and needs in the different host countries. These programs cover a range of areas, with a particular focus on preventing psychosocial risks.

The **ibis** brand, for example, has deployed a hotline and support system for employees in all its French subsidiaries to prevent workplace distress. The system is designed to detect and remedy abusive situations confidentially so that action is taken quickly to limit their impact. On April 2, 2012, the system was extended to all of the owned and leased hotels in France and to the Hotels business head office.

Social dialogue

Accor strives to maintain constructive social dialogue based on mutual respect with employee representatives, in a commitment to fostering a high-quality working environment.

Employee surveys

Opinion surveys are conducted every two years in the owned, leased and managed hotels to gauge employee satisfaction with a variety of worklife issues and to explore new pathways to improvement.

To obtain comparable data across the scope of reporting, a set of core questions defined at corporate level is integrated into each local survey, which may also include questions on more specific local or brand-related issues.

Survey findings are reported across the hotel chain of responsibility and to the head offices, where they offer invaluable support for the teams who devise and deploy action plans to improve performance in areas of dissatisfaction.

Consolidated survey data show that the Group's results have remained stable over the years, with employees consistently saying that they are highly satisfied in general and very proud to work at Accor.

In the 2010/2011, 75,699 employees of the owned, leased and managed hotels in 71 countries took part in the survey, for an 87% response rate.

Positive response rates ("agree" and "fully agree") to the Group's primary satisfaction drivers

	Positive response rate	
Head offices and owned, leased and managed hotels	**Total**	**Of which "fully agree"**
I am proud to work at Accor	87%	40%
My work enables me to develop my skills	86%	34%
My working environment is good	80%	28%

In addition to these opinion polls, managers can also use the "**Local Climate and Personal Initiative**" **(CLIP)** survey to measure their team members' morale and engagement in the area of eight main worklife issues. The findings are used to design an action plan to improve management practices and the workplace environment. CLIP is available online or downloadable on paper in 11 languages from the dedicated intranet site.

A Great Place to Work

On November 14, 2012, the Great Place to Work® Institute released its list of the world's 25 best multinational workplaces. Accor is the first French multinational to appear in the prestigious selection.

The global award topped Accor's seven other national rankings by the Institute during the year, in Argentina, Austria, Brazil, Chile, Mexico, Peru and the United Kingdom.

Collective agreements

A large number of collective agreements were signed in France and other countries in 2012, mainly concerning diversity, human resources planning and development and compensation.

In France, each year all of the legal entities conduct Mandatory Annual Pay Round (NAO) with union representatives and sign entity-wide discretionary profit-sharing agreements.

Following on from the 2009-2011 three-year agreement on human resources planning and development (GPEC), a new three-year agreement covering 2012 to 2014 was signed for hotels in France. It provides for such employee support resources as annual performance reviews, information, training and certification programs, and defines the eligibility and transfer conditions for internal mobility.

In addition, collective agreements were also signed in a number of host countries during the year:

- **In Hungary**, a new collective agreement for the Hotels business was signed with stakeholders on July 7, in compliance with the legal obligation to renew this type of agreement. It defines employment and working conditions and other supplementary benefits in addition to those prescribed by local labor law.
- A new collective agreement on working conditions in the Hotels business was also signed in the **Netherlands**, covering such issues as working hours, vacations and workplace well-being. In particular, it negotiated a 1.25% increase in gross wages effective January 1, 2013.
- Lastly, in **Brazil**, the collective wage-setting agreement was renewed during the year, with in particular an extension of the bonus program to every employee.

Employee representative organizations

The Group Works Council

Created by the October 12, 1984 framework agreement, the Group Works Council supports dialogue and the sharing of business information with employee representatives in France. Under a new agreement signed with the representative unions on October 27, 2011, the Council now comprises 24 employee representatives chosen from among the 76 subsidiary Works Councils in France, plus a delegate from each of the representative unions. The latest agreement also stipulates that the Council can use the services of a certified accountant and that its members should receive two days of financial training each year. Chaired by the Chairman and Chief Executive Officer or his representative, it meets twice a year and has access to all of the Group's business data.

The Social Council

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

The European Works Council

The European Works Council is co-chaired by the Chairman and Chief Executive Officer and a representative of the International Union of Foodworkers (IUF). It meets at least once a year to examine the Group's organization, strategy and results, as well as cross-border issues. The full-session meetings are held at the International Labour Organization's head office in Geneva. To maintain open information channels and prepare the Council's annual meeting, an amendment signed on October 8, 2004 set up a Council Bureau, which may be convened in special meeting to exchange views and discuss any measures under consideration.

2.3. ENVIRONMENTAL REPORT

2.3.1. ENVIRONMENTAL POLICY

Internal organization

Environmental policy is seamlessly aligned with PLANET 21, the sustainable development strategy defined by the Sustainable Development Department, which reports to the Global Human Resources Officer, a member of the Executive Committee

The Sustainable Development Department coordinates and supports the deployment of PLANET 21 by the brands and the corporate departments (procurement, marketing, legal affairs and technical services). PLANET 21 is implemented by the country organizations and the brands by a network of around 80 sustainable development coordinators based around the world.

The OPEN management and assessment application

PLANET 21 is managed using OPEN, a sustainable development management application available on the corporate intranet since 2005. It enables hotels to report, track and manage:

- their sustainable development performance via the 65 environmental and social responsibility actions specified in Charter 21;
- their water and energy use thanks to monthly reporting and tracking;
- laundry use for hotels taking part in the Plant for the Planet project, which encourages guests to keep their bath towels for more than one day. Half of the resulting cost savings are donated to reforestation projects;
- the amount of waste they produce, segmented by type of recovery or disposal (landfilled, incinerated, recycled, etc.) and the related waste management costs.

OPEN will gradually be revamped from 2013 to make it more user-friendly and to enhance its management functions.

Charter 21

Introduced in 2005, Charter 21 recommends 65 actions – such as recycling glass, recovering rainwater and using eco-labeled products – that hotels can deploy to effectively reduce their environmental footprint. Updated in 2011, the Charter now addresses social responsibility issues like the organization of staff training on health and well-being or the purchase of fair trade products.

More than a reporting system, however, Charter 21 is above all a management tool. To reinforce this aspect, the actions have been classified for internal use into four levels – Bronze, Silver, Gold and Platinum – depending on the degree to which they have been met and the amount of personal commitment they require. This helps to guide the hotels in gradually deploying the actions and self-assessing their progress.

Charter 21 is structured into five sections:

- management (12 actions);
- energy (18 actions);
- water (12 actions);
- waste (13 actions);
- products (10 actions).

As part of a continuous improvement process, some of the actions were clarified, others removed and new ones added in 2012. New actions for which comparative data are not available are marked *NEW* in the tables below.

To enhance the reliability of reported data, eight Charter 21 actions have been included in the quality audits performed by outside auditors since 2008. The ten most critical actions will be audited in 2013. Due to the audit schedule, the findings are not included in the annual consolidation but nevertheless enable internal teams to track the reliability of reported hotel data.

After the annual reporting round, the data are consolidated and analyzed at Group level, with the results indicated in the following tables. Unless otherwise specified, these results concern all Accor hotels worldwide, with the exception of the

Adagio City Aparthotels, which do not apply Charter 21, and the sea & spa facilities, which apply the same Charter actions as their host hotels and whose data are therefore consolidated with those of the hotel [(1)]. The entire reporting process is defined in the sustainable development reporting protocol posted on the accor.com website.

Results are expressed as a percentage comparing the number of hotels implementing a given action to the total number of hotels applying the Charter 21. Some actions apply only to hotels equipped with special facilities, such as a restaurant or laundry. In this case, the percentage of hotels having implemented these actions is calculated based solely on the total number of hotels concerned (designated "applicable hotels" in the tables).

Unless otherwise noted, the results cover all of the hotels that applied Charter 21 in 2012. They are broken out by the following geographies: France, Europe excluding France, Asia-Pacific, Latin America and the Caribbean, and the rest of the world (Africa, Middle East and North America).

In 2012, 3,080 hotels, totaling 92% of the Accor network, reported data on their Charter 21 performance. In addition, for the second straight year, all of the owned, leased and managed hotels applied the Charter 21 and 81% of the franchised hotels reported Charter 21 data. The decline in the response rate for the year was caused by the deconsolidation of Motel 6 and Studio 6 brand hotels and by the growing number of franchised hotels.

	2011		2012	
Hotels applying Charter 21	**Number of hotels**	**% of hotels**	**Number of hotels**	**% of hotels**
Owned or leased	2,056	100%	1,390	100%
Managed	564	100%	649	100%
Franchised	1,137	82%	1,041	81%
TOTAL	**3,757**	**94%**	**3,080**	**92%**

Charter 21 actions applied in 2012	**France**	**Europe excluding France**	**Asia-Pacific**	**Latin America and the Caribbean**	**Rest of the world**	**Total 2012**	**Change 2011-2012**
Average number of actions deployed	**35**	**42**	**42**	**44**	**42**	**39**	**+4 actions**

Monitoring water and energy use

Water and energy use is managed by the corporate Design & Technical Services Department, supported by the network of country or regional Technical Departments. They are deploying a variety of methods and tools to track consumption more effectively, enhance data reliability and enable the hotels to maintain or improve their performance.

Since 2005, the hotel performance optimization process has been driven by a dedicated, regularly upgraded module in the OPEN application and by the deployment of a management process specific to the Hotels business, based primarily on the Accor-developed BOOST method. In 2013, the OPEN scorecard will be expanded with a new "energy ratio" indicator, calculated to take into account the impact of weather conditions and occupancy rates. This will support meaningful comparisons and more accurately measure the efficiency of the energy management process.

To improve data reliability, a procedure was introduced in 2011 whereby water and energy use data entered into OPEN – manually, via remote metering or imported from service providers' reporting systems – are validated each month by the hotel and by the regional or country manager. Only hotels whose water and energy use data have been validated at regional level over the 12 months are included in the consolidated scope of reporting.

This shared management process covers more than 90% of the owned, leased and managed hotels in our host countries.

In 2012, water and energy use data for 1,459 owned, leased and managed hotels were validated, corresponding to 79% of the scope of reporting. Known as the coverage rate, this percentage is used as an indicator to encourage each country organization to continuously improve its management process.

(1) The scope of reporting also does not include hotels sold as of December 31 in the current year or opened after September 15, nor certain exceptional cases, such as hotels impacted by natural disasters or closed for long-term renovation.

Coverage by region and operating structure	France		Europe excl. France		Asia-Pacific		Latin America and the Caribbean		Rest of the world		Total scope of reporting	
Water and Energy	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	2012	2011
Coverage rate	85%	49%	94%	65%	89%	69%	58%	0%	69%	52%	79%	71%*

* *Excluding Hotel 6 and Studio 6.*

Unless otherwise specified, indicators for water and energy and greenhouse gas emissions concern hotels in France, Europe excluding France, Asia-Pacific, Latin America and the Caribbean, and the rest of the world (Africa, Middle East and North America).

Data may be accessed at every operational and functional level, enabling several kinds of comparison, such as year-on-year and between hotels, countries or brands, using relevant operating indicators.

Franchised hotels, hotelF1, Formule1 and ibis *budget* hotels under commission-based management contracts in France, Australia and South Africa, Mercure Apartments in Brazil and Adagio City Aparthotels are not included in the scope of reporting for water and energy data.

Compliance with the procedures for reporting water use, energy use and greenhouse gas emissions and the reliability of these procedures have been reviewed by Ernst & Young since 2009.

Certification procedures

Group policy

For several years now, Accor has been leading ISO 14001 certification initiatives with the goal, as part of the PLANET 21 program, of earning certification by 2015 for 40% of the hotel base, regardless of operating structure (excluding budget hotels). This highly demanding international certification requires careful diligence on the part of hotel management teams, in particular to maintain compliance with the latest legislation, and continuous improvement in environmental performance. By the end of 2012, a total of **785 hotels, or 31% of the network** (excluding budget hotels), **had been certified**.

The 40% objective does not include hotels in the budget segment, due to both financial reasons and a lack of human resources. Certification is a highly demanding process for all of the employees of a hotel, which makes it difficult to implement in lightly staffed budget hotels. Nevertheless, an ibis *budget* hotel in New Zealand is currently working on ISO 14001 certification as part of a pilot program to determine feasibility and the adjustments required to earn certification for this category of hotels. The budget segment includes the hotelF1, Formule 1 and ibis *budget* brands, which account for around 20% of the network.

To deploy certification across the brand base, an **Environmental Management System (EMS) known as "PLANET 21 in action"** is now being finalized after having been implemented in late 2012 by Académie Accor France, our first training campus to be ISO 14001 certified. It enables a hotel to diligently manage its environmental strategy, so as to improve performance while complying with ISO 14001 standards.

Deployment will also be facilitated by an e-learning module to be introduced in 2013 to provide step-by-step support for hotels in implementing the ISO 14001 EMS.

Brand involvement

In 2004, **ibis** was the world's first hotel chain to initiate an ISO 14001 environmental certification process and by December 31, 2012, **565 ibis hotels in 30 countries had been certified.**

To optimize the management of both guest satisfaction and environment performance, the ibis chain has deployed an Integrated Management System (IMS) combining ISO 9001 quality standards and ISO 14001 environmental standards, so that environmental issues are now holistically addressed as part of a hotel's General Management process.

In 2008, the **Novotel** brand began an international program to earn EarthCheck environmental and social certification. As of December 31, 2012, **220 Novotel hotels had been EarthCheck certified in 34 countries.**

In 2012, the brand reasserted its commitment by deciding to upgrade to ISO 14001 certification, the global benchmark in environmental management. It is now actively strengthening worldwide roll-out of certification programs with the new objective of earning ISO 14001 certification for all of the Novotel and Suite Novotel hotels by mid-2014.

During the transition period, the brand has asked Novotel hotels not to renew their EarthCheck certificates, with the result that 43 hotels lost their certification in December 2012.

Certified hotels by region

Certified Novotel and ibis hotels by region, as of end-2012

ISO 14001 certification	France	Europe excl. France	Asia-Pacific	Latin America and the Caribbean	Rest of the world	Total 2012	Total 2011
ibis							
Number of hotels certified	222	214	28	78	23	565	419
% of hotels certified	59%	64%	29%	88%	39%	59%	46%
EarthCheck certification							
Novotel							
Number of hotels certified*	68	87	48	10	7	220	137
% of hotels certified	60%	66%	39%	56%	23%	57%	36%

* *Including the 43 Novotel hotels that did not renew their EarthCheck certification.*

Other hotels certified as of end-2012

ISO 14001	
Thalassa	10 spas in France
Sofitel	2 Sofitel: 1 in Greece and 1 in Australia
Académie Accor	1 campus in France

EarthCheck	
Mercure	4 Mercure: 3 in Egypt and 1 in Fiji
Pullman	1 Pullman in the United Arab Emirates
Sofitel	4 Sofitel: 3 in Egypt and 1 in Fiji
Suite Novotel	2 Suite Novotel in France

Environmental expenditure

In addition to the expenditure committed by the hotels to improve their sustainable development performance, the Sustainable Development Department's environmental budget, excluding operating costs, amounted to around €227,000 in 2012. The budget was primarily spent on managing compliance, upgrading the Plant for the Planet reforestation project and conducting studies and projects, particularly on waste. It did not include any costs incurred by the hotel brands or support functions, which are not consolidated, nor those incurred by such departments as Technical Services or Sustainable Procurement.

2.3.2. PREVENTION AND REMEDIES

Compliance

In 2009, Accor developed the proprietary Safety and Environment Tool (SET), a compliance management application covering safety, environmental and technical issues. It identifies regulations applicable to hotels organized by topics that are easily recognizable by hotel managers and technical teams.

SET enables managers to:

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

SET is currently deployed in France (excluding ibis *budget* and hotelF1 units), Morocco, Portugal, Belgium, Luxembourg, Egypt, the Middle East and in ibis hotels in Germany. It is now being rolled out in Italy, Spain and the United Kingdom.

Organization created to respond to accidental pollution

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

Environmental provisions and guarantees

The risk mapping exercise conducted by the Risk Management Department, which covered all of the Group's operations, did not report any major information concerning the environment. As a result, no material provisions have been set aside for environmental risks.

Penalties paid following a court ruling on environmental claims

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

2.3.3. TRAINING AND INFORMATION INITIATIVES

Raising employee awareness

- A vast sustainable development employee training program is now underway, based on a dedicated e-learning module created specifically for the Hotels business with the Académie Accor in France.

  The module is enabling participants to embrace sustainable development issues and the PLANET 21 program's ambitious objectives, while raising their awareness of the daily, environmentally-friendly actions that can be applied in different parts of the hotel, including guest rooms, restaurants and kitchens.

  Already available in eight languages, the unique module will be deployed more extensively in 2013.

- In addition, "Sustainable Development in my Job" fact sheets have been prepared for all of a hotel's job families, including head station waiters, cooks, housekeeping floor supervisors and Sales Directors. Adaptable to each hotel's local situation and priorities, they offer assistance and practical advice in deploying effective sustainable development procedures.

- On April 21, 2012, 71 country organizations participated in the first PLANET 21 Day to demonstrate their commitment to sustainable development. Formerly known as Earth Guest Day, the event is designed to build awareness of sustainable development issues among Accor employees.

  The Day is organized in the hotels, in collaboration with nearby Accor hotels, guests, local communities and employee families.

  A very large number of employees got involved, leading actions to support the 21 commitments of PLANET 21, such as planting trees and cleaning up beaches, lakes and public parks.

  April 21, 2012 also kicked off the PLANET 21 program, with head offices and hotels unveiling the PLANET 21 strategy and its challenges using widely distributed presentation materials.

Charter 21 Results Raising employee awareness	France	Europe excl. France	Asia-Pacific	Latin America and the Caribbean	Rest of the world	Total scope of reporting 2012	Total scope of reporting 2011	% change at comparable scope of reporting*
Number of applicable hotels	**1,285**	**927**	**503**	**203**	**162**	**3,080**	**3,757**	**/**
Train employees in environmentally-friendly practices	97%	97%	94%	96%	91%	97%	95%	+3%
Have a designated sustainability manager	56%	79%	66%	80%	73%	67%	42%	+18%

* *Hotels reporting data in both years.*

Raising guest awareness

The new PLANET 21 sustainable development strategy also comprises an innovative program to raise guest awareness of these issues and encourage them to participate in hotel initiatives. At every step in the guest experience – during booking, for example, or in the room and the restaurant – informative signs demonstrate the simple things people can do to make a difference.

Plant for the Planet is a unique project that invites guests to reuse their bath towels and hoteliers to donate half of the laundry savings to one of the reforestation projects Accor is supporting around the world. As of year-end 2012, 1,290 hotels, or 39% of the total network, were participating in the project. The Group is committed to increasing this percentage to 60% by 2015.

Charter 21 Results Raising guest awareness	France	Europe excl. France	Asia-Pacific	Latin America and the Caribbean	Rest of the world	Total scope of reporting 2012	2011	% change at comparable scope of reporting*
Number of applicable hotels	**1,285**	**927**	**503**	**203**	**162**	**3,080**	**3,757**	**/**
Raise guest awareness of sustainable development issues	92%	95%	83%	97%	87%	91%	90%	+2%

* *Hotels reporting data in both years.*

2.3.4. WATER

Water use

So as to track the hotels' intrinsic performance, the water use indicator is liters used per guest, i.e. per room night.

The table below shows the total amount of water used worldwide and by region. Validated data were available for 79% of the hotels in the reporting scope.

Water data reported	France		Europe excl. France		Asia-Pacific		Latin America and the Caribbean		Rest of the world		Total scope of reporting	
Water use	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	2012	2011
Number of validated hotels	**373**	**17**	**614**	**51**	**79**	**199**	**46**	**-**	**22**	**58**	**1,459**	**1,336***
Water use (thousands of cu.m)	3,042	277	5,332	702	1,114	11,936	817	/	822	1,698	25,740	24,786

* *In 2011, the scope of reporting included 1,913 Motel 6 and Studio 6 hotels, which used a total of 33,293 cu.m of water.*

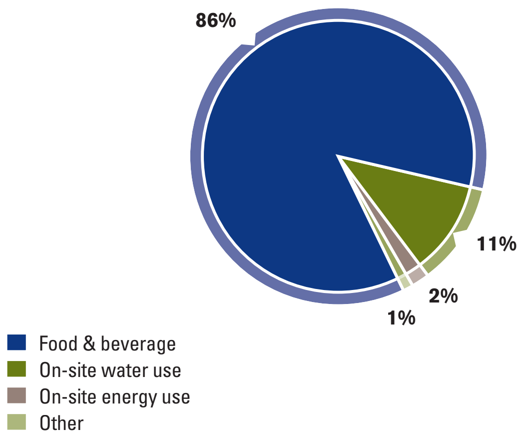
Reducing water use

Under the PLANET 21 program, Accor is committed to reducing water use per guest in the owned and leased hotels by 15% over the 2011-2015 period. In 2012, this indicator declined by 5% year-on-year in the owned, leased and managed hotels, corresponding to an average reduction of 15 liters per room night (i.e. to 298 liters from 313 liters in 2011). This significant reduction confirms the effectiveness of the action plans and solutions undertaken across the Group.

An environmental footprint study performed in 2011 showed that direct water use by the hotels (for showers, cooking, laundry, swimming pools, etc.) amounted to around 60 million cubic meters a year, or 11% of the environmental footprint. When all of a hotel's direct and indirect activities are taken into account, water use rises to 554 million cubic meters a year, of which farming accounts for nearly 86% (1).

(1) Source: "The Accor Group's Environmental Footprint" - PLANET 21 Research – December 2011 – available on accor.com

Contribution to water use by Hotels business operation



Source: "The Accor Group's Environmental Footprint".

Progress on the programs or technological solutions implemented in the hotels is accurately tracked through a variety of water use indicators in place since 2006. All of these indicators showed an improvement in 2012, demonstrating the performance gains made by the hotels in managing water resources and reducing water use.

Charter 21 Results

Reducing water use	France	Europe excl. France	Asia-Pacific	Latin America and the Caribbean	Rest of the world	Total scope of reporting 2012	Total scope of reporting 2011	% change at comparable scope of reporting*
Number of applicable hotels	**1,285**	**927**	**503**	**203**	**162**	**3,080**	**3,757**	**/**
Monitor and analyze use monthly	94%	98%	93%	98%	96%	93%	93%	+3%
Use flow regulators on faucets/ showerheads	94%	95%	88%	90%	91%	93%	88%	+6%
Ensure optimal settings on equipment	90%	96%	84%	94%	96%	91%	90%	+2%
Use sub-meters to improve monitoring	21%	27%	54%	20%	56%	30%	18%	+8%
Prohibit the use of cooling towers without water recovery systems	67%	76%	55%	70%	66%	68%	46%	+11%
Use motion sensors for bathroom faucets	19%	30%	32%	34%	27%	26%	17%	+5%
Use dual flush toilets	45%	61%	69%	41%	60%	54%	36%	+8%
Use a water-efficient laundry service	34%	63%	52%	63%	55%	49%	34%	+13%
Recover rainwater for gardens and toilets	2%	5%	19%	6%	2%	6%	4%	+1%
Number of applicable hotels	**874**	**499**	**348**	**158**	**129**	**2,008**	**2,668**	**/**
Use selective grounds watering methods	78%	75%	74%	85%	78%	77%	75%	+6%

* *Hotels reporting data in both years.*

Actions involving grounds upkeep concerned 65% of reporting hotels.

Water supply from local sources

With a view to holistically managing all of the hotels' water use and limiting the impact on local resources, Accor is seeking to identify all of the water withdrawals connected with its operations.

To date, the proprietary MACH Asset Management application, currently being deployed, has identified:

- 22 hotels using desalination facilities;
- 76 hotels using wells in addition to the public water system;
- 66 hotels equipped with a water treatment plant;
- 38 hotels with rainwater cisterns.

Comparing the MACH and OPEN data will help to make the data inputted into OPEN more reliable.

As part of the water use reduction programs, Accor intends to pursue this commitment to managing water use, in particular in regions suffering from water stress, i.e. where there is not enough water to meet the needs of the population and the environment, or where resources are being depleted.

Several actions have already been initiated in line with Charter 21, and 189 hotels are equipped with rainwater recovery systems, 28 more than in 2011.

2.3.5. ENERGY

Tracking energy use

So as to track the hotels' intrinsic performance, the indicator used is kWh per available room.

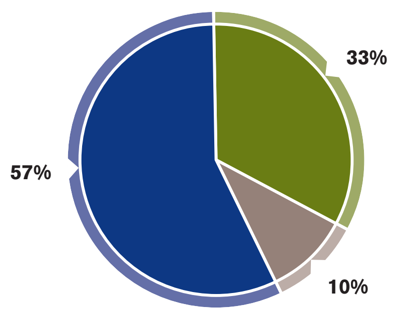
The table below shows the total amount of energy used worldwide and by region for 79% of the owned, leased and managed hotels.

The table's consolidated data represent actual use, as measured by the readings reported monthly by all of the hotels in the scope of reporting.

Energy data reported	France		Europe excl. France		Asia-Pacific		Latin America and the Caribbean		Rest of the world		Total scope of reporting	
Energy use	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	2012	2011
Number of validated hotels	**373**	**17**	**614**	**51**	**79**	**199**	**46**	**-**	**22**	**58**	**1459**	**1,336***
Energy use in MWh	455,584	46,588	919,345	130,854	117,932	1,171,580	63,682	-	88,645	246,601	3,240,807	2,896,146

* *In 2011, the scope of reporting included 1,940 Motel 6 and Studio 6 hotels, which used a total of 3,421,916 MWh.*

Energy used by type



Electricity
Fuel
District heating systems

Source: Water and energy data reported in OPEN.

Energy efficiency

The strategy in place to optimize energy efficiency is built around:

- increasingly reliable operational management of in-hotel energy use;
- a benchmarking and performance analysis process by country and by brand;
- tools and methods aligned with each set of geographic, technical and organizational parameters, in particular by deploying a reporting system to enhance energy use management and by integrating exogenous factors, such as weather conditions and occupancy rates, for more effective analysis.

Lastly, in addition to management practices and outcome analyses, the corporate Technical Department is helping to define and implement targeted, high value-added technical solutions. A method to optimize energy use vs. comfort tradeoffs has been developed and deployed in a number of countries, primarily in Africa, Europe and Asia.

Increasing the percentage of buildings certified as sustainable is one of the sustainable development strategy's objectives for 2015. By that time, Accor is committed to earning LEED, BREEAM, HQE® or other benchmark certification for 21 buildings, with two already certified by year-end 2012:

- the ibis Styles in Troyes was built to HQE® standards and has been certified as an energy-efficient building;
- the Suite Novotel in Issy- les- Moulineaux has earned HQE® certification.

Among other things, earning certification helps to improve a building's energy efficiency, while encouraging the development of innovative energy conservation technologies and ensuring that the buildings are integrated into their natural environment. Buildings designed for sustainability that earn certification provide a laboratory for studying the feasibility of innovative technologies and their business models ahead of wider deployment.

Managing energy use

Under the PLANET 21 program, Accor is committed to reducing energy use per available room in the owned, leased and managed hotels by 10% over the 2011-2015 period, while integrating weather and occupancy rate parameters.

In 2012, before integrating these parameters, this indicator rose by 3% year-on-year in the owned, leased and managed hotels, corresponding to an average increase of 1 kWh per available room (i.e. to 38.5 kWh from 37.5 kWh in 2011).

The increase primarily reflected the greater use of heating (up 8% [1]) and air conditioning (up 2%) due to the harsher winter and hotter summer in 2012.

A large number of Charter 21 actions are designed to manage and reduce energy use.

In general, the number of hotels leading these actions increased in 2012, notably for the use of energy-efficient bulbs for outdoor signage following the new technical standards applied during the rebranding process.

(1) Increase calculated using worldwide weather data published by Météo France.

Charter 21 Results / **Managing energy use**	**France**	**Europe excl. France**	**Asia-Pacific**	**Latin America and the Caribbean**	**Rest of the world**	**Total scope of reporting 2012**	**Total scope of reporting 2011**	**% change at comparable scope of reporting***
Number of applicable hotels	**1,285**	**927**	**503**	**203**	**162**	**3,080**	**3,757**	**/**
Monitor and analyze use monthly	88%	98%	95%	97%	94%	93%	94%	-
Use energy-efficient bulbs for 24/7 lighting	92%	96%	95%	99%	91%	94%	90%	+6%
Use energy-efficient bulbs in guest rooms	87%	88%	87%	95%	84%	88%	87%	+4%
Use energy-efficient bulbs for outdoor signage	64%	65%	75%	71%	77%	67%	56%	+22%
Use energy-efficient bulbs for frontage lighting	61%	70%	71%	87%	72%	68%	65%	+9%
Insulate pipes carrying hot/cold fluids	89%	97%	88%	96%	88%	91%	90%	+2%
Ensure optimal settings on equipment	91%	97%	85%	97%	96%	92%	92%	+1%
Use a timer for frontage lighting	92%	93%	86%	78%	94%	91%	70%	+9%
Use speed controllers for pumps and fans	12%	37%	51%	44%	41%	30%	19%	+5%
Recover energy from the ventilation system	22%	48%	26%	16%	34%	31%	25%	-
Use energy-efficient boilers	64%	76%	59%	84%	67%	68%	62%	+5%
Have a central light switch in guest rooms	46%	42%	69%	62%	69%	51%	36%	+8%
Use a building management system to manage energy use	15%	40%	37%	30%	36%	28%	18%	+5%
Number of applicable hotels	**325**	**364**	**354**	**167**	**103**	**1313**	**1202**	**/**
Use energy-saving minibars	78%	74%	69%	80%	79%	75%	75%	+1%

* *Hotels reporting data in both years.*

Actions involving minibars concerned 43% of reporting hotels.

Renewable energies

Increasing the use of renewable energy is one of the 21 commitments of the PLANET 21 sustainable development strategy, with the goal of having 10% of the hotel base equipped with renewable energy facilities by 2015.

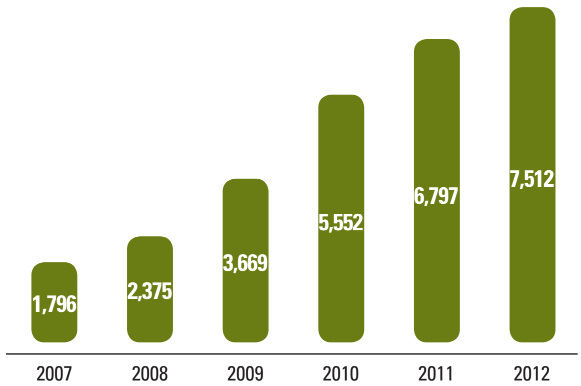
As of year-end 2012, solar power panels had been installed in **145 hotels**, representing a total surface area of 14,576 square meters and annual output of **7.5 GWh**.

In France, solar heating systems are being developed in partnership with the French Agency for Environment and Energy Management (ADEME) following a framework agreement signed in 2007. France alone accounts for almost 40% of solar energy installations, with 55 units producing 1.7 GWh of energy in 2012.

Hotels equipped with solar panels rarely report precise power generation data, which is hard to measure. For the majority of these hotels, output has therefore been estimated based on the reported panel surface area.

The steady increase since 2007 in the amount of solar power generated to heat domestic hot water demonstrates Accor's commitment to deploying alternative energies in its hotels.

Solar power used to produce domestic water *(in MWh)*



A recent review of all the renewable energies used by the hotels showed that in 2012, 183 hotels, representing 6% of the network, were using these sources, of which:

- 145 hotels equipped with solar panels to heat domestic hot water;
- 24 hotels equipped with solar panels to generate electricity;
- 13 hotels equipped with geothermal collectors;
- 11 hotels equipped with biogas units;
- 8 hotels using other renewable energy technologies, such as water power.

2.3.6. EMISSIONS INTO THE NATURAL ENVIRONMENT AND MEASURES TO PREVENT AND REDUCE THEM

Atmospheric emissions

Greenhouse gas emissions

Greenhouse gas emissions are calculated from previously reported energy use data, with:

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

Energy data reported	France		Europe excl. France		Asia-Pacific		Latin America and the Caribbean		Rest of the world		Total scope of reporting	
Greenhouse gas emissions	Owned & Leased	Ma-naged	Owned & Leased	Ma-naged	Owned & Leased	Ma-naged	Owned & Leased	Ma-naged	Owned & Leased	Ma-naged	2012	2011
Number of validated hotels	**373**	**17**	**614**	**51**	**79**	**199**	**46**	**-**	**22**	**58**	**1,459**	**1,336***
Direct emissions (tonnes of CO_2 equivalent)	22,843	1,246	65,436	11,425	7,682	86,017	3,941	/	6,330	16,797	221,716	186,455
Indirect emissions (tonnes of CO_2 equivalent)	28,415	3,339	287,663	28,722	65,451	524,596	4,614	/	25,279	102,463	1,070,541	892,678
Total emissions (tonnes of CO_2 equivalent)	51,258	4,584	353,098	40,147	73,133	610,613	8,556	/	31,609	119,260	1,292,256	1,079,134

* *In 2011, the scope of reporting included 1,940 Motel 6 and Studio 6 hotels, which used a total of 1,285,520 teq CO_2.*

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

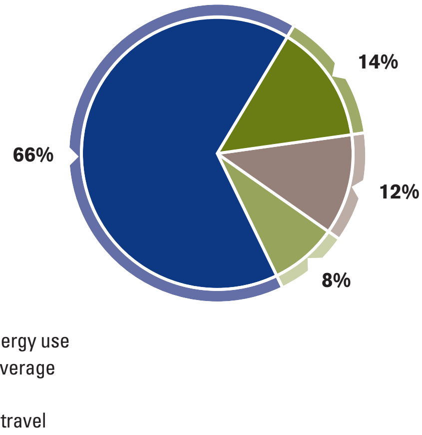
Energy use has a direct impact on our carbon footprint, in particular through hotel boilers, electric appliances and employee travel. The environmental footprint study determined that the Group as a whole emits close to 3.7 million tonnes of CO_2 equivalent per year, nearly two-thirds of which come from hotel energy use (mainly electricity).

It also revealed that upstream farming operations account for nearly 15% of our greenhouse gas emissions. Meat and dairy products alone are responsible for nearly half of the greenhouse gas emissions associated with food services (27% and 20% respectively), even though they account for less than 15% of sourced food volumes. Business travel accounts for 8% of our greenhouse gas emissions, with employees flying an estimated total of 120 million kilometers a year. The carbon footprint does not include guest travel to and from hotels because the wide variety of situations precludes the reporting of any reliable data.

Carbon is therefore one of the seven pillars of the PLANET 21 strategy, with a commitment to reducing CO2 emissions from owned and leased hotels by 10% by 2015.

Based on reported energy data, greenhouse gas emissions rose by 10% in 2012, due to i) the 3% increase in energy use (see part 2.3.5 Energy) and ii) the increase in the scope of reporting, mainly in Asia and particularly in countries where the energy mix is especially unfavorable.

Contribution to the carbon footprint by Hotels business operation



Source: "The Accor Group's Environmental Footprint".

Ozone-depleting cooling fluids

Cooling liquids in hotel air conditioning and cooling systems may leak and release gases with a particularly high global warming potential (GWP). Moreover, there may be a risk of coolant evaporation during maintenance operations or as a result of an accident. The environmental footprint study showed that such leaks and evaporation account for a minor 2% of our carbon footprint.

To limit this risk, however, installations are diligently monitored, with detailed instructions and procedures to ensure that cooling systems are checked regularly to prevent leaks.

Charter 21 Results						**Total scope of reporting**		**% change at comparable scope of reporting***
Cooling systems	**France**	**Europe excl. France**	**Asia-Pacific**	**Latin America and the Caribbean**	**Rest of the world**	**2012**	**2011**	
Number of applicable hotels	**1285**	**927**	**503**	**203**	**162**	**3,080**	**3,757**	**/**
Use CFC and PCB-free equipment	54%	71%	59%	63%	75%	61%	42%	+11%
Verify that equipment containing HCFCs and HFCs is leak-proof	65%	90%	72%	85%	74%	76%	76%	+3%
Number of applicable hotels	**903**	**724**	**490**	**198**	**158**	**2,473**	**2,948**	**/**
Use energy-efficient air conditioning units	60%	67%	65%	73%	73%	65%	50%	+7%
Equipped with a timer for common area air conditioning	20%	56%	58%	24%	47%	40%	27%	+7%

* *Hotels reporting data in both years.*

Actions involving air conditioning systems concerned 80% of reporting hotels.

Assessing the impact of climate change

To assess the impact of climate change, in 2008 the Sustainable Development Department set up an internal working group with the support of France's Institut du Développement Durable et des Relations Internationales (IDDRI) to study the "Challenges and Impacts of Climate Change for the Accor Group."

The study's objectives are to:

- identify and specify the challenges of climate change for the Accor Group in terms of direct impacts (effect on guest numbers, deterioration of infrastructure, restrictions on development, etc.) and indirect impacts (effect on employee and guest health, etc.);
- prepare an initial inventory of i) the direct and indirect impacts on our business or infrastructure and ii) the initiatives already undertaken in response;
- prepare an action plan comprising priority measures to address the increase in certain climate change related risks and to take advantage of possible opportunities.

This process has been applied to five main issues: hotel construction and renovation, travel, employee and guest health, hotel development and new businesses and services. The study has confirmed the need to strengthen the sustainable development initiatives already underway in the organization.

Lastly, the operational risk mapping exercise conducted by the Risk Management Department did not report any major information concerning climate change.

Water pollution

The environmental footprint study looked at the impact that Accor hotels may have on groundwater eutrophication (the deterioration of an aquatic system due to over-enrichment by nutrients like phosphorous or nitrogen). The two main sources of this type of impact are runoff from the fertilizers and crop protection products used by the farmers who grow Accor foodstuffs, and the organic, chemical and other matter released in hotel wastewater.

Accor-generated eutrophication is estimated at around 3,180 tonnes of phosphates per year, 94% of which comes from farm runoff.

Charter 21 Results Water pollution	France	Europe excl. France	Asia-Pacific	Latin America and the Caribbean	Rest of the world	Total scope of reporting 2012	Total scope of reporting 2011	% change at comparable scope of reporting*
Number of applicable hotels	**524**	**562**	**458**	**182**	**153**	**1,879**	**1,747**	**/**
Collect and treat cooking oil	97%	96%	84%	92%	75%	91%	91%	+1%
Collect and treat fats	97%	91%	70%	84%	63%	85%	85%	+1%
Number of applicable hotels	**1,285**	**927**	**503**	**203**	**162**	**3,080**	**3,757**	**/**
Ensure proper treatment of wastewater	89%	92%	77%	92%	73%	87%	82%	+7%
Recycle gray water	2%	4%	21%	14%	7%	6%	6%	(1)%

* *Hotels reporting data in both years.*

Actions involving a hotel restaurant concerned 61% of reporting hotels.

Soil contamination

The environmental footprint study conducted with PwC confirmed that the hotel operations generate a negligible amount of soil contamination.

2.3.7. LOCAL ENVIRONMENTAL IMPACTS OF THE BUSINESS

Land use

The vast majority of Accor hotels are located in downtown and suburban areas, where their environmental impact is reduced because of local treatment services, especially for water and waste. For building and renovation projects in environmentally sensitive areas, detailed environmental studies are conducted to anticipate and minimize any adverse impact on their surroundings.

Introduced across the Group in 2008, sustainable construction guidelines cover in particular a hotel's integration into the natural environment, which requires a siting and pollution study by a qualified engineering firm prior to construction.

Preserving biodiversity

- Accor became involved in protecting biodiversity in 2008 with the publication of the *Biodiversity: My Hotel in Action* handbook in association with the International Union for Conservation of Nature (IUCN), the leading organization in the field of biodiversity preservation.
- Launched in 2009, "Plant for the Planet" is one of our flagship programs to preserve biodiversity, in particular through a variety of reforestation projects. In partnership with the UN Environmental Program's One Billion Trees campaign, this innovative initiative invites hotel guests to reuse their towels, with the promise that half of the savings on laundry bills will be invested in reforestation projects in seven regions around the world. By 2012, it had already financed the planting of nearly three million trees.

  To encourage greater guest participation in this commitment, Plant for the Planet was taken to a new level in 2012. With our new partner Pur Projet, reforestation projects are now being carried out as close as possible to the hotels, with the goal of financing 21 projects worldwide by the end of 2013. In this way, at least one reforestation project will be underway in the majority of host countries by 2015. The hotels will gradually finance projects in their regions, in association with small farmers who want to get involved in agro-forestry.
- Lastly, Accor is extending its biodiversity commitment by promoting responsible eating in its restaurants, in particular through the goal of having all of the hotels ban endangered seafood species from their restaurant menus by 2015.
- Among the Charter 21 indicators, two actions concern more environmentally friendly grounds management. This reflects the fact that 65% of our hotels have parks and gardens, which represent a fairly significant challenge in protecting and promoting biodiversity.
- In addition, the number of biodiversity preservation initiatives is on the rise, particularly in the area of seafood, where we are committed to having all of the hotels ban endangered seafood species from their restaurant menus.

Charter 21 Results						Total scope of reporting		
Biodiversity	**France**	**Europe excl. France**	**Asia-Pacific**	**Latin America and the Caribbean**	**Rest of the world**	**2012**	**2011**	**% change at comparable scope of reporting***
Number of applicable hotels	**524**	**562**	**458**	**182**	**153**	**1,879**	**1,747**	**/**
Ban endangered seafood species from restaurant menus	82%	86%	84%	85%	70%	83%	68%	+10%
Number of applicable hotels	**874**	**499**	**348**	**158**	**129**	**2,008**	**2,668**	**/**
Use locally adapted plants	82%	88%	91%	98%	95%	87%	82%	+6%
Use environmentally-friendly gardening products	60%	85%	72%	84%	72%	71%	53%	+2%

* *Hotels reporting data in both years.*

Actions involving a hotel restaurant concerned 61% of reporting hotels and those involving a park or garden concerned 65%.

Noise Pollution, Visual Pollution and Odors

The sustainable construction guidelines recommend that Accor hotels be designed to limit disamenities for surrounding properties, in particular thanks to studies of i) the impact construction would have on neighboring buildings and ii) how utility room and inlet grille design could minimize disamenities.

In addition, the environmental management system applied by hotels engaged in the ISO 14001 certification process includes a dedicated procedure encouraging hoteliers to identify and reduce air quality and noise disamenities.

2.3.8. WASTE

Waste management

The environmental impact study showed that Accor produces around 2.3 million tonnes of waste per year. Although it accounts for a smaller percentage of the total, operational waste must also be carefully tracked, both for reasons of cost and for its environmental impact, since some of it – such as remote control and magnetic card reader batteries, compact fluorescent tubes or electrical and electronic waste – is potentially environmentally hazardous.

In 2011, a waste management module was added to the OPEN sustainable development management application. It tracks the amounts produced and the related collection and recycling costs, thereby supporting management at the hotel, regional, brand and Group levels.

Hotels are first requested to create a profile with information on the types of waste produced, the service providers and the treatment processes, so that amounts and costs can then be tracked on a monthly or annual basis.

In 2012, teams worked hard throughout the year to deploy the new module, with the result that by year-end the number of hotels using it had doubled to 660. Most of these were ibis hotels, reflecting their commitment to earning ISO 14001 certification. The module has been enhanced by the reporting of data by waste treatment service providers, notably in the United Kingdom, Australia, Switzerland, New Zealand and Spain for the ibis, Novotel and Mercure chains.

Data from service providers in these countries were deemed to be more reliable and were therefore preferably used in the consolidation process.

Supplier reported data	Number of hotels	Coverage rate	Amount of waste (in tonnes)	Amount of waste per available room (in kg)
ibis	53	6%	3,051	1.2
Novotel	41	6%	4,753	1.7
Mercure	38	10%	1,950	1.3

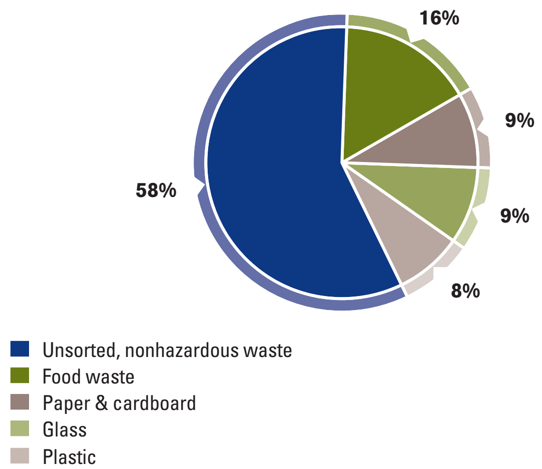
Categories of waste

A hotel's daily waste may be divided into three distinct categories:

- **unsorted, nonhazardous waste**, which is not recycled, but rather landfilled or burned;
- **sorted, separately collected waste.** This most often includes hazardous waste, like batteries and toner cartridges, and waste with mature recovery channels, like paper, cardboard and glass;
- **liquid waste**, such as cooking oils and fats, which requires special treatment processes.

Data reported by service providers have made it possible to identify the main types of waste produced by the hotels in the above-mentioned brands and countries, as shown in the following chart

Waste produced by main category



Analysis of the data showed that nearly 60% of hotel waste was unsorted and nonhazardous, while sorted waste primarily concerned food waste, paper, cardboard, glass and plastic.

The environmental footprint study analyzed the source and impact of this waste. It showed that while waste is produced everywhere in a hotel – including meeting rooms, the bar, offices, the reception desk and the car park – guest rooms and food services account for 70% of the total. Indeed, by itself a restaurant can generate up to 60% of a hotel's waste.

However, the study also revealed the impact of waste that is not directly related to hotel operations, since nearly 70% of total waste comes from construction and renovation work.

Resource recovery and reuse

Service provider data reported in the above-mentioned countries show that nearly 35% of the 9,700 tonnes of waste produced by the hotels is recycled. The most frequently recycled waste materials are paper, cardboard, glass and plastic.

By 2015, Accor is committed to having 85% of the hotels recovering at least paper, cardboard, toner cartridges, batteries and compact fluorescent light bulbs and tubes for recycling or processing. In 2012, 79% of hotels had such waste recovery programs in place.

Charter 21 Results Waste treatment	France	Europe excl. France	Asia-Pacific	Latin America and the Caribbean	Rest of the world	Total scope of reporting 2012	2011	% change at comparable scope of reporting*
Number of applicable hotels	**1,285**	**927**	**503**	**203**	**162**	**3,080**	**3,757**	**/**
Sort and recycle paper/cardboard	77%	97%	87%	95%	78%	86%	73%	+6%
Sort and recycle glass bottles and packaging	82%	96%	82%	93%	71%	86%	73%	+3%
Recycle plastic packaging	57%	85%	74%	94%	70%	71%	64%	-
Recycle metal packaging	42%	72%	71%	93%	57%	60%	55%	+1%
Offer guests waste sorting opportunities	11%	27%	37%	63%	23%	24%	22%	(2)%
Sort and dispose of hotel batteries safely**	99%	99%	63%	94%	71%	91%	91%	+1%
Sort and dispose of compact fluorescent tubes and light bulbs safely**	97%	98%	70%	93%	46%	90%	91%	-
Recycle electrical and electronic equipment**	86%	93%	61%	80%	41%	81%	64%	+5%
Sort and recycle toner cartridges**	99%	99%	92%	91%	81%	96%	92%	+5%
Number of applicable hotels	**524**	**562**	**458**	**182**	**153**	**1,879**	**1,747**	**/**
Sort and recycle organic waste from restaurants	26%	66%	52%	37%	27%	45%	44%	+1%
Number of applicable hotels	**874**	**499**	**348**	**158**	**129**	**2,008**	**2,668**	**/**
Sort and recycle green waste from lawns and gardens	59%	70%	63%	42%	47%	61%	42%	+7%

* *Hotels reporting data in both years.*
** *Hazardous waste.*

Actions involving a hotel restaurant concerned 61% of reporting hotels and those involving a park or garden concerned 65%.

A variety of pathways are being explored to reduce waste production at source, for example by reducing the amount of packaging used in shipments or for toiletry items, cleaning products or food. Downstream, Accor is also helping to develop local recycling channels and carefully selects the most efficient service providers.

Nevertheless, Accor remains dependent on host country infrastructure and legislation, so that the possibilities of action vary from one region to another. This means that solutions are being designed for local markets and that best practices are being shared across the network.

2.3.9. ECO-DESIGN AND INNOVATION PROCESSES

Innovation is one of the PLANET 21 strategy's seven pillars. Working in liaison with the brands and the Purchasing Department (see the section on Sustainable Procurement in the social responsibility report, part 2.4) has made it possible to deploy more environmentally friendly products and materials, such as recycled materials and eco-labeled products. Accor has pledged that 40% of the hotels will have at least three eco-designed room components by 2015.

The Mercure, Novotel, ibis and ibis Styles brands offer complimentary items certified with the EU Ecolabel, Ecocert or Nordic Ecolabel.

Charter 21 Results	France	Europe excl. France	Asia-Pacific	Latin America and the Caribbean	Rest of the world	Total scope of reporting 2012	Total scope of reporting 2011	% change at comparable scope of reporting*
Number of applicable hotels	**1,285**	**927**	**503**	**203**	**162**	**3,080**	**3,757**	**/**
Use dispensers or eco-designed packaging for bathroom products	50%	67%	58%	60%	48%	57%	39%	+10%
Use eco-designed materials in guest rooms	18%	25%	46%	43%	36%	27%	33%	+9%
Flooring	*5%*	*6%*	*20%*	*10%*	*20%*	*9%*	*10%*	*+9%*
Wall paint	*5%*	*9%*	*25%*	*9%*	*22%*	*11%*	*23%*	*+2%*
Bedding	*6%*	*9%*	*17%*	*13%*	*18%*	*10%*	*6%*	*+3%*
Bed linens	*8%*	*11%*	*18%*	*17%*	*20%*	*12%*	*7%*	*+3%*
Wood furniture	*7%*	*8%*	*22%*	*22%*	*23%*	*12%*	*7%*	*+4%*
Paper	*10%*	*14%*	*28%*	*30%*	*25%*	*16%*	*10%*	*+3%*
Soap and shower gels	*15%*	*17%*	*35%*	*26%*	*27%*	*20%*	*10%*	*+6%*
Bathroom linen	*8%*	*10%*	*17%*	*19%*	*20%*	*11%*	*6%*	*+8%*
Other	*2%*	*6%*	*10%*	*9%*	*7%*	*5%*	*3%*	*+4%*

* *Hotels reporting data in both years.*

The environmental footprint analysis revealed a number of lessons concerning the waste produced by the Group every year. In particular, it found that more than two thirds of this waste was concrete, wood, furniture, non-hazardous waste and other scrap from hotel construction and renovation projects.

In 2012, the reBorn project was launched to reduce the amount of furniture scrapped during renovations and to recover it for resale. Pilots conducted at five hotels during the year put nearly 3,000 of furniture on sale in a dedicated online store, with nearly 1,500 finding buyers by year-end. New solutions will be tested in 2013 to give used hotel furniture a new lease on life, including auctions and partnerships with consignment websites.

2.4. SOCIAL RESPONSIBILITY REPORT

2.4.1. SOCIAL RESPONSIBILITY POLICY

Internal organization

Social responsibility policy is seamlessly aligned with PLANET 21, the sustainable development strategy defined by the Sustainable Development Department, which reports to the Global Human Resources Officer, a member of the Executive Committee.

The OPEN management and assessment application

PLANET 21 is managed using OPEN, a sustainable development management application created in 2005.

Since 2011, Charter 21 has addressed social responsibility issues like the purchase of fair trade products or the organization of employee health and well-being training. Today, six of its 65 sustainable development action points concern social responsibility.

The detailed results presented below are primarily collected via OPEN using the same reporting and consolidation processes as for the environmental report.

2.4.2. PROTECTING CHILDREN FROM ABUSE

Since 2001, Accor has been engaged in the fight against child sex exploitation in partnership with ECPAT International, an NGO whose mission is to end child prostitution, child pornography and trafficking of children for sexual purposes. This commitment is structured by the *Code of Conduct for the Protection of Children* developed by ECPAT and the World Tourism Organization, which Accor has signed in 36 countries (including two – the Netherlands and Poland – in 2012). The main initiatives undertaken by the hotels concern employee training, raising awareness among customers and suppliers, developing relations with public authorities, and helping marginalized minors re-enter society.

In 2012, more than 30,000 employees worldwide received training on how to detect and respond to these risks.

In June 2012, ECPAT France, Accor and two French police organizations, the International Cooperation Directorate (DCI) and the Central Office for the Repression of Violence Against Individuals (OCRVP) signed an agreement to introduce procedures in Accor hotels to report suspected cases of sexual exploitation of children involving French or foreign nationals. ECPAT France, Accor, DCI, OCRVP have prepared a manual describing reporting procedures for the hospitality industry, which will help hotel staff to identify suspected cases of child sexual tourism and to understand the procedures to implement, while ensuring more effective collaboration among the various stakeholders involved in protecting children.

Finalized in 2012 after an initial pilot program in Thailand, the Dominican Republic and Ghana, the manual will be distributed in 2013 in new test regions after being adapted to local conditions. It will then be gradually made available to other hotel groups, notably those present in regions particularly affected by this problem, such as Southeast Asia, Latin America and the Caribbean, West Africa, East Africa and North Africa.

Accor is extending its commitment to fighting child sexual exploitation by participating in a project that is part of a public-private partnership with the Code of Conduct for the Protection of Children organization and other private partners. The project is financed by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), a leading provider of international cooperation services for sustainable development that works closely with the German government. In 2012, a letter of agreement was signed with GIZ defining the terms of our participation in the project, which will develop an e-learning and tracking application for use by Code of Conduct signatories.

In addition, we wanted to broaden our commitment to the protection of children from abuse in general, notably by relaying national missing children alerts in countries where such systems exist and facilitating the reintegration of marginalized minors.

In 2012, 38% of hotels had made a commitment to protecting children from abuse (including preventing sexual tourism, setting up reintegration programs or relaying national missing children alerts). The sharp decline in this percentage from 2011 reflects the disposal of Motel 6 and Studio 6 (around 950 hotels), which were especially active in relaying missing children alerts.

Charter 21 Results **Protecting children**	**France**	**Europe excl. France**	**Asia-Pacific**	**Latin America and Caribbean**	**Rest of the world**	**Total scope of reporting 2012**	**Total scope of reporting 2011**	**% change at comparable scope of reporting***
Number of applicable hotels	**1,285**	**927**	**503**	**203**	**162**	**3,080**	**3,757**	**/**
Involved in protecting children from abuse	20%	44%	45%	92%	59%	38%	NEW	N/A
Prevent sexual tourism involving children	4%	27%	25%	71%	46%	21%	25%	+19%
Number of employees trained	566	5,809	13,971	5,943	3,765	30,054	23,459	/
Display customer awareness campaigns	15%	25%	16%	68%	26%	17%	12%	+8%
Involved in programs to help marginalized minors re-enter society	2%	2%	8%	7%	8%	4%	NEW	N/A
Relay national missing children alerts	4%	4%	8%	5%	7%	9%	NEW	N/A

Lastly, Accor is also strongly committed to combating child labor and any type of forced labor, as clearly stipulated in the *Accor Management Ethics Guide*:

"Accor pledges to:

- exercise extreme caution with regard to suppliers and service providers that might require people to work against their will or under threat of penalty. If such were the case, Accor would immediately cut off all relations with the supplier or service provider in question;
- comply strictly with the minimum legal working age in each of its host countries and never employ a child under the age of 14 in any country;
- be extremely vigilant when choosing suppliers or service providers;
- refuse to work or immediately stop working with any supplier or service provider that violates child labor laws."

2.4.3. LOCAL DEVELOPMENT

Promoting local food products

Accor supports responsible procurement practices, in particular by preferring local food products, which are defined as products grown or produced within 200 kilometers of the hotel.

In 2012, 68% of hotels had a policy of purchasing and promoting local food products. This sharp improvement from 2011 has brought us within reach of the goal of having 70% of hotels purchasing locally by 2015.

Charter 21 Results **Local products**	**France**	**Europe excl. France**	**Asia-Pacific**	**Latin America and Caribbean**	**Rest of the world**	**Total scope of reporting 2012**	**Total scope of reporting 2011**	**% change at comparable scope of reporting***
Number of applicable hotels	**524**	**562**	**458**	**182**	**153**	**1,879**	**1,747**	**/**
Purchase and promote local food products	60%	63%	80%	66%	78%	68%	51%	+10%

Actions involving a hotel restaurant concerned 61% of reporting hotels.

Promoting fair trade and sustainable agriculture

Accor has been a pioneer in supporting fair trade, with initiatives in place since 2003. In 2012, 56% of the hotels served fair trade products carrying the Fairtrade/Max Havelaar label, mainly hot beverages like tea, coffee and chocolate.

Since these products are not available in every host country, Accor also supports sustainable agriculture, notably by purchasing products with the Rainforest Alliance label.

In 2012, 15% of hotels offered products from farms certified as sustainable.

Charter 21 Results Fair trade and sustainable agriculture	France	Europe excl. France	Asia-Pacific	Latin America and Caribbean	Rest of the world	Total scope of reporting 2012	2011	% change at comparable scope of reporting*
Number of applicable hotels	**524**	**562**	**458**	**182**	**153**	**1,879**	**1,747**	**/**
Serve fair trade products*	89%	23%	0%	N/A	7%	56%	34%	+8%
Serve products from sustainable farms	3%	29%	19%	14%	20%	15%	9%	+13%

* *Among the countries with a national Fairtrade labeling organization.*

Actions involving a hotel restaurant concerned 61% of reporting hotels.

In 2012, around 526 tonnes of fair trade products or products from sustainable farms were purchased by Accor hotels worldwide.

2.4.4. GUEST HEALTH AND SAFETY

Responsible eating

To enable guests to maintain a healthy diet, restaurants in Accor hotels offer nutritionally balanced dishes and meals. In 2012, balanced diet recommendations were developed to enable hotel managers to create nutritionally balanced dishes and make them easier to identify on the menu.

These recommendations include:

- the major principles of a balanced diet (types of ingredients, practical advice, etc.);
- recommended and discouraged ingredients;
- appropriate preparation methods (cooking methods, seasonings, etc.);
- recommended proportions of each food group.

In 2012, 87% of the hotels with a restaurant had at least one balanced dish on their menu, compared with the 2015 target of 80%. This sharp improvement was driven by the distribution of balanced diet recommendations across the entire network. The challenge in the years ahead will be to maintain this result and to deploy signage enabling guests to identify these dishes.

Charter 21 Results Nutritional balance	France	Europe excl. France	Asia-Pacific	Latin America and Caribbean	Rest of the world	Total scope of reporting 2012	2011	% change at comparable scope of reporting*
Number of applicable hotels	**524**	**562**	**458**	**182**	**153**	**1,879**	**1,747**	**/**
Offer balanced dishes in the restaurant	86%	90%	88%	85%	76%	87%	62%	+15%

Product selection

As part of its sustainable procurement and eco-design process, Accor is certifying the use of products that are more environmentally friendly and healthier for guests and employees.

Certified for use in every Accor hotel, a full range of cleaning products carrying the EU Flower, Green Seal or Nordic ecolabels are helping to reduce the environmental and health impact of room cleaning.

As part of the PLANET 21 strategy, we are committed to having 85% of the hotels using eco-labeled products by 2015.

During the 2012 Charter 21 exercise, 89% of the hotels reported using at least one eco-designed product for flooring, painting or cleaning.

Charter 21 Results Eco-designed products	France	Europe excl. France	Asia-Pacific	Latin America and Caribbean	Rest of the world	Total scope of reporting 2012	Total scope of reporting 2011	% change at comparable scope of reporting*
Number of applicable hotels	**1,285**	**927**	**503**	**203**	**162**	**3,080**	**3,757**	**/**
Use eco-friendly cleaning products	83%	92%	91%	92%	94%	88%	51%	+29%
Use certified paper for printing	83%	86%	78%	79%	70%	82%	77%	+11%

Preventing health risks

Preventing health risks is a core concern at Accor.

A maintenance and inspection program has been deployed to prevent the development and spread of legionella bacteria, with samples taken annually from hotel installations and analyzed by outside laboratories. In addition, hotels track the risk of Legionnaire's disease in the SET application (see page 50).

Moreover, kitchen health inspections are performed using the Hazard Analysis & Critical Control Points (HACCP) system and applying the same process as the one used for legionella bacteria inspections.

Protecting personal data

Accor is committed to protecting each guest's personal information, with a Global Hotel Guest Privacy Policy clearly describing how this information is used.

The following seven Privacy Principles are applied by Accor SA and its subsidiaries around the world:

- transparency;
- legitimacy;
- relevance and accuracy;
- storage;
- access, rectification and objection;
- confidentiality and security;
- sharing and international transfer.

The Policy is applicable to any data processed by the owned, leased and managed hotels and to any Accor SA booking websites, notably www.accorhotels.com and the brand websites.

2.4.5. SUSTAINABLE PROCUREMENT

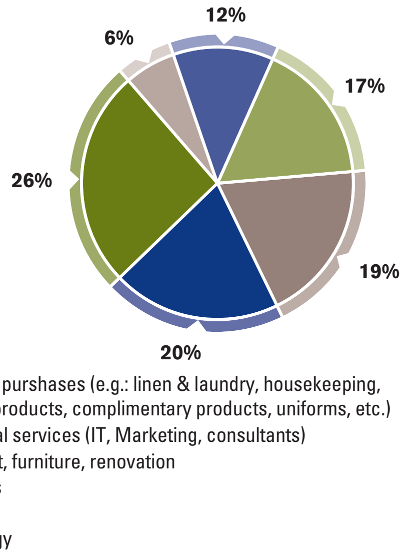
The Accor procurement process

Accor purchases products in around one hundred different categories from the owned and leased hotels. The Procurement Department also sources products for the managed and franchised hotels.

The procurement organization comprises 19 Purchasing Departments around the world and 200 employees who devise a wide array of product-supplier solutions, whose products and negotiated prices must meet the needs and expectations of both hoteliers and corporate marketing, technical and other teams. The solutions must also comply with legal, safety, reliability, sustainable development, ethical and marketing standards.

The different purchasing families have been structured into six categories, as shown in the following chart (in percent of total consolidated purchases):

Purchasing categories



Sustainable procurement strategy and plan

Sustainable development principles have been integrated into the Group's purchasing policies since 2003, when the Accor Sustainable Procurement Charter was introduced to extend our corporate social responsibility commitments to suppliers.

To implement a more organized, global and ambitious process, a dedicated sustainable procurement unit was set up in 2009. It works closely with Group buyers, country buyers, the Sustainable Development and other corporate departments, suppliers and other outside stakeholders (associations, trade federations, etc.).

The sustainable procurement strategy is structured according to a plan comprising three main areas of action:

- externally with suppliers;
- internally with operations;
- horizontally across the sourcing process.

	Objectives	Tools
Actions with suppliers	Sharing sustainable development commitments with suppliers	Procurement Charter 21 Contractual clause Sustainable procurement
	Improving supplier sustainable development performance	Risk analysis by category Supplier assessments and audits Action plans
Actions with operations	Driving progress in country priorities	Action plans
Horizontal actions	Complying with environmental standards	Compliance watch (REACH, RoHS, WEEE)
	Integrating eco-design in the sourcing strategy	Sustainable development specifications in RFQs

Actions with suppliers

To help improve the performance of sourced products and services, the Corporate Procurement Department is moving in several directions:

Sharing commitments with suppliers

Through the Procurement Charter 21 (the new name since 2012, in line with the PLANET 21 sustainable development program), Accor is actively sharing its corporate social responsibility commitments with suppliers. First published in 2003, then updated and enhanced in 2010, the Charter is integrated into national and international contracts to encourage suppliers to:

- comply with the Procurement Charter 21;
- ensure that their own suppliers and subcontractors meet the same criteria;
- participate in Accor's assessment procedure;
- authorize Accor and/or representatives selected by Accor to conduct a sustainable development audit and agree to implement the necessary action plans.

As part of the sustainable procurement reporting process, all of the country organizations report the percentage of new contracts that include Procurement Charter 21 clauses.

In 2012, Procurement Charter 21 clauses were included in nearly 2,000 supplier contracts, or more than 60% of all approved contracts.

Measuring supplier performance

To determine which suppliers to audit first, the sustainable development risks inherent in each of the 98 purchasing categories were analyzed in 2010, based on the Group's exposure (customer exposure, purchasing spend and type of supplier market). This exercise helped to identify 23 high-priority categories, served by 1,061 suppliers, who were therefore audited before the others.

Supplier performance may be measured in three ways:

- assessing overall performance;
- assessing the performance of a specific product;
- commissioning on-site audits performed by an independent third-party.

In 2012, more than 60 audits were conducted with EcoVadis or other organizations. Over the past two years, audits have assessed 204 or 14% of the targeted suppliers, who have implemented around 40 remedial action plans.

Actions with operations

In liaison with the Sustainable Development Department, the Corporate Procurement Department has identified ten product/service priorities where buyers can make a difference by sourcing the best solutions for the Group, which can then be deployed operationally via the hotel brands.

Every year, each country organization chooses three of the priorities to address, depending on local issues. To measure improvement, key international performance indicators are then defined for each one.

The **ten priorities** are:

1. **local sourcing** – *regional suppliers or multinationals whose local subsidiary employs nationals;*
2. **ethical hot beverages** –*fair trade products (with the Fairtrade/Max Havelaar label) or products from farms certified as sustainable (with the Rainforest label);*
3. **well-being** – *healthy products, such as organic or balanced nutrition products, products low in additives, palm oil and GMOs, products complying with international labels;*
4. **eco-labeled cleaning products**;
5. **eco-labeled cosmetics** – *complying with international certifications (EU Flower, NF ENV or equivalent);*
6. **wood** – *certified as coming from sustainably managed forests (Forest Stewardship Council – FSC, Programme for the Endorsement of Forest Certification – PEFC, etc.);*
7. **waste** – *less packaging and detailed supplier reporting;*
8. **linen and laundry** – *EU Ecolabeled bath linens;*
9. **fish** – *sustainable fishing*

   Accor uses the expertise of an environmental NGO. In 2012, we distributed an international best practices handbook describing sustainability specifications for sustainable fishing and containing a questionnaire with supplier indicators and an aquaculture best practices guide.
10. **outside cleaning and security contractors**, *who account for most of the Group's outsourcing.*

Outsourcing

In 2003, Accor France management met with union representatives to define the process of outsourcing room cleaning in owned and leased hotels. The resulting protocol agreement on guidelines and conditions for using subcontractors requires strict compliance with labor laws and regulations and defines such aspects as working hours, the calculation of paid hours, and training. Compliance is regularly tracked with employee representatives.

In 2010, a self-assessment questionnaire concerning employee-relations practices was prepared and submitted to subcontractors in France, Germany, Australia, Spain and Italy.

In late 2011, our corporate social responsibility audit firm, Ernst & Young, was commissioned to conduct a social audit of all of our cleaning services contractors in France. In 2012, the findings were used to prepare and deploy contractor-validated action plans and to share identified best practices across the contractor base. Also during the year, Ernst & Young audited all of the fire protection and security service providers in France, according to the same process.

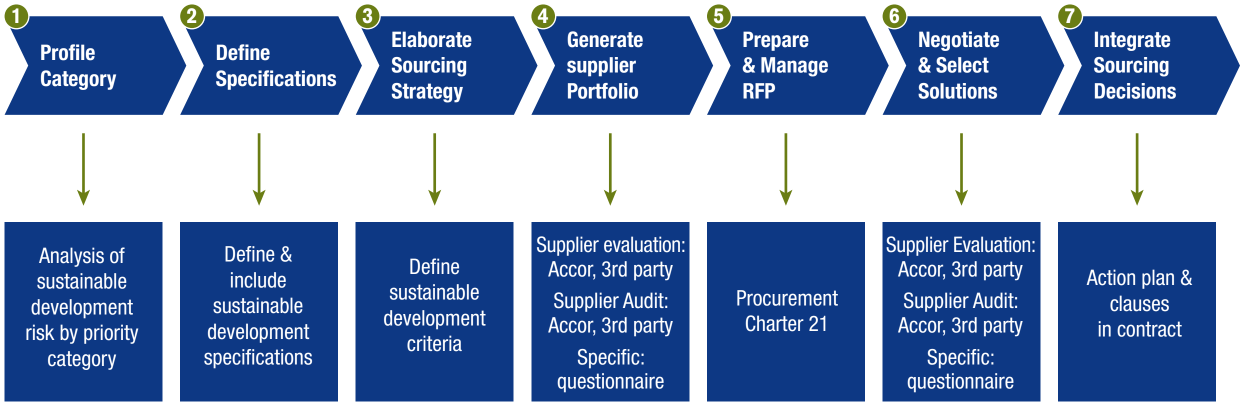
Horizontal actions

Integrating sustainable development into the 7-step sourcing process

Sustainable development should be integrated right from the first step in sourcing, so that responsible solutions can be offered to our internal customers. Before even initiating a sourcing process, an in-depth analysis of the sustainable development challenges inherent in the purchasing category concerned may be performed and shared with the buyers so that they can include the appropriate clauses in RFQ specifications.

One of the objectives is to integrate eco-designed products and, more generally, sustainable development criteria into RFQ specifications. To date, they have been integrated in around 40 of the 98 categories, including complimentary products, cleaning products, wood paneling, paper and carpeting.

As part of its eco-design commitment, Accor may also request that partners share their product life cycle assessment (LCA) data or to perform LCAs with the support of independent outside firms, in order to determine the best environmental solution.



Compliance

To reduce the environmental footprint of products in design, during use and at end-of-life, a growing amount of legislation is being introduced, such as the European Union's Registration, Evaluation, Authorisation and restriction of Chemicals (REACH) Directive, Restriction of Hazardous Substances (RoHS) Directive, Waste Electrical and Electronic Equipment (WEEE) Directive and the Classification, Labelling and Packaging (CLP) Regulation.

The provisions of this legislation are constantly changing, and to maintain supplier compliance, Accor has introduced a control and tracking process with the support of outside consultants.

In the case of REACH, suppliers subject to the Regulation are asked to sign a Declaration of Compliance, which by the end of 2012 had been included in nearly 1,200 contracts, covering some 90% of the suppliers concerned.

In the case of WEEE, information and awareness building meetings are regularly held with the buyers concerned and their suppliers to ensure that waste is recovered, sorted and recycled in compliance with the Directive.

2.5. THE ACCOR FOUNDATION

2.5.1. ORGANIZATION AND OPERATION

The Accor Foundation is committed to forging ties between cultures by supporting the development of individuals and their integration into the community.

Led by the Foundation since 2008, Accor's community outreach and corporate philanthropy initiatives are driven by employees, who play a central role at every stage, from initial planning to final assessment. This distinctive feature offers employees an opportunity to add social and human breadth and depth to their work.

The Accor Foundation provides employees with technical and financial assistance in carrying out their projects. It accepts requests for advice and financial support from employees who are involved in or wish to become involved in an outreach initiative in our host communities around the world.

To successfully manage these initiatives, the Foundation is organized as follows:

- the Board of Directors, which meets two or three times a year, defines the Foundation's strategic vision, votes on projects budgeted at €20,000 or more, and oversees their implementation. Chaired by Denis Hennequin, the Board comprises six representatives of the founding companies and their employees and four qualified persons from outside the Group;
- the Board is supported by a standing team dedicated entirely to assisting employees in their community outreach projects. It works with a network of Regional Experts made up of Accor employees who come from the region concerned or have worked there for several years.

For five years, the Foundation's multi-year action program amounts to €5 million. The budget for 2012 was K€1,100.

2.5.2. FOUNDATION INITIATIVES

To fulfill its mission, the Accor Foundation provides technical and financial assistance to outreach initiatives undertaken by employees in our host countries in one of its three focus areas:

- **local know-how:** supporting socio-economic initiatives that promote traditional industries and techniques;
- **training and insertion:** facilitating the integration of disadvantaged young people aged 15-30;
- **humanitarian and emergency aid:** helping populations in great difficulty and responding to humanitarian disasters.

In all three areas, the objective is to empower the people supported by the Foundation by deploying project models that are economically viable and self-sustaining over the medium term. The values of hospitality, caring and generosity that our hotel employees embody every day in their jobs flow naturally through to community outreach initiatives. The diversity of hotel industry jobs means that everyone's skills can be used in developing a project.

Real-world examples of the skills that have helped to make Foundation-supported projects a success include:

- knowledge of construction techniques: employees helped to build a school cafeteria in **Cameroon**, as part of the SOS Villages d'Enfants project supported in 2008 for €22,000;
- marketing skills: employees are training Indian women in marketing to help them design products for sale in local marketplaces, as part of the Nireekshana project in **India**, supported in 2009, 2011 and 2012 for €54,200;
- human resources skills: employees are coaching disadvantaged young people in **Brazil** on how to write a résumé and respond effectively in a job interview, as part of the Unibes project supported in 2009, 2011 and 2012 for €99,000.

Accor employees also add real value to the "training and insertion" programs supported by the Accor Foundation. They regularly participate in training programs to present the different hospitality industry jobs and share their professional skills with trainees. These programs can include on-site hotel tours, conferences on hospitality industry jobs, presentations of the Accor Group and internships at Accor hotels.

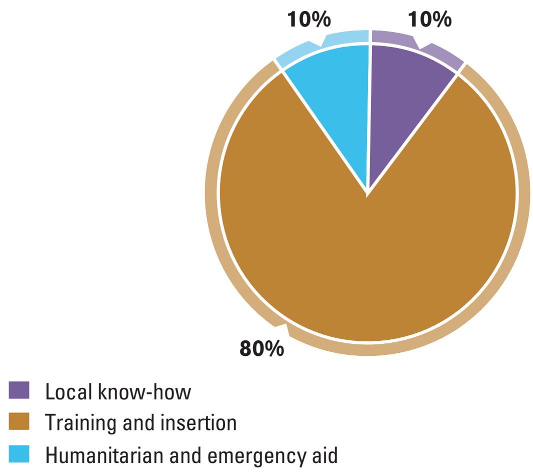
2.5.3. A POSITIVE TRACK RECORD

Projects supported in 2012

A total of 41 projects received support in 2012, covering all of the Foundation's three focus areas.

Focus Area	Europe	Asia	Americas	Oceania	Africa	Total
Training and insertion	23	4	5	0	1	33
Local know-how	1	1	1	0	1	4
Humanitarian and emergency aid	2	1	0	1	0	4
TOTAL	**26**	**6**	**6**	**1**	**2**	**41**

Projects supported by the Accor Foundation in 2012, by focus area



Results

An initial consolidated review of the Foundation's activities after more than four years in operation showed the following results:

- **as of end-2012, the Foundation had provided support for a large number of people:**
  - more than 70,000 individuals directly, including disadvantaged young people, marginalized single mothers, struggling craftsmen and people living with little or no income,
  - more than 90,000 individuals indirectly, including family members and communities;
- **more than 50%** of participants in "Local know-how" and "Training and insertion" projects **are now employed**;
- **supported projects and individuals have gradually become self-sustaining:**

  Self-sustainability, one of the Foundation's major objectives, has already been observed for projects in China, Poland, India and the Dominican Republic;
- **a number of projects have won awards:**

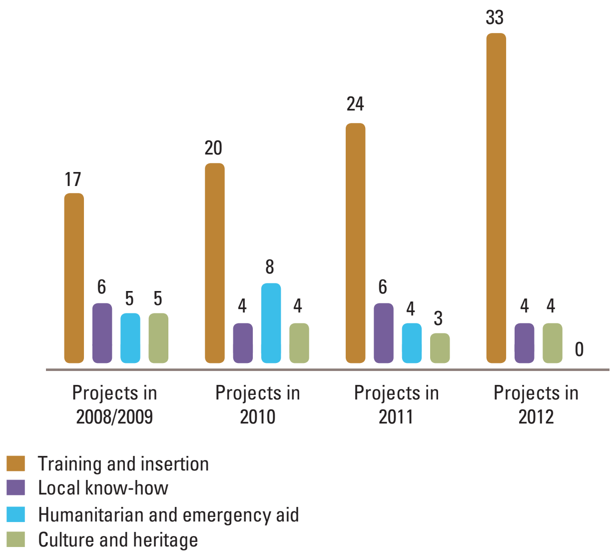
  Foundation-supported initiatives that have received international awards include Fondation Parada, which won the Social Initiative Prize from the French Chamber of Commerce and Industry in Romania in 2011 for mentoring vulnerable street children, and the Chi Heng Foundation, which earned the Certificate of Excellence in the Corporate Social Responsibility Campaign category at the 2011 Asia Pacific PR Awards for its eco-friendly bags campaign.

Projects supported since the Accor Foundation's creation, by focus area

Since 2008, the Accor Foundation has supported 147 projects in 35 countries.

Focus Area	2008/2009 projects	2010 projects	2011 projects	2012 projects	Total
Training and insertion	17	20	24	33	94
Local know-how	6	4	6	4	20
Humanitarian and emergency aid	5	8	4	4	21
Culture and heritage*	5	4	3	0	12
TOTAL	**33**	**36**	**37**	**41**	**147**

* *Culture and heritage has no longer been a focus for the Foundation since June 2011.*



The Accor Foundation would like to involve more stakeholders in its community outreach projects. A proposal is currently being considered to create an endowment fund that could accept donations from hotels, guests, Accor brands, suppliers and employees.

2.6. ATTESTATION OF PRESENTATION AND INDEPENDENT VERIFIER'S ASSURANCE REPORT

Year ended December 31, 2012

ATTESTATION OF PRESENTATION AND INDEPENDENT VERIFIER'S ASSURANCE REPORT ON SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION

To Chief Executive Officer,

Pursuant to your request and in our capacity as independent verifier of Accor, we hereby report to you on the consolidated social, environmental and societal information presented in the management report issued for the year ended December 31, 2012 in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (Code de commerce).

MANAGEMENT'S RESPONSIBILITY

The Executive Board is responsible for the preparation of the management report including the consolidated social, environmental and societal information (the "Information") in accordance with the requirements of Article R. 225-105-1 of the French Commercial Code (Code de commerce), presented as required by the entity's internal reporting standards (the "Guidelines") and available upon request to the entity's headquarter.

OUR INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory requirements, the Code of Ethics of our profession (Code de déontologie) and Article L. 822-11 of the French Commercial Code (Code de commerce). In addition, we maintain a comprehensive system of quality control including documented policies and procedures to ensure compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

INDEPENDENT VERIFIER'S RESPONSIBILITY

It is our role, on the basis of our work:

- to attest whether the required Information is presented in the management report or, if not presented, whether an appropriate explanation is given in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Code de commerce) and Decree no. 2012-557 dated April 24, 2012 (Attestation of presentation);
- to provide limited assurance on whether the other Information is fairly presented, in all material respects, in accordance with the Guidelines (limited assurance report).

1. Attestation of presentation

Our engagement was performed in accordance with professional standards applicable in France:

- we compared the Information presented in the management report with the list as provided in Article R. 225-105-1 of the French Commercial Code (Code de commerce);
- we verified that the Information covers the consolidated perimeter, namely the entity and its subsidiaries within the meaning of Article L. 233-1 and the controlled entities within the meaning of Article L. 233-3 of the French Commercial Code (Code de commerce).

In the event of the omission of certain consolidated Information, we verified that an appropriate explanation was given in accordance with Decree no. 2012-557 dated April 24, 2012.

On the basis of our work, we attest that the required Information is presented in the management report.

2. Limited assurance report

Nature and scope of the work

We conducted our engagement in accordance with ISAE 3000 (International Standard on Assurance Engagements) and French professional guidance. We performed the following procedures to obtain a limited assurance that nothing has come to our attention that causes us to believe that the other Information presented is not fairly presented, in all material respects, in accordance with the Guidelines. A higher level of assurance (reasonable) would have required more extensive review.

Our work consisted in the following:

- we assessed the appropriateness of the Guidelines as regards their relevance, completeness, neutrality, clarity and reliability, taking into consideration, where applicable, the good practices in the sector;
- we verified that the Group had set up a process for the collection, compilation, processing and control of the Information to ensure its completeness and consistency. We examined the internal control and risk management procedures relating to the preparation of the Information. We conducted interviews with those responsible for social and environmental reporting;
- we selected the consolidated Information to be tested (1) and determined the nature and scope of the tests, taking into consideration their importance with respect to the social and environmental consequences related to the Group's business and characteristics, as well as its societal commitments.

Concerning the quantitative consolidated information that we deemed to be the most important:

- at the level of the consolidating entity and the controlled entities, we implemented analytical procedures and, based on sampling, verified the calculations and the consolidation of this information;
- at the level of the countries that we selected (2) based on their business, their contribution to the consolidated indicators and a risk analysis:
  - we conducted interviews to verify that the procedures were correctly applied,
  - we performed tests of detail based on sampling, consisting in verifying the calculations made and reconciling the data with the supporting documents.

(1) ***Social:*** *total headcount with breakdown by gender, by age and by geographical area; Recruitments and dismissals; work time organization; absenteeism; occupational accidents including their frequency rate and severity rate as well as occupational diseases; training policies; total number of training hours; implemented policies and measures taken to promote equality between women and men; implemented policies and measures to fight against discrimination.*

Environment: *environmental assessment approaches or certifications; measures to prevent, recycle and eliminate waste; water consumptions and water supply according to local constraints; consumption of raw materials and measures taken to improve the efficiency of their use; energy consumptions; measures taken to improve energy efficiency; greenhouse gases emissions.*

Societal: *territorial, economic and social impact of the company in terms of employment and on local population; consideration of social and environmental issues in the procurement policy of the company and importance of subcontracting and addressing the social and environmental responsibility of suppliers; measures taken for consumers' health and safety.*

(2) ***Social:*** *Poland, Belgium, Luxembourg, Morocco, United Arab Emirates, Bahrain, Jordan, Qatar, Kuwait, Oman, Brazil, Argentina, Uruguay, Chile, Colombia, Guatemala, Peru.*

Environment: *for water and energy consumptions: United Kingdom, China, Brazil, Poland, Italy; for the other environmental indicators: Brazil, Poland, Italy.*

Societal: *for sustainable procurement: France, Brazil, United Kingdom.*

The sample thus selected represents on average 15% of the workforce for the social indicators; 37% of water consumption; 33% of energy consumption; 11% of hotels for the other environmental indicators; 41% of hotels for sustainable procurement.

Concerning the qualitative consolidated information that we deemed to be the most important, we conducted interviews and reviewed the related documentary sources in order to corroborate this information and assess its fairness.

As regards the other consolidated information published, we assessed its fairness and consistency in relation to our knowledge of the Company and, where applicable, through interviews or the consultation of documentary sources.

Finally, we assessed the relevance of the explanations given in the event of the absence of any information.

Comments on the Guidelines and the Information

We would like to draw attention to the following points:

- the consolidated perimeter for the reported Information covers all the subsidiaries and managed hotels. For some indicators, it can go beyond, covering some franchised hotels, as mentioned in the management report;
- with the exception of the indicators for water and energy consumptions, internal controls carried out at country and area levels show themselves to be heterogeneous and in some cases limited. This statement applies in particular for the indicators related to the Charter 21 actions, for which the supporting evidence is difficult to collect and analyze;
- some indicators were recently developed and are still evolving, in particular the ones related to waste. In those cases, methodological limitations were mentioned in the relevant chapters;
- for the « percentage of employees trained », the disparity of monitoring tools across countries could lead to an overestimation risk;
- in order to improve the consistency of results regarding sustainable procurement, its importance as well as the definitions of indicators and some actions of the Charter 21 should be clarified.

Conclusion

We express a qualified conclusion on the following point:

- the indicators « average number of days of absence per employee for illness, occupational disease and work-related accident» and « for other reasons » are under estimated outside Europe due to national regulations causing heterogeneous interpretations of the Guidelines in the different countries.

In our opinion, except for the effects of the matter described above, nothing has come to our attention that causes us to believe that the Information is not fairly presented, in all material respects, in accordance with the Guidelines.

Paris La Défense, March 4, 2013

The Independent Verifier
Ernst & Young et Associés
Sustainable Development Department

Éric Duvaud

3

Corporate governance

3.1. ADMINISTRATIVE AND MANAGEMENT BODIES

3.1.1. BOARD OF DIRECTORS

Jean-Paul Bailly – Independent director [1]

> First appointed as a director on May 13, 2009.

> Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2014.

> Number of Accor shares held: 600.

> Date of birth: November 29, 1946 – French nationality.

> Chairman and Chief Executive Officer of the La Poste Group.

> After graduating from École Polytechnique and the Massachusetts Institute of Technology, Jean-Paul Bailly began his career with the Paris Transit Authority (RATP). He then took over the running of French technical cooperation programs in Mexico before moving back to RATP where he held the posts of Departmental Director, Bus Rolling Stock, director of the Paris Metro and RER suburban rail system, Personnel Director and Deputy Managing Director. He was then appointed Chairman and CEO of RATP in 1994.

Other positions held at December 31, 2012 with companies controlled [2] by the La Poste Group

Position	Company
France	
Chairman of the Supervisory Board	La Banque Postale
Member of the Supervisory Board	La Banque Postale *Asset Management*
Director	Sopassure
Permanent representative of La Poste on the Board of Directors	GeoPost
Permanent representative of La Poste on the Board of Directors	Sofipost
Permanent representative of La Poste on the Board of Directors	Poste Immo

Other positions held at December 31, 2012 with companies not controlled [2] by the La Poste Group

Position	Company
France	
Director	CNP Assurance
Director	Edenred

Former positions held in the past five years

Position	Company
France	
Legal Manager	Financière Systra
Director	Systar
Director	GDF-Suez
Representative of La Poste as Chairman	SF 12
Permanent representative of La Poste on the Board of Directors	Xelian

(1) Based on the independence criteria set out in the AFEP/MEDEF Corporate Governance Code.
(2) Within the meaning of Article L. 233-16 of the French Commercial Code.

Thomas J. Barrack – Director

> First appointed as a director on January 9, 2006. Previously a member of the Supervisory Board from May 3, 2005.

> Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the year ended December 31, 2012.

> Number of Accor shares held: 500.

> Date of birth: April 28, 1947 – US nationality.

> Founder, Chairman and Chief Executive Officer of Colony Capital, LLC.

> Before founding Colony Capital LLC, Thomas J. Barrack was Chief Executive Officer of Robert M. Bass Group Inc and also served in the Reagan Administration as Deputy Undersecretary of the Department of the Interior.

Other positions held at December 31, 2012

Position	Company
United States	
Director	Colony Financial, Inc.
Director	First Republic Bank

Former positions held in the past five years

Position	Company
Australia	
Director	Challenger Financial Services Group Limited.

Sébastien Bazin – Director

> First appointed as a director on January 9, 2006. Previously a member of the Supervisory Board from May 3, 2005.

> Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2013.

> Number of Accor shares held: 1,000.

> Date of birth: November 9, 1961 – French nationality.

> Chief Executive Officer of Colony Capital Europe.

> Sébastien Bazin holds an undergraduate degree in Economics and a Masters in Business Management (finance option) from the Sorbonne University of Paris. Before joining Colony Capital in 1997 he served as Vice-President of PaineWebber's mergers and acquisitions unit in London and New York, a director of Hottinguer Rivaud Finances and a director and Chief Executive Officer of Immobilière Hôtelière.

Other positions held at December 31, 2012

Position	Company
France	
Chairman and Chief Executive Officer	Société d'Exploitation Sports et Evénements SA
Chairman and Chief Executive Officer	Holding Sports & Evénements SA
Chairman	Colfilm SAS
Chairman	Bazeo Europe SAS
Chairman	Colony Capital SAS
Chairman	Collllkirch France SAS
Chairman	Data 4 SAS
Chief Executive Officer	ColSpa SAS
Chief Executive Officer	Toulouse Canceropole SAS
Director	Edenred
Director	Carrefour
Member of the Supervisory Board	ANF Immobilier (*Les Ateliers du Nord de la France*)
Legal representative of Colony Capital SAS as Chairman	ColSpa SAS
Legal representative of Colony Capital SAS as Legal Manager	SC Georges V 302
Legal Manager	CC Europe Invest
Legal Manager	Société du Savoy à Méribel
Legal Manager	Colmed
Managing Partner	Nina SC
Managing Partner	Haute Roche
Managing Partner	Madeleine Michelis
Managing Partner	Ranelagh
Luxembourg	
Managing Director	Sisters Soparfi SA
Switzerland	
Legal Manager	La Tour Sàrl
Director	La Tour Réseau de Soins SA
Director	Permanence de la Clinique Carouge

Former positions held in the past five years

Position	Company
France	
Chairman and Chief Executive Officer	Lucia SA
Chairman of the Supervisory Board	Paris Saint Germain Football
Chairman of the Board of Directors	Château Lascombes
Chairman	ColWine SAS
Chairman	Colbison SAS
Chairman	SAIP
Chairman	SAS Spazio
Chairman	Front de Seine Participations
Chairman	Coladria SAS
Chairman	Lucia Investissement SAS
Vice-Chairman of the Supervisory Board	Buffalo Grill
Vice-Chairman of the Supervisory Board	Groupe Lucien Barrière
Director	Moonscoop IP
Legal Manager	Colony Santa Maria EURL
Legal Manager	Colony Santa Maria SNC
Legal Manager	Colony Pinta SNC
Legal Manager	Immobilière Lucia et Compagnie
Legal Manager	Lucia 92 et Compagnie
Legal Manager	Colony Le Châlet EURL
Legal Manager	Immobiloisir Serre Chevalier
Legal Manager	Colmassy SARL
Belgium	
Chairman	RSI SA
United Kingdom	
Chairman and Director	Colyzeo Investment Management, Ltd

Philippe Citerne – Independent director (1) and Vice-Chairman of the Board of Directors

- First appointed as a director on January 9, 2006. Previously the permanent representative of Société Générale on Accor's Supervisory Board from December 22, 2003.
- Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2014.
- Number of Accor shares held: 500.
- Date of birth: April 14, 1949 – French nationality.
- Non-Executive Chairman of Télécom & Management SudParis (educational and research institute).
- After graduating from École Centrale de Paris and holding a number of positions in the French Finance Ministry, Philippe Citerne joined Société Générale in 1979, where he served as Vice-President of Economic Research, Vice-President Finance and Vice-President Human Relations, prior to becoming a director, Deputy Chief Executive Officer and Chief Operating Officer from 1997 to April 2009. Mr. Citerne is also a director of Rexecode.

Other positions held at December 31, 2012

Position	Company
France	
Director	Edenred
Member of the Supervisory Board	MK2

Former positions held in the past five years

Position	Company
France	
Chief Operating Officer	Société Générale
Chairman	Systèmes Technologiques d'Echanges et de Traitement – STET
Director	Sopra Group
Representative of Société Générale on the Supervisory Board	Fonds de Garantie des Dépôts
Russia	
Director	Rosbank

Mercedes Erra – Independent director (1)

- First appointed as a director on February 22, 2011.
- Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2014.
- Number of Accor shares held: 500.
- Date of birth: September 23, 1954 – French nationality.
- Executive President of Havas Worldwide.
- A graduate of HEC business school and Sorbonne University of Paris, Mercedes Erra began her career with Saatchi & Saatchi where she spent fourteen years and reached the position of Chief Executive Officer. In 1995, she founded BETC Euro RSCG, France's leading advertising agency. Ms. Erra is also Chairman of the Board of Directors of Cité Nationale de l'Histoire de l'Immigration. She is involved in the Women's Forum for the Economy and Society and with UNICEF, as well as being an active member of the French Committee of Human Rights Watch and a permanent member of the French Commission on the Image of Women in the Media. She sits on the Boards of Directors of the France Télévision foundation, the Elle foundation, the Centre Pompidou-Metz association and IMS.

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

Other positions held at December 31, 2012 with companies controlled [(2)] by Havas Worldwide

Position	Company
France	
Founder, Managing Director and member of the Management Board	BETC
Director	Havas
Director	Havas Worldwide Paris

Other positions held at December 31, 2012 with companies not controlled [(2)] by Havas Worldwide

Position	Company
France	
Director	Société de la Tour Eiffel

Former positions held in the past five years

Position	Company
France	
Managing Director	Havas
Chairman of the Board of Directors	Euro RSCG
President	Euro RSCG France
Director	Absolut Reality

Sophie Gasperment – Independent director [(1)]

- First appointed as a director on June 29, 2010.
- Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the year ended December 31, 2012.
- Number of Accor shares held: 500.
- Date of birth: August 1, 1964 – French nationality.
- Executive Chairman of The Body Shop International.
- A graduate of ESSEC business school and the Insead Advanced Management Program, Sophie Gasperment began her career in marketing at L'Oréal, where she held both operational and brand development positions before being appointed Managing Director of L'Oréal UK, where she served for 13 years. Ms. Gasperment was also appointed as a French Foreign Trade Advisor in 2005 and is a member of the Business Advisory Council of Saïd Business School at the University of Oxford.

(1) Based on the independence criteria set out in the AFEP/MEDEF Corporate Governance Code.
(2) Within the meaning of Article L. 233-16 of the French Commercial Code.

Former positions held in the past five years

Position	Company
Germany	
Director	Body Shop Beteiligungs GmbH
Director	The Body Shop Germany GmbH
United States	
Chairman and Chief Executive Officer	BSI USA Inc.
Chairman and Chief Executive Officer	Buth-NA-Bodhaige Inc.
Chairman	Skin & Hair Care Preparations
United Kingdom	
Director	Anderbarn Ltd
Director	Browndray Ltd
Director	Cranvine Ltd
Director	Creektime Ltd
Director	Crestsold Ltd
Director	Dishmax Ltd
Director	Enfranchise Ninety One Ltd
Director	Fillcare Ltd,
Director	Groundmesh Ltd
Director	Islemend Ltd
Director	Leasetime Ltd
Director	Lordmark Ltd
Director	Masonride Ltd
Director	Modesite Ltd
Director	Solitaire Fashion Shops Ltd
Director	TBSI (Holdings 1) Ltd
Director	TBSI (Holdings 2) Ltd
Director	The Body Shop (Isle of Man)
Director	The Body Shop Card Services
Director	The Body Shop Midlands Ltd
Director	The Body Shop On-Line (I) Ltd
Director	The Body Shop On-Line (II) Ltd
Director	The Body Shop Queenslie Ltd
Director	The Millennium Administration
Director	The Body Shop Retail Properties
Director	The Body Shop South-West Ltd
Director	L'Oréal (UK) Ltd
Director	L'Oréal Golden Ltd
Director	Toteview Ltd

Denis Hennequin – Chairman and Chief Executive Officer

> First appointed as a director on May 13, 2009.

> Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2013.

> Number of Accor shares held: 500.

> Date of birth: June 8, 1958 – French nationality.

> Denis Hennequin holds a bachelor's degree in economics and a master's degree in corporate and tax law. He began his career at McDonald's as an Assistant Restaurant Manager. He then held the positions of Restaurant Manager, Field Service Consultant, Director of Franchising, Director of Operations and Regional Manager for Paris and the surrounding suburbs before being appointed Vice-President of Operations, Human Resources, Development and Regional Coordination. He was named Managing Director of McDonald's France in 1996 and then Chairman and CEO of McDonald's Europe in 2005. Mr. Hennequin was appointed Chief Executive Officer of Accor on December 1, 2010 and then Chairman and Chief Executive Officer on January 15, 2011. He is also Chairman of the Accor Foundation.

Other positions held at December 31, 2012 with companies controlled [(2)] by Accor

Position	Company
France	
Director	Adagio SAS

Other positions held at December 31, 2012 with companies not controlled [(2)] by Accor

Position	Company
United Kingdom	
Director	Eurostar International Ltd

Former positions held in the past five years

Position	Company
France	
Chairman	Adagio SAS
Director	McDonald's France SA
Director	Golden Arches of France
Permanent representative of Accor on the Supervisory Board	Lenôtre
Legal Manager	MCD France
Legal Manager	McDonald's Development Company Paris-Europe
Legal Manager	McDonald's France Services SARL
Germany	
Director	McDonald's Franchise GmbH
Belgium	
Director	McDonald's Belgium NV
Director	McDonald's Restaurants Belgium N.V.
Denmark	
Member of the Supervisory Board	McDonald's Danmark AS
Spain	
Director	Restaurantes McDonald's SA
United States	
Chairman	McDonald's Europe
Chairman	McDonald's Deutschland, Inc.
Vice-Chairman	Golden Arches UK, LLC.
Director and Chairman	Global Restaurant Services Inc.
Director and Chairman	Grab & Goa Co
Director and Chairman	McDonald's Europe, Inc.
Director and Chairman	McDonald's Productions Inc.
Director and Chairman	McDonald's System of Bulgaria, Inc.
Director and Chairman	McDonald's System of Romania, Inc.
Director and Chairman	McDonald's System of Czech Republic, Inc.
Director and Vice-Chairman	MCD Properties, Inc.
Director and Vice-Chairman	McDonald's Development Company-Central Europe
Director and Vice-Chairman	McDonald's Development Italy, Inc.
Director and Vice-Chairman	McDonald's Sistemas de Espana, Inc.
Director and Vice-Chairman	McDonald's System of Belarus, Inc.
Director	McDonald's Belgium, Inc.
Director	McDonald's Deutschland, Inc.
Finland	
Director	McDonald's Oy

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

Position	Company
Hungary	
Member of *the Supervisory Board*	McDonald's Hungary Restaurant Chain, LLC.
Ireland	
Director	Golden Arches Finance of Ireland
Director	McDonald's Restaurants of Ireland Limited
Italy	
Director	Sofitel Italia Srl
Director	Accor Hospitality Italia Srl
Director	Accor Partecipazioni Italia Srl
Poland	
Member of the Supervisory Board	McDonald's Polska Sp.zo.o.
Portugal	
Director	Sistemas McDonald's Portugal Limitada
United Kingdom	
Director, Chairman and Chief Executive Officer	McDonald's Restaurants Limited
Director	MCD Europe Limited
Director	McDonald's Europe Limited
Serbia	
Director	McDonald's Restorani d.o.o, Beograd
Sweden	
Director	Swenska McDonald's AB
Director	Swenska McDonald's Development AB

Bertrand Méheut –Independent director [1]

> First appointed as a director on May 13, 2009.

> Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2014.

> Number of Accor shares held: 500.

> Date of birth: September 22, 1951 – French nationality.

> Chairman of the Groupe Canal+ Management Board.

> A graduate of École des Mines de Paris with a degree in civil engineering, Bertrand Méheut spent most of his career with Rhône-Poulenc, serving first as Deputy Chief Operating Officer, Europe, in charge of corporate services for the Agro Division and then successively as Chief Executive Officer of the German subsidiary, Deputy Chief Executive Officer of Rhône-Poulenc Agro and Executive Vice-President and Chief Operating Officer Europe. Following the formation of Aventis in late 1999, he was appointed Chief Executive Officer and then Chairman and Chief Executive Officer. Mr. Méheut is also a director of Cinémathèque Française.

Other positions held at December 31, 2012 with companies controlled [2] by Groupe Canal+

Position	Company
France	
Chairman of the Management Board	Canal+ France
Chairman of the Board of Directors	Société d'Edition de *Canal Plus*
Chairman of the Supervisory Board	StudioCanal
Chairman	Canal+ Régie
Representative of Canal+ France as Managing Partner	Kiosque
Permanent representative of Groupe Canal+ on the Board of Directors	Sport+

Other positions held at December 31, 2012 with companies not controlled [2] by Groupe Canal+

Position	Company
France	
Director	Edenred
Director	Aquarelle Com Group

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

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

Former positions held in the past five years

Position	Company
France	
Chairman of the Board of Directors	Canal+ International Development
Chairman	Kiosque Sport
Chairman of the Management Board	Canal+ Régie
Director	Canal+ Distribution (formerly CanalSatellite)
Director	SFR
Permanent representative of Canal+ on the Board of Directors	Canal+ Finance
Member of the Management Board	Canal+ Overseas
Representative of Groupe Canal+ as Co-Managing Partner	Canal+ Editions
Member of the Management Board	Vivendi

Virginie Morgon – Director

- First appointed as a director on May 13, 2009.
- Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2013.
- Number of Accor shares held: 500.
- Date of birth: November 26, 1969 – French nationality.
- Member of the Executive Board and Chief Investment Officer of Eurazeo.
- Virginie Morgon graduated from Institut d'Etudes Politiques de Paris, majoring in Economics and Finance, and holds a master's degree in Economics and Management (MIEM) from the University of Bocconi (Milan, Italy). After working as an investment banker in New York and London, Virginie Morgon joined Lazard in 1994. She became a senior partner at Lazard in 2001 and was responsible for the European Food, Retail and Consumer Goods sector. She has been a member of Eurazeo's Executive Board since January 2008 and was appointed Chief Investment Officer in December 2012. Ms. Morgon is also a member of the Executive Committee of the Women's Forum (WEFCOS) and of the Comité de Paris, a Human Rights Watch support Committee.

Other positions held at December 31, 2012 with companies controlled (2) by par Eurazeo

Position	Company
France	
Chief Executive Officer	LH APCOA
Chairman of the Supervisory Board	Eurazeo PME
Germany	
Managing Director	APCOA Group GmbH
Chairman of *the Supervisory Board*	APCOA Parking AG
Chairman of the Advisory Board	APCOA Parking Holdings GmbH
Italy	
Chairman of *the Board of Directors*	Broletto 1 Srl
Legal Manager	Euraleo Srl
Vice-Chairman of the Board of Directors	Moncler Srl
Director	Sportswear Industries Srl

Other positions held at December 31, 2012 with companies not controlled (2) by Eurazeo

Position	Company
France	
Director	Edenred
Member of the Board of Directors	Women's Forum (WEFCOS)
Italy	
Legal Manager	Intercos SpA

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

Former positions held in the past five years

Position	Company
France	
Chairman of the Supervisory Board Chairman of the Supervisory Board Permanent representative of Eurazeo on the Board of Directors	B&B Hotels Group OFI Private Equity Capital (renamed Eurazeo PME Capital) LT Participations
Germany	
Vice-Chairman of the Advisory Board	APCOA Parking Holdings GmbH

Franck Riboud – Independent director [1]

- Director from January 9, 2006 to December 31, 2012. Previously a member of the Supervisory Board from July 3, 2001.
- Number of Accor shares held: 523.
- Date of birth: November 7, 1955 – French nationality.
- Chairman and Chief Executive Officer of Danone.
- Franck Riboud, who has an engineering degree from École Polytechnique Fédérale in Lausanne, Switzerland, has spent his entire career with the Danone Group, holding positions in finance, marketing and development. He has served as Chairman and Chief Executive Officer of Danone since 1996. He is Chairman of the Steering Committee of the Danone Ecosystem Fund and a member of the Supervisory Board of the ELA Foundation, as well as a director of the Association Nationale des Industries Agro-alimentaires (ANIA) and the HEC International Advisory Board.

Other positions held at December 31, 2012 with companies controlled [2] by Danone

Position	Company
France	
Chairman of the Executive Committee Chairman of the Board of Directors	Danone SA danone.communities (mutual fund)
Spain	
Director Director	Bagley Latinoamerica SA Danone SA
Luxembourg	
Member of the Steering Committee	Livelihoods Fund (mutual fund)
Switzerland	
Member of the Board of Directors	EPFL Plus Foundation

Other positions held at December 31, 2012 with companies not controlled [2] by Danone

Position	Company
France	
Director Director	Renault SA Renault SAS
Switzerland	
Director Director	Rolex SA Rolex Holding SA

(1) Based on the independence criteria set out in the AFEP/MEDEF Corporate Governance Code.
(2) Within the meaning of Article L. 233-16 of the French Commercial Code.

Former positions held in the past five years

Position	Company
France	
Director	Lacoste SA
India	
Director	Wadia BSN India Ltd
Morocco	
Director	Omnium Nord Africain (ONA)

Patrick Sayer – Director

- First appointed as a director on August 27, 2008.
- Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the year ended December 31, 2012.
- Number of Accor shares held: 500.
- Date of birth: November 20, 1957 – French nationality.
- Chairman of the Executive Board of Eurazeo.
- A graduate of École Polytechnique and École des Mines de Paris, Patrick Sayer has held the positions of Managing Partner at Lazard Frères et Cie in Paris and Managing Director of Lazard Frères & Co. in New York, where he was global head of media and technology-related transactions. Mr. Sayer has been Chairman of Eurazeo's Executive Board since May 2002. Between 2006 and 2007, he served as President of the Association Française des Investisseurs en Capital (AFIC). He is currently a director of the Arts Décoratifs museum in Paris, a member of the Club des Juristes and a lecturer in finance at Paris-Dauphine University.

Other positions held at December 31, 2012 with companies controlled (2) by Eurazeo

Position	Company
France	
Chief Executive Officer	Legendre Holding 19
Chairman	Eurazeo Capital Investissement (formerly Eurazeo Partners SAS)
Chairman of the Board of Directors	Holdelis
Vice-Chairman of the Supervisory Board	ANF Immobilier
Director	Europcar Group
Legal Manager	Investco 3d Bingen (non-trading company)
Germany	
Member of the Advisory Board	APCOA Parking Holdings GmbH
Italy	
Director	Moncler Srl
Director	Sportswear Industries Srl

Other positions held at December 31, 2012 with companies not controlled (2) by Eurazeo

Position	Company
France	
Vice-Chairman of the Supervisory Board	Rexel SA
Director	Edenred
United States	
Member of the Board of Directors	Tech Data Corporation
Italy	
Director	Gruppo Banca Leonardo
United Kingdom	
Director	Colyzeo Investment Advisors

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

Former positions held in the past five years

Position	Company
France	
Chairman of the Supervisory Board	ANF Immobilier
Chief Executive Officer	Legendre Holding 11
Chief Executive Officer	Immobilière Bingen
Chief Executive Officer	Legendre Holding 8
Chairman of the Supervisory Board	B&B Hotels Group
Chairman of the Board of Directors	Legendre Holding 18
Chairman of the Board of Directors	Europcar Group
Director	Ipsos
Director then member of the Supervisory Board	SASP Paris-Saint Germain Football
Member of the Supervisory Board	Presses Universitaires de France
Permanent representative of ColAce Sarl on the Supervisory Board	Groupe Lucien Barrière
Managing Partner	Partena
Legal Manager	Investco 1 Bingen (non-trading company)
Germany	
Chairman of the Advisory Board	APCOA Parking Holdings GmbH
Chairman of the Supervisory Board	APCOA Parking AG
Italy	
Legal Manager	Euraleo Srl
Luxembourg	
Chairman of the Board of Directors	BlueBirds Participations SA
Director	RedBirds Participations SA

3.1.2. PRESIDENT AND CHIEF OPERATING OFFICER

Yann Caillère – President and Chief Operating Officer

> First appointed: August 25, 2010.

> Date of birth: August 5, 1953 – French nationality.

> Yann Caillère is a graduate of École Hôtelière de Thonon-les-Bains and began his career with Pullman. In 1995 he joined Disneyland Resort Paris, as Executive Vice-President, Luxury Hotels and Conventions, before becoming Senior Vice-President of the Hotels division, COO and President. In 2004 he was appointed Chairman of the Louvre Hôtels Group. He joined Accor in 2006 as Chief Operating Officer, in charge of Hotels EMEA and Sofitel Worldwide. In August 2010, he was named Deputy Chief Executive Officer, responsible for worldwide operations, and in January 2011 he became President and Chief Operating Officer. Mr. Caillère is also a member of the Board of Directors of Institut Paul Bocuse.

Other positions held at December 31, 2012 with companies controlled (2) by Accor

Position	Company
France	
Director	Adagio SAS
Permanent representative of Sodetis on the Board of Directors	Devimco
Austria	
Member of the Supervisory Board	Accor Hotelbetriebsges mgH

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

Position	Company
Belgium	
Director	Accor Hotels Belgium
Egypt	
Director	El Gezirah
Italy	
Director	Accor Hospitality Italia Srl
Director	Accor Partecipazioni Italia Srl
Luxembourg	
Chairman of the Board of Directors	Holpa
Morocco	
Chairman of the Board of Directors	Risma
Member and Vice-Chairman of the Supervisory Board	Société Marocaine d'Hôtellerie Economique
Netherlands	
Member of *the Supervisory Board*	Accor Hospitality Nederland BV
Poland	
Member of the Supervisory Board	Orbis
United Kingdom	
Director	Accor UK
Switzerland	
Director	Accor Suisse

Former positions held in the past five years

Position	Company
France	
Chairman	Serena
Chairman	Société de Construction d'Hôtels Suites
Chairman	Société d'Exploitation d'Hôtels Suite
Legal Manager	SoLuxury HMC
Member of the Supervisory Board, then director	Groupe Lucien Barrière
Representative of Société de Construction d'Hôtels Suites as Chairman	Société Hôtelière Vélizienne
Germany	
Member of the Supervisory Board	Accor Hospitality Germany
Austria	
Member of the Supervisory Board	Accor Austria
Italy	
Director	Sofitel Gestioni Alberthiere Italia Srl
Director	Sofitel Italia Srl
Morocco	
Permanent representative of Accor on the Board of Directors	Risma
Portugal	
Director	Accor-Hoteis e Serviços SGPS
Director	Portis
Director	Goldtur
Director	Portotel

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

Neither the Company nor any of its subsidiaries has entered into a service contract providing for benefits for any of its directors or corporate officers.

3.1.3. FOUNDING CO-CHAIRMEN

- **Paul Dubrule**

> Born on July 6, 1934 in Tourcoing, France, Paul Dubrule graduated from Institut des Hautes Etudes Commerciales at the University of Geneva. In 1963, he and Gérard Pélisson co-founded the Novotel hotel chain. After serving as co-Chairman of the Novotel SIEH Group between 1971 and 1983, he co-founded Accor, acting as its co-Chairman from 1983 to 1997. Mr. Dubrule has also held the positions of Chairman of Entreprise et Progrès, Vice-Chairman of the World Travel and Tourism Council (WTTC) and Chairman of Maison de la France. He served as Mayor of Fontainebleau between 1992 and 2001, and Senator of the Seine-et-Marne département between 1999 and 2004. He is currently co-Chairman of the Institut Français du Tourisme and Founding Chairman of the Conseil Supérieur de l'Oenotourisme (CSO). A Paul Dubrule Chair for Sustainable Development was created by INSEAD in 2002 and a Paul Dubrule Chair for Innovation has been set up at the Haute École d'Hôtellerie in Lausanne. Mr. Dubrule has also personally opened a hotel and tourism school in Siem Reap, Cambodia.

- **Gérard Pélisson**

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

3.1.4. EXECUTIVE COMMITTEE

Members of the Executive Committee in 2012

- **Denis Hennequin**

Chairman and Chief Executive Officer.

- **Yann Caillère**

President and Chief Operating Officer, in charge of worldwide operations.

- **Grégoire Champetier**

Global Chief Marketing Officer.

In charge of Brand Strategy, Design Strategy, Marketing and Distribution.

- **Dominique Esnault**

Global Chief Operations Support Officer.

In charge of Development, Franchising, Procurement, Technical Services & Design Management.

- **Pascal Quint**

Corporate Secretary and Secretary to the Board of Directors.

In charge of Legal Affairs, Insurance, Risk Management and the Audit Department.

- **Antoine Recher**

Global Chief Human Resources Officer.

In charge of Human Resources, Group Organization, Transformation and Sustainable Development.

- **Sophie Stabile**

Global Chief Financial Officer.

In charge of Finances and Group Information Systems.

- **Marc Vieilledent**

Global Executive Vice-President, Asset Management.

In charge of Asset Management & Strategy and Mergers & Acquisitions.

3.2. REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

TO THE SHAREHOLDERS' MEETING ON THE PREPARATION AND ORGANIZATION OF THE BOARD OF DIRECTORS' WORK AND ON INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES (REPORT PREPARED IN APPLICATION OF ARTICLE L. 225-37 OF THE FRENCH COMMERCIAL CODE)

This report was approved by the Board of Directors at its meeting on March 3, 2013. It was prepared in accordance with the Reference Framework for Risk Management and Internal Control Systems issued by the Working Group set up by the French securities regulator, Autorité des Marchés Financiers (AMF). The following description of the Company's internal control and risk management procedures is based on the structure of said Reference Framework.

3.2.1. CORPORATE GOVERNANCE AND THE BOARD OF DIRECTORS' OPERATING PROCEDURES

Corporate Governance Code

Accor complies with the Corporate Governance Code for listed companies published by the AFEP and MEDEF (the "AFEP/MEDEF Code"), which is available from the AFEP, the MEDEF or the Company's head office.

The Board of Directors nevertheless considered that, unlike in the case of performance shares, there was no need to attach one or more performance conditions to all of the stock options granted to executive officers in 2012, 2011 and 2010. The Board is of the opinion that Accor's stock market performance in itself constitutes such a condition, as illustrated at times in the past when the grantees were unable to exercise their options as the Accor share price was lower than the exercise price. However, in order to partially respect the AFEP/MEDEF Code's recommendation, for the 2012, 2011 and 2010 plans, the Board decided to apply a performance condition to 25% of the stock options granted to executive officers and other members of the Executive Committee, as described on page 127 of this Registration Document.

The Board of Directors' operating procedures are described in its Bylaws, presented in Appendix A to this report on page 99. In addition, each director is required to comply with the Board of Directors Code of Conduct, set out in Appendix B on page 103.

Chairman and Chief Executive Officer and President and Chief Operating Officer

In order to make the Group's administrative and management processes more responsive and create a direct link between management and shareholders, the Board of Directors has opted to combine the functions of Chairman of the Board and Chief Executive Officer.

On the recommendation of the Chairman and Chief Executive Officer, the Board also appointed a President and Chief Operating Officer, who is in charge of all of the Group's worldwide operations.

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

The Chairman and Chief Executive Officer and the President and Chief Operating Officer represent the Company in its dealings with third parties and have the broadest powers to act on behalf of the Company in all circumstances. The situations where the exercise of the powers of the Chairman and Chief Executive Officer and the President and Chief Operating Officer is subject to the prior approval of the Board of Directors are described in the section below entitled "Powers of the Board of Directors".

Denis Hennequin has been Accor's Chairman and Chief Executive Officer since January 16, 2011 and Yann Caillère has held the position of President and Chief Operating Officer since August 25, 2010.

Senior independent director

Given the decision to combine the offices of Chairman of the Board of Directors and Chief Executive Officer, the Board also decided to appoint an independent director as Vice-Chairman of the Board of Directors, who serves as senior independent director.

Assisted by the Corporate Secretary's services, the senior independent director's roles and responsibilities include the following:

- he is the preferred contact for shareholders not represented on the Board. In this regard, a specific email address has been created (philippe.citerne@accor.com) to enable any shareholder to contact him directly with comments or queries;
- he coordinates the independent directors and, at his initiative, organizes independent directors' meetings at least once a year, for which the Company manages the logistics and bears the costs. He sets the agenda for these meetings and chairs them, ensuring that each independent director has the opportunity to raise any issue not included on the agenda. Following the meetings, the senior independent director may, at his initiative, meet with the Chairman and Chief Executive Officer to discuss all or some of the comments and requests expressed by the independent directors. If necessary, he may also decide to comment on the work of the independent directors during the full meetings of the Board;
- he oversees the formal assessments of the Board's procedures and validates the corresponding report;
- he may request that the Chairman and Chief Executive Officer add items to Board meeting agendas. In any event, he approves the annual plan of the strategic issues that will be included in the Board meeting agendas, as submitted by the Chairman and Chief Executive Officer;
- he is in charge of resolving any conflicts of interest that may arise among members of the Board of Directors.

Philippe Citerne has been the Company's senior independent director and Vice-Chairman of the Board of Directors since May 13, 2009. During 2012 he organized and chaired one independent directors' meeting as well as a meeting between the independent directors and the Chairman and Chief Executive Officer.

Powers of the Board of Directors

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

The Board of Directors deals with all matters falling within the powers vested in it under the applicable laws and regulations. In particular, the Board of Directors is responsible for:

a) approving the annual budget and the business plan presented by the Chairman and Chief Executive Officer and the President and Chief Operating Officer;

b) reviewing and approving all of the Group's strategic objectives, at least once a year, in accordance with the Board's Bylaws;

c) authorizing the following decisions of the Chairman and Chief Executive Officer and the President and Chief Operating Officer prior to the decisions being implemented:

- any and all immediate or deferred financial commitments representing more than €100 million per transaction. "Financial commitments" are defined as:
  - any and all acquisitions or disposals of assets and majority or minority interests in other companies; in the latter case, the amount of the commitment is determined by reference to the entity's enterprise value,
  - any and all direct investments, for example for the creation of a business, the construction, refurbishment or extension of a hotel property, or expenditure on technological developments,
  - rental investments, measured on the basis of the market value of the leased asset,
  - hotel management contracts with a guaranteed minimum fee,
  - any and all loans to entities in which the Company or one of its subsidiaries does not hold the majority of the shares and voting rights, and any and all commitments to participate in share issues by such entities,
- any and all transactions that may impact the Group's strategy or lead to a material change in the Group's business base (mainly entry into a new business or withdrawal from an existing business), whatever the amount of the commitment,
- any credit facilities obtained from a single bank or a banking pool, on one or more occasions, representing more than €2 billion or with a term of more than 15 years (irrespective of the amount). Note that for credit facilities representing less than €2 billion, the Chairman and Chief Executive Officer shall notify the Board of Directors once the facility has been set up. Moreover, the Board's prior approval is not required for borrowings due in less than one year,
- any transaction involving the Company's shares carried out in application of Article L. 225-209 of the French Commercial Code that exceeds one million shares (with a cap of two million shares per year);

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

e) discussing and deciding on any proposed changes to the Group's management structure and reviewing information about the main organizational changes.

Assessing the Board of Directors' operating procedures

In addition to regularly discussing its procedures during scheduled meetings, the Board of Directors also periodically performs a formal assessment of its operations. The latest such formal assessment was carried out in April and May 2011 by the Corporate Secretary under the supervision of the senior independent director, with interviews with each director based on a questionnaire approved by the Compensation, Appointments and Corporate Governance Committee. In 2012 the Board of Directors reviewed its operating procedures during one of its meetings and decided that the findings of the 2011 formal assessment still applied for 2012.

Membership of the Board of Directors and the independence of directors

The Board of Directors comprised 11 members in 2012. This number has since been reduced to 10 following Franck Riboud's decision to resign effective December 31, 2012, in line with the recommendation limiting the number of directorships that should be held by an executive director.

Three Board members are women, which complies with the proportion required under the French Act of January 27, 2011 on promoting boardroom gender parity. In addition, the proportion of independent directors on the Board respects the recommendations of the AFEP/MEDEF Code.

The Board of Directors assesses the independence of its members each year by applying the criteria of the AFEP/MEDEF Code, which state that a member of the Board of Directors of a corporation cannot be qualified as independent if he or she:

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

Directors who represent major shareholders of the Company may be considered as independent provided that they do not take part in the control of the Company. If the shareholder owns 10% or more of the Company's capital or voting rights, the Board of Directors must systematically review whether that shareholder's representative may be qualified as independent, based on a report issued by the Compensation, Appointments and Corporate Governance Committee and taking into account the Company's capital structure and any potential conflicts of interest.

On January 9, 2013, the Compensation, Appointments and Corporate Governance Committee reviewed the independent quality of the members of the Board of Directors. Based on its conclusions, on March 3, 2013, the Board confirmed Mercedes Erra, Sophie Gasperment, Jean-Paul Bailly, Philippe Citerne and Bertrand Méheut as independent directors.

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

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

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

Lastly, with a view to preventing any potential conflict of interests, members of the Board are required to complete a statement every year disclosing any and all direct or indirect ties they have with the Company. To date, none of these statements have disclosed any actual or potential conflicts of interest between a director and the Company. If a direct or indirect business relationship is envisaged between the Company or the Group and a director or a Founding Co-Chairman, the procedure for related-party agreements provided for in Article L. 225-38 et seq. of the French Commercial Code is applied whenever the business relationship concerned does not constitute a routine agreement entered into on an arm's length basis.

Board of Directors activities

The preparation and organization of the Board of Directors' work are governed by the laws and regulations applicable to French public limited companies (sociétés anonymes), the Company's Bylaws, and the Board of Directors Bylaws, which describe the operating procedures of the Board Committees.

The Board met six times in 2012. The notices of meeting together with the agenda were e-mailed to all the members several days before each meeting date. In the period between two meetings, members were kept regularly informed of significant events and transactions involving the Company and were sent copies of all related press releases issued by the Company.

Each ordinary Board meeting lasted four hours on average and the attendance rate was 81%, unchanged from 2011.

During its meetings, the Board performed the duties required of it by law and the Company's Bylaws. It was also informed by the Chairman and Chief Executive Officer and the President and Chief Operating Officer – as well as in some cases by other senior executives concerned – of numerous significant achievements and projects relating to Accor's business.

The Board's activities notably included examining the 2012 budget and a number of planned divestments and acquisitions. It also reviewed the Group's strategy, as well as the new brand-based organization and the creation of a Property Management Department.

Board Committees

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

The Board of Directors is supported by the work performed by its three specialist Committees:

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

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

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

Each Committee is chaired by one of its members, designated by the Board.

The Committee Chairman appoints a person who may or may not be a Committee member to act as secretary.

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

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

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

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

The **Audit and Risks Committee** has three members – Virginie Morgon, Philippe Citerne and Jean-Paul Bailly – all of whom have the necessary technical knowledge to fulfill the Committee's duties. Two of these members are qualified by the Board as independent, including Philippe Citerne, who is the Committee Chairman and the Company's senior independent director. The Audit and Risks Committee met five times in 2012, with an attendance rate of 100%.

Each Audit and Risks Committee meeting begins with a discussion with the Statutory Auditors, which takes place without Company management being present. The Chairman and Chief Executive Officer, the Global Chief Financial Officer and the Board Secretary then attend the rest of the meeting, joined when appropriate by the Senior Vice-President, Internal Audit.

During its meetings, the Committee (i) prepared the Board's review and discussion of the annual financial statements, (ii) examined the principles applied for the publication of Accor's financial statements and financial communications and for the recognition of impairment losses, (iii) tracked developments in the Group's tax disputes, (iv) was given presentations on upcoming changes in accounting standards and regulations, and (v) reviewed Internal Audit findings and the yearly update of the risk map.

The Committee also discussed the renewal of the Statutory Auditors' terms of office, which are due to expire at the close of the Shareholders' Meeting to be called to approve the financial statements for the year ended December 31, 2012. The Committee noted the quality of the engagements carried out by the Statutory Auditors and that they regularly review how the required audit work is allocated between them. It also highlighted that because the audit firms involved are large they regularly rotate the signing partner. On this basis – and having analyzed the Statutory Auditors' fees – the Committee considered that it was not necessary to launch an invitation to tender and recommended that the renewal of the Statutory Auditors' terms of office be submitted for approval at the Annual Shareholders' Meeting.

The **Compensation, Appointments and Corporate Governance Committee** comprised five members in 2012, the majority of whom were qualified by the Board as independent. It was chaired by Bertrand Méheut (who is an independent director), and its other members were Jean-Paul Bailly, Thomas J. Barrack, Franck Riboud and Patrick Sayer. The Compensation, Appointments and Corporate Governance Committee met three times in 2012, with an average attendance rate of 73%.

Following Franck Riboud's resignation as a director, the Board appointed Sophie Gasperment as a member of this Committee on March 3, 2013.

During its meetings in 2012, the Compensation, Appointments and Corporate Governance Committee (i) prepared proposals for the Board concerning the compensation packages of executive officers, (ii) reviewed the terms of the March 27, 2012 stock option and performance share plans, (iii) assessed the independence of the Company's directors based on the criteria in the AFEP/MEDEF Code, and (iv) put forward recommendations to the Board concerning the allocation of directors' fees among the Board members.

The principles and rules applied by the Board of Directors for determining the compensation and benefits of executive officers and directors' fees are described in the "Directors' and Officers' Compensation" section of this Registration Document. This section also provides a summary of transactions involving Accor shares carried out by directors and officers as well as information about directors' and employees' interests in the Company's capital (stock option and performance share plans, discretionary and non-discretionary profit-sharing agreements).

The **Commitments Committee** had five members in 2012, the majority of whom were qualified by the Board as independent. It was chaired by Sébastien Bazin and its other members were Mercedes Erra, Sophie Gasperment, Philippe Citerne and Patrick Sayer. Due to the nature of the responsibilities assigned to this Committee – which sometimes has to give its opinion on acquisitions or disposal projects within a short timeframe – Committee meetings may be called at any time, either in writing or verbally, by the Committee Chairman or by the Chairman and Chief Executive Officer.

The Commitments Committee met six times in 2012, with an average attendance rate of 90%. During its meetings it notably examined a number of acquisition and disposal projects, including the purchase of the Posadas Group's South American hotel portfolio and the sale of Motel 6/Studio 6.

Conditions and procedures for attending Shareholders' Meetings

Accor's next Shareholders' Meeting will be held on April 25, 2013 at 10:00 a.m. at Novotel Paris Tour Eiffel, 61 quai de Grenelle, 75015 Paris, France. The notice of meeting containing the agenda and draft resolutions was published in the French legal gazette (Bulletin des annonces légales obligatoires) on March 18, 2013 and is available on the Company's website at www.accor.com.

In accordance with the law, the applicable conditions and procedures for attending Shareholders' Meetings are set out in the Company's Bylaws, which are available on the Company's website. They notably concern admittance conditions (Article 24 of the Bylaws), organization of the meetings (Article 25), and disclosure thresholds relating to shareholders' interests in the Company's capital and voting rights (Article 9).

Appendix A: Board of Directors Bylaws (as amended on March 3, 2013)

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

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

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

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

1. Composition

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

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

2. Meetings

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

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

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

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

3. Information for the Board of Directors

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

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

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

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

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

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

4. Powers of the Board of Directors

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

In addition, the Board of Directors shall:

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

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

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

- any and all immediate or deferred financial commitments representing more than €100 million per transaction. "Financial commitments" are defined as:
    - any and all acquisitions or disposals of assets and majority or minority interests in other companies; in the latter case, the amount of the commitment is considered as being equal to the entity's enterprise value,
    - any and all direct investments, for example for the creation of a business, the construction, refurbishment or extension of a hotel property, or expenditure on technological developments,

- rental investments, measured on the basis of the market value of the leased asset,
- hotel management contracts with a guaranteed minimum fee,
- any and all loans to entities in which the Company or one of its subsidiaries does not hold the majority of the shares and voting rights, and any and all commitments to participate in share issues by such entities.

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

- any and all transactions that have a material impact on the Group's strategy or lead to a material change in the Group's business base (mainly entry in a new business or withdrawal from an existing business), whatever the amount of the commitment,
- any and all transactions involving the Company's shares carried out in application of Article L. 225-209 of the French Commercial Code, which exceed one million shares per transaction but not to exceed two million shares per year;

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

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

5. Vice-Chairman of the Board of Directors

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

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

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

6. Board Committees

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

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

There are three standing Board Committees:

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

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

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

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

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

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

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

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

6.1. The Audit and Risks Committee

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

- it reviews the interim and annual consolidated financial statements and the financial statements of the Company, prior to their examination by the Board of Directors. This includes reviewing draft results press releases and announcements to be issued by the Company;

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

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

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

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

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

6.2. The Commitments Committee

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

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

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

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

6.3. The Compensation, Appointments and Corporate Governance Committee

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

To this end, it carries out the following tasks:

Appointments

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

Compensation

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

Corporate Governance

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

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

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

7. Secretary to the Board of Directors

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

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

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

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

8. Directors' fees

The annual amount of directors' fees approved by shareholders shall be allocated by the Board based on a recommendation by the Compensation, Appointments and Corporate Governance Committee.

Board members shall be entitled to a fixed portion of fees for their duties as directors and, as the case may be, their role as a member or Chairman of one or more Board Committees, as well as a variable portion of fees determined according to their actual attendance at Board or Committee meetings.

Distribution is based on the following principles:

- the annual amount of directors' fees shall be divided into an amount set aside for the Board and an amount set aside for the Board Committees, as determined by the Board of Directors. The amount for the Board Committees shall subsequently be divided equally among the three Committees;
- half of the amount set aside for the Board and for each Committee shall be used to pay the fixed portion of directors' fees, based on a lump sum determined by the Board and in line with the number of directors or Committee members concerned;
- the other half of the amount set aside for the Board and each Committee shall be used to pay the variable portion of directors' fees based on a per-meeting amount set by the Board depending on the total number of meetings held during the year. Board and Committee members shall not receive any of this variable portion for meetings that they do not attend;
- the Vice-Chairman of the Board of Directors shall receive the fixed portion of directors' fees payable to all directors as well as a fixed portion of a flat amount determined by the Board of Directors;
- Committee Chairmen shall receive a fixed portion of directors' fees equal to double the fixed portion payable to Committee members;
- after allocating the annual amount of directors' fees according the above-mentioned principles, the Board may distribute all or part of the remaining amount among the directors, in a proportion determined by the Board.
- directors who also hold the position of Chairman of the Board of Directors, Chairman and Chief Executive Officer, Chief Executive Officer or Chief Operating Officer shall not receive any directors' fees;
- directors' fees shall be paid no later than three months following the end of the previous fiscal year.

Appendix B: Board of Directors Code of Conduct

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

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

Duty of due care

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

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

Information

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

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

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

Transparency and preventing conflicts of interests

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

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

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

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

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

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

Trading in Company securities by the directors

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

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

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

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

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

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

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

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

Duty of discretion and confidentiality

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

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

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

Shares owned privately

Pursuant to the Company's Bylaws, directors must own 500 shares in the Company. Such shares and any shares acquired in excess of that number must be registered shares. The permanent representatives of legal entities that are directors shall be subject to the same obligation.

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

3.2.2. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

3.2.2.1. Internal control objectives of the parent company

The Group applies the internationally recognized definition of internal control formulated by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). According to this definition, internal control is a process, effected by an unit's Board of Directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- effectiveness and efficiency of operations;
- reliability of financial reporting;
- compliance with applicable laws and regulations.

This definition complies with that set out in the Reference Framework for Risk Management and Internal Control Systems issued by the AMF, which states:

"Internal control is a company's system, defined and implemented under its responsibility, which aims to ensure that:

- *laws and regulations are complied with;*
- *the instructions and directional guidelines fixed by Executive Management or the Management Board are applied;*
- *the Company's internal processes are functioning correctly, particularly those implicating the security of its assets;*
- *financial reporting is reliable;*

and generally, contributes to the control over its activities, to the efficiency of its operations and to the efficient utilization of its resources."

By helping to anticipate and control the risks involved in not meeting the objectives the Company has set for itself, the internal control system plays a key role in conducting and monitoring its various activities.

However, internal control cannot provide an absolute guarantee that the Company's objectives will be met.

One of the objectives of the internal control system is therefore to anticipate and control the risks arising in the course of the Company's business, as well as the risk of errors or fraud, particularly in the areas of accounting and finance. However, as stated in the AMF's Reference Framework, internal control procedures cannot provide an absolute guarantee that the Company's objectives will be achieved, no matter how well the system is designed or how well the procedures are applied.

The following description of the Company's internal control and risk management systems was prepared based on the aforementioned Reference Framework and its application guide.

3.2.2.2. Summary description of internal control and risk management procedures

The internal control and risk management procedures described below cover the parent company and all of its consolidated subsidiaries. Whenever a new entity is consolidated, it implements a systematic plan to deploy the internal control procedures and it is included in the audit plan on a priority basis.

Overall organization of the internal control and risk management systems

Main participants

Internal control and risk management procedures are part of the policies defined by the Board of Directors and are implemented under the direct responsibility of the heads of the operating divisions and corporate functions. Internal control and risk management are everyone's responsibility, from executive officers to front-line employees.

In this regard, the main structures responsible for overseeing the internal control and risk management systems are as follows:

Executive Management

In accordance with the law and the Company's Bylaws, the Chairman and Chief Executive Officer represents the Company in its dealings with third parties and has the broadest powers to act on behalf of the Company in all circumstances. The situations where exercise of the Chairman and Chief Executive Officer's powers is subject to the prior approval of the Board of Directors are detailed in paragraph 3.2.1 of this report.

For the purpose of carrying out his duties, the Chairman and Chief Executive Officer has set up an **Executive Committee**, including representatives from all of the operating divisions and corporate functions. In 2012, the Committee comprised the following members:

- the President and Chief Operating Officer, responsible for Worldwide Operations;
- the Global Chief Marketing Officer, responsible for Brand Strategy, Design Strategy, Marketing and Distribution;
- the Global Chief Human Resources Officer, also responsible for Group Organization, Transformation and Sustainable Development;
- the Global Chief Operations Support Officer, in charge of Development, Franchising, Procurement, Technical Services and Design Management;

- the Corporate Secretary and Secretary to the Board of Directors, in charge of Legal Affairs, Insurance, Risk Management and Internal Audit;
- the Global Chief Financial Officer, also responsible for Group Information Systems;
- the Global Executive Vice-President Asset Management, responsible for Asset Management & Strategy and Mergers-Acquisitions.

The Communications and External Relations Department and the Corporate Relations Department both report to Accor's Chairman and Chief Executive Officer.

Group Finance

The Global Chief Financial Officer – who is also responsible for Group Information Systems – ensures that the Group's financial policies are properly implemented, in particular by circulating to the Divisions the accounting principles and standards used to prepare the consolidated financial statements.

The Group Finance function is organized around the following departments:

- the Senior Executive Office, which monitors the Group's equity interests and also oversees:
  - the Tax Department (tasked with implementing and/or coordinating Group tax planning measures, particularly relating to cross-border transactions),
  - the Accounting Back Office Project Department,
  - the Decision Support Systems Department;
- the Corporate Treasury, Financing and Credit Management Department, which is in charge of overseeing:
  - the Cash Management Department,
  - the Credit Management Department,
  - the Back Office and Treasury Information System Department;
- the Financial Communication and Investor Relations Department, which is in charge of releasing information of the Group's strategy and results to the financial markets;
- the Consolidation Department, which is also responsible for overseeing the Group's financial reporting systems and accounting standards (IFRS);
- the Finance Senior Executive Office, which is in charge of Group financial control, financial and accounting standards, management control activities for Group operations worldwide, and the Finance Department's cross-business projects;
- the parent company's Accounting Department and the Corporate Financial Control unit;
- the Group Property Department for the Paris-Ile-de France region;
- Group Information Systems and Telecoms.

Group Finance maintains regular contact with the Statutory Auditors, who audit the financial statements of the Company and the Group in accordance with the applicable laws and regulations.

The Risk Management Department

The Risk Management Department – in association with the Executive Committee – is responsible for implementing procedures that anticipate and appropriately address the Group's risk exposures. In this capacity, it is in charge of drafting crisis management plans, particularly for the head office, and coordinating the network of international risk management officers.

At end-2012, the Risk Management Department comprised four people and had an international network of 44 risk management officers and 39 crisis management officers.

The department's duties include:

- developing and adapting tools to monitor risk trends and prioritize the Group's main risks;
- devising a risk prevention strategy aimed at reducing the frequency and seriousness of identified risks;
- rolling out a consistent crisis management strategy across the Group;
- setting up and adapting Group-wide crisis management systems.

A structured, aligned crisis management organization with specifically-designated teams has been set up at Group level for the head office and the operating units, in order to quickly ensure the safety of customers, local employees, expatriates and on-site service providers in the event of a crisis.

A number of local and regional crisis situations arose in 2012 (see the "Risks Factors" section of this Registration Document), during which the units concerned correctly applied the Group's crisis management processes and systems. This provided assurance that the overall crisis management system is robust and effective.

The Group Safety and Security Department

The Group Safety and Security Department advises and assists Executive Management in defining Group-wide safety and security policies. It is also responsible for ensuring that these policies are properly implemented and applied, as well as for developing prevention programs. The Safety and Security and Risk Management Departments track the safety and security situation in each of the Group's host countries on a daily basis, reviewing the geopolitical context and public health and hygiene conditions, as well as risks relating to extreme weather events and potential social unrest. These departments are backed by (i) a network of locally-based internal and/or external health and safety officers, and (ii) correspondents within certain French and foreign government departments such as the Ministry of Health, the Ministry of Foreign Affairs, the Ministry of the Interior and the Ministry of Defense.

The Group Insurance and Hotel Risk Prevention Department

The Group Insurance Department ensures that Group risks are properly financed, primarily through coverage by appropriate insurance policies, and helps to identify these risks and to deploy prevention procedures. In particular, in its hotel risk prevention role, it defines, promotes and coordinates personal safety procedures in the Group's hotels, and conducts inspections to verify their application by the people concerned.

Corporate Internal Audit

Corporate Internal Audit reports directly to the Corporate Secretary and has a dotted-line reporting relationship with the Group Internal Control Committee. As the cornerstone of the internal control system, it is responsible for helping to develop internal control tools and standards, and for performing Internal Audits based on the annual audit program approved by the Group Internal Control Committee.

Corporate Internal Audit coordinates its audit plans with the Statutory Auditors' work plans. It is also responsible for coordinating the activities of the local Internal Audit Departments within the Divisions.

At December 31, 2012, Corporate Internal Audit had a staff of nine auditors. In addition, Group Information Systems Internal Audit, which reports to Corporate Internal Audit, had a team of three auditors at that date.

The local Internal Audit Departments in the Divisions

The local Internal Audit Departments set up in the main Divisions report to their Division's Chief Financial Officer and have a dotted-line reporting relationship with Corporate Internal Audit. The sole exception to this rule is the local Internal Audit Department for the Europe, Middle East and Africa region, which reports directly to Corporate Internal Audit.

These local departments have direct ties with Corporate Internal Audit, thereby ensuring that they comply with the fundamental principles of conduct and independence and follow the standards required of the Internal Audit profession, as well as the methods recommended by the Group. These ties also guarantee that the local Internal Audit Departments are given adequate resources to fulfill their objectives.

At end-2012 the local Internal Audit Departments in the Divisions had a total of 26 auditors.

The accounting and financial information system

The Group's accounting and financial information system is designed to ensure the security, reliability, availability and traceability of information.

It is based on an interfaced reporting and consolidation system that covers substantially all of the Group's operations with the aim of providing consistent accounting data at company and Group level.

A specifically designed user manual has been prepared and issued to the employees concerned, in order to guarantee that the systems are correctly used and that the information obtained is appropriate and relevant.

The Group has also set up processes to ensure the security of the accounting and financial information system, as well as the integrity of the data involved. These include regular back-ups and programmed controls that trigger warnings in the event of incorrect data entries.

The accounting and financial information system is regularly updated in line with the Group's specific needs.

Internal reporting

The Group ensures that relevant information is communicated in a timely manner to the appropriate persons so that they can exercise their duties in accordance with the Group's standards. To this end, a set of procedures defining best practices and reporting processes has been circulated internally.

Corporate values and principles

The Group's internal control system supports the corporate values expressed by the Board of Directors and Executive Management and communicated to all employees. Accor has prepared rules of conduct and integrity relating to employee behavior and relations with customers, shareholders, business partners and competitors, and also has an Ethics Charter, which is widely circulated within the Group.

The Internal Audit Charter aims to provide a Group-level cross-functional view of Internal Audit resources and methodologies, as well as the methods used to communicate the results of Internal Audits. To this end, it defines the framework for Internal Audit activities within the Group, based on the professional standards issued by IFACI and other bodies, which set down strict Codes of Conduct for Internal Auditors. The Charter also formally describes the role, membership and procedural rules of the Group Internal Control Committee. Lastly, it describes the procedure to be followed by Corporate Internal Audit to coordinate the activities of the local Internal Audit Departments.

The Internal Audit Charter has been signed by the Group's Chairman and Chief Executive Officer; the President and Chief Operating Officer, Responsible for Worldwide Operations; the Global Chief Financial Officer, also responsible for Group Information Systems; the Corporate Secretary; the Senior Vice-President, Internal Audit; and the members of the Control Committee, whose structure and roles are described in section 3.2.2.5 below.

Procedure manuals and accounting principles

The Finance Manual issued to all Group Finance Departments describes the closing process for the monthly management accounts and sets out the Group's charts of accounts, consolidation principles, accounting standards and policies. It also addresses specific issues related to the investment approval procedure and includes the Treasury Charter, which describes cash management procedures, the principles to be followed concerning the holding of payment instruments and the approval of expenditures, as well as the role and organization of cash pooling systems. Employees can download the manual from the Group's intranet.

In addition, a presentation of International Accounting Standards/ International Financial Reporting Standards, providing details on how to apply the standards to the Group's specific circumstances, has been prepared by Group Finance and provided to the Group employees concerned.

Lastly, consolidation instructions detailing the financial reporting schedule and specific points concerning consolidation adjustments to individual financial statements are issued once every six months to the various Finance Directors and consolidation teams, and are archived on the Finance Intranet.

Internal procedure manuals

Internal procedure manuals have been produced for the main businesses. The purpose of these manuals is to structure and firmly establish Group procedural guidelines, based on an assessment of the specific internal control risks of each business.

Internal control procedures are implemented under the direct responsibility of the Heads of the operating divisions and corporate functions and form part of an ongoing process of identifying, assessing and managing risks.

Internal control self-assessments

In recent years, the Group has placed considerable emphasis on preparing, issuing and monitoring internal control self-assessment procedures, which have now been rolled out to the majority of hotel operating units and head offices. These procedures interconnect with the Group's existing internal control standards and processes and are based on analyzing the internal control risks inherent in each business and identifying key control issues.

Data obtained from the internal control self-assessment process are periodically centralized at Division level, with the assistance of the internal auditors when required.

Internal Audit programs for units where the self-assessment system has been deployed include a quantitative measurement, via a rating system, of the gap between the self-assessment and the internal auditors' assessment of the level of internal control. By analyzing these gaps, it is possible to evaluate the quality of the self-assessment procedures implemented by the unit manager.

Internal Audit reports

A draft report is prepared after each Internal Audit, setting out observations, identified risks and recommendations. This report is sent to the management of the audited unit, which prepares an action plan when required. A summarized version of this draft report may also be sent on request to the members of the Executive Committee.

The final report, which includes any corrective action plans prepared by the audited unit, is then sent to the managers in charge of overseeing operational and financial matters for the unit concerned.

The reports prepared by the local Internal Audit Departments are centralized by the Corporate Internal Audit Department and a summary of the work performed by these departments is presented to the Group Internal Control Committee.

The Audit and Risks Committee receives a quarterly summary of the Internal Audits carried out during the period, including a status report on the annual audit plan, an assessment of the quality of internal control in the audited units, the internal auditors' main observations, and action plans decided on by the parties concerned.

Reporting procedure

Group Financial Control is responsible for overseeing the reporting procedure specified in the Finance Manual. The procedure requires the Divisions to submit monthly reporting packages comprising an analysis of key business indicators and the main components of income, in the format prescribed by the Group. All reporting data submitted by the Divisions must be analyzable both by nature and by function.

The reporting procedure is designed to provide a detailed analysis of changes in financial and operating results, to support resource allocation decisions and measure the efficiency of the various organizational structures in place.

3.2.2.3.Identifying and analyzing risks

The Group identifies and analyzes the key risks that, if they occurred, would affect its ability to fulfill its objectives. It takes the appropriate measures to limit the probability of these risks occurring and the consequences if they do.

As part of these measures, the Group has a Risk Coordination Committee, which reports to the Corporate Secretary and meets on a monthly basis. The Committee's members comprise representatives from the following departments:

- the Risk Management Department;
- the Group Safety and Security Department
- the Legal Affairs Department;
- the Group Insurance and Hotel Risk Prevention Department;
- the Internal Audit Department.

Identifying risks

The Group is exposed to a number of risks in the normal course of business.

These risks, together with the related control procedures, are described in the "Risk Factors" section of this Registration Document. They mainly correspond to operational risks (geopolitical risks, health and safety risks, business continuity risks, reputational risks, IT risks, competitive risks and labor-related risks), as well as environmental risks, legal risks (including litigation and arbitration risks) and financial risks (liquidity risks, counterparty/sovereign risks, currency and interest rate risks). The "Risk Factors" section also includes a description of the Group's insurance strategy.

Risk mapping

Internal control risk maps are prepared based on the Internal Audit assignments and above-mentioned self-assessments. These maps, which highlight issues that require priority action, are included in the relevant Internal Audit reports and are periodically presented in summary form to the Internal Control Committee and the Audit and Risks Committee.

A global risk map covering all internal and external risk factors has also been developed in order to obtain data in a standard form concerning the Group's levels of risk exposure as perceived by Executive Management and by each unit, and to prepare the appropriate action plans when required. Each risk is assessed based on the level of potential damage it could cause, the probability of it occurring and how efficiently it is managed.

The Risk Management Department subsequently helps the operating divisions to put in place corrective measures in order to mitigate the main identified risks.

In 2012, Accor continued to implement its coordinated risk management approach, with Executive Management and all of the Group's units updating their risk maps. As is the case every year, the results of these updates were presented to the Executive Committee and the Audit and Risks Committee in December.

3.2.2.4.Control activities

To improve control of identified risks, the Group has set up control procedures that comply with its standards and cover both operating and financial information processes.

Authorization process for expansion capital expenditure and disposals

A procedure has been set up for the prior authorization of capital expenditure projects, to ensure that they comply with Group strategy and return-on-investment-criteria. The procedure requires formal authorizations to be obtained from the appropriate line and staff managers, in a standard format. A similar authorization procedure has been established for disposals.

As part of this process, the Group has an Investments Committee which is tasked with reviewing projects representing amounts of between €5 million and €100 million (or €2.5 million for the acquisition of minority shareholdings). Based on its findings, the Committee decides whether or not to approve the project.

In 2012, the Committee's members were the Chairman and Chief Executive Officer, the President and Chief Operating Officer, Responsible for Worldwide Operations, the Global Chief Operations Support Officer in charge of Development, and the Global Executive Vice-President, Asset Management. The Senior Executive Vice-President responsible for Hotel Development is also a member of the Investments Committee and leads any discussions on hotel development projects.

The Investments Committee meets around once a month.

Preparing and controlling the consolidated financial statements

The consolidated financial statements are prepared by Group Finance based on information reported by the subsidiaries' Chief Executive Officers and Finance Directors. The format of the consolidation packages is determined by the Group.

The subsidiaries are responsible for the information contained in their consolidation packages and are required to make formal representations to Group Finance about the fairness of reporting data and its conformity with Group accounting standards and policies.

The Consolidation Department carries out systematic controls of the consolidation packages submitted by the subsidiaries. A detailed schedule for reviewing the packages has been prepared and sent to the employees concerned.

In connection with their audit of the consolidated financial statements, the Statutory Auditors review the consolidation packages transmitted by the subsidiaries included in the scope of their audit. Corporate Internal Audit also reviews from time to time the proper application of Group accounting standards and policies by the subsidiaries, and reports to Group Finance any issues identified during the review.

The consolidated financial statements are examined by the Global Chief Financial Officer (also responsible for Group Information Systems) prior to their review by the Audit and Risks Committee in preparation for approval by the Board of Directors.

Corporate Internal Audit assignments

Corporate Internal Audit carries out its audit assignments based on an audit program validated by the Internal Control and Audit and Risks Committees. The main types of assignments, as described in the Internal Audit Charter, are as follows:

- **operational audits**, which are aimed at evaluating the reliability and effectiveness of the operating unit's internal control systems as well as ensuring that they comply with Group standards. These audits mainly include checking on a regular basis that the internal control self-assessments have been properly performed by the operating units;
- **head office audits (corporate functions)**, which are designed to optimize internal control procedures applied at the head office and ensure that the head office is able to fulfill its role of overseeing and supporting operating units as effectively as possible. When carrying out their assignments within the Group's units, Corporate Internal Audit teams also verify that the main risks identified in the risk map are being monitored appropriately;
- **organizational and procedural audits**, which are aimed at helping the Divisions to optimize and adapt their procedures and operating process, notably when rolling out cross-functional projects that lead to a change in organization structures;
- **specific audits.** Review assignments are referred to as specific audits when they comply with the professional standards applicable to internal auditors and fall within their remit. They can concern issues applicable to one or more operating units or to a particular country, function or process.

As part of their assignments, Internal Audit teams perform due diligence reviews to verify compliance with the anti-corruption principles and procedures specified in the Accor Management Ethics Guide.

Assignments performed by the local Internal Audit Departments

These departments perform Internal Audits, either on a stand-alone basis or jointly with Corporate Internal Audit, in line with the program approved by their Division's Internal Control Committee. They also provide ongoing assistance to finance and operating departments in managing and monitoring internal control issues within their Division's operating units. They use methods, tools (including scoring) and work programs that have been approved by Corporate Internal Audit due to their direct ties with this department.

In accordance with ethical principles, the local internal auditors do not audit head office or cross-functional departments, due to possible conflicts of interest arising from the fact that the auditors work in the Divisions.

Assignments performed by Group Information Systems Internal Audit

Reporting to Corporate Internal Audit, the Information Systems Internal Audit Department carries out assignments throughout the Group. The main types of audit are as follows:

- **information systems audits**, which are performed to ensure that best practices are applied in relation to the organization and monitoring of the audited units' information systems;
- **audits of applications and processes**, which are aimed at ensuring that manual or automated checks in place provide an appropriate level of internal control in view of the operations covered by the applications concerned;
- **project management audits**, which are designed to validate the implementation of best project management practices;
- **IT security audits**, which help to ensure the security of the Group's technological platforms. They are primarily performed by the Information Systems Security Department, which reports to Group Information Systems and Telecoms. In some cases they fall within the scope of assignments carried out by Information Systems Internal Audit.

Assignments performed by the Group Safety and Security Department and the Group Insurance and Hotel Risk Prevention Department

The Group Safety and Security Department and the Group Insurance and Hotel Risk Prevention Department also carry out audit assignments throughout the Group.

3.2.2.5. Monitoring internal control and risk management

Internal control and risk management procedures are regularly reviewed to ensure that they are appropriate and aligned with the Group's objectives, particularly in view of the risks specific to each business and the costs of performing the controls.

The main structures responsible for overseeing the internal control and risk management system are as follows:

The Audit and Risks Committee

As described in Article 6.1 of Appendix A to this report set out in section 3.2.1 above the Audit and Risks Committee carries out the following three main tasks:

- it reviews the Group's risk management policy and ensures that adequate resources are in place;
- it is informed every year of the updates to the risk map and the results of the monitoring processes carried out for the Group's main risks;
- it obtains assurance concerning the effectiveness of the Group's system of internal control, by reviewing the methods used to identify risks and the organizational principles and procedures of the Internal Audit Department. It is also informed of the Internal Audit program and is given regular overviews of the assignments carried out by the Internal Audit Department.

Group Internal Control Committee

The Group Internal Control Committee comprises the Chairman and Chief Executive Officer, the President and Chief Operating Officer and other members of the Executive Committee (see list in the "Directors and corporate officers" section of this Registration Document). It also includes the Senior Vice-President, Internal Audit and the Finance Directors of the Group's main subsidiaries. Members of the Divisional Internal Control Committees and the heads of the local Internal Audit Departments may also be invited to attend meetings of the Committee.

The Group Internal Control Committee guarantees the independence of the Internal Audit function. Its responsibilities are to:

- validate the annual Internal Audit program for the coming year;
- review significant audit issues for the current year, in each of the audited areas, and approve the action plans for each audited unit;
- track changes in internal control levels within the Group;
- oversee the activities of the Internal Audit function, in terms of audit efficiency/optimization and the adequacy of the function's resources.

The Group Internal Control Committee met once in 2012.

Division Internal Control Committees

Local Internal Control Committees have been set up in the Group's main operating divisions. Each Committee is chaired by the Division's Chief Executive Officer and comprises members of the operating units and finance departments, as well as a representative from Corporate Internal Audit. The Committees meet at least once a year to prepare the work program for the local Internal Audit Departments (where appropriate, based on the instructions issued by the Group Internal Control Committee), review the reports on the Internal Audits performed during the period and assess the progress of previously defined action plans.

3.3. STATUTORY AUDITORS' REPORT ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Statutory Auditors' report prepared in accordance with Article L. 225-235 of the French Commercial Code on the report of the Chairman of Accor's Board of Directors

Year ended December 31, 2012

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Accor and in accordance with Article L. 225-235 of the French Commercial Code (Code de commerce), we hereby report to you on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of said Code for the year ended December 31, 2012.

It is the responsibility of the Chairman of the Board of Directors to prepare and to submit to the Board of Directors for approval a report describing the internal control and risk management procedures implemented within the Company and providing the other information required by Article L. 225-37 of the Commercial Code, notably concerning corporate governance.

It is our responsibility:

- to report to you our observations on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- to attest that the report includes the other information required by Article L. 225-37 of the Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report, and of the existing documentation;
- determining whether any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report prepared in accordance with Article L. 225-37 of the Commercial Code.

Other information

We attest that the Chairman's report includes the other information required by Article L. 225-37 of the Commercial Code.

Neuilly-sur-Seine and Paris-La Défense – March 4, 2013

The Statutory Auditors

French original signed by:

DELOITTE & ASSOCIÉS	ERNST & YOUNG et Autres
Pascale Chastaing-Doblin	Jacques Pierres

3.4. RISK MANAGEMENT

3.4.1. SECURITY AND RISK MANAGEMENT STRATEGY

Accor is exposed to various risks and uncertainties as a result of its international presence and may have to manage crisis situations such as health scares, environmental disasters or geopolitical disruption.

Accor's policies are guided by an assertive security and risk management strategy focused on protecting customers, employees and sub-contractors on every site.

The strategy deployed by the Safety, Security and Risk Management Departments, as overseen by the Corporate Secretary, is underpinned by a global network of correspondents, close working relationships with local authorities and the expertise of specialists.

It forms part of a pro-active process comprising three key components: **risk identification, tracking, analysis and audit; training and awareness building; and crisis management.**

Risk identification

The Risk Management Department has put in place a risk identification process covering every host country and the corporate head office.

An analysis is performed once a year in every country organization or subsidiary, with findings reported to the Risk Management Department, which confirms that the identified risks are covered. In addition, as part of their audit assignments within the Group's entities, the internal auditors verify that the main risks identified in the risk map are being effectively and properly monitored.

The Group also has a Risk Prevention Committee based at the head office and reporting to the Corporate Secretary. Its roles and responsibilities are described on page 105 in the report of the Chairman of the Board of Directors on internal control and risk management procedures.

Tracking and analysis

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

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

In addition, a guide has been prepared for employees in French and English containing safety recommendations and advice for business travel.

Training and awareness building

Security, safety and crisis management audits and training programs are regularly offered to corporate departments, operating divisions and employees. As every year, several programs and exercises were organized for hotel managers and for local head office employees in 2012, in particular in Senegal, Algeria, Tunisia, Egypt, Ivory Coast, China, Indonesia, Spain, Thailand and Vietnam. As part of the preparations for the Euro 2012 Football Championship and the London Olympics, dedicated training programs were conducted in Poland and the United Kingdom.

Crisis management

Crisis management teams set up in every country organization and each unit provide effective liaison between local head offices and senior management.

Several crisis units were activated in 2012, in particular:

- in Thailand following the floods in the southern part of the country;
- in New Zealand when two typhoons hit the Fiji Islands;
- in Egypt during the various political protest movements;
- in the United States when Hurricane Sandy struck the East Coast.

3.4.2. RISK FACTORS

Operational risks

Accor is not subject to any specific legislation that could have a major impact on its operations. In addition, it is not technically or commercially dependent on any suppliers, subcontractors, customers or other third parties.

However, the Group's operating presence in a large number of countries exposes it to geopolitical, terrorist, natural disaster, public health and other security risks, although the scale of any consequences arising from such risks is reduced by the fact that the Group's business activities are by nature widely dispersed around the globe.

- **risks relating to geopolitical factors, malicious damage and terrorist threats**: In order to effectively safeguard against the main threats identified against Accor establishments, a dedicated organization has been set up and technical documents prepared to define and implement a security strategy that is tailored to the severity of the estimated risks;
- **public health risks**: Accor continuously monitors any public health risks that could adversely affect its business. In response to the risk of pandemics, annual updated business continuity plans are in place to ensure the health and safety of customers and employees and the continuity of our hotel operations;
- **risks relating to business continuity**: Other business continuity plans have been prepared at hotel, region, country or head office level for other types of potential risks, such as the risk of a major flood in the Paris area;
- **risks of damage to our brand image**: Accor could be faced with a major media event capable of damaging its brand image. For example, a health and/or safety incident, a supplier's practices or accusations of abetting sexual tourism (1) could lead to a smear campaign against the Group. In response, tracking tools have been deployed to detect early warning signs and dedicated crisis management and communication procedures are ready to be activated should an event occur;
- **risks relating to information systems**: Group information systems may be subject to attacks, such as viruses and denial-of-service attacks, as well as data theft and technical failures causing system shutdown. The Information Systems Security Department is tasked with securing all of our networks and systems and managing our business continuity applications. It also regularly performs intrusion tests on all of our applications assets. In addition, the Internal Audit Department has a team of auditors dedicated to information systems;
- **competition risks**: Accor faces competition from other hotel groups in deploying its organic and external growth strategies. In particular, information on strategic, business and competition-related issues concerning organic growth and acquisitions is considered to be highly sensitive. In response, measures are in place to raise employee awareness about confidentiality and to enhance the security and access control of our intranet sites;
- **employee-related risks**: Although management regularly holds constructive talks with employee representatives, both at head office and local level, certain strategies and/or financial decisions could give rise to local disputes or strikes that could adversely affect the business.

Environmental risks

Potential environmental risks in the hotels business mainly concern the storage of gas and fuel oil in or near hotels, the malfunction of transformers containing PCBs (polychlorinated biphenyls), spillage of cleaning products and contamination from cooling towers.

The majority of Accor's hotels are located in Europe and are subject to EU directives in the following main areas:

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

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

(1) Employees in countries at risk are trained to detect and prevent cases of sexual tourism involving minors in hotels.

To mitigate the possibility of the above risks occurring, prevention policies have been deployed, based on:

- the proprietary SET software program, which measures compliance with Safety, Environmental and Technical regulations, as described in the environmental report, page 50, above;
- sustained deployment of the ISO 14001 certification program, as described in the environmental report on page 49, above;
- specific procedures implemented by the country organizations.

As the overall risk of causing environmental damage remains low in the hotels business and no claims have ever been made under the environmental insurance policies described on page 119. However, in Europe environmental inspections are performed during on-site visits by specialists from our insurance companies.

Lastly, exogenous risks, which mainly arise when hotels are located near industrial sites or airports, are identified and taken into account during on-site visits by insurers.

Legal risks, litigation and arbitration proceedings

As Accor operates on a global scale, no specific regulations are applicable across all of its businesses. Accor SA and its subsidiaries are subject to local legislation and regulations, in particular national regulations applicable to public access buildings.

Like all hotel operators, Accor is required to comply with the applicable disabled access regulations. This issue has long been addressed and most Accor hotels already have wheelchair-friendly rooms, but further expenditure may be required in the coming years to enhance hotel accessibility.

Information concerning claims, litigation and arbitration proceedings that could have – or in 2012 had – a material effect on the Group's financial position, business or results of operations is provided in note 39 to the consolidated financial statements. Management considers that apart from the cases described in said note, there are no governmental, legal or arbitration proceedings (including any threatened proceedings of which the Group is aware) that could have – or in 2012 had – a material effect on the Group's financial position, business or results of operations.

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

Provisions for claims and litigation are recorded on receipt of a summons, and are determined based on an assessment of the related risk carried out jointly with the Group's external advisers. Details of these provisions are presented in note 33 to the consolidated financial statements.

Lastly, to the best of the Group's knowledge, it has not given any material off-balance sheet commitments under shareholder agreements except as explained in note 40 to the consolidated financial statements.

Financial risks

In its current operations, the Group is exposed to different levels of financial risk, mainly liquidity, counterparty, exchange and interest rate risks. The policy followed by the Accor Group concerning the management of the financial risks meets the three objectives of security, liquidity and cost-effectiveness. The management of these risks is centralized at the level of the Corporate Treasury, Finance and Credit Management Department, which report directly to the Chief Finance Officer, who is a member of the Executive Committee.

Liquidity risk

The centralized cash management at Group level enables the Group to offset cash needs and cash surpluses internally, before raising funds from the financial markets.

Financing policies are designed to ensure that Accor has immediate, timely access, at the lowest possible cost, to all the liquid resources it needs to meet short-term cash requirements, finance its strategy and fund expansion.

Short-term financing needs and liquidity resources are secured at all times by unused long-term committed credit lines contracted with leading financial institutions (see note 29B to the consolidated financial statements, page 238). On December 31, 2012, unused long-term committed lines amounted to €1,500 million, expiring in May 2016.

In addition, Accor has 1,752 million in cash investments with an average maturity of 5.1 months fully available at any time and subject to an insignificant risk of changes in value (see note 29E to the consolidated financial statements, page 240). These investments consist mainly of term deposits and short-term money market funds contracted with leading financial institutions.

On December 31, 2012, Accor had a total of €3,252 million in available liquidity resources.

The Group has also access to the financial markets and, depending on its needs, can secure diversified medium and long-term financial resources, which could include bank debt and the issue of bonds, to finance its development.

Accor has loans maturing in 2013 for an aggregate amount of €747 million (see note 29B to the consolidated financial statements, page 238), covered by cash and cash equivalents.

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

In light of the above, the Group is not exposed to any liquidity risk.

The maturities of the Group's financial assets and liabilities were as follows at December 31, 2012:

	Within one year	Between one and three years	Beyond three years	Total
Bonds	393	401	946	1,740
Bank and other borrowings	354	48	96	498
Finance lease liabilities	2	11	45	58
Derivatives	10			10
Bank overdrafts and other	71	4		75
FINANCIAL LIABILITIES	830	464	1,087	2,381
Marketable securities	(1,752)			(1,752)
Other current financial assets	(208)			(208)
CURRENT FINANCIAL ASSETS	(1,960)			(1,960)
NET DEBT	**(1,130)**	**464**	**1,087**	**421**

None of the loan agreements include any rating triggers. However, certain 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.

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

Rating agency	Long-term debt	Short-term debt	Most recent rating update	Outlook	Most recent outlook update
Standard & Poor's	BBB-	A-3	March 9, 2012	Stable	March 9, 2012
Fitch Ratings	BBB-	F3	May 25, 2011	Stable	May 25, 2011

Counterparty and country risk

Exposure to counterparty risk relating to trade receivables and payables is not material due to the breadth and geographic diversity of the Group's customer and supplier portfolio.

Counterparty risk does, however, arise in relation to financial transactions.

This risk is managed by:

- carrying out transactions only with leading counterparties , depending on country risks;
- diversifying the portfolio of counterparties;
- setting credit ceilings (amount and term) per counterparty; and
- using a monthly reporting procedure to track the different types of counterparties and their credit quality (based on credit ratings issued by rating agencies).

In view of the business base's broad geographic footprint, country risk is limited.

87% of cash investments are made in France with leading banks.

Currency and interest rate risks

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

Management of currency risks

Long-term investment policy

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

Financing

An internationally recognized signature allows Accor to raise various forms of financing either through banks or directly through private placements and bond issues.

From time to time, the Group also takes advantage of market opportunities to raise financing in a given currency and at a given rate of interest and then using a swap to convert the facility into the currency and interest rate required to finance business needs (see note 29C to the consolidated financial statements, page 238).

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

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

Other currency hedges

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

The Group does not hedge currency translation risk.

On December 31, 2012. The volume of forward sales and purchases of foreign currencies represented €77 million and €303 million respectively. All of these futures expire in 2013.

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

Management of interest rate risks

After currency hedging, 90% of consolidated borrowings are denominated in euros, with 90% at fixed rates and 10% at floating rates. The average maturity of fixed-rate debt is 2.6 years. An analysis of the Group's exposure to interest rate risks before and after hedging is provided in note 29C to the consolidated financial statements on page 238. Target breakdowns between fixed and floating rate debt are determined separately for each currency, giving due regard to anticipated trends in interest rates and to changes in the composition of debt as a result of new borrowings and the repayment of existing borrowings.

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

In view of the average 5.1-month maturity, cash is invested at variable rates.

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

On December 31, 2012, the volume of interest rate hedges represented €356 million, of which €352 million corresponded to fixed-rate swaps where the Group is the euro borrower and which mature in 2013.

Accor does not conduct any trading transactions and has no plans to engage in this type of activity. Neither the parent company nor the Group has any open currency or interest rate positions that would be likely to expose the Group to significant risks.

3.4.3. SENSITIVITY ANALYSIS

Based on reported 2012 data, sensitivity analyses have been performed to measure the impact on EBIT [1] of any changes in (i) RevPAR (revenue per available room, as calculated by multiplying the occupancy rate by the average room rate) and (ii) the euro exchange rate against the main operating currencies. A sensitivity analysis has also been conducted to assess the impact on operating profit before tax and non-recurring items of fluctuations in interest rates.

Sensitivity to RevPAR

A 1% increase or decrease in RevPAR would impact EBIT as follows:

Sensitivity to RevPAR

1% decrease in RevPAR	Upscale & Midscale	Economy	Total
Impact on EBIT	€(11.6) million	€(7.6) million	€(19.2) million

Sensitivity to RevPAR

1% increase in RevPAR	Upscale & Midscale	Economy	Total
Impact on EBIT	€8.5 million	€5.4 million	€13.9 million

In absolute value, a 1% decline in RevPAR has a larger impact on EBIT than a 1% increase.

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

Sensitivity to exchange rates

A 10% increase or decrease in exchange rates would have the following impact on EBIT:

Sensitivity to exchange rates

Currency		EBIT impact of a 10% increase/ decrease in exchange rates
GBP	United Kingdom	€4.9 million
AUD	Australia	€3.7 million
BRL	Brazil	€3.4 million
PLN	Poland	€2.3 million

Sensitivity to interest rates

Based on the Group's net debt and amount of invested cash, a 50-basis point rise in interest rates would feed through to an €8-million increase in consolidated interest income.

(1) When like-for-like revenue goes up, the ratio of the change in like-for-like EBITDAR/change in like-for-like revenue is known as the flow-through ratio.

3.4.4. INSURANCE – RISK COVERAGE

Accor's risks are spread across a very wide number of locations throughout the world, which protects it to a large degree against severe risks. Property and business interruption cover is determined based on the Group site with the maximum possible loss. In the case of liability insurance, maximum possible loss has been benchmarked with industry practices, taking into account the fact that hotels are sometimes located in large property complexes or near sensitive sites such as airports or train stations.

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

Since January 1, 2011, owners of franchised and managed hotels can benefit from the Group program, thereby improving the protection of Accor's own interests.

This program offers:

- distinct property and casualty coverage for Accor and the hotel-owning subsidiaries on the one hand, and for franchised and managed hotel owners on the other;
- the possibility for owners of franchised and managed hotels to benefit from some of the Group's liability coverage, so as to enhance the compensation paid out to guests in settlement of their claims.

This decision to separate coverage for owned properties from that of the franchised and managed hotels led to a downward adjustment of the maximum possible loss, thereby enabling reductions in the maximum per claim coverage to €100 million for property claims and in the common excess policy to €150 million.

In the case of liability claims, the maximum per claim coverage currently stands at €500 million.

Protection against natural disaster risk is a particular priority and special terms have been negotiated on a country-by-country basis wherever possible in the local insurance markets for owned hotels on the one hand and for franchised and managed hotels on the other, with the same levels of cover for each category. Similarly, specific coverage has been taken out for terrorism risks and is renewed each year for countries where local insurance pools are not mandatory.

All frequent property and liability risks covered by the Group's global insurance program are self-insured through a captive reinsurance company, with all units sharing the related costs. The least frequent but more severe risks are reinsured in the market in order to limit the Group's commitments and avoid depleting the captive's funds.

Local insurance programs have been set up in certain countries, such as the United States and India. The US program was developed to take advantage of favorable local insurance market conditions for the types of risks involved, with cover encompassing business interruption, property and liability risks. As a result, the disposal of Motel 6 and Studio 6 did not materially impact the program's structure. In India, insurance legislation has made local programs mandatory.

As it has not suffered any major uninsured losses, Accor deems that its insurance coverage is adequate. The same is true for its self-insurance system, based on the loss experience.

The Group, its insurers and independent loss prevention experts perform regular surveys and appraisals of insurable risks, to reduce risk exposure and obtain cover on a cost-effective basis, taking into account conditions in the insurance and reinsurance markets. Changes in market insurance rates are closely tracked and, where appropriate, risks are self-insured in order to limit the insurance costs incurred by the various businesses and to avoid steep increases. The centralized risk management system rolled out in 2008 has enabled tighter tracking of the loss experience, allowing the Technical Department to take swift measures to reduce the related risk exposure.

Other forms of global insurance, such as for construction-related risks and IT fraud, are also set up centrally in order to optimize insurance costs and ensure the quality of purchased coverage.

3.5. INTERESTS AND COMPENSATION

3.5.1. DIRECTORS' AND OFFICERS' COMPENSATION

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

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

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

Compensation payable to Denis Hennequin

- The principles for determining Denis Hennequin's basic compensation and incentive bonus as Chairman and Chief Executive Officer were approved by the Board of Directors at its meetings of November 2 and December 15, 2010.
- The Board set Mr. Hennequin's gross basic compensation at €750,000 for 2011, but decided that it would be increased annually on a straight-line basis over a three-year period in order to reach the same level as his predecessor's basic compensation by 2014, i.e. €1 million. Consequently, Mr. Hennequin's gross basic compensation for 2012 was €833,300. In line with that same decision, his gross basic compensation should have been increased to €916,600 in 2013. Nevertheless, given the Company's announced €100-million cost-savings plan for 2013-2014, Mr. Hennequin felt that his basic compensation should not be increased and therefore requested that the Board maintain it unchanged, i.e. at a gross €833,300 for the year.
- When the Board established the principles for determining Mr. Hennequin's incentive bonus it decided that the bonus could range from 0% to 150% of a gross reference amount, which was set at €1,250,000 for each year until 2014.

  At its February 21, 2012 meeting, the Board decided that the calculation of Mr. Hennequin's incentive bonus for 2012 would be based on the achievement of the following objectives:

  (i) Quantitative objectives, accounting for 60% of the total bonus:
  - consolidated EBIT compared with the budget,
  - consolidated EBIT margin compared with the budget,

  (ii) Qualitative objectives, accounting for 40% of the total bonus:
  - expanding the hotel portfolio and carrying out the hotel property disposal plan,
  - reducing Accor's stock market undervaluation compared with eight of its listed hospitality stock peers,
  - quality of management of Denis Hennequin.

  Based on the above, and given the extent to which these objectives were met, the Board of Directors set the gross amount of Mr. Hennequin's incentive bonus for 2012 at €959,800, representing 77% of the reference amount.

  The Board set the conditions for determining Mr. Hennequin's incentive bonus for 2013, which will be based on the achievement of the following objectives:

  (i) quantitative objectives, accounting for 60% of the total bonus:
  - consolidated EBIT in line with the budget,
  - recurring free cash flow, after change in working capital, in line with the budget,

  (ii) qualitative objectives, accounting for 40% of the total bonus:
  - expanding the hotel portfolio and carrying out the hotel property disposal plan in line with the budget,
  - quality of management of Denis Hennequin,
  - Accor's total shareholder return (TSR) compared with that of its eight listed hospitality stock peers,
  - the presentation of a strategic plan based on the Group's new business model.
- In line with the principles approved by the Board of Directors and contained in its Bylaws, as Chairman and Chief Executive Officer, Mr. Hennequin is not entitled to receive directors' fees.

Compensation payable to Yann Caillère

- Yann Caillère's gross basic compensation for 2012 was set by the Board at €600,000, unchanged from 2011.

  The Board has set Mr. Caillère's gross basic compensation for 2013 at the same amount as for the two previous years, i.e. €600,000.

- The principles for determining Mr. Caillère's incentive bonus for 2012 were approved by the Board at its February 21, 2012 meeting.

  The calculation of the bonus would be based on the achievement of the following:

(i) Quantitative objectives, accounting for 70% of the total bonus:

- consolidated EBIT compared with the budget,
- consolidated EBIT margin compared with the budget,
- a consolidated flow-through ratio of at least 50% and a reactivity ratio of at least 40%,

(ii) Qualitative objectives, accounting for 30% of the total bonus:

- expanding the hotel portfolio and carrying out the hotel property disposal plan,
- managing and reorganizing the hotel brands,
- reducing Accor's stock market undervaluation compared with eight of its listed hospitality stock peers.

As in 2011, it was decided that the total of his incentive bonus could range from 0% to 150% of a gross reference amount of €600,000.

Based on the above, and given the extent to which these objectives were met, the Board of Directors set the gross amount of Mr. Caillère's incentive bonus for 2012 at €370,200, representing 62% of the reference amount.

The Board also approved the principles for determining Mr. Caillère's incentive bonus for 2013, whose amount will be based on the achievement of the following objectives:

(i) quantitative objectives, accounting for 70% of the total bonus:

- consolidated EBIT in line with the budget,
- recurring free cash flow, after change in working capital, in line with the budget,
- consolidated flow-through ratio or reactivity ratio in line with the budget,

(ii) qualitative objectives, accounting for 30% of the total bonus:

- expanding the hotel portfolio and carrying out the hotel property disposal plan in line with the budget,
- quality of management of Yann Caillère,
- Accor's TSR compared with that of its eight listed hospitality stock peers.

As for 2012, the total of Mr. Caillère's incentive bonus for 2013 may range from 0% to 150% of a gross reference amount of €600,000.

Pension and termination benefits

Supplementary pension benefits

In 2012 the Chairman and Chief Executive Officer and the President and Chief Operating Officer participated in a top-hat pension plan that covers several dozen executives and senior managers of the Accor Group.

This plan comprises an "Article 83" defined contribution plan and an "Article 39" defined benefit plan.

- Except in specific cases provided for by law, if a plan participant leaves the Group before the date of retirement, he or she retains only the rights accrued under the defined contribution plan (based on annual employer contributions of up to 5% of five times the annual cap on the basis for calculating social security contributions – the "PASS" (1)) and forfeits the rights accrued under the defined benefit plan.

- Pension annuities payable to executive officers under the defined benefit plan – provided that they remain with the Group until they retire – correspond to a percentage of their reference compensation (2) capped at 60 times the "PASS". The percentage is determined on a reverse graduated basis and averages less than 2% of compensation, depending on the year.

  Plan participants who leave the Group on retirement are only entitled to a pension under the defined benefit plan if they have participated in the plan for at least five years or have served with the Accor Group for at least fifteen years. The pension paid will be reduced by the amount of the pension payable under the defined contribution plan referred to above.

- The overall replacement rate represented by pension benefits payable to executive officers under government-sponsored plans and Accor supplementary pension plans is capped at 35% of the average of their best three years' reference compensation in the ten years prior to retirement.

(1) For the defined contribution plan, annual contributions paid by Accor on behalf of executive officers (Denis Hennequin and Yann Caillère) amounted to €16,731 in 2012.

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

Termination benefits

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

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

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

In the event of loss of office, these performance criteria would be applied as follows:

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

Termination benefit payable to Yann Caillère

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

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

In the event the employment contract is terminated, these performance criteria would be applied as follows:

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

Mr. Caillère would not be entitled to any compensation for loss of office as executive officer.

The methods of determining the compensation for loss of office payable to the Chairman and Chief Executive Officer and the termination benefit payable to the President and Chief Operating Officer as described above were approved by shareholders at the Annual Meeting on May 30, 2011.

Unemployment insurance

A private insurance plan has been set up with Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise (GSC) to provide the Chairman and Chief Executive Officer with unemployment benefits should the need arise. This insurance coverage took effect after an unbroken 12 months of participation in the plan, i.e. as from December 1, 2011. The benefits would be based on net taxable professional-source income for the previous year, capped at €237,006 according to the applicable 2013 rate. They would be payable for a period of 24 months as from the 31st unbroken day of unemployment.

Analysis of directors' and officers' compensation

Analysis of compensation paid to executive officers

The following tables provide a summary of the total gross compensation and benefits paid by Accor to the Chairman and Chief Executive Officer, the Chief Executive Officer and the President and Chief Operating Officer in 2011 and 2012 as well as the stock options and performance shares granted to these executive officers in those years.

Table 1: Compensation, stock options and performance shares granted to each executive officer in 2011 and 2012

Gilles Pélisson Chairman and Chief Executive Officer until December 1, 2010, then non-Executive Chairman of the Board of Directors until January 15, 2011	2011	2012
Compensation for the year (see Table 2 for details)	41,658	N/A
Value of stock options granted during the year [(1)]	N/A	N/A
Value of performance shares granted during the year [(2)]	N/A	N/A
TOTAL	**41,658**	**N/A**

Denis Hennequin Appointed Chief Executive Officer on December 1, 2010 then Chairman and Chief Executive Officer from January 15, 2011	2011	2012
Compensation for the year (see Table 2 for details)	2,277,780	1,817,277
Value of stock options granted during the year (see Table 6 for details) [(1)]	927,250	504,845
Value of performance shares granted during the year (see Table 10 for details) [(2)]	873,361	424,110
TOTAL	**4,078,391**	**2,746,232**

Yann Caillère President and Chief Operating Officer	2011	2012
Compensation for the year (see Table 2 for details)	1,409,297	997,649
Value of stock options granted during the year (see Table 6 for details) [(1)]	301,356	301,400
Value of performance shares granted during the year (see Table 10 for details) [(2)]	248,788	253,200
TOTAL	**1,959,441**	**1,552,249**

(1) Stock options may be exercised only if the grantee is still a member of the Group on the exercise date and, in some cases, if the applicable performance conditions are met. In accordance with the AFEP/MEDEF Corporate Governance Code for listed companies, stock options are measured at their theoretical value at the grant date rather than at the value of the compensation received. This theoretical value was determined using the Black & Scholes option pricing model for the stock options granted under the April 4, 2011 and March 27, 2012 plans and the Monte-Carlo option pricing model for the performance stock options granted under the April 4, 2011 and March 27, 2012 plans.

(2) In accordance with the AFEP/MEDEF Code, performance shares are measured at their theoretical value – corresponding to Accor's opening share price on the grant date less the present value of unpaid dividends – rather than at the value of the compensation received. Performance shares are forfeited if the grantee leaves the Group before the shares vest or if the performance conditions are not met. Further details on performance shares granted to Accor's executive officers and the applicable vesting dates are provided in Table 10 on page 133.

Table 2: Compensation and benefits paid to each executive officer in 2011 and 2012

	Due for the year		Paid during the year	
	2011	2012	2011	2012
Gilles Pélisson Chairman and Chief Executive Officer until December 1, 2010, then non-Executive Chairman of the Board of Directors until January 15, 2011				
Basic compensation (1)	39,683	-	39,683	-
Incentive bonus (2)	-	-	1,500,000	-
Exceptional bonus	-	-	-	-
Directors' fees (3)	N/A	-	21,733	-
Benefits-in-kind (4)	1,975	-	1,975	-
Termination benefits	N/A	-	5,000,000 (5)	-
TOTAL	**41,658**	**-**	**6,563,391**	**-**
Denis Hennequin Chief Executive Officer from December 1, 2010, then Chairman and Chief Executive Officer from January 15, 2011				
Basic compensation (1)	750,000	833,300	750,000	833,300
Incentive bonus (2)	1,512,500	959,800	N/A	1,512,500
Directors' fees (3)	-	-	35,953	-
Benefits-in-kind (4)	15,280	24,177	15,280	24,177
TOTAL	**2,277,780**	**1,817,277**	**801,233**	**2,369,977**
Yann Caillère President and Chief Operating Officer				
Basic compensation (1)	600,000	600,000	600,000	600,000
Incentive bonus (2)	786,180	370,200	700,000	786,180
Directors' fees (3)	15,941	20,273	24,412	22,800
Benefits-in-kind (4)	7,176	7,176	7,176	7,176
Discretionary profit-sharing (6)	1,466	N/D	2,232	1,466
Statutory profit-sharing (7)	1,715	N/D	1,015	1,715
TOTAL	**1,412,478**	**997,649**	**1,334,835**	**1,419,337**

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

(1) The basic compensation of the Chairman and Chief Executive Officer and the President and Chief Operating Officer is paid in the year in which it is earned.

(2) Incentive bonuses are calculated and paid at the beginning of the year following the year in which they were earned. The criteria applied to determine the 2012 bonuses of the Chairman and Chief Executive Officer and the President and Chief Operating Officer are presented on pages 120 and 121.

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

In 2011 Denis Hennequin was paid €35,953 in directors' fees for 2010 in his capacity as a director of Accor. He has not been allocated any directors' fees since his appointment as Chief Executive Officer on December 1, 2010.

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

In 2012 Yann Caillère was paid directors' fees amounting to €2,527 relating to the directorship he held in Groupe Lucien Barrière for the period in 2011 until Accor sold its interest in the Company.

In 2012 Yann Caillère was paid €12,779 in fees for 2012 in his capacity as a member of the Supervisory Board of Orbis (PLN 52,639 converted at a rate of 0.2428 on January 17, 2013). The corresponding fees paid in 2011 for that year totaled €5,969.

In 2012 Yann Caillère was paid €7,494 in fees for 2012 in his capacity as a director of El Gezirah Hotels & Tourism Company (USD 10,000 converted at a rate of 0.7494 at January 17, 2013). The corresponding fees paid in 2011 for that year totaled €7,445.

(4) Company cars for Denis Hennequin and Yann Caillère, and private unemployment insurance for Denis Hennequin (see page 122).

(5) Including €1,110,000 paid to Gilles Pélisson in December 2010 under the settlement agreement related to his employment contract.

(6) Discretionary profit-sharing is paid in the year following that for which it is due.

(7) Non-discretionary profit-sharing is paid in the year following that for which it is due. The disclosed amount includes any supplementary profit-sharing bonuses paid.

Table 3: Summary of commitments given to executive officers

Executive officer	Employment contract	Supplementary pension benefits [1]	Compensation or benefits payable in the case of appointment to a new position, termination/ removal from office or transfer [2]	Non-compete indemnity
Denis Hennequin Chairman and Chief Executive Officer	No	Yes	Yes	No
Yann Caillère President and Chief Operating Officer	Yes	Yes	Yes	No

(1) See page 121 for details of the supplementary pension plans of which the Chairman and Chief Executive Officer and the President and Chief Operating Officer are members.

(2) See page 122 for details of these types of compensation and benefits payable to the Chairman and Chief Executive Officer and the President and Chief Operating Officer.

Compensation paid to other senior executives

The total gross compensation and benefits paid in 2012 by the Group's French and non-French companies to the members of the Executive Committee – in its form as at December 31, 2012 and not including the Chairman and Chief Executive Officer and the President and Chief Operating Officer, whose respective compensation is described above – amounted to €3,153,000, including aggregate gross incentive bonuses of €1,143,000.

Provisions set aside at December 31, 2012 for pensions and other post-employment benefits payable to senior executives are presented in note 33 to the consolidated financial statements on page 249.

Directors' fees

On February 21, 2012, the Board amended the provisions of its Bylaws concerning the individual allocation of directors' fees, notably by increasing the variable portion based on attendance at Board and Committee meetings. Consequently:

- the annual amount of directors' fees is divided into an amount set aside for the Board and an amount set aside for the Board Committees. The amount for the Board Committees is subsequently divided equally among the three Committees;
- half of the amount set aside for the Board and each Committee is used to pay the fixed portion of directors' fees and the other half is used to pay a variable portion based on a per-meeting amount set by the Board depending on the total number of meetings held during the year;
- the fixed portion received by the Committee Chairmen is double that of the other Committee members;
- the Vice-Chairman of the Board of Directors, who serves as senior independent director, receives the fixed portion of directors' fees payable to all directors as well as a fixed portion of a flat amount determined by the Board;
- after allocating the annual amount, according the above-mentioned principles, the Board may distribute all or part of the remaining amount among the directors, in a proportion determined by the Board;
- directors who also hold the position of Chairman and Chief Executive Officer or Chief Operating Officer do not receive any directors' fees.

Based on the overall gross amount of €575,000 in directors' fees approved by shareholders at the Annual Meeting on May 30, 2011, the Board allocated a total of gross amount of €550,896 to its members in accordance with its amended Bylaws. The following table shows a breakdown of directors' fees paid to the Board's members in 2011 and 2012.

Table 4 - Directors fees and other compensation paid to non-Executive Directors

	Due for the year				Paid during the year			
	2011		2012		2011		2012	
Board of Directors (in euros)	Fixed portion	Variable portion	Fixed portion	Variable portion	Fixed portion	Variable portion	Fixed portion	Variable portion
Jean-Paul Bailly	30,000	27,500	30,000	32,745	30,000	22,723	30,000	27,500
Thomas J. Barrack	21,000	6,000	21,000	17,901	22,500	7,902	21,000	6,000
Sébastien Bazin	27,000	25,200	27,000	27,588	30,000	35,257	27,000	25,200
Philippe Citerne	69,000	37,100	69,000	42,056	82,500	35,257	69,000	37,100
Mercedes Erra	20,000	18,400	21,000	24,803	N/A	N/A	20,000	18,400
Gabriele Galateri Di Genola	N/A	N/A	N/A	N/A	8,542	9,552	N/A	N/A
Sophie Gasperment	20,000	22,000	21,000	22,921	8,333	13,171	20,000	22,000
Denis Hennequin [1]	N/A	N/A	N/A	N/A	25,417	10,536	N/A	N/A
Bertrand Meheut	27,000	20,500	27,000	27,588	30,000	30,307	27,000	20,500
Virginie Morgon	24,000	27,900	24,000	32,470	22,500	35,257	24,000	27,900
Alain Quinet	N/A	N/A	N/A	N/A	7,083	8,569	N/A	N/A
Franck Riboud	21,000	13,000	21,000	9,118	22,500	20,088	21,000	13,000
Patrick Sayer	27,000	29,200	27,000	25,706	30,000	27,006	27,000	29,200

(1) In his capacity as a director of Accor until December 1, 2010.

3.5.2. DIRECTORS' AND EMPLOYEES' INTERESTS

Accor regularly sets up stock-based incentive plans for executives, as well as for senior and middle managers. The terms and conditions of the plans are determined by the Board of Directors, which then gives the Chairman and Chief Executive Officer the necessary powers to carry out the grants. In accordance with the AFEP/MEDEF Corporate Governance Code, the plans set up in 2012 were launched during the same period as in previous years. In the past, some plans were set up at a different time of the year, solely due to the fact that the related grants were made to executives who joined the Group during the course of the year concerned.

Stock option plans

On March 27, 2012, Accor set up two plans granting options exercisable for new shares at a price of €26.41, corresponding to the average opening Accor share price over the twenty trading days preceding the grant date, without any discount:

- the first plan was set up for executive officers and the other members of the Executive Committee, as well as senior and middle managers. It concerned 390 beneficiaries in some 40 countries worldwide;
- the second plan is a performance stock option plan set up for executive officers and the other members of the Executive Committee. The applicable performance condition is based on Accor's total shareholder return (TSR) compared with the TSR of eight other international hotel groups (Marriott, Starwood, Choice, Hyatt, Whitbread, Intercontinental Hotels, NH Hoteles and Sol Melia). For further details, please refer to note 25 to the consolidated financial statements below.

Table 6 below sets out the number of stock options granted under these plans by the Board of Directors to Denis Hennequin in his capacity as Accor's Chairman and Chief Executive Officer and to Yann Caillère as President and Chief Operating Officer.

The stock options have an eight-year life and are exercisable as from the fifth year provided that the grantee is still a member of the Group on the first day of the exercise period.

As the above two plans were set up in accordance with the authorization given in the twenty-fourth resolution of the May 30, 2011 Shareholders' Meeting, they were subject to the provisions of Article L. 225-186-1 of the French Commercial Code concerning stock option grants. In compliance with said article, the Board of Directors negociated with employee representatives the payment of an additional €5 million in profit-shares (excluding the *forfait social* employer surtax), allocated among employees of Accor subsidiaries covered by the Group-level non-discretionary profit-sharing agreement in France.

Proportion of options vesting on fulfillment of performance conditions

Each year, the Board of Directors places on record the degree of fulfillment of the performance conditions applicable under the performance stock option plans set up for executive officers and other members of the Executive Committee.

At its meeting on March 3, 2013, the Board of Directors placed on record that for the performance stock option plans outstanding in 2012 the following proportions of the options granted could vest, based on the extent to which the applicable performance conditions had been met:

- 12.5% under the April 2, 2010 plan;
- 31.25% under the April 4, 2011 plan;
- 18.75% under the March 27, 2012 plan.

Table 5: Stock options granted to employees or executive officers

		Total number of options										
Stock option plans	Grant date	Total number of options granted (1)	Of which to executive officers	Of which to the top ten employee grantees (2)	Total number of grantees	Exercisable from	Expiry date	Exercise price (in euros)	Options exercised in 2012	Total options exercised through December 31, 2012	Number of options cancelled (3)	Options outstanding at December 31, 2012
Stock option plans												
Plan 9	01/07/2004	1,990,485	364,060	201,388	1,517	01/08/2007	01/07/2012	23.66	-	1,070,655	919,830	0
Plan 11	01/12/2005	1,750,528	310,720	194,532	903	01/13/2009	01/12/2012	21.50	1,358	847,971	902,557	0
Plan 12	01/09/2006	1,840,601	377,000	444,860	191	01/10/2010	01/09/2013	30.60	-	9,501	49,696	1,781,404
Plan 13	03/24/2006	963,293	-	91,930	818	03/25/2010	03/24/2013	32.56	-	3,110	139,561	820,622
Plan 14	03/22/2007 (4)	2,183,901	94,250	192,270	958	03/23/2011	03/22/2014	45.52	-	-	239,998	1,943,903
Plan 15	05/14/2007 (5)	129,694	42,662	87,032	11	05/15/2011	05/14/2014	47.56	-	-	44,615	85,079
Plan 17	03/28/2008 (6)	2,080,442	94,250	303,108	1,022	03/29/2012	03/28/2015	30.81	-	-	180,872	1,899,570
Plan 18	09/30/2008 (7)	110,052	-	110,052	6	10/01/2012	09/30/2015	28.32	-	-	7,508	102,544
Plan 19	03/31/2009 (8)	1,429,456	131,950	190,008	1,138	04/01/2013	03/31/2017	18.20	1,162	4,178 (9)	151,421	1,273,857
Plan 20	04/02/2010 (10)	2,618,770	190,125	317,434	1,020	04/03/2014	04/02/2018	26.66	905	905 (11)	404,088	2,213,777
Plan 21	04/02/2010 (5)(10)	153,478	63,375	90,103	10	04/03/2014	04/02/2018	26.66	-	-	16,250	137,228
Plan 22	11/22/2010 (12)	92,448	-	92,448	5	11/23/2014	11/22/2018	30.49	-	-	-	92,448
Plan 23	04/04/2011 (13)	621,754	99,375	107,439	783	04/05/2015	04/04/2019	31.72	-	-	14,420	607,334
Plan 24	04/04/2011 (5) (13)	53,125	33,125	20,000	8	04/05/2015	04/04/2019	31.72	-	-	-	53,125
Plan 25	03/27/2012 (14)	527,515	80,250	101,375	390	03/28/2016	03/27/2020	26.41	-	-	500	527,015
Plan 26	03/27/2012 (5) (14)	47,375	26,750	20,625	8	03/28/2016	03/27/2020	26.41	-	-	-	47,375
TOTAL OPTIONS		16,592,917								1,936,320	3,071,316	11,585,281
Stock savings warrants (15)												
Plan 10	07/09/2004	131,619			3,390	07/09/2007	07/09/2012	22.51	23,101	45,071	86,548	0
Plan 16	09/13/2007	2,139			40	09/13/2010	09/13/2015	40.08	-	-	-	2,139
TOTAL STOCK SAVINGS WARRANTS		133,758								45,071	86,548	2,139
TOTAL		**16,726,675**								**1,981,391**	**3,157,864**	**11,587,420 (16)**

(1) After adjustments following the Group's July 2, 2010 demerger, made to all of the plans apart from Plans 22, 23, 24, 25 and 26.
(2) Excluding executive officers.
(3) Options cancelled due to grantees leaving the Group or performance conditions not being met.
(4) Granted by the Chief Executive Officer pursuant to the Board authorization of March 6, 2007.
(5) Performance stock options.
(6) Granted by the Chief Executive Officer pursuant to the Board authorization of February 26, 2008.
(7) Granted by the Chief Executive Officer pursuant to the Board authorization of August 27, 2008.
(8) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 24, 2009.
(9) Options exercised following the death of grantees, in accordance with Article L. 225-183 of the French Commercial Code.
(10) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 23, 2010.
(11) Options exercised following the death of a grantee, in accordance with Article L. 225-183 of the French Commercial Code.
(12) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of October 13, 2010.
(13) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 22, 2011.
(14) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 21, 2012.
(15) Granted in connection with Accor employee share issues.
(16) Representing 5.10% of the Company's capital at December 31, 2012.

Denis Hennequin, Chairman and Chief Executive Officer, and Yann Caillère, President and Chief Operating Officer, were the two executive officers granted stock options under the 2012 plans.

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

The stock option plans were authorized by shareholders as follows:

- 1998 to 2001 plans: Shareholders' Meeting of January 7, 1997;
- 2002 and 2003 plans: Shareholders' Meeting of May 29, 2001;
- 2004 and 2005 plans: Shareholders' Meeting of May 20, 2003;
- 2006 and 2007 plans and March 28, 2008 plan: Shareholders' Meeting of January 9, 2006;
- September 30, 2008 plan and 2009, 2010 and 2011 plans: Shareholders' Meeting of May 13, 2008;
- 2012 plans: Shareholders' Meeting of May 30, 2011.

Under the terms of the authorization given in the twenty-fourth resolution of the May 30, 2011 Shareholders' Meeting, the options granted may not be exercisable for shares representing more than 2.5% of the Company's capital as placed on record at the close of that meeting.

Table 6: Stock options granted to executive officers in 2012

	Grantee	Plan number and date	Type of options	Theoretical value based on the method used in the consolidated financial statements (in euros)	Number of options	Exercise price (in euros)	Exercise period
Options granted during the year to the Chairman and Chief Executive Officer	Denis Hennequin	Plan 25 03/27/2012	Options to purchase new shares	395,970 (1)	50,250	26.41	03/28/2016 to 03/27/2020
	Denis Hennequin	Plan 26 03/27/2012	Options to purchase new shares	108,875 (2)	16,750	26.41	03/28/2016 to 03/27/2020
Options granted during the year to the President and Chief Operating Officer	Yann Caillère	Plan 25 03/27/2012	Options to purchase new shares	236,400 (1)	30,000	26.41	03/28/2016 to 03/27/2020
	Yann Caillère	Plan 26 03/27/2012	Options to purchase new shares	65,000 (2)	10,000	26.41	03/28/2016 to 03/27/2020

(1) Stock options are measured at their theoretical value at the grant date using the Black & Scholes option pricing model, in accordance with the AFEP/MEDEF Corporate Governance Code, rather than at the value of the compensation received.

(2) Performance stock options are measured at their theoretical value at the grant date using the Monte-Carlo option pricing model (model used for valuing options with vesting conditions that are not market conditions), in accordance with the AFEP/MEDEF Code, rather than at the value of the compensation received.

For the 2012 stock option plans, the Board of Directors considered that unlike for performance shares, and in the same way as for the 2010 and 2011 stock option plans, there was no need to attach performance conditions to all of the options granted to the Company's executive officers. This is because the Board is of the opinion that Accor's stock market performance in itself constitutes such a condition, as illustrated at times in the past when the grantees were unable to exercise their options as the Accor share price was lower than the exercise price. However, in order to partially respect the AFEP/MEDEF Code's recommendation, for the 2012, 2011 and 2010 plans, the Board decided to apply a performance condition to 25% of the stock options granted to executive officers and other members of the Executive Committee, under the terms and conditions described on page 127 of this Registration Document.

The 107,000 options granted to the Company's executive officers in 2012 represented 0.047% of the Company's capital at December 31, 2012.

No options were exercised by Accor's executive officers in 2012.

Lock-up conditions

In accordance with the French Commercial Code and the AFEP/MEDEF Code, when executive officers or other Executive Committee members purchase shares on exercise of stock options granted since March 22, 2007, a certain proportion of these shares, as set by the Board of Directors, may not be sold until the grantee either leaves the Accor Group or ceases to hold the position of executive officer or Executive Committee member, as applicable. The lock-up conditions vary depending on the plan concerned, as shown in the table below.

Table 7: Lock-up conditions for shares purchase on exercise of stock options by executive officers and other members of the Executive Committee

Plan	Grant date	Lock-up conditions applicable to executive officers	Lock-up conditions applicable to other Executive Committee members
Plan 14 Plan 15 Plan 17 Plan 18	03/22/2007 05/14/2007 03/28/2008 09/30/2008	Shares corresponding to the equivalent of 40% of the net capital gain on the exercised options may not be sold until the grantee leaves the Accor Group.	Shares corresponding to the equivalent of 25% of the net capital gain on the exercised options may not be sold until the grantee leaves the Accor Group.
Plan 19 Plan 20 Plan 21 Plan 22	03/31/2009 04/02/2010 04/02/2010 11/22/2010	Shares corresponding to the equivalent of 40% of the net capital gain on the exercised options may not be sold until the grantee ceases to hold an executive officer's position.	Shares corresponding to the equivalent of 25% of the net capital gain on the exercised options may not be sold until the grantee ceases to be a member of the Executive Committee.
Plan 23 Plan 24 Plan 25 Plan 26	04/04/2011 04/04/2011 03/27/2012 03/27/2012	Shares corresponding to the equivalent of 40% of the net capital gain on the exercised options may not be sold until the grantee ceases to hold an executive officer's position. However, if the value of the shares exceeds two years of the grantee's basic compensation, the minimum number of shares locked up following the exercise of stock options is reduced to the equivalent of 10% of the net capital gain on the exercised options.	Shares corresponding to the equivalent of 40% of the net capital gain on the exercised options may not be sold until the grantee ceases to be a member of the Executive Committee. However, if the value of the shares exceeds two years of the grantee's basic compensation, none of the shares purchased on exercise of the stock options will be locked up.

Table 8: Stock options granted to and exercised in 2012 by the top ten employee grantees other than executive officers

	Number of options	Average exercise price *(in euros)*
Options granted in 2012 to the ten employees other than executive officers who received the largest number of options	122,000 (1)	26.41
Options exercised in 2012 by the ten employees other than executive officers who exercised the largest number of options	2,671 (2)	21.81

(1) Including 101,375 stock options and 20,625 performance stock options granted under the March 27, 2012 plans.

(2) Including 1,162 stock options granted under the March 31, 2009 plan and 905 under the April 2, 2010 plan (options exercised following the death of grantees).

Performance share plans

Accor set up the following two performance share plans on March 27, 2012:

- the first, intended for senior and middle managers, concerned 919 beneficiaries in around 50 countries worldwide. The applicable performance conditions are described in note 25 to the consolidated financial statements, below. The plan's performance shares have a two-year vesting period followed by a two-year lock-up period or a four-year vesting period without any lock-up, depending on the country;
- the second plan was restricted to executive officers and the other members of the Executive Committee. The applicable performance conditions are described in note 25 to the consolidated financial statements, below. The plan's performance shares have a two-year vesting period followed by a two-year lock-up period for all grantees.

Table 10 below sets out the number of performance shares granted under these plans by the Board of Directors to Denis Hennequin in his capacity as Accor's Chairman and Chief Executive Officer and to Yann Caillère as President and Chief Operating Officer.

As the above two plans were set up in accordance with the authorization given in the twenty-fifth resolution of the May 30, 2011 Shareholders' Meeting, they were subject to the provisions of Article L. 225-197-6 of the French Commercial Code concerning share grants. In compliance with said article, the Board of Directors negociated with employee representatives the payment of an additional €5 million in profit-shares (excluding the *forfait social* employer surtax), allocated among employees of Accor subsidiaries covered by the Group-level non-discretionary profit-sharing agreement in France.

Proportion of performance shares vesting on fulfillment of performance conditions

Each year, the Board of Directors places on record the degree of fulfillment of the performance conditions applicable under performance share plans.

At its meeting on March 3, 2013 the Board of Directors placed on record that for the performance share plans outstanding in 2012 the following proportions of the shares granted could vest based on the extent to which the applicable performance conditions had been met:

- 49.18% under the April 4, 2011 plan;
- 33.33% under the April 4, 2011 plan set up specifically for Denis Hennequin when he took up his position as Chairman and Chief Executive Officer;
- 43.75% under the March 27, 2012 plan;
- 29.16% under the March 27, 2012 plan set up for executive officers and the other members of the Executive Committee.

Table 9: Performance shares granted to employees and/or executive officers

Grant date	Total number of unvested shares: Total number of shares granted	Of which to executive officers	Of which to the top ten employee grantees [1]	Number of shares cancelled [2]	Total number of grantees	Vesting date	End of lock-up period	Number of vested shares subject to lock-up	Number of vested shares no longer subject to lock-up	Performance conditions
Performance share plans										
03/28/2008 [3]	107,034	15,625	33,625	80,868	92	03/28/2010	03/28/2012	-	26,166	ROCE and recurring operating profit after tax [4]
03/31/2009 [5]	300,383 [5]	27,432	39,501	170,967	1,138	03/31/2011 or 03/31/2013 [7]	03/31/2013	107,473 [8]	550 [9]	Accor Hospitality ROCE, Accor Services revenue and consolidated recurring operating profit after tax [4]
04/04/2011 [10]	228,657	16,625	31,766	6,794	783	04/04/2013 or 04/04/2015 [7]	04/04/2015	-	-	Revenue growth based on constant scope of consolidation, actual versus budgeted EBIT *and* actual versus budgeted operating cash flow (excluding disposals)
04/04/2011 [10]	20,450	20,450	-	-	1	04/04/2014	04/04/2016	-	-	Successfully taking up the duties of Chairman and Chief Executive Officer
03/27/2012 [11]	237,601	0	18,125	16,468	919	03/27/2014 or 03/27/2016 [7]	03/27/2016	-	-	Actual versus budgeted EBIT margin and actual versus budgeted operating cash flow (excluding acquisitions and disposals)
03/27/2012 [11]	47,375	26,750	20,625	9,871	8	03/27/2014	03/27/2016	-	-	Actual versus budgeted EBIT margin, actual versus budgeted operating cash flow (excluding acquisitions and disposals), and degree of completion of budgeted asset disposals
TOTAL SHARES [12]	**941,500**			**284,968**						

(1) Excluding executive officers.
(2) Shares cancelled due to grantees leaving the Group or performance conditions not being met.
(3) Granted by the Chief Executive Officer pursuant to the Board authorization of February 26, 2008.
(4) Recurring operating profit after tax = profit before tax and non-recurring items less tax on recurring items and non-controlling interests.
(5) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 24, 2009.
(6) After adjustments following the Group's July 2, 2010 demerger.
(7) In some countries, the vesting period is four years.
(8) Shares acquired by grantees following a two-year vesting period but which are subject to a two-year lock-up period.
(9) Shares vested following the death of grantees, in accordance with Article L. 225-197-3 of the French Commercial Code.
(10) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 22, 2011.
(11) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 21, 2012.
(12) The total number of shares granted less the total number of shares cancelled represented the equivalent of 0.289% of the Company's capital at December 31, 2012.

Table 10: Performance shares granted to each executive officer in 2012

	Grantee	Grant date	Number of shares granted	Theoretical value based on the method used in the consolidated financial statements (in euros)	Vesting date	End of lock-up period	Performance conditions [(1)]
Performance shares granted during the year to the Chairman and Chief Executive Officer	Denis Hennequin	03/27/2012	16,750	424,110 [(2)]	03/27/2014	03/27/2016	Actual versus budgeted EBIT margin, actual versus budgeted operating cash flow (excluding acquisitions and disposals), and degree of completion of budgeted asset disposals
Performance shares granted during the year to the President and Chief Operating Officer	Yann Caillère	03/27/2012	10,000	253,200 [(2)]	03/27/2014	03/27/2016	Actual versus budgeted EBIT margin, actual versus budgeted operating cash flow (excluding acquisitions and disposals), and degree of completion of budgeted asset disposals

(1) The performance conditions are described in note 25 to the consolidated financial statements.

(2) In accordance with the AFEP/MEDEF Corporate Governance Code, performance shares are measured at their theoretical value – corresponding to Accor's opening share price on the grant date less the present value of unpaid dividends – rather than at the value of the compensation received.

The 21,176 performance shares granted to the Company's executive officers in 2012 and which were still valid at the year-end would represent 0.009% of the Company's capital at December 31, 2012 if they fully vested.

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

Denis Hennequin, Chairman and Chief Executive Officer, and Yann Caillère, President and Chief Operating Officer, were the two executive officers granted performance shares under the second plan set up on March 27, 2012.

Accor's performance share plans were approved by shareholders as follows:

- 2007 and 2008 plans: Shareholders' Meeting of January 9, 2006;
- 2009 and 2011 plans: Shareholders' Meeting of May 13, 2008;
- 2012 plans: Shareholders' Meeting of May 30, 2011.

Under the terms of the authorization given in the twenty-fifth resolution of the May 30, 2011 Shareholders' Meeting, the number of performance shares granted may not represent more than 0.5% of the Company's capital as placed on record at the close of that meeting.

Lock-up conditions

In accordance with the French Commercial Code and the AFEP/MEDEF Corporate Governance Code, when executive officers or other Executive Committee members acquire shares under performance share plans set up since May 14, 2007, a certain proportion of these shares, as set by the Board of Directors, may not be sold until the grantee either leaves the Accor Group or ceases to hold the position of executive officer or Executive Committee member, as applicable. The lock-up conditions vary depending on the plan concerned, as shown in the table below.

Table 11: Lock-up conditions for vested performance shares owned by executive officers and other members of the Executive Committee

Grant date	Lock-up conditions applicable to executive officers	Lock-up conditions applicable to other Executive Committee members
05/14/2007	25% of the shares that vest upon fulfillment of the performance condition may not be sold until the grantee leaves the Accor Group.	10% of the shares that vest upon fulfillment of the performance condition may not be sold until the grantee leaves the Accor Group.
03/28/2008	25% of the shares that vest upon fulfillment of the performance condition may not be sold until the grantee leaves the Accor Group.	25% of the shares that vest upon fulfillment of the performance condition may not be sold until the grantee leaves the Accor Group.
03/31/2009	The following percentages of shares may not be sold until the grantee ceases to hold an executive officer's position: 20% of the shares that vest upon fulfillment of the performance conditions. In addition, the grantee must purchase Accor shares corresponding to 3% of the number of vested shares; OR 25% of the shares that vest upon fulfillment of the performance conditions.	25% of the shares that vest upon fulfillment of the performance conditions may not be sold until the grantee ceases to be a member of the Executive Committee.
04/04/2011	The following percentages of shares may not be sold until the grantee ceases to hold an executive officer's position: 20% of the shares that vest upon fulfillment of the performance conditions. In addition, the grantee must purchase Accor shares corresponding to 3% of the number of vested shares; OR 25% of the shares that vest upon fulfillment of the performance conditions. However, if the value of the shares exceeds two years of the grantee's basic compensation, the only lock-up condition is that the executive officer must purchase Accor shares corresponding to 3% of the number of vested shares.	The following percentages of shares may not be sold until the grantee ceases to be a member of the Executive Committee: 20% of the shares that vest upon fulfillment of the performance conditions. In addition, the grantee must purchase Accor shares corresponding to 3% of the number of vested shares; OR 25% of the shares that vest upon fulfillment of the performance conditions. However, if the value of the shares exceeds two years of the grantee's basic compensation, none of the vested shares will be subject to lock-up conditions.
03/27/2012	The following percentages of shares may not be sold until the grantee ceases to hold an executive officer's position: 25% of the shares that vest upon fulfillment of the performance conditions. However, if the value of the shares exceeds two years of the grantee's basic compensation, the only lock-up condition is that the executive officer must purchase Accor shares corresponding to 3% of the number of vested shares.	The following percentages of shares may not be sold until the grantee ceases to be a member of the Executive Committee: 25% of the shares that vest upon fulfillment of the performance conditions. However, if the value of the shares exceeds two years of the grantee's basic compensation, none of the vested shares will be subject to lock-up conditions.

Table 12: Changes in 2012 in the status of performance shares granted to executive officers

	Grantee	Grant date	Number of shares granted	Vesting date	End of lock-up period	Number of shares vested during the year subject to lock-up	Number of vested shares no longer subject to lock-up
Performance shares granted to the Chairman and Chief Executive Officer that vested during the year but are subject to lock-up, and shares for which the lock-up period ended in 2012	Denis Hennequin	04/04/2011	8,500	04/04/2013	04/04/2015	None	None
		04/04/2011	20,450	04/04/2014	04/04/2016	None	None
		03/27/2012	16,750	03/27/2014	03/27/2016	None	None
Performance shares granted to the President and Chief Operating Officer that vested during the year but are subject to lock-up, and shares for which the lock-up period ended in 2012	Yann Caillère	03/28/2008	6,250	03/28/2010	03/28/2012	None	1,563
		03/31/2009	8,621	03/31/2011	03/31/2013	None	None
		04/04/2011	8,125	04/04/2013	04/04/2015	None	None
		03/27/2012	10,000	03/27/2014	03/27/2016	None	None

No performance shares for which the lock-up period ended in 2012 were sold by executive officers during the year.

Table 13: Performance shares granted in 2012 to the top ten employee grantees other than executive officers

	Number of shares
Performance shares granted in 2012 to the ten employee grantees other than executive officers who received the largest number of shares	30,500

Share equivalents

Stock options granted to employees and executive officers

At December 31, 2012, a total of 11,587,420 stock options were outstanding.

Exercise of all of these options would lead to the issuance of 11,587,420 shares representing 5.10% of the Company's capital at December 31, 2012.

Non-discretionary and discretionary profit-sharing agreements

Non-discretionary profit-sharing

In France, a Group-level non-discretionary profit-sharing agreement providing for payment in excess of the legally-mandated minimum (accord dérogatoire) has been negotiated with employee representatives. It is applicable to Accor and its French subsidiaries that are at least 50%-owned, irrespective of the number of employees in the Company.

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

Sums are paid into a special profit-sharing reserve, calculated by applying a standard legal formula to the profits of each company that falls within the scope of application of the agreement, as follows:

Special profit-sharing reserve = 1/2 x (net profit – 5% of equity) x (salaries/value added)

Based on this formula, a gross amount of €9.6 million was allocated to the profit-sharing reserve for 2011 (paid in 2012).

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

- €7.5 million for 2010 (paid in 2011);
- €6.3 million for 2009 (paid in 2010).

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

In compliance with the French Act of December 3, 2008 in favor of working income, since 2009 the five-year lock-up period on amounts allocated to employee profit-shares has been optional rather than compulsory. Consequently, in 2012, just over 55% of beneficiaries requested the immediate payment of all or part of their profit-share.

Where such a request is not made, in accordance with the law, the amounts in the profit-sharing reserve are invested in corporate mutual funds, with half allocated to the Group Retirement Savings Plan (PERCO) and the other half to the Corporate Savings Plan (PEEG). In order to qualify for tax and social security exemptions, the amounts allocated to the Group Retirement Savings Plan are locked up until the employee retires and amounts allocated to the Corporate Savings Plan are locked up for a period of five years.

In 2012, just over 37% of employees allocated all or part of their profit-share to the Accor Group Retirement Plan.

Lastly, in 2012, in agreement with employee representatives, the Board of Directors authorized the payment of an additional €5 million in profit-shares for 2011, allocated among employees covered by the Group-level non-discretionary profit-sharing agreement in France.

Discretionary profit-sharing

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

These profit-shares are determined based on whether the subsidiary or unit concerned meets or exceeds its profit targets. In the case of Accor SA, the amount is dependent partly on meeting objectives for reducing support costs and partly on achieving EBIT targets.

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

Discretionary profit-sharing agreements are negotiated with Works Councils or union representatives.

Transactions involving Accor SA shares

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

Person concerned	Type of transaction	Number of shares
Paul Dubrule	Sale of shares	46,906
Gérard Pélisson	Sale of shares	97,657

3.6. STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

Shareholders Meeting to approve the financial statements for the year ended December 31, 2012

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Accor, we hereby report to you on related party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or merit or identifying any other agreements or commitments. In accordance with Article R. 225-31 of the French Commercial Code (Code de Commerce), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

It is also our responsibility to provide shareholders with the information required under Article R. 225-31 of the Commercial Code, on the performance during 2012 of any agreements and commitments already approved by shareholders.

We performed the procedures that we considered necessary in accordance with professional standards applicable in France. These procedures involved verifying that the information provided to us is consistent with the underlying documents.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR SHAREHOLDER APPROVAL

Agreements and commitments authorized during 2012

We were not informed of any agreements or commitments authorized during 2012 that require shareholder approval in accordance with Article L. 225-38 of the Commercial Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY SHAREHOLDERS

Agreements and commitments approved in prior years that were implemented during 2012

Pursuant to Article R. 225-30 of the Commercial Code, we have been advised of the following agreements and commitments that were approved by shareholders in prior years and were implemented during 2012:

1. With Denis Hennequin, Chairman and Chief Executive Officer

a. Type of agreement and purpose: Including Denis Hennequin in the top-hat pension plan set up for the Accor Group's senior executives.

Terms and conditions:

The Board of Directors decided to include Mr. Hennequin in the top-hat pension plan, whose members comprise several dozen senior executives of the Accor Group. Under this overall plan – which consists of a defined contribution portion and a defined benefit portion – except in specific cases provided for by law, if a plan participant leaves the Group before the date of retirement, he or she retains only the rights accrued under the defined contribution plan (based on annual employer contributions of up to 5% of five times the annual cap on the basis for calculating social security contributions) and forfeits the rights accrued under the defined benefit plan.

The overall replacement rate to which Denis Hennequin would be entitled on retirement under the government-sponsored plan and Accor supplementary pension plans is capped at 35% of the average of his best three years' compensation (basic plus bonuses) in the ten years prior to his retirement.

The Company paid an annual employer contribution of €8,365.56 in respect of 2012.

b. Type of agreement and purpose: Private unemployment insurance policy.

Terms and conditions:

The Board of Directors authorized the Company to set up a private insurance plan with Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise (GSC) that would provide Mr. Hennequin with unemployment benefits should the need arise. This insurance coverage took effect after an unbroken 12 months of participation in the plan, i.e. as from December 1, 2011. Unemployment benefits would be payable for a period of 24 months as from the 31st unbroken day of unemployment. The benefits would be based on Mr. Hennequin's net taxable professional-source income for the previous year, capped at €237,006 for 2013.

The Company paid €17,001 to GSC under the plan in respect of 2012.

2. With Paul Dubrule and Gérard Pélisson, Co-Founders and Co-Chairmen

Type of agreement and purpose: Provision of resources.

Terms and conditions:

On January 9, 2006, the Board of Directors authorized the Company to enter into an agreement with Paul Dubrule and Gérard Pélisson to provide them with an office at the Company's Paris headquarters, an assistant and a chauffeur for their terms as Co-Founders and Co-Chairmen of the Group, and to reimburse any expenses incurred by them on Company business. This agreement remained in force in 2012.

Agreements and commitments approved in prior years but not implemented in 2012

We were also informed of the following agreements and commitments that were approved by shareholders in prior years but were not implemented during 2012:

1. With Denis Hennequin, Chairman and Chief Executive Officer

a. Type of agreement and purpose: Compensation payable to Denis Hennequin in the event of loss of office as Chairman and Chief Executive Officer.

Terms and conditions:

The Board of Directors decided that Mr. Hennequin should be eligible for compensation in the event of loss of office. The amount payable would be equal to 24 months' basic compensation and incentive bonus, determined based on the amounts paid to Mr. Hennequin for the fiscal year preceding the loss of office. The compensation for loss of office would be payable if Mr. Hennequin's term as Chairman and Chief Executive Officer is either terminated or not renewed (except in the event of gross or willful misconduct or due to retirement) and would be subject to the following performance criteria being met:

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

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

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

2. With Yann Caillère, President and Chief Operating Officer

Type of agreement and purpose: Termination benefit payable to Yann Caillere.

Terms and conditions:

When Yann Caillère was appointed President and Chief Operating Officer, the Board of Directors approved an addendum to his employment contract. In the addendum it was specifically agreed that the total benefits payable to Mr. Caillère for loss of office or termination of his contract would be capped at twice his total annual compensation. In addition, the payment of any termination benefit would be subject to the following performance criteria:

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

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

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

3. With ColSpa SAS

Type of agreement and purpose: Hotel management contract between ColSpa SAS and Accor.

Persons concerned:

Sébastien Bazin, Managing Director Europe and Chief Executive Officer of Colony Capital SAS, Chief Executive Officer of ColSpa SAS and a director of Accor, and Thomas J. Barrack, Chairman and Chief Executive Officer of Colony Capital LLC and a director of Accor.

Terms and conditions:

As part of Colony Capital SAS's project to redevelop the site of the former Molitor swimming pool in Paris through its ColSpa SAS subsidiary, ColSpA undertook to grant a contract to Accor to manage, under the MGallery banner, the 124-room hotel and various related facilities to be built on the site. This 10-year management contract will be automatically renewable for five years and its financial terms and conditions are comparable to those usually negotiated by the Group for similar contracts.

The transaction fits with the Group's development strategy and will enable it to manage a hotel at a prestigious location in western Paris under its fast-growing MGallery brand.

No payments were recorded by the Company in respect of this contract in 2012.

4. With Edenred

Type of agreement and purpose: Signature of a tax-related agreement between Edenred and Accor.

Persons concerned:

Virginie Morgon, Sébastien Bazin, Jean-Paul Bailly, Philippe Citerne, Bertrand Méheut and Patrick Sayer, directors of both Accor and Edenred.

Terms and conditions:

The Italian tax authorities notified an Accor subsidiary and several Edenred subsidiaries of a €27.4 million reassessment of registration fees due on transactions carried out as part of the reorganization of Accor's Services division in Italy prior to the demerger. Accor and Edenred are contesting the reassessments before the Italian courts and have signed an agreement to equally share the associated risks and costs of the proceedings between the two groups.

Given that the Asset Contribution-Demerger Agreement was signed on April 19, 2010, before the dispute had arisen, it does not contain any provisions concerning this type of tax dispute. However, the agreement with Edenred has now protected the Group in the event of an unfavorable outcome of the aforementioned proceedings.

No payments were recorded by the Company in respect of this agreement in 2012.

Neuilly-sur-Seine and Paris-La Défense, March 4, 2013

The Statutory Auditors

French original signed by:

Deloitte & Associés	Ernst & Young et Autres
Pascale Chastaing-Doblin	Jacques Pierres

4

Review of the Year

4.1. FINANCIAL REVIEW

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

In compliance with IFRS 5, following the sale of Motel 6/Studio 6 to Blackstone on October 1, 2012, the 2011 data presented in this section have been adjusted for the reclassification of the US Economy Hotels business in "discontinued operations."

EBIT amounted to €526 million in 2012, representing a year-on-year increase of 3.0% based on constant scope of consolidation and exchange rates (like-for-like) and of 2.0% as reported. The 2012 results were primarily shaped by a reduction in impairment, depreciation and amortization charges due to the asset management program, which offset the deployment of the ibis megabrand and the acquisitions-related depreciation and amortization expense.

Sustained demand throughout the year enabled Accor to meet the objectives announced to the market. In so doing, we once again benefited from our virtuous circle strategy built on two key foundations: asset-light development and the growing importance of the emerging markets.

The year also saw two major evolutions in the brand portfolio. The first was the disposal of Motel 6, a major step that enabled us to refocus on markets that offer the most growth potential and highest margins, and where we already have demonstrated leadership positions. The second was the very fast deployment of the ibis megabrand project, with more than 1,500 hotels around the world rebranded as ibis, ibis Styles or ibis *budget* by the end of 2012.

Revenue

Revenue for the year ended December 31, 2012 amounted to €5,649 million, reflecting the following factors:

- Development, which added €154 million or 2.8% to reported growth, led by the integration of 266 new hotels totaling **38,085 rooms** over the year.
- Changes in the scope of consolidation, which reduced reported revenue by **€285 million or 5.1%,** as a result of the asset disposal strategy and the €76-million impact of the Lenôtre sale.
- The positive currency effect, which increased reported revenue by **€60 million or 1.1%,** primarily as a result of gains in the Australian dollar and the British pound against the euro.

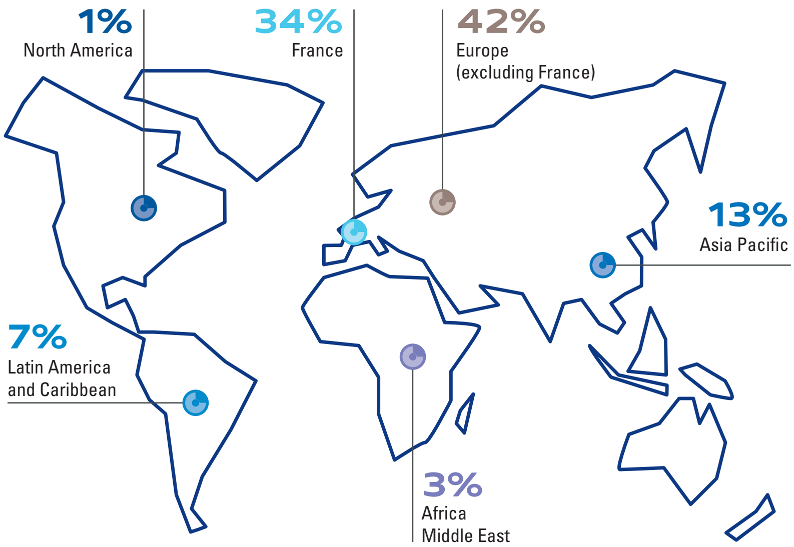
At constant scope of consolidation and exchange rates, revenue rose by 2.7% over the year, lifted by the firm improvement in average room rates in every segment.

Revenue by business

(in million of euros)	2011	2012	% change	% change like-for-like [1]
Hotels	**5,384**	**5,497**	**+2.1%**	**+2.7%**
Upscale and Midscale	3,488	3,536	+1.4%	+2.7%
Economy	1,896	1,961	+3.4%	+2.6%
Other businesses	**184**	**152**	**(17.5)%**	**+4.1%**
TOTAL	**5,568**	**5,649**	**+1.5%**	**+2.7%**

(1) At constant scope of consolidation and exchange rates.

2012 revenue by region

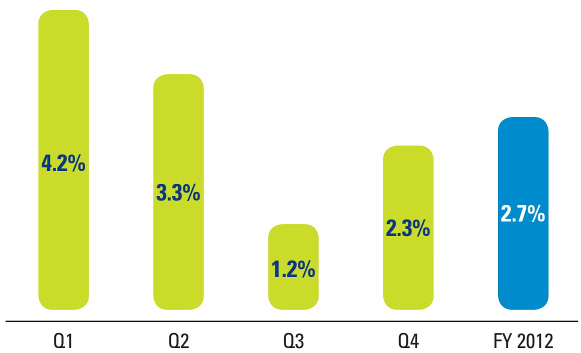


Hotels

Hotels revenue rose 2.7% like-for-like and 2.1% on a reported basis, led by sustained demand throughout the year.

The main European contributing countries of France, Germany and the United Kingdom turned in a good performance, but the situation in Southern Europe continued to deteriorate. Revenue growth in Europe was lifted by sustained demand in key cities and the solid improvement in room rates in every segment. Business also benefited from the strong growth in emerging markets, especially in Latin America and the Asia-Pacific region, where operations reported very fast revenue growth throughout the year.

Quarterly change in 2012 Hotels revenue, like-for-like and year-on-year



Upscale and Midscale Hotels

Revenue in the Upscale & Midscale segment rose by **2.4%** like-for-like and by **3.3%** as reported in the fourth quarter, lifted by the increase in RevPAR, due to the improvement in average room rates, and the growing contribution from management and franchise fees, that were up 10.5% and added 1.2 points to quarterly growth.

Over the period, segment revenue rose by 1.3% in Europe, 1.0% in the Asia-Pacific region, despite a slight decline in Australia. It rose by 5.0% in Latin America.

Economy Hotels

Revenue in the Economy segment rose by 2.1% like-for-like and **3.2%** as reported in the fourth quarter. The gains were driven by the sharp 28.7% increase in management and franchise fees over the quarter. This increase represents 2/3 of revenue growth this quarter.

Revenue growth was also led by strong performances in the Asia-Pacific region, up 4.1%, and Latin America, up 7.4%. Revenue held stable in Europe (up 0.8%), despite the sustained deterioration in the Spanish market, down 9.5% in the fourth quarter.

2012 worldwide RevPAR excluding tax by segment

	Occupancy rate		Average room rate		RevPAR			
	Owned/leased (reported)		Owned/leased (reported)		Owned/leased (reported)		Owned/leased (like-for-like) (1)	Owned/leased and managed (reported)
(in euros)	(%)	(Change in points)		(% change)		(% change)	(% change)	(% change)
Upscale and Midscale	65.5%	(0.2)	100	+3.5%	66	+3.2%	+1.8%	+7.8%
Economy	69.3%	(1.3)	56	+5.3%	39	+3.3%	+1.5%	+3.7%

(1) At constant scope of consolidation and exchange rates.

Upscale and Midscale Hotels: 2012 RevPAR excluding tax by country

	Occupancy rate		Average room rate		RevPAR			
	Owned/leased (reported)		Owned/leased (reported)		Owned/leased (reported)		Owned/leased (like-for-like) (1)	Owned/leased and managed (reported)
(in local currency)	(%)	(Change in points)		(% change)		(% change)	(% change)	(% change)
France	64.5%	(2.4)	120	+2.6%	77	(1.0)%	(0.9)%	+0.4%
Germany	66.8%	(0.1)	89	+5.5%	60	+5.3%	+4.8%	+5.2%
Netherlands	67.9%	(1.6)	89	(0.7)%	60	(3.0)%	(3.1)%	(2.5)%
Belgium	73.5%	+2.8	98	(3.3)%	72	+0.6%	+0.5%	+1.1%
Spain	57.7%	(0.4)	72	(2.8)%	42	(3.4)%	(6.1)%	(0.8)%
Italy	59.9%	(1.6)	91	+0.3%	54	(2.4)%	(3.2)%	(1.8)%
United Kingdom	78.4%	(1.4)	84	+3.0%	66	+1.2%	+0.9%	+2.3%

(1) At constant scope of consolidation and exchange rates.

Economy Hotels: 2012 RevPAR excluding tax by country

	Occupancy rate		Average room rate		RevPAR			
	Owned/leased (reported)		Owned/leased (reported)		Owned/leased (reported)		Owned/leased (like-for-like) (1)	Owned/leased and managed (reported)
(in local currency)	(%)	(Change in points)		(% change)		(% change)	(% change)	(% change)
France	69.7%	(2.3)	55	+3.1%	38	(0.2)%	(1.6)%	+0.1%
Germany	70.5%	(0.7)	57	+3.5%	40	+2.4%	+2.9%	+2.1%
Netherlands	72.8%	(1.1)	73	(0.8)%	53	(2.3)%	(4.9)%	(2.3)%
Belgium	75.6%	+1.8	63	(3.2)%	48	(0.8)%	(0.3)%	(0.8)%
Spain	51.7%	(5.6)	48	(0.8)%	25	(10.5)%	(12.4)%	(10.5)%
Italy	67.5%	(1.8)	55	(3.8)%	37	(6.4)%	(2.9)%	(6.7)%
United Kingdom	77.6%	+0.2	48	+3.9%	37	+4.2%	+3.2%	+4.7%

(1) At constant scope of consolidation and exchange rates.

Other businesses

Revenue from Other businesses rose 4.1% like-for-like but contracted 17.5% as reported, primarily due to the sale of Lenôtre on September 22, 2011.

EBITDAR

EBITDAR (earnings before interest, taxes, depreciation, amortization and rental expense) represents a key financial performance indicator.

Consolidated EBITDAR amounted to €1,788 million in 2012, representing a 1.9% like-for-like gain for the year that may be analyzed as follows:

- Like-for-like growth €33 million;
- Expansion (owned and leased hotels only) €33 million;
- Currency effect €19 million;
- Disposals €(56) million.

EBITDAR by business

(in million of euros)	2011	2012	% change	% change like-for-like (1)
Hotels	**1,731**	**1,774**	**+2.5%**	**+1.8%**
Upscale and Midscale	1,008	1,017	+1.0%	+1.2%
Economy	723	757	+4.6%	+2.5%
Other businesses	**28**	**14**	**(48.3)%**	**+10.2%**
TOTAL	**1,759**	**1,788**	**+1.7%**	**+1.9%**

(1) At constant scope of consolidation and exchange rates.

EBITDAR represented 31.7% of consolidated revenue in 2012, a year-on-year increase of 0.1 point as reported and a decline of 0.3 point like-for-like.

In the **Upscale and Midscale segment**, EBITDAR margin was stable at 28.8% of revenue (down 0.1 point as reported and 0.5 point like-for-like). This represented a satisfactory performance given, in particular, the renovation of several Pullman hotels and the continued deterioration in the Southern European economies.

In the **Economy segment**, EBITDAR margin stood at a record high 38.6%, up 0.4 point as reported and stable like-for-like, supported by robust demand and the segment's sustained development under asset-light agreements, particularly in emerging markets. A total of 15,000 rooms were opened in the ibis family during the year.

EBIT

EBIT, corresponding to EBITDAR after depreciation, amortization, provisions and rental expense, improved by 3.0% like-for-like to €526 million from €515 million in 2011. The increase may be analyzed as follows:

(in million of euros)	2011	2012	% change	% change like-for-like (1)
EBITDAR	1,759	1,788	+1.7%	+1.9%
Rental expense	(903)	(938)	(3.9)%	(2.2)%
Depreciation, amortization and provision expense	(341)	(324)	+4.6%	+0.6%
EBIT	**515**	**526**	**+2.0%**	**+3.0%**

(1) At constant scope of consolidation and exchange rates.

Depreciation, amortization and provisions declined during the year due to the positive impact of the asset management program, which offset the deployment of the ibis megabrand and the acquisitions-related depreciation and amortization expense.

Rental expense rose by 2.2% like-for-like, primarily as a result of the proportion of variable-rate leases and especially the fact that in Latin America and Asia-Pacific, certain variable rents are calculated as a percentage of EBITDAR, which rose sharply during the year.

Operating profit before tax and non-recurring items

Operating profit before tax and non-recurring items – corresponding to EBIT less net financial expense plus share of profit of associates – represents the result of operations after the cost of financing Group businesses and before tax.

Operating profit before tax and non-recurring items rose to €468 million from €428 million in 2011, a like-for-like gain of 4.1% that partly reflected the significant improvement in net finance expense, to €75 million from €92 million in 2011, due to a reduction in the average cost of debt.

(in million of euros)	2011	2012	% change	% change like-for-like [1]
EBIT	515	526	+2.0%	+3.0%
Net financial expense	(92)	(75)	+19.5%	+9.7%
Share of profit of associates	5	17	+240.1%	(138.4)%
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS	**428**	**468**	**+9.4%**	**+4.1%**

(1) At constant scope of consolidation and exchange rates.

Net financial expense amounted to €75 million, versus €92 million in 2011. Total fixed asset holding costs (rental expense plus depreciation, amortization, provision expense and interest) stood at €1,337 million, compared to €1,336 million in 2011, and represented 23.7% of revenue, versus 24.0% in 2011.

Share of profit of associates rose to €17 million from €5 million in 2011, positively impacted by the profit from Sofitel in the United States following the sale of the Sofitel Chicago (€15 million share), the Sofitel San Francisco (€8 million share) and the Sofitel Miami (€1 million share).

Net profit/(loss), Group share

(in million of euros)	2011	2012
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS	428	468
Restructuring costs	(38)	(40)
Impairment losses	(64)	(119)
Gains and losses on management of hotel properties	105	11
Gains and losses on management of other assets	6	(81)
OPERATING PROFIT BEFORE TAX	437	239
Income tax expense	(166)	(143)
Profit or loss from discontinued operations	(221)	(679)
NET PROFIT/(LOSS)	50	(584)
NET PROFIT/(LOSS), GROUP SHARE	**27**	**(599)**
EARNINGS/(LOSS) PER SHARE (in euros)	**0.12**	**(2.64)**
NET PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	23	15

Net profit excluding the impact of the Motel 6 disposal was €80 million.

Reported net profit was impacted by **the non-recurring €679 million accounting loss on the Motel 6 disposal,** including asset write-downs and the exercise of call options on fixed-lease hotels. As a result of this non-recurring loss, Accor posted a net loss of €599 million.

Restructuring costs totaled €40 million for the year, compared with €38 million in 2011. In both years, they primarily comprised costs related to the various reorganization programs.

Impairment losses, in an amount of €119 million in 2012 versus €64 million in 2011, mainly corresponded to €83 million in impairment of property, plant and equipment, including €7 million relating to such assets held for sale.

Gains and losses on the management of hotel properties, corresponding to capital gains and losses on disposals of hotel assets, represented a net gain of €11 million, versus €105 million in 2011. The 2012 figure primarily comprised i) a €26 million capital gain on the sale and franchise-back on 29 hotels in France; ii) an €18 million capital gain on a sale and franchise-back transaction in South Africa, as part of the sale of a 52.6% interest in Hotel Formula 1 to Southern Sun Hotels; iii) a €16 million capital gain on the sale and management-back of the Novotel New York; and iv) a €10 million capital gain on the sale and management-back of the Sofitel Paris La Défense. These gains were attenuated by i) an €11 million capital loss on the sale and management-back of the Pullman Paris Tour Eiffel and ii) a €47 million aggregate capital loss on the sale of five hotels in Germany and one hotel in the Netherlands.

The net €81 million **loss on management of other assets primarily** included €50 million in costs related to the ibis megabrand project to overhaul the entire Economy brand line-up under the ibis umbrella brand and €13 million in acquisition fees paid during the year.

Income tax expense (excluding tax on the profits of associates and discontinued operations) came to €143 million versus €166 million in 2011. The effective tax rate (expressed as a percentage of operating profit before tax and non-recurring items taxable at the standard rate) was 28.5%, compared with 28.8% the year before.

After non-controlling interests amounting to €15 million, Accor ended the year with **net loss, Group share** of €599 million, versus a net profit, Group share of €27 million in 2011. The 2012 figure included the €679 million non-cash capital loss on the disposal of Motel 6/Studio 6.

As a result, the **loss per share**, based on the weighted average 227,265,626 shares outstanding in 2012, amounted to €2.64, compared with earnings per share of €0.12 for the previous year.

Dividend and payout ratio

	2011	2012	% change
Operating profit before non-recurring items, net of tax (1) (in million of euros)	**296**	**345**	**+16.6%**
Weighted average shares outstanding (in millions)	227	227	-
Operating profit before non-recurring items, net of tax per share (in euros)	1.30	1.52	+16.9%
Ordinary dividend per share (in euros)	**0.65**	**0.76** (2)	**+16.9%**
Ordinary dividend payout (in million of euros)	**148**	**173**	**+16.9%**
Payout ratio (3)	50%	50%	-
Special dividend per share (in euros)	**0.50**	**-**	**N/A**

(1) Operating profit before tax and non-recurring items less operating tax, less non-controlling interests.
(2) Submitted for approval at the Combined Annual and Extraordinary Shareholders' Meeting of April 25, 2013.
(3) Based on operating profit before non-recurring items, net of tax.

At the Annual Meeting on April 25, 2013, shareholders will be asked to approve the payment of a dividend of €0.76 per share, compared with €1.15 the year before.

Financial flows

(in million of euros)	2011	2012
Funds from operations excluding non-recurring transactions	670	694
Renovation and maintenance expenditure	(268)	(299)
Expansion expenditure	(203)	(245)
RECURRING FREE CASH FLOW	199	150
Acquisitions	(9)	(410)
Sofitel Los Angeles	-	(21)
Sofitel Rio deposit	(79)	-
ibis megabrand	(4)	(38)
Proceeds from disposals of hotel assets	396	352
Proceeds from disposals of other assets	106	19
Dividends	(155)	(269)
Proceeds from issue of share capital, net	11	3
Decrease/(increase) in working capital	(19)	(158)
Change in % interest in subsidiaries (buyout of non-controlling interests in Italy and in Orbis)	(50)	(6)
Other	(81)	(59)
Cash flow from discontinued operations	190	242
DECREASE/(INCREASE) IN NET DEBT	**504**	**(195)**

Funds from operations rose to €694 million from €670 million in 2011. **Recurring expansion expenditure** amounted to €245 million for the year, while **maintenance and renovation expenditure** totaled €299 million, including €39 million related to the ibis megabrand project.

Proceeds from the disposal of hotel assets increased consolidated cash flow by €352 million during the year. On the other hand, the acquisitions of Mirvac for €193 million and of Grupo Posadas' Latin American operations for €217 million, combined with the payment of €114 million in a special dividend and the €158 million negative change in working capital requirement, had a €195 million impact on consolidated debt, with the result that **net debt amounted to €421 million** at December 31, 2012.

As of December 31, 2012, Accor had **€1.5 billion in unused, confirmed long-term lines of credit**. In addition, the Group optimized its cost of debt over the year with the successful issue of €600-million in 2.875% bonds, with a further €100 million tranche added in September. The €700 million will be used in 2013 to retire €700 million in bonds and other loan debentures carrying an average 6.14% in interest, thereby leading to a significant decrease in finance costs.

Financial ratios

In general, the main financial ratios improved in 2012, reflecting the Group's transformation.

Gearing

Net debt totaled €421 million at December 31, 2012 compared with €226 million at year-end 2011, while gearing stood at 14.1% versus 6% a year earlier.

Funds from operations excluding non-recurring transactions/Adjusted net debt

The ratio of funds from operations excluding non-recurring transactions to adjusted net debt is calculated according to a method used by the main rating agencies, with net debt adjusted for the 7% [1] discounting of future minimum lease payments.

The ratio stood at 28.5% at December 31, 2012, versus 26.0% a year earlier.

It is analyzed in the consolidated financial statements.

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

Return on capital employed

Return on capital employed (ROCE), corresponding to EBITDA expressed as a percentage of fixed assets at cost plus working capital, amounted to 14% in 2012, versus 13.9% in 2011. This ratio is also analyzed in the consolidated financial statements. ROCE improved to **11.4%** in the Upscale and Midscale segment, thanks to the successful deployment of the asset disposal program, and ended the year stable at **19.5%** in the Economy segment, reflecting the roll-out of the ibis megabrand and the ongoing room renovation work in ibis budget hotels.

Value creation

Value created is calculated as follows:

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

Based on an ROCE after tax of 11.49%, a weighted average cost of capital of 8.90% in 2012 and capital employed of €6.36 billion, the Economic Value Added (EVA) created by Accor totaled €164 million in 2012, versus €108 million in 2011.

P&L Performance reporting system

To support the shift in the business model to managed and franchised hotels, a new financial reporting system known as P&L Performance was introduced in 2010 to analyze Accor's performance as a network manager and hotel operator.

P&L Performance tracks income statement data based on the following profit or cost centers:

1) franchise operations, through which all of the hotels – whether owned, leased, managed or franchised – can leverage the Accor brands and their reputation in return for a management fee;

2) management operations, through which Accor transfers its hotel operating expertise and experience to the owned, leased or managed hotels in return for a management fee;

3) sales and marketing operations, through which Accor provides all of the owned, leased, managed, and franchised hotels with services relating to distribution systems, the loyalty program, sales programs and marketing campaigns in return for a sales and marketing fee;

4) hotelier operations for owned and leased hotels, all of whose revenue and earnings accrue to Accor;

5) unallocated operations, which primarily include the corporate departments.

The system analyzes the following indicators:

(a) business volume;

(b) revenue;

(c) EBITDAR;

(d) EBIT.

Targets for margin, flow-through ratio and earnings have been set for some of these indicators.

Business volume in the hospitality operations corresponds to the aggregate of:

a) total revenue generated by owned and leased hotels;

b) total revenue generated by managed hotels;

c) total accommodation revenue generated by franchised hotels.

As Accor does not receive all of the above revenues, the business volume indicator cannot be reconciled with the indicators presented in the consolidated financial statements.

However, it does provide a yardstick to measure growth in the Accor network, making it a key indicator for management.

P&L Performance for 2011 and 2012 was as follows:

	Management & franchise (1)		Sales & Marketing Fund (1)		Owned & Leased		Not allocated platform & intercos		Total	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Gross Revenue	9,866	11,095	N/A	N/A	4,941	4,943	184	152	10,051	11,247
o/w Revenue(1)	597	665	287	339	4,941	4,943	(256)	(298)	5,568	5,649
EBITDAR	317	350	(1)	1	1,426	1,437	16	0	1,758	1,788
Contributive margin	*53.5%*	*52.6%*	*(0.0)%*	*0.4%*	*29.0%*	*29.1%*	*N/A*	*N/A*	*31.6%*	*31.7%*
EBIT	317	350	(1)	1	241	229	(42)	(54)	515	526
EBIT margin	*53.5%*	*52.6%*	*(0.0)%*	*0.4%*	*4.9%*	*4.6%*	*N/A*	*N/A*	*9.3%*	*9.3%*

(1) Including fees from owned and leased hotels.

4.2. REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

ACTIVITIES OF ACCOR SA

Accor SA owns the Pullman, Novotel, Suite Novotel, Mercure, ibis Styles, ibis, Formule 1/ibis *budget*, and hotelF1 brands, and receives royalties from their licensing. It also owns Hotels businesses in France and holds most of the hotel management contracts and franchise agreements in the country.

Accor SA provides other Group companies with hotel management, purchasing, cash management, IT and advertising services, as well as various advisory services, and assigns staff to them as required. Billings for these services correspond either to a percentage of the hotel's revenue and/or profit, either as a flat fee or a fee per service. They are determined on an arm's length basis.

As the Group's holding company, Accor SA manages a substantial portfolio of equity interests, receives dividends from subsidiaries and leads the Group's expansion.

At December 31, 2012, the following hotels were managed by French subsidiaries under business leases: two Sofitel, 48 Mercure, 12 Suite Novotel, one ibis Styles, three ibis, and one ibis *budget*.

Review of 2012 results

Revenue from all of the Company's operations amounted to €753.3 million in 2012, versus €724.9 million the year before. The 3.92%, or €28.4 million, increase reflected the €12.7 million growth in revenue from hotel management operations and the €23.2 million gain from the overhaul of the distribution model, which offset the €7.5 million decline in rental income due to the ongoing deployment of the Group's asset-right strategy.

Revenue includes hotel royalties, rental and business-lease revenue and service fees.

Accor SA revenue by source

(in million of euros)	2011	2012	% of total
Royalties from subsidiaries	316	336	45%
Service fees (1) (2)	226	229	30%
Rental and business-lease revenue	88	80	11%
Royalties from non-Group companies	81	95	13%
Guarantee fees	14	12	2%
TOTAL	**725**	**753**	**100%**

(1) Services provided by Accor SA include corporate services, purchasing, technical support, accounting fees and back-office systems.
(2) Distribution income has been reclassified as royalties from owned and leased hotels and royalties from non-Group companies.

Other income, expense transfers and reversals of depreciation, amortization and provisions amounted to €28.2 million in 2012, compared with €37.1 million in 2011.

The €8.9 million decrease corresponded primarily to the reversal of €10.7 million in provisions recognized in 2011 for restructuring and post-employment benefits, as well as €8.5 million in expense transfers on the syndicated credit facility, which were offset in 2012 by the capitalization of €5.3 million in development costs for online distribution applications and by the €5.0 million proceeds from the sale to Accor North America of rights to use the Fols front office application in the United States.

Operating expenses rose by €51.8 million to €734.5 million from €682.7 million the year before, primarily due to the costs and fees incurred on strategic projects (€12.1 million), the overhaul of the Group's distribution model (€23.7 million), and the repositioning of the ibis brands (€9.1 million). In addition, in compliance with French legislation, payment of the 2011 dividend gave rise to a mandatory "profit-sharing bonus" in an amount of €5.0 million, which was recognized in the first half.

Operating profit stood at €46.9 million compared to €79.3 million in 2011, a decline of €32.4 million.

Net financial expense amounted to €639.6 million, a €1,289.0 million swing from the €649.4 million in net financial income reported in 2011.

Total provision movements included in net financial expense, corresponding mainly to write-downs of investments in subsidiaries, represented a net charge of €719.4 million against a €221.8 million net charge in 2011. The most material additions to these provisions resulted from the sale of Motel 6, which led to the write-down of the shares held by the Company in ALNA (€370.5 million) and IBL (€212.6 million).

Income from investments in subsidiaries and affiliates totaled €216.8 million, versus €1,023.1 million in 2011. The main dividend payments received during the year were from CIWLT (€36.4 million), Accor UK (€31.1 million), Accor Hotels Belgium (€18.3 million), Accor Suisse (€11.7 million) and Profid (€12.4 million).

The recurring loss before tax came to €592.6 million, compared with a profit of €728.7 million in 2011.

Net non-recurring expense stood at €23.7 million, compared with income of €17.6 million in 2011. It primarily included the €17.5 million capital gain arising on the sale of shares in the Formula 1 subsidiary in South Africa and the €13.3 million in grants to hotels to cover the cost of changing the ibis brands, as well as a €7.5 million provision recorded for tax risks and a €15.4 million provision for impairment of the Caesar Park, Caesar Business and all seasons brands. In 2011, the total mainly included capital gains on the sale of shares in hotel companies and on the disposal of two Novotel units and the Pullman Bercy for €27.1 million, as well as a €10.9 million provision recorded for tax risks.

The Company recorded **an income tax benefit** of €33.7 million in 2012, compared with a benefit of €21.2 million in 2011.

At December 31, 2012, the French tax group headed by Accor SA comprised 78 companies compared with 87 a year earlier.

Accor SA ended the year with a **net loss** of €584.4 million, versus a net profit of €770.7 million in 2011.

Non-deductible provisions and accrued expenses carried in the balance sheet at December 31, 2012 amounted to €116.6 million, versus €64.5 million at the previous year-end.

In 2012, Accor paid an **ordinary dividend** of €0.65 per share, and a **special dividend** of €0.50 per share, for a total payout of €261.3 million. The ordinary dividend paid in 2011 was €0.62 per share.

Details of the other directorships and positions held by the Company's directors and officers, as well as their compensation, are provided in the Corporate Governance section, on page 79.

Payment schedule for Accor SA's trade payables

(in million of euros)	Accrued payables	< 30 days	30-60 days	> 60 days
Trade payables	-	20.9	8.4	-
Accruals for goods and services received but not invoiced	124.8	-	-	-
TOTAL	**124.8**	**20.9**	**8.4**	**-**

2012 business review

Accor disposed of its entire interest in **Formula 1** for €19.3 million, giving rise to a capital gain of €17.5 million.

Accor sold its entire interest in **SH 18 Suffren** to **Société Hôtelière Tour Eiffel** for €0.6 million, giving rise to a capital loss of €17.6 million, offset by a €13.7 million provision reversal. It then purchased €5.5 million worth of new shares issued by **Société Hôtelière Tour Eiffel,** in which it now owns a 5.0% stake.

Accor received returns of capital from its **Accor Lodging North America** and **Accor Canada** subsidiaries, in an amount of €184.6 million and €10.9 million respectively.

Accor acquired five subsidiaries from the **Posadas Group** for €184.8 million, as well as the **Caesar Park** and **Caesar Business** brands and domain names for €10.4 million, It also recapitalized **Turambar,** the largest of the subsidiaries acquired, for €17.0 million.

Accor acquired an additional 24.99% stake in its **WBA Saint Honoré** subsidiary for €15.1 million, raising its total interest to 53.6%.

Accor increased its stake in **Orbis** for €5.6 million, raising its total interest to 47.7%.

Accor also took up all of the new shares issued by its **Accor Participazioni Italia** subsidiary for €20.0 million.

Accor recapitalized its **Belle Rivière Hôtel** subsidiary for €9.6 million.

The liquidation of the **SCI Anbo**, **SCI des hôtels Roissy et Orléans**, **SCI Carnan**, **Accor Réservation Services GmbH**, **Newco Mercure GmbH** and **Accor.com** subsidiaries gave rise to a capital loss of €77.9 million, offset by €74.5 million in provision reversals.

The merger of subsidiaries **Société Internationale des Hôtels Novotel**, **SGHP**, **Frantour** and **Mercure International Hôtels** (into which **Sogetel** had previously been merged) with the **The Newgen Hôtels France** subsidiary created the **Société des Hôtels Novotel et Mercure,** in which Accor now owns an 82.9% stake.

The ibis megabrand project

To step up its strategic expansion, Accor announced in summer 2011 that it planned to reposition certain brands. The resulting "**ibis megabrand**" project is now transitioning **ibis**, **all seasons** and **Etap Hotel** into a new family of three strong brands, known respectively as **ibis, ibis Styles** and **ibis *budget***.

As part of this process, Accor SA has undertaken to subsidize the costs incurred by its franchised, managed, owned and leased hotels to deploy these brands' visual identities. These grants totaled €13.3 million in 2012.

Hotel transactions

The sale of five Novotel units (Ury, Besançon, Colmar, Nancy Sud and Nancy Ouest) and of the Mercure Chamonix gave rise to a capital gain of €4.1 million.

Transactions in Accor SA shares

In 2012, Accor paid a cash dividend for 2011 amounting to €1.15 per share, representing an aggregate payout of €261.3 million.

Equity increased following the issuance of 26,526 shares on exercise of stock options and stock savings warrants.

This increased the share capital by €79,578 and additional paid in capital by €514,898.

All these transactions are described in further detail on page 312 of the Registration Document.

The Company's ownership structure is described in the "Capital and Ownership Structure" section on page 314.

Financing and investing transactions

In 2012, Accor issued €700 million in five-year, 2.875% bonds. It also has €308 million in private placement financing maturing in 2013, as well as €1,046 million in funds from the three bond issues carried out in 2009 with maturities of five and eight years.

In addition, it has a five-year, €1.5 billion syndicated credit facility arranged in 2011, €1,354.4 million in term deposits and €293.9 million in cash and cash equivalents.

Information about subsidiaries

Accor SA owns 50% or more of the capital of 138 companies. The main equity interests, based on net value, are as follows:

- **Accor Hotels Belgium** (€1,002.3 million net) is the Belgian company that operates the hotels in Belgium and also owns interests in **Accor Asia** (100%), **AAPC**, the holding company for the Accor Group's Hotels business in Australia (81.9%), Portugal-based hotel operator **AHS** (50.0%), **Accor Hoteles España** (83.1%), **Groen Brugge Hotel** (99.9%) and **Accor Hotels Luxembourg** (100%).

  Accor Hotels Belgium reported a net profit of €11.5 million in 2012, versus €21.4 million in 2011.

- **Accor Hospitality Germany** (€518.4 million net) is the German company that operates 340 hotels in Germany.

  In 2012, it reported a net profit of €10.2 million, versus €38.1 million in 2011.

- **IBL** (€400.1 million net) owns 37.9% of **Accor Lodging North America**, the holding company for the Hotels business in the United States. It does not have any other activities. IBL's profit varies depending primarily on the interest income received from Accor on current account advances and on the amount of any dividends received from Accor Lodging North America.

  In 2012, it reported a net loss of €222.6 million, compared with a loss of €118.1 million in 2011. The deterioration stemmed mainly from a €226.0 million addition to provisions recorded during the year to write down IBL's investment in ALNA. Consequently, IBL did not pay any dividends to Accor SA during the year.

- **CIWLT** (€381.6 million net). Compagnie Internationale des Wagons-Lits et Tourisme (CIWLT) is a Belgian company that provides on-board train services in Europe through its subsidiary **Treno** (100%) and owns stakes in **SFPTH Mercure** (100%) in France and in **Macor** (30.5%) and **Accor Hotels SAE** (99.99%) in Egypt. CIWLT paid €36.4 million in dividends to Accor in 2012.

  It reported a net profit of €5.0 million in 2012, versus €49.7 million in 2011.

- **Accor Lodging North America** (€37.1 million net) is the holding company for the Hotels business in the United States.

In 2012, it reported a net loss of €0.3 million, versus a net loss of €0.4 million in 2011.

The other interests held by Accor SA are listed in the table of subsidiaries and affiliates presented after the parent company financial statements on page 302.

4.3. MATERIAL CONTRACTS

During 2012, material contracts (other than contracts entered into in the ordinary course of business) corresponded to agreements signed in relation to disposals, acquisitions, organic growth and real estate transactions, as described in note 2, paragraphs A to B, and in note 40 to the consolidated financial statements, pages182 and 264 below.

4.4. SIGNIFICANT EVENTS OF EARLY 2013

The following significant events have occurred since the end of 2012.

Resignation of a director

Effective December 31, 2012, Franck Riboud resigned from the Board of Directors in order to comply with the recommendation limiting the number of directorships that should be held by an executive director, in accordance with good corporate governance practices. Mr. Riboud had been an independent director since January 9, 2006 and previously served on the Supervisory Board since July 3, 2001.

Creation of a Property Management Department and changes in the Executive Committee

Gilles Bonnier was appointed Global Chief Asset and Investments Officer, effective March 18, 2013. He is a member of the Executive Committee, responsible for defining and managing the Group's real-estate strategy with the goal of facilitating the shift in Accor's organization to a more efficient, less capital-intensive business model.

As a result, the Accor Executive Committee, led by **Denis Hennequin**, now comprises the following members:

- **Yann Caillère**, President and Chief Operating Officer;
- **Dominique Esnault**, Global Chief Operations Support Officer;
- **Sophie Stabile**, Global Chief Financial Officer;
- **Gilles Bonnier**, Global Chief Asset and Investments Officer;
- **Grégoire Champetier**, Global Chief Marketing Officer;
- **Pascal Quint**, Corporate Secretary;
- **Antoine Recher**, Global Chief Human Resources Officer.

Agnès Caradec, Executive Vice-President, Corporate Communications and External Relations, attends Executive Committee meetings to ensure the smooth flow of information and to proactively anticipate the Group's communication challenges.

Sale and management back of the Sofitel Paris Le Faubourg for €113 million

As part of the asset management strategy, the Sofitel Paris Le Faubourg has been sold to Mount Kellet Capital Management LP under a sale and management-back agreement for a total value of €113 million (€769,000 per room), including a €13-million renovation program. The flagship hotel, with 147 rooms and suites, will continue to be operated by Accor under a long-term management agreement. It will remain open during the renovation program, scheduled for 2014.

Reassessment of withholding tax

As part of the dividend withholding tax dispute with French tax authorities (see note 39 to the consolidated financial statements, page 262), on April 5, 2013, Accor will pay the French State a total of €184.7 million, corresponding to the refund of a portion of the précompte withholding tax paid in respect to 1999, 2000 and 2001, along with the late interest received in 2007.

Launch of a bond issue

On March 15, 2013, Accor took advantage of favorable conditions on the credit market, at a time of low interest rates, to successfully place a six-year bond issue for an amount of €600 million with an annual coupon of 2.5%.

5

Financial statements

5.1. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2012

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the consolidated financial statements and includes explanatory paragraphs discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by the Annual Shareholders' Meeting, we hereby report to you for the year ended December 31, 2012 on:

- the audit of the accompanying financial statements of Accor;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements, based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position and assets and liabilities of the Group at December 31, 2012, and of the results of its operations for the year then ended, in accordance with the IFRSs as adopted by the European Union.

II. Justification of our assessments

In compliance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- notes 1.E.4 and 1.E.6 to the consolidated financial statements describe the policies and methods used to account for leases and sale-and-leaseback transactions, and the accounting policies and methods used to determine the recoverable amount of property, plant and equipment and intangible assets, including goodwill. We have verified the appropriateness of these accounting policies and methods and of the related disclosures provided in the notes to the consolidated financial statements. We have also examined the consistency of the data and assumptions used and the supporting documentation, and on these bases assessed the reasonableness of the estimates made;
- notes 2.A.1 and 17 to the consolidated financial statements describe the accounting impacts of the sale of the "US Economy Hotels" division on the 2012 financial statements. This sale gave rise to a €679 million capital loss but had a €249 million positive effect on consolidated net debt at December 31, 2012. As part of our assessment of the accounting rules and principles applied by the Accor Group, we have verified the appropriateness of the accounting treatment applied to this sale and of the related disclosures provided in the notes to the consolidated financial statements;
- note 39 to the consolidated financial statements describes the legal proceedings currently underway regarding the tax audits of CIWLT and claims relating to the dividend withholding tax. This note describes Management's positions concerning these disputes. Our work consisted of assessing the reasonableness of the elements on which these positions are based and verifying that the note to the consolidated financial statements provides appropriate disclosures.

These assessments were made in the context of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

III. Specific verification

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report. We have no matters to report as to its fair presentation and consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense – March 4, 2013

The Statutory Auditors

French original signed by:

Deloitte & Associés Pascale Chastaing-Doblin	Ernst & Young et Autres Jacques Pierres

5.2. CONSOLIDATED FINANCIAL STATEMENTS

5.2.1. 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 FROM CONTINUING OPERATIONS		271	95	52
Net Loss from discontinued operations	17	(221)	(679)	(2)
NET PROFIT OR LOSS		**50**	**(584)**	**50**
Net Profit, Group Share from continuing operations		248	80	29
Net Loss, Group Share from discontinued operations		(221)	(679)	(2)
Net Profit or Loss, Group Share		**27**	**(599)**	**27**
Net Profit, Minority interests from continuing operations		23	15	23
Net Profit or Loss, 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.

5.2.2. STATEMENTS OF COMPREHENSIVE INCOME

(in million of euros)	Notes	2011*	2012	2011 Published
NET PROFIT OR LOSS		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).*

5.2.3. CONSOLIDATED BALANCE SHEETS

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

(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 or loss, 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**

5.2.4. 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.

5.2.5. 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 Loss	-	-	-	-	-	-	-	(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 dividend 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 outstanding 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 (see note 25)	**227,265,626**
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 (see note 25)	**227,265,626**

5.2.6. 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 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.

5.2.7. 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 (1)	(302)	(326)	(323)
Effect of exchange rate on capital employed (2)	(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.*

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

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

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

	Dec. 2011*		Dec. 2012		Dec. 2011 published	
	Capital Employed	ROCE	Capital Employed	ROCE	Capital Employed	ROCE
Business	(in million of euros)	%	(in million of euros)	%	(in million of euros)	%
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.*

5.2.8. 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 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.

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 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: ◗ 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. ◗ 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. ◗ 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. ◗ 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 and 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 not 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:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or
- 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 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 (with rental commitments discounted at the rate of 7%), the impact on adjusted net debt was a favorable €796 million.

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 euros	(4) million euros	-
	CARLSON WAGONLIT TRAVEL	Accor's total 50% interest	334 million euros (465 million dollars)	90 million euros	-
	CLUB MEDITERRANEE	17.50%	152 million euros	(6) million euros	11.43%
2007	**CLUB MEDITERRANEE**	1,049,719 shares or 5.43%	45 million euros	4 million euros	6%
	GO VOYAGES	Accor's total 100% interest	281 million euros	204 million euros	-
	RESTAURATION COLLECTIVE - ITALIE	Accor's total 94.64% interest	135 million euros	16 million euros	-
2008	**RESTAURATION COLLECTIVE - BRESIL**	Accor's total 50% interest	114 million euros	32 million euros	-
2009	**CLUB MEDITERRANEE**	1,162,630 shares or approximately 4%	12 million euros	(3) million euros	-
2010	**EDENRED (ex-Services division)**	Demerger on July 2, 2010	2,937 million euros**	4,044 million euros	-
2011	**GROUPE LUCIEN BARRIERE**	(see note 2.A.2.1)	268 million euros	5 million euros	-
	LENÔTRE	(see note 2.A.2.3)	41 million euros	23 million 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.

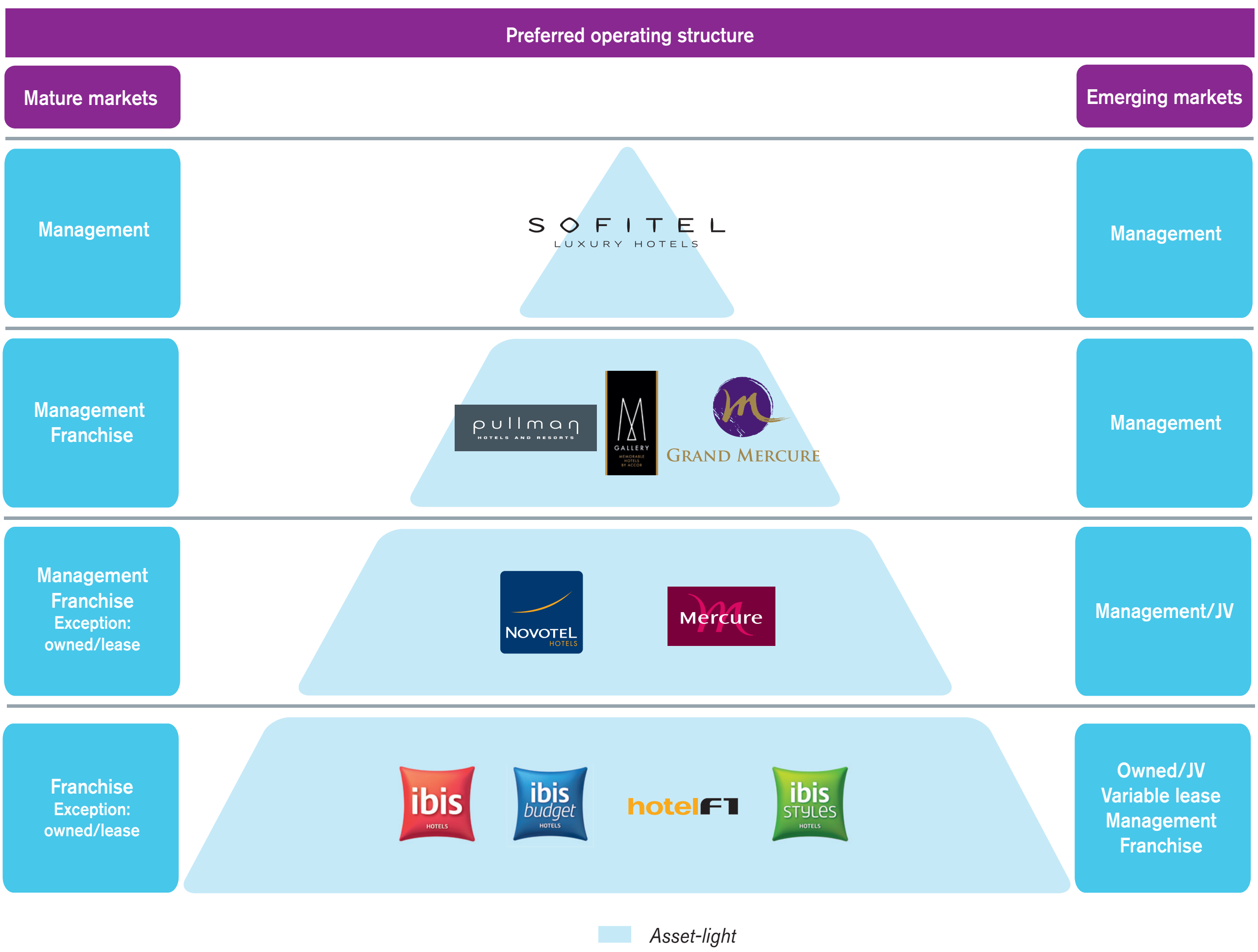
A.3. Property Strategy

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 and 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 and 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 €24 million. The transaction terms provide for the execution of a €12 million renovation program, €7 million 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 Hôtelière 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 and 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 asset 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, Japan, 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 (including €3 million loan repayment). 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 SA shares for a total of €500 million**. This program was carried out pursuant to the authorization granted at the Shareholders' Meeting held on January 9, 2006, which capped the buy-back price at €62 per share. During 2006, Accor bought back and cancelled 10,324,607 shares. These shares were acquired at a total cost of €481 million, representing an average price per share of €46.56. As of December 31, 2006, a further 332,581 shares had been bought back at a total cost of €19 million. These shares were cancelled at the beginning of January 2007;
- **on May 14, 2007, Accor announced a second program to buy back Accor SA shares for a total of €700 million**. This program was carried out pursuant to the authorization granted at the Shareholders' Meeting held on May 14, 2007, which capped the buy-back price at €100 per share. During 2007, Accor bought back and cancelled 10,623,802 shares. These shares were acquired at a total cost of €700 million, representing an average price per share of €65.89;

- **on August 28, 2007, Accor announced a third program to buy back Accor SA shares for a total of €500 million**. This program was carried out pursuant to the authorization granted at the Shareholders' Meeting held on May 14, 2007, which capped the buy-back price at €100 per share. During the second half of 2007, Accor bought back 8,507,150 shares at a total cost of €500 million, representing an average price per share of €58.78. As of December 31, 2007, 1,300,000 shares had been cancelled. The remaining 7,207,150 shares were cancelled during the second half of 2008;
- **on August 25, 2008, Accor announced a fourth program to buy back Accor SA shares**. This program was carried out pursuant to the authorization granted at the Shareholders' Meeting held on May 13, 2008, which capped the buy-back price at €100 per share. During the second half of 2008, Accor bought back and cancelled 1,837,699 shares at a total cost of €62 million, representing an average price per share of €33.70.

Moreover, in 2007, the Group paid a special dividend of €1.50 per share on the 224,233,558 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
Suite Novotel	1	8	9	4	7	29
Mercure	40	77	88	219	380	804
Adagio	2	7	1	25	1	36
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
Suite Novotel	174	1,238	1,129	488	592	3,621
Mercure	5,188	12,479	13,162	34,115	34,909	99,853
Adagio	207	817	133	3,131	111	4,399
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
Suite Novotel	19	8	-	-	2	29
Mercure	244	303	149	77	31	804
Adagio	28	8	-	-	-	36
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	Africa Middle East	North America	Other countries	Total
Sofitel	1,593	4,601	11,295	1,327	5,522	2,893	8,415	27,231
Pullman	3,723	3,652	11,958	538	2,881	-	2,881	22,752
Novotel	15,520	25,665	23,425	3,027	4,760	2,105	6,865	74,502
Suite Novotel	2,199	1,130	-	-	292	-	292	3,621
Mercure	23,068	38,694	22,932	10,373	4,786	-	4,786	99,853
Adagio	3,529	870	-	-	-	-	-	4,399
ibis	33,361	43,388	22,506	14,090	7,659	-	7,659	121,004
ibis Styles	7,634	3,651	5,114	-	139	-	139	16,538
Adagio Access	4,933	205	-	-	-	-	-	5,138
ibis *budget*	23,919	14,924	2,535	3,213	363	-	363	44,954
Formule 1	-	1,349	-	-	1,690	-	1,690	3,039
HotelF1	18,037	-	-	-	-	-	-	18,037
Other	51	1,314	5,029	2,762	263	-	263	9,419
TOTAL	**137,567**	**139,443**	**104,794**	**35,330**	**28,355**	**4,998**	**33,353**	**450,487**
Total (in %)	*30.5%*	*31.0%*	*23.3%*	*7.8%*	*6.3%*	*1.1%*	*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 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)	Fair Value
Property, plant and equipment	51
Other receivables	18
Deferred tax assets	2
Cash and cash equivalents	1
Debt	(16)
Other payables	(14)

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
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)

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 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. Representatives of Colony Capital and Eurazeo asked the French securities regulator (Autorité des Marchés Financiers - AMF) to waive this requirement in the case of Accor, considering that (i) the 30% threshold had been crossed solely due to a reduction in the number of Accor voting rights that was not the result of any action by them and (ii) they had given an undertaking not to take any action themselves to raise their interest to over 30% of the voting rights. On January 16, the AMF informed Colony Capital and Eurazeo that they would not be required to present a takeover bid.

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)	+20	+31	+1.3%
Asia Pacific	+155	+32	+5.7%
Latin America & Caribbean	+47	+38	+10.8%
Other Countries	+2	+28	+13.8%
Worldwide Structures	+27	+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 €6,0 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	(35)	(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	(16)	(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
Suite Novotel	-	8	-	1	-	8	17
Mercure	5	51	20	16	3	70	165
Adagio	-	7	-	-	1	-	8
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)	Years	(in million of euros)
2013	(428)	2022	(223)
2014	(416)	2023	(206)
2015	(403)	2024	(191)
2016	(383)	2025	(168)
2017	(360)	2026	(147)
2018	(349)	2027	(88)
2019	(333)	2028	(78)
2020	(296)	2029	(66)
2021	(244)	> 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€**	**+2.0%**

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	+10	+13	+121.7%
Worldwide Structures	(21)	(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
The Grand Real Estate	(2)	(2)	(2)
Asia/Australia Hotels	3	(4)	3
Moroccan investment funds (RISMA)	1	(6)	1
Other	3	5	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 31, 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:

				Hotels
December 2012	**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:

					Hotels
December 2011	**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, 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 1 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 carryforwards arising in prior years	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)
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	-
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 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 (see note 2.A.1). Under American group relief rules, Accor retains the benefit of these tax loss carryforwards;
- 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 of 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 of the assets constituting the discontinued operations	5	(234)	5
Tax on profit or loss from discontinued operations	-	-	-
IMPACT OF REALIZED GAINS OR LOSSES	5	(234)**	5
NET 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 1, 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" (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	156	121
Economy (France)		67	67
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	9
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	(1)	-	20
◗ Hotels, Latin America	(2)	-	160
◗ Hotels, Germany	(3)	-	3
◗ Hotels, France	(4)	4	-
◗ Hotels, Africa	(5)	13	-
Disposals	**(6)**	**(27)**	**(9)**
Impairment losses	**Note 13**	**(21)**	**(11)**
Translation adjustment		**4**	**1**
Reclassifications to Property, Plant and Equipment	**(5)**	**-**	**(6)**
Reclassifications to Assets held for sale	**Note 32**	**-**	**(3)**
Other reclassifications and movements		**(4)**	**(27)**
CARRYING AMOUNT AT END OF PERIOD		**712**	**840**

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

(2) 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.

(3) 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.

(4) 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).

(5) 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.

(6) 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:

- *€26 million related to ibis in China and*
- *€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 hotel 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

- *€101 million in lease premiums, of which €88 million corresponding to the value attributed to Orbis's land use rights in Poland.*
- *€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.*
- *€18 million corresponding to entrance fees for hotels included in Grupo Posadas' South American hotel 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 the 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:
- *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.
- *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 recognized in impairment losses or in net loss from discontinued operations	**(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 €50 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

(in million of euros)	Dec. 2011	Dec. 2012
Gross value	158	158
Accumulated impairment losses	(20)	(11)
LONG-TERM LOANS, NET	**138**	**147**

(in 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) for an amount of €28 million.

NOTE 22 INVESTMENTS IN ASSOCIATES

(in million of euros)	Dec. 2011	Dec. 2012
Accor Asia Pacific subsidiaries* (1) (2) (3) (4) (5)	137	162
Moroccan investment fund (RISMA) (6)	41	34
The Grand Real Estate (Sofitel The Grand, Hotels, Netherlands) (Note 2.A.3.2) (7)	6	15
Société Hôtelière Paris Les Halles (8)	11	12
Egyptian investment fund	6	6
Sofitel London St James (Hotels, United Kingdom)	5	6
Sofitel Hotels, USA (25%) (Note 2.A.3.2) (9)	(19)	2
Other	23	26
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 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%

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

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%

(3) Key figures for Ambasstel are as follows:

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%

(4) 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%

(5) 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.

(6) Key figures for Risma are as follows:

Risma (Moroccan investment fund)

(in million of euros)	Dec. 2011	Dec. 2012
Revenue	109	120
Net profit (loss)	2	(18)
Net cash/(Net debt)	(209)	(220)
Equity	116	98
Market capitalization	143	83
Total assets	382	399
% interest held	33.46%	33.21%

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

The Grand Real Estate (Hotels, Netherlands)

Sofitel The Grand (in 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 %.*

(8) 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%

(9) 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) [1]	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%

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

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)	Note	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 "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 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

At December 31, 2012 (in million of euros)	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 03/28/16 until 03/27/20	390	€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 exercise price	Number of options	Weighted average exercise price
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 Before tax	Dec. 2011 Income tax expense	Dec. 2011 Net of tax	Dec. 2012 Before tax	Dec. 2012 Income tax expense	Dec. 2012 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:

			Total debt
(in million of euros)	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:

	Total debt		
(in million of euros)	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

	Total debt	
(in million of euros)	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 [1]	-	-
Money market securities [2]	(1,741)	(1,741)
Mutual fund units convertible into cash in less than three months* [3]	(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).*

(1) Held to maturity investments.

(2) Loans and receivables issued by the Group.

(3) 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 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 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:

	Category in the balance-sheet						Fair value for financial instruments recognized at fair value			
(in million of euros)	Cash and cash equi-valents	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**

* *The fair value hierarchies have the following levels:*

- *Level 1: fair value measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities;*
- *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);*
- *Level 3: fair value measured by reference to inputs for the asset or liability that are not based on observable data (unobservable inputs).*

(in million of euros)	Cash and cash equi-valents	Loans	Receivables on disposals of assets	Other financial investments	Trade receivables	Carrying amount	Level 1*	Level 2*	Level 3*	Fair value of the class
	Category in the balance-sheet						Fair value for financial instruments recognized at fair value			
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**

* *The fair value hierarchies have the following levels:*

- *Level 1: fair value measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities;*
- *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);*
- *Level 3: fair value measured by reference to inputs for the asset or liability that are not based on observable data (unobservable inputs).*

En million of euros	Bank over-drafts	Other long-term financial debt	Short-term debt	Long-term finance lease liabilities	Trade payables	Carrying amount	Level 1*	Level 2*	Level 3*	Fair value of the class
	Category in the balance-sheet						Fair value for financial instruments recognized at fair value			
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**

* *The fair value hierarchies have the following levels:*

- *Level 1: fair value measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities;*
- *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);*
- *Level 3: fair value measured by reference to inputs for the asset or liability that are not based on observable data (unobservable inputs).*

En million of euros	Category in the balance-sheet						Fair value for financial instruments recognized at fair value			
	Bank over-drafts	Other long-term financial debt	Short-term debt	Long-term finance lease liabilities	Trade payables	Carrying amount	Level 1*	Level 2*	Level 3*	Fair value of the class
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS						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:*

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

During the second half of 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 sell 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 (1)	31	33
Disposal group to be sold in China (2)	79	18
Disposal group to be sold in Poland (3)	7	7
Disposal group to be sold in South Africa (4)	34	-
DISPOSAL GROUPS CLASSIFIED AS "HELD FOR SALE"	**151**	**58**
Hotels to be sold in France (5)	83	20
Hotels to be sold in Canada (6)	-	12
Hotels to be sold in Poland (3)	5	12
Hotels to be sold in Australia (7)	-	11
Hotels to be sold in China (2)	2	7
Hotels to be sold in the United States (8)	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".

(1) 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 €33 million. The hotel will be sold in 2013.

(2) 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.

(3) 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.

(4) 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 1, 2012 (see note 2.A.3.3).

(5) At December 31, 2011, 12 hotels had been reclassified as assets held for sale, for an aggregate carrying amount of €83 million 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 which €14 million concerned the Suite Novotel Paris Saint Denis and the Suite Novotel Paris Porte de Montreuil.

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

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

(8) 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	Netherlands	Germany	Belgium	Poland	Europe excluding France Switzerland	Europe excluding France Italy	Worldwide Structures	Other countries
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	Netherlands	Germany	Belgium	Poland	Europe excluding France Switzerland	Europe excluding France Italy	Worldwide Structures	Other countries
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, 2011 (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, 2012 (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

	Dec. 2012						
		Europe excluding France					
(in million of euros)	France	Netherlands	Germany	Belgium	Poland	Switzerland	Italy
PROJECTED BENEFIT OBLIGATION AT THE BEGINNING OF THE PERIOD	18	34	10	12	1	13	4
Current service cost	1	0	0	1	0	1	-
Interest Cost	1	2	0	1	0	0	0
Employee contributions for the period	-	0	-	0	-	1	-
Past services costs not recognized	-	-	-	-	-	-	-
(Gains) losses on curtailments/settlements	(1)	-	-	-	(0)	-	-
Effect of changes in scope of consolidation	(0)	(0)	-	-	-	-	-
Benefits paid during the period	(1)	(1)	(1)	(0)	(0)	(1)	(1)
Actuarial (gains)/losses recognised during the period	8	10	2	3	(0)	0	1
Exchange differences	-	-	-	-	0	0	-
Transfers at beginning of period	-	-	-	-	0	-	-
Other	-	-	-	-	-	-	-
Reclassification of Onboard Train Services in “Assets held for sale”	-	-	-	-	-	-	(0)
PROJECTED BENEFIT OBLIGATION AT THE END OF THE PERIOD	26	44	12	16	1	14	4

		Europe excluding France					
(in million of euros)	France	Netherlands	Germany	Belgium	Poland	Switzerland	Italy
FAIR VALUE OF PLAN ASSETS AT THE BEGINNING OF THE PERIOD	-	34	5	9	-	9	-
Actual return on plan assets	-	12	0	2	-	(0)	-
Employers contributions for the period	-	0	0	1	-	1	-
Employee contributions for the period	-	0	-	0	-	1	-
Benefits paid during the period	-	(1)	(0)	(0)	-	(1)	-
Liquidation of plan	-	-	-	-	-	-	-
Effect of changes in scope of consolidation	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	0	-
Transfers at beginning of period	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
FAIR VALUE OF PLAN ASSETS AT THE END OF THE PERIOD	-	45	5	12	-	10	-

		Pensions			Other benefits
			Dec. 2012	Dec. 2012	Dec. 2011
Worldwide structures	Other	Total	Other benefits	Total Dec. 2012	Total Dec. 2011
56	5	152	20	172	184
4	1	7	3	10	11
2	0	6	1	7	8
-	-	1	-	1	1
-	-	-	-	-	(10)
(0)	(0)	(1)	(1)	(2)	(8)
-	-	(0)	0	(0)	(5)
(3)	(1)	(8)	(3)	(11)	(10)
13	0	37	2	39	1
-	0	0	(0)	0	(1)
-	-	0	-	0	-
-	(0)	(0)	-	(0)	(0)
-	-	(0)	-	(0)	(0)
73	5	195	22	217	172

Worldwide structures	Other	Total	Other benefits	Total Dec. 2012	Total Dec. 2011
32	-	88	-	88	85
0	-	14	-	14	1
0	-	4	-	4	3
-	-	1	-	1	1
(2)	-	(6)	-	(6)	(5)
-	-	-	-	-	-
-	-	-	-	-	(0)
-	-	0	-	0	0
-	-	-	-	-	2
-	-	-	-	-	-
30	-	101	-	101	88

(in million of euros)	France	Netherlands	Germany	Belgium	Poland	Switzerland	Italy
		Europe excluding France					
UNFUNDED OBLIGATION AT THE END OF THE PERIOD	26	0	7	4	1	4	4
Reclassification of Onboard Train Services in "Assets held for sale"	-	-	-	-	-	-	(0)
Past services cost not recognized	3	-	-	-	-	-	-
PROVISION AT THE END OF THE EXERCICE	29	0	7	4	1	4	4

(in million of euros)	France	Netherlands	Germany	Belgium	Poland	Switzerland	Italy
		Europe excluding France					
Current service cost	1	0	0	1	0	1	-
Interest cost	1	2	0	1	0	0	0
Expected return on plan assets	0	(2)	(0)	(0)	-	(0)	-
Past service cost recognized during the period	(0)	-	-	(0)	-	-	-
(Gains) losses on curtailments/settlements	(1)	-	-	-	(0)	-	-
Actuarial (gains)/losses recognised during the period for long-term employee benefits	-	-	-	-	-	-	-
EXPENSE FOR THE PERIOD	1	0	1	1	0	1	0

(in million of euros)	France	Netherlands	Germany	Belgium	Poland	Switzerland	Italy
		Europe excluding France					
ACTUARIAL (GAINS) LOSSES RECOGNIZED IN EQUITY	8	(0)	2	1	(0)	1	1

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

	Worldwide structures	Other	Total	Other benefits	Total Dec. 2012	Total Dec. 2011
	43	5	93	22	115	84
	-	-	(0)	-	(0)	(0)
	6	-	9	-	9	10
	49	5	103	22	124	94

	Worldwide structures	Other	Total	Other benefits	Total Dec. 2012	Total Dec. 2011
	4	1	7	2	10	11
	2	0	6	1	7	8
	(1)	-	(4)	-	(4)	(4)
	(0)	-	(0)	-	(0)	-
	(0)	(0)	(1)	(1)	(3)	(9)
	-	-	-	2	2	-
	4	0	8	5	13	7

	Worldwide structures	Other	Total	Other benefits	Total Dec. 2012	Total Dec. 2011
	14	0	27	-	27	3

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.*

(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.

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 million of euros)	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 Hotels	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	-	7	7
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4,181**	**1,623**	**5,804**

At December 31, 2011 (in million of euros)	Up and Midscale Hotels	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.1).

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 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 million 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 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.

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 Économiques	France	IG	99.96%
Société de Management Intermarques	France	IG	100.00%
Société d'Étude 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 Économiques	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	51.83% **
Accor Gestion Hôteliere & Services	Switzerland	IG	100.00%
Berne Messe	Switzerland	IG	60.00%
Société d'exploitation Hôtelière	Switzerland	IG	99.78%
Tamaris Turizm Try	Turkey	IG	100.00%

ACCOR SA

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 Hôtelière	Ivory Coast	IG	99.99%
Société Hôteliere La Lagune	Ivory Coast	IG	100.00%
Accor Hôtel SAE	Egypt	IG	99.77%
Accor Gestion Maroc	Morocco	IG	77.94%
Risma	Morocco	MEE	33.21%
Si Hotelera De Mexico	Mexico	IG	100.00%
Hotel Union Pullman	Senegal	IG	100.00%
Société Hôtelière Barachois	Senegal	IG	90.58%
Société Togolaise d'investissement et d'exploitation hôtelière	Togo	IG	100.00%
Accor Business And Leisure North America	USA	IG	100.00%

** *For these entities, the percentage shown corresponds to Accor's direct interest plus the interest held indirectly through Paris les Halles which owns 60% of The Grand Real Estate and 70% of Saint James Hotel.*

OTHER SERVICES			
Société d'Exploitation des Résidences Hôtelières Rail	France	IP	50.00%
Compagnie Internationale des Wagons Lits & du Tourisme * - Belgium			
Treno*	Italy	Assets held for sale	99.78%

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

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.

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. Commitments towards members of the Executive Committee and the Board of Directors, and direct or indirect agreements with one or several Board members are described in the Auditors' special report on related party agreements included in Section III of the 2012 Registration Document.

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

Colony Capital and Eurazeo, acting in concert, together exercise significant influence over Accor through their shareholders' pact (see note 2.C). 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 Expenses	2011 Balance sheet amount	2012 Expenses	2012 Balance sheet amount
Short-term benefits received	10	6	7	4
Post-employment benefits	2	4	3	17
Other long-term benefits	-	-	-	-
Compensation for loss of office	3	0	-	-
Share-based payments	2	-	3	-
TOTAL PAYMENTS	**17**	**10**	**13**	**21**

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.

5.3. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Year ended December 31, 2012

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the parent company financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the parent company financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the parent company financial statements.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by the Annual Shareholders' Meeting, we hereby report to you for the year ended December 31, 2012 on:

- the audit of the accompanying financial statements of Accor SA;
- the justification of our assessments;
- the specific verifications and disclosures required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

I. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position and the assets and liabilities of the Company at December 31, 2012 and of the results of its operations for the year then ended, in accordance with French generally accepted accounting principles.

II. JUSTIFICATION OF OUR ASSESSMENTS

In compliance with the requirements of Article L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matter: note 1.c to the financial statements sets out the accounting policies and methods used to value shares in subsidiaries and affiliates and other long-term investments. We have verified the appropriateness of these accounting policies and methods and of the related disclosures in the notes to the financial statements. We have also examined the consistency of the data and assumptions used and the supporting documentation provided, and on these bases have assessed the reasonableness of the estimates made.

These assessments were made in the context of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND DISCLOSURES

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the Company's financial position and financial statements.

Concerning the information provided in accordance with the requirements of Article L. 225-102-1 of the Commercial Code on the compensation and benefits paid and commitments given to executive officers, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by the Company from the entities that it controls or are controlled by it. Based on the procedures performed, we attest to the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the management report contains the appropriate disclosures as to the acquisition of equity and controlling interests, and the identity of shareholders and holders of voting rights.

Neuilly-sur-Seine and Paris-La Défense – March 4, 2013

The Statutory Auditors
French original signed by:

DELOITTE & ASSOCIÉS	ERNST & YOUNG et Autres
Pascale CHASTAING-DOBLIN	Jacques PIERRES

5.4. PARENT COMPANY FINANCIAL STATEMENTS AND NOTES

5.4.1. BALANCE SHEETS

Assets

(in millions of euros)	Notes	Dec. 31, 2011 Net	Dec. 31, 2012 Net
FIXED ASSETS			
Intangible assets			
Licenses, trademarks and rights of use	(2-3-4)	62	64
Networks	(2-3-4-7)	25	23
Other intangible assets	(2)	6	8
TOTAL INTANGIBLE ASSETS		**93**	**95**
Property and equipment			
Land	(2-4)	4	5
Buildings	(2-3-4)	42	39
Machinery and equipment	(2-4)	9	7
Other	(2-4)	25	32
Assets under construction	(2)	10	5
Prepayments to suppliers of property and equipment	(2)	2	1
TOTAL PROPERTY AND EQUIPMENT		**92**	**89**
Investments			
Shares in subsidiaries and affiliates	(2-6-7-18)	4,665	4,064
Loans and advances to subsidiaries and affiliates	(2-7-11-17-18)	276	313
Other investment securities	(2-6-7-18)	-	-
Other loans	(2-7-11-17-18)	2	2
Other investments	(2-7-17)	31	31
TOTAL INVESTMENTS		**4,974**	**4,410**
TOTAL FIXED ASSETS		**5,159**	**4,594**
CURRENT ASSETS			
Inventories and work-in-progress	(7)	-	-
Prepayments to suppliers	(5)	7	7
Receivables			
Trade receivables	(5-7-11-17-18)	248	301
Other receivables	(5-7-11-17-18)	532	490
Other			
Marketable securities	(8-11)	1,006	1,354
Cash and cash equivalents	(11)	276	294
TOTAL CURRENT ASSETS		**2,069**	**2,446**
ACCRUALS AND OTHER ASSETS			
Prepaid expenses	(9-17)	5	6
Deferred charges	(9)	11	11
Unrealized foreign exchange losses	(10)	11	7
TOTAL ACCRUALS AND OTHER ASSETS		**27**	**24**
TOTAL ASSETS	**(1)**	**7,255**	**7,064**

Liabilities and shareholders' equity

(in millions of euros)	Notes	Dec. 31, 2011 Net	Dec. 31, 2012 Net
SHAREHOLDERS' EQUITY			
Share capital	(13-14)	682	682
Additional paid-in capital	(13-14)	1,167	1,167
Legal reserve	(13)	69	69
Untaxed reserves	(13)	9	9
Other reserves	(13-14)	15	15
Retained earnings	(13)	32	548
Net profit (loss) for the year	(13)	771	(584)
Untaxed provisions	(7-13)	4	6
TOTAL SHAREHOLDERS' EQUITY		**2,749**	**1,912**
PROVISIONS FOR CONTINGENCIES AND CHARGES			
Provisions for contingencies	(7)	21	46
Provisions for charges	(7)	51	76
TOTAL PROVISIONS FOR CONTINGENCIES AND CHARGES		**72**	**122**
LIABILITIES			
Bonds	(12-15-16)	1,092	1,803
Bank borrowings	(12-16)	335	266
Other borrowings	(12-16)	2,570	2,512
Trade payables	(12-16)	143	154
Accrued taxes and payroll costs	(12)	226	218
Due to suppliers of fixed assets	(16)	10	6
Other payables	(12-16)	48	60
TOTAL LIABILITIES		**4,424**	**5,019**
ACCRUALS AND OTHER LIABILITIES			
Deferred income	(9-16)	-	4
Unrealized foreign exchange gains	(10)	10	7
TOTAL ACCRUALS AND OTHER LIABILITIES		**10**	**11**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**(1)**	**7,255**	**7,064**

5.4.2. INCOME STATEMENTS

(in millions of euros)	Notes	2011 Net	2012 Net
OPERATING REVENUES			
Sales of goods and services		725	753
NET REVENUE	(20)	725	753
Own work capitalized		6	12
Reversals of depreciation, amortization and provisions and expense transfers		31	11
Other income		-	5
TOTAL OPERATING INCOME		**762**	**781**
OPERATING EXPENSES			
Purchases of goods for resale		-	-
Purchases of raw materials and supplies		-	-
Other purchases and external charges	(19)	489	529
Taxes other than on income		14	15
Wages and salaries		95	92
Payroll taxes		40	40
Depreciation, amortization and provision expense			
▸ Depreciation and amortization of fixed assets	(4)	21	24
▸ Additions to provisions for fixed assets		6	1
▸ Additions to provisions for current assets		2	2
▸ Additions to provisions for contingencies and charges		11	23
Other expenses	(21)	4	8
TOTAL OPERATING EXPENSES		**682**	**734**
OPERATING PROFIT		**80**	**47**
JOINT VENTURES			
Share of profits from non-managed joint ventures or transferred losses of managed joint ventures		-	-
Share of losses of non-managed joint ventures and transferred profits from managed joint ventures		-	-
FINANCIAL INCOME			
Income from investments in subsidiaries and affiliates	(18)	1,023	217
Income from investment securities and long-term loans		1	-
Other interest income	(18)	33	29
Provision reversals and expense transfers		126	65
Foreign exchange gains		18	42
TOTAL FINANCIAL INCOME		**1,201**	**353**
FINANCIAL EXPENSES			
Amortization and provisions – financial assets		348	785
Interest expense	(18)	186	165
Foreign exchange losses		18	43
TOTAL FINANCIAL EXPENSES		**552**	**993**
NET FINANCIAL INCOME (EXPENSE)	**(22)**	**649**	**(640)**
RECURRING INCOME (EXPENSE) BEFORE TAX		**729**	**(593)**

(in millions of euros)	Notes	2011 Net	2012 Net
NON-RECURRING INCOME			
Non-recurring income from revenue transactions		1	6
Non-recurring income from capital transactions		401	39
Exceptional provision reversals and expense transfers		250	106
TOTAL NON-RECURRING INCOME		**652**	**151**
NON-RECURRING EXPENSES			
Non-recurring expenses on revenue transactions		1	17
Non-recurring expenses on capital transactions		620	130
Exceptional additions to depreciation, amortization and provisions		13	27
TOTAL NON-RECURRING EXPENSES		**634**	**174**
NET NON-RECURRING INCOME (EXPENSE)	**(23)**	**18**	**(23)**
Income tax expense	(24)	(24)	(32)
TOTAL INCOME		**2,615**	**1,285**
TOTAL EXPENSES		**1,844**	**1,869**
NET PROFIT (LOSS)		**771**	**(584)**

The financial statements of Accor SA have been prepared in accordance with French generally accepted accounting principles. All amounts are stated in millions of euros unless otherwise specified.

The notes below relate to the balance sheet at December 31, 2012 before appropriation of the net loss for the year, which shows total assets of €7,064 million, and to the income statement for the year then ended, which shows a net loss of €584 million.

The financial statements cover the 12-month period from January 1 to December 31, 2012.

Accor SA's individual financial statements are included in the consolidated financial statements of the Accor Group.

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

The main estimates and judgments made by Management in the preparation of these financial statements concern the valuation and useful lives of intangible assets, property and equipment, and financial assets, as well as the amount of provisions for claims, litigation and contingencies and the assumptions underlying the calculation of pension obligations.

The main assumptions applied by the Company are presented in the relevant notes to the financial statements.

In 2012, Accor increased its revenue, strengthened its future growth potential by selling its US Economy Hotels business, and consolidated its leadership position in Latin America through the acquisition of the South American hotel portfolio of Grupo Posadas. Consequently, the 2012 financial statements have been prepared based on this environment, particularly for the purpose of estimating the value of fixed assets (mainly shares in subsidiaries and affiliates) as explained below.

Notes 1 to 28 set out below form an integral part of the financial statements.

5.4.3. NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Accor SA have been prepared in accordance with French generally accepted accounting principles, including the principles of prudence, materiality and segregation of accounting periods, for the purpose of giving a true and fair view of the assets, liabilities and financial position of the Company and the results of its operations. They are presented on a going concern basis and accounting methods have been applied consistently from one year to the next.

Assets recorded in the balance sheet are stated at historical cost or contributed value, as applicable.

There were no changes in presentation or measurement methods in 2012.

The significant accounting policies used are described below.

Referring to Notes a) and b), since January 1, 2005, the Company has applied standards CRC 2004-06 relating to the definition, recognition and measurement of property, plant and equipment and intangible assets, and CRC 2002-10 concerning depreciation, amortization and impairment of these assets.

Property and equipment and intangible assets are recognized when the following two conditions are met:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company;
- the cost or value of the asset can be measured reliably.

a) Intangible assets

Purchased intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives, corresponding to between two and five years for software and between three and five years for licenses.

Leasehold rights, networks and trademarks with indefinite useful lives are not amortized. Their value is assessed whenever events or circumstances indicate that they may be impaired. If an assessment of fair value based on the same criteria as at the time of acquisition indicates the existence of a prolonged impairment in value, a provision is recorded.

b) Property and equipment

Property and equipment are stated at cost, corresponding to (i) the asset's purchase price, (ii) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management, and (iii) borrowing costs directly attributable to the construction or production of the asset.

Property and equipment are depreciated on a straight-line basis over their estimated useful lives, as follows:

- buildings: 35 to 50 years;
- fixtures and fittings: 7 to 25 years;
- other assets: 5 to 15 years.

a and b bis) Fair values of intangible assets and property and equipment

At each year-end, the Company determines whether there are any indicators of impairment in value of intangible assets or property and equipment. Impairment indicators include obsolescence, physical damage, significant changes in the manner in which the asset is used, lower-than-expected economic performance, a steep fall in revenues, or other external indicators. Where there is an indication that the value of an asset may be impaired, its present value is assessed and compared with its carrying amount for the purpose of calculating the potential impairment charge.

The present value of an asset is deemed to be the higher of its fair value or value in use.

c) Investments

Shares in subsidiaries and affiliates are stated at cost. Transaction costs on these assets are recorded in the income statement.

At each year-end, the Company determines whether there are any indicators of impairment in value of its investments. Impairment indicators include lower-than-expected economic performance, a drop in share price, rating downgrades and steep falls in revenue or earnings.

Where there is an indication that the value of an investment may be impaired, its present value is assessed and compared with its carrying amount for the purpose of calculating the potential impairment charge. The present value of an investment is deemed to be the higher of its fair value or value in use.

Accor considers that the most appropriate method for measuring the fair value of its investments is to calculate its equity in the underlying net assets of the subsidiaries and affiliates concerned. Another method used for investments in hotel companies is to calculate their average EBITDA for the last two years and apply a multiple based on the type of hotels owned by the Company concerned and their financial position. Accor also uses comparable recent transactions for the purpose of calculating fair values.

If the fair value of an investment is lower than the asset's carrying amount, the Company then also determines the investment's value in use, which corresponds to the present value of the future cash flows expected to be derived from the investment.

The value in use of investments in subsidiaries and affiliates is assessed using a range of indicators, including:

- the historical data used to value the investment at the time of acquisition;
- current profitability data and the current value of the underlying net assets;
- projections of future profitability, realizable values and economic trends.

If shares in subsidiaries and affiliates or other investment securities are deemed to be impaired they are written down to the lower of their fair value or value in use, based on the impairment tests performed and taking into account their financial position. Where the Company concerned is not certain of achieving operating profitability in the future, the investment is written down to an amount corresponding to the Company's equity in the underlying net assets. The measurement process also takes into account i) the maturity of the business (for example no provision is recorded for investments in companies that are in the start-up phase and whose future profitability is assured) and ii) the fair value of certain of the subsidiary's assets that are not included in the balance sheet (e.g. trademarks). Provisions for impairment recognized on these investments are not permanent and may be reversed if the financial position of the Company concerned improves. However, any reversals of impairment provisions may not result in the investment's carrying amount being increased to above its historical cost. Additional provisions may be recorded to write down loans and advances to the Company concerned and, where necessary, a provision for contingencies is also recorded.

d) Inventories

Inventories are measured at the lower of cost or probable realizable value. Cost is determined by the weighted average cost method.

e) Deferred charges

In accordance with the applicable French accounting standards relating to assets, since January 1, 2005 deferred charges have consisted solely of debt issuance costs, which are amortized over the life of the related debt.

f) Receivables

Receivables are recognized at nominal value and provisions for impairment are subsequently recorded if their fair value is lower than their carrying amount.

g) Marketable securities

Marketable securities are stated at the lower of cost or market value.

h) Revenue

Revenue includes the amount of services and contractual fees (i.e. management and franchise fees) billed to managed and franchised hotels, subsidiaries and non-related parties. It also includes amounts billed under real estate and business lease contracts as well as fees received in return for rent and debt guarantees issued by the Company.

Revenue from product sales is recognized when the product is delivered and ownership is transferred to the buyer. Revenue from sales of services is recognized when the service is rendered. Consequently:

- rental and business lease revenues are recognized on a straight-line basis over the life of the contract;
- fees billed to subsidiaries and non-related parties are recognized on a straight-line basis over the life of the contract;
- fees for guarantees are recognized on a straight-line basis over the term of the guarantee concerned;
- revenue from other services is recognized when the service is rendered.

i) Untaxed provisions

Hotel fixed assets are depreciated by the reducing balance method for tax purposes. The difference between straight-line depreciation recorded in the accounts and reducing balance depreciation calculated for tax purposes is recorded as excess tax depreciation in shareholders' equity.

j) Provisions for contingencies and charges

Provisions for contingencies and charges are determined in accordance with standard CRC 2000-06 relating to liabilities.

A provision is recorded when the Company has an obligation towards a third party, which is probable or certain of giving rise to an outflow of economic resources without any inflow of economic resources of at least an equivalent value being expected.

k) Provisions for pensions and other post-retirement benefit obligations

In accordance with CNC recommendation 2003-R01 dated April 1, 2003, the Company's total obligation for the payment of pensions and other post-retirement benefits is provided for in the balance sheet. This obligation concerns statutory length-of-service awards payable in France and other defined benefit plans. The projected benefit obligation is recognized on a straight-line basis over the vesting period of the plans concerned, taking into account the probability of employees leaving the Company before retirement age. The provision recorded in the balance sheet is equal to the discounted value of the defined benefit obligation, plus or minus any actuarial differences, which are taken to the income statement in the year in which they arise.

In addition to these statutory benefit schemes, certain employees are members of:

- a defined contribution supplementary pension plan funded by periodic contributions to an external organization that is responsible for the administrative and financial management of the plan as well as for payment of the related annuities. The contributions made by Accor under this plan are expensed as incurred;
- a defined benefit supplementary pension plan under which beneficiaries are entitled to pension benefits calculated based on their salary and the duration of their participation in the plan. The provision recorded for the Company's obligation under this plan takes into account any amounts funded through an external organization (plan assets).

l) Plain vanilla bonds

For plain vanilla bonds issued at a discount to face value, the difference between the issue proceeds and the face value of the bonds is amortized on a straight-line basis over the life of the bonds.

m) Foreign currency transactions

Income and expenses in foreign currencies are converted into euros at the exchange rate prevailing on the transaction date.

Payables, receivables and cash balances in foreign currencies are converted at the year-end exchange rate.

Translation differences are recorded in the balance sheet.

No provision for exchange losses is recorded for loans and borrowings denominated in the same currency with broadly equivalent maturities.

n) Currency risks

Currency risks arising on the conversion of euro cash reserves into foreign currencies to meet part of the financing needs of foreign subsidiaries are hedged by currency swaps with the same maturities as the loans to subsidiaries.

o) Corporate income tax

Accor has elected for group relief in application of the French Act of December 31, 1987. Under the Group relief system, tax losses of companies in the tax group can be netted off against the profits of other companies in the Group, provided that certain conditions are met. The applicable tax rules are set down in Articles 223 A et seq. of the French General Tax Code.

Each company in the tax group records in its accounts the tax charge it would have incurred if it had been taxed on a stand-alone basis. The group relief benefit or charge is recorded in the balance sheet of Accor SA as head of the tax group.

In accordance with tax regulations applicable since January 1, 2005, provisions for unrealized long-term losses on securities are not offset against unrealized capital gains on the same class of investments.

p) Stock options and performance shares

In compliance with the "Fillon 3 Act", the Company uses the fair values of stock options and performance shares measured in accordance with IFRS 2 as the basis for calculating the related contribution sociale surtax.

Since 2008, Accor has accounted for performance shares in accordance with standard CRC 2008-15. In March 2008, March 2009, February 2010, April 2011 and March 2012 Accor SA set up performance share plans for certain Group employees with a two-year vesting period, and will therefore issue new shares when the rights vest. Consequently, no provision has been recorded for the cost of these plans in the financial statements at December 31, 2012.

NOTE 2 MOVEMENTS IN FIXED ASSETS

(in millions of euros)	Gross value at Jan. 1, 2012	Acquisitions, creations and inter-item transfers	Retirements and disposals and inter-item transfers	Other	Gross value at Dec. 31, 2012
Intangible assets					
Trademarks and rights of use	49	10	-	-	59
Licenses and software	103	14	-	-	117
Networks	76	-	(17)	-	59
Other intangible assets	6	13	(10)	-	9
Prepayments to suppliers of intangible assets	-	-	-	-	-
TOTAL INTANGIBLE ASSETS	**234**	**37**	**(27)**	**-**	**244**
Property and equipment					
Land	5	-	-	-	5
Buildings	93	2	(4)	-	91
Machinery and equipment	40	1	(4)	-	37
Other property and equipment	65	20	(12)	-	73
Assets under construction	10	4	(9)	-	5
Prepayments to suppliers of property and equipment	2	-	-	(1)	1
TOTAL PROPERTY AND EQUIPMENT	**215**	**27**	**(29)**	**(1)**	**212**
Investments					
Shares in subsidiaries and affiliates (1)	7,069	263	(298)	-	7,034
Loans and advances to subsidiaries and affiliates (2)	320	135	(48)	(5)	402
Other investment securities (1)	1	-	-	-	1
Other loans	18	3	(11)	-	10
Other investments	31	-	-	-	31
TOTAL INVESTMENTS	**7,439**	**401**	**(357)**	**(5)**	**7,478**
TOTAL FIXED ASSETS	**7,888**	**465**	**(413)**	**(6)**	**7,934**

(1) See note 6 for a breakdown of the €35 million decrease in this item.
(2) The increase in this item reflects the combined effect of new loan originations and loans maturing during the year.

NOTE 3 PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

Trademarks and rights of use

This item mainly relates to the valuation of the Novotel trademark and rights granted to subsidiaries to use the Accor Group's trademarks.

Licenses and software

These correspond to IT licenses and software used by the Company in its operating activities.

Networks

Networks primarily correspond to the hotel networks of Novotel and Suitenovotel.

Buildings and fixtures and fittings

These items mainly correspond to buildings and fixtures and fittings related to hotels, headquarters premises and the Group's training center.

NOTE 4 MOVEMENTS IN AMORTIZATION

(in millions of euros)	At Jan. 1, 2012	Increase	Decrease	At Dec. 31, 2012
Intangible assets				
Trademarks and rights of use	-	-	-	-
Licenses and software	90	6	-	96
Networks	34	1	-	35
Other intangible assets	1	1	(1)	1
TOTAL INTANGIBLE ASSETS	**125**	**8**	**(1)**	**132**
Property and equipment				
Land	1	-	-	1
Buildings	51	4	(4)	51
Machinery and equipment	31	2	(3)	30
Other property and equipment	40	7	(6)	41
TOTAL PROPERTY AND EQUIPMENT	**123**	**13**	**(13)**	**123**
TOTAL	**248**	**21**	**(14)**	**255**

NOTE 5 RECEIVABLES (1)

(in millions of euros)	Dec. 31, 2011 Gross amount	Dec. 31, 2012 Gross amount
Prepayments to suppliers	**7**	**7**
Trade receivables	**261**	**315**
Other receivables	**579**	**538**
Supplier-related receivables	*1*	*6*
Recoverable VAT and other taxes	*91*	*117*
Current accounts with subsidiaries	*469*	*396*
Other	*18*	*19*
TOTAL	**847**	**860**

(1) Including prepayments to suppliers.

NOTE 6 MOVEMENTS IN SHARES IN SUBSIDIARIES AND AFFILIATES AND OTHER INVESTMENT SECURITIES

Business acquisitions and purchases of newly-issued shares	Number of shares acquired	Amount (in millions of euros)	% interest at Dec. 31, 2012
SH ROISSYPOLE	10,000	-	100.00% [a]
SHTE – Société Hôtelière Tour Eiffel	962,415	6	5.00%
ACCOR ISRAEL	1,000,000	-	100.00% [a]
POSADAS DE CHILE	1	1	75.28% [a]
TURAMBAR (Spain)	2,000,000	182	100.00% [a]
CAESAR PARK ARGENTINA	3,583,265	1	5.00%
INVERSIONES POSADAS BV (Netherlands)	1	-	0.08%
POSADAS DE ARGENTINA	11,400	-	3.44%
TOTAL		**190**	

Additional investments	Number of shares acquired	% acquired	Amount (in millions of euros)	% interest at Dec. 31, 2012
CREORD	100	2.96%	-	99.85%
ACCOR.COM	1	0.01%	-	99.99% [1]
SA HOTELS DE TRADITION	251	0.03%	-	100.00%
STE INTERNATIONALE DES HOTELS NOVOTEL (SIHN)	153	0.01%	-	95.71% [1]
SCI DES HOTELS DE ROISSY ET ORLEANS	4,500	3.00%	-	100.00% [1]
SH 18 SUFFREN	990	-	4	100.00% [1] [3]
SCI BLANCHE NEIGE	19,134	0.99%	-	99.99%
WBA SAINT HONORE	331,698	24.99%	15	53.60% [a]
SNC IMMOBILIERE PERRACHE	6,348	0.86%	-	99.86%
BELLE RIVIERE HOTEL	3,700,000	-	10	100.00%
ACCOR PARTICIPAZIONI ITALIA SRL	-	-	20	100.00% [3]
SOGECOL (Colombia)	203,200	0.37%	1	91.57% [2]
ORBIS (Poland)	521,480	1.14%	6	47.69%
TURAMBAR (Spain)	-	-	17	100.00% [3]
CIWLT (Belgium)	243	0.01%	-	99.78%
TOTAL			**73**	

(1) Percent interest held following a purchase of new shares and before a sale, capital reduction or merger - see next section.
(2) Partial or full take-up of shares in connection with a share issue.
(3) Participation in a capital increase not entailing the issue of shares.
(a) Acquisition raising the Company's interest to more than 50%.

Disposals	Number of shares sold	% sold	Carrying amount of sold shares (in millions of euros)	% interest at Dec. 31, 2012
Sales				
HOTEL FORMULA 1 (South Africa)	2,104	52.60%	(2)	-
WL DIFFUSION	4	0.01%	(1)	50.66% (4)
ACCOR GESTION MAROC	800	8.00%	-	66.95%
ACCOR LODGING NORTH AMERICA	-	-	(185)	62.11% (4)
ACCOR CANADA INC	-	-	(11)	99.99% (4)
SH 18 SUFFREN	7,450,000	100.00%	(18)	-
Liquidations				
ACCOR.COM	46,825		(70)	-
NEWCO MERCURE GMBH (Germany)	674		-	-
ACCOR RESERVATION SERVICES GMBH (Germany)	50,000		-	-
SCI ANBO	2,000		(1)	-
SCI DES HOTELS DE ROISSY ET ORLEANS	150,000		(9)	-
SCI CARNAN	19,820		(1)	-
TOTAL SALES, LIQUIDATIONS AND OTHER			**(298)**	

(4) Decrease in the Company's interest following a capital reduction without the cancellation of shares.

Other movements	Number of shares cancelled or exchanged	Amount (in millions of euros)	% interest at Dec. 31, 2012
Mergers/demergers		**-**	**-**
SHNM merger (Société des Hôtels Novotel and Mercure)	**391,379,736**	**346**	**82.85%**
STE INTERNATIONALE DES HOTELS NOVOTEL (SIHN)	(5,537,575)	(80)	-
MERCURE INT. HOTELS	(2,805,005)	(104)	-
SNC SGHP	(331,154)	(15)	-
FRANTOUR	(1,905,778)	(104)	-
NEWGEN FRANCE	(5,369,181)	(43)	-
Total contributions, mergers/demergers		**-**	
Summary			
Total acquisitions		**263**	**-**
Total disposals and liquidations		**(298)**	**-**
Total other movements		**-**	**-**
Total movements		**(35)**	

NOTE 7 MOVEMENTS IN PROVISIONS

(in millions of euros)	At Jan. 1, 2012	Increase	Decrease		At Dec. 31, 2012
			Surplus provisions	Utilized provisions	
Untaxed provisions					
Excess tax depreciation	4	3	(1)	-	6
TOTAL UNTAXED PROVISIONS	**4**	**3**	**(1)**	**-**	**6**
Provisions for contingencies					
Claims and litigation	2	-	(1)	-	1
Foreign exchange losses	1	-	(1)	-	-
Other (1)	18	31	(4)	-	45
TOTAL PROVISIONS FOR CONTINGENCIES	**21**	**31**	**(6)**	**-**	**46**
Provisions for charges (2)					
Pensions and other post-retirement benefit obligations	30	19	(1)	(1)	47
Taxes	11	9	(1)		19
Other	10	4	-	(4)	10
TOTAL PROVISIONS FOR CHARGES	**51**	**32**	**(2)**	**(5)**	**76**
TOTAL PROVISIONS	**76**	**66**	**(9)**	**(5)**	**128**
Provisions for impairment in value (3)					
Intangible assets	17	15	(15)	-	17
Property and equipment	1	1	(1)	-	1
Investments*	2,464	742	(139)	-	3,067
Trade receivables	12	3	(1)	-	14
Other receivables*	47	10	(8)	-	49
TOTAL PROVISIONS FOR IMPAIRMENT IN VALUE	**2,541**	**771**	**(164)**	**-**	**3,148**
TOTAL	**2,617**	**837**	**(173)**	**(5)**	**3,276**

Income statement impact of movements in provisions	Increase	Decrease
Operating income and expenses	26	(10)
Financial income and expenses	784	(62)
Non-recurring income and expenses	27	(106)
Movements with no income-statement impact	-	-
TOTAL	**837**	**(178)**

* *Recorded in accordance with the accounting policy described in note 1c.*

(1) *Other provisions for contingencies mainly comprised €42 million in provisions for risks related to subsidiaries. These provisions are set aside after taking into account provisions for shares in and loans and advances to subsidiaries and affiliates.*

Movements in this item primarily reflect i) additions to provisions for subsidiaries in an amount of €31 million and ii) reversals of provisions for subsidiaries amounting to €3 million.

(2) *At the year-end, total provisions for charges included €47 million in provisions for pensions and other post-retirement benefit obligations, €19 million in provisions for taxes, and €6 million in provisions for future rental payments and charges.*

Additions to and reversals of provisions for pensions and other post-retirement benefit obligations amounted to €19 million and €2 million respectively. A total of €9 million was added to provisions for taxes, including €8 million following a tax audit relating to the years 2007 to 2009. Movements in other provisions for charges corresponded to €4 million in additions (primarily for restructuring provisions) and €4 million in reversals (of which €2 million from restructuring provisions and €2 million from provisions for future rental payments and charges).

Pension benefit obligations and underlying actuarial assumptions

	Dec. 31, 2011	Dec. 31, 2012
Discount rate	4.6%	3.0%
Mortality tables	Required Mortality Table by France Insurance Code	Required Mortality Table by France Insurance Code
Rate of future salary increases	3%	3%
Retirement age	65 years	65 years
Voluntary or compulsory retirement	Voluntary	Voluntary
Payroll tax rate	46%	46%

	2011	2012
Provisions for pensions and other post-retirement benefit obligations at Jan. 1	27	30
Service cost	3	3
Interest cost	3	2
Actuarial (gains)/losses	2	14
Other movements	(5)	(2)
Provisions for pensions and other post-retirement benefit obligations at Dec. 31	30	47

Staff turnover assumptions for employees aged 17 to 70 ranged between 0% and 7.11% for non-managerial employees and between 0% and 5.18% for managerial employees.

(3) These provisions mainly concern impairment in value of shares in subsidiaries and affiliates, with the 2012 year-end balance primarily corresponding to write-downs of ALNA (€881 million), CIWLT (€769 million), IBL (€652 million), SIET (€116 million), SHNM (€76 million), Accor Participation Italie (€68 million), Belle Rivière Hôtel (€35 million), Accor Hoteles Espana (€30 million), SPFH (€29 million), HOLPA (€25 million) and Accor Afrique (€23 million).

Movements in 2012 in provisions for impairment in value of shares in subsidiaries and affiliates broke down as €697 million in additions and €131 million in reversals. Additions included €370 million for ALNA and €213 million for IBL and reversals included €11 million for Accor Hospitality Germany, €69 million following the liquidation of Accor.com, and €14 million following the sale of SH 18 Suffren.

NOTE 8 MARKETABLE SECURITIES PORTFOLIO

(in millions of euros)	Dec. 31, 2011 Gross value	Dec. 31, 2012 Gross value
Certificates of deposit	-	-
Retail certificates of deposit	-	-
Term deposits	1,006	1,354
TOTAL	**1,006**	**1,354**

No provisions for impairment in value were set aside in 2012 for marketable securities as their fair value exceeded or was equal to their carrying amount.

NOTE 9 ACCRUALS AND OTHER ASSETS/LIABILITIES

(in millions of euros)	Net at Jan. 1, 2012	Increase	Decrease	Net at Dec. 31, 2012
Deferred charges				
Debt issuance costs	10	3	(3)	10
TOTAL	**10**	**3**	**(3)**	**10**
Bond issue premiums				
Issue premiums	1	1	(1)	1
TOTAL	**1**	**1**	**(1)**	**1**
Prepaid expenses				
Prepaid IT rental and maintenance costs	1	1	-	2
Prepaid property rents	3	1	(1)	3
Other	1	-	-	1
TOTAL	**5**	**2**	**(1)**	**6**
Deferred income				
Marketing fund	-	4	-	4
TOTAL	**-**	**4**	**-**	**4**

NOTE 10 UNREALIZED FOREIGN EXCHANGE GAINS AND LOSSES

Unrealized foreign exchange losses

(in millions of euros)	Dec. 31, 2011	Dec. 31, 2012
Decrease in receivables	1	6
Increase in payables	10	1
TOTAL	**11**	**7**

Unrealized foreign exchange gains

(in millions of euros)	Dec. 31, 2011	Dec. 31, 2012
Increase in receivables	9	1
Decrease in payables	1	6
TOTAL	**10**	**7**

NOTE 11 ACCRUED INCOME

Accrued income is included in the following balance sheet items (in millions of euros)	Dec. 31, 2011	Dec. 31, 2012
Loans and advance to subsidiaries and affiliates	1	1
Trade receivables	200	229
Other loans	1	1
Current accounts with subsidiaries	2	2
Marketable securities	6	4
Cash and cash equivalents	-	1
TOTAL	**210**	**238**

NOTE 12 ACCRUED EXPENSES

Accrued expenses are included in the following balance sheet items (in millions of euros)	Dec. 31, 2011	Dec. 31, 2012
Bonds	46	57
Bank borrowings	6	6
Other borrowings	20	13
Trade payables	115	125
Accrued taxes and payroll costs	43	44
Other payables	1	4
TOTAL	**231**	**249**

NOTE 13 CHANGES IN SHAREHOLDERS' EQUITY

(in millions of euros)	At Dec. 31, 2011	Appropriation of 2011 net profit	Capital increase/ reduction	Other	2012 net loss	At Dec. 31, 2012
Number of shares making up the Company's capital (1)	227,251,446		26,526			227,277,972
Share capital	682					682
Additional paid-in capital	1,167		1			1,168
Legal reserve	69					69
Untaxed reserves	9					9
Other reserves	15					15
Retained earnings/(deficit)	32	510		6		548
Net profit (loss)	771	(771)			(584)	(584)
Untaxed provisions	4			2		6
TOTAL SHAREHOLDERS' EQUITY	**2,749**	**(261) (2)**	**1 (3)**	**8**	**(584)**	**1,913**

(1) With a par value of €3 per share.
(2) €261 million in dividends paid on June 14, 2012.
(3) Shares issued on the exercise of employee stock options.

POTENTIAL SHARES: if all employee stock options had been exercised at December 31, 2012, the number of issued shares would have been increased by 11,857,175, raising the Company's capital by €361 million.

NOTE 14 STOCK OPTION AND PERFORMANCE SHARE PLANS

Stock option plans	Plan 8	Plan 9	Plan 11	Plan 12	Plan 13	Plan 14	Plan 15
Grant date	01/03/03	01/07/04	01/12/05	01/09/06	03/24/06	03/22/07	05/14/07
Expiry date	01/03/11	01/07/12	01/12/12	01/09/13	03/24/13	03/22/14	05/14/14
Post-demerger exercise price (in euros)	21.11	23.66	21.50	30.60	32.56	45.52	47.56
Value used for calculating the contribution sociale surtax (in euros)(1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vesting conditions	3 years of seniority	3 years of seniority	4 years of seniority	4 years of seniority	4 years of seniority	4 years of seniority	4 years of seniority + performance conditions (2)
Number of options granted at the plan launch	176,549	1,990,485	1,750,528	1,840,601	963,293	2,183,901	129,694
Number of options outstanding at Dec. 31, 2010	3,774	992,776	1,030,418	1,804,024	875,521	2,041,720	85,079
Number of options granted in 2011	-	-	-	-	-	-	-
Number of options exercised in 2011	-	140,149	198,860	4,524	-	-	-
Number of options cancelled in 2011	3,774	23,254	20,274	15,080	28,052	49,240	-
NUMBER OF OPTIONS OUTSTANDING AT DEC. 31, 2011	**-**	**829,373**	**811,284**	**1,784,420**	**847,469**	**1,992,480**	**85,079**
Number of options granted in 2012	-	-	-	-	-	-	-
Number of options exercised in 2012	-	-	1,358	-	-	-	-
Number of options cancelled in 2012	-	829,373	809,926	3,016	26,847	48,577	-
NUMBER OF OPTIONS OUTSTANDING AT DEC. 31, 2012	**-**	**-**	**-**	**1,781,404**	**820,622**	**1,943,903**	**85,079**
Number of options exercised since the plan launch	171,875	1,070,655	847,971	9,501	3,110	-	-
Number of options cancelled since the plan launch	4,674	919,830	902,557	49,696	139,561	239,998	44,615

(1) Surtax of 10% for options granted until 2011 and 14% for options granted after 2012.
(2) Performance conditions based on return on capital employed (ROCE) and recurring operating profit after tax.
(3) Performance condition based on Accor's relative share performance compared with the overall performance of the CAC 40 index for 2010, 2011, 2012 and 2013.
(4) Performance condition based on Accor's TSR versus the TSR of eight competitor hotel groups.

	Plan 17	Plan 18	Plan 19	Plan 20	Plan 21	Plan 22	Plan 23	Plan 24	Plan 25	Plan 26
	03/28/08	09/30/08	03/31/09	04/02/10	04/02/10	11/22/10	04/04/11	04/04/11	03/27/12	03/27/12
	03/28/15	09/30/15	03/31/17	04/02/18	04/02/18	11/22/18	04/04/19	04/04/19	03/27/20	03/27/20
	30.81	28.32	18.20	26.66	26.66	30.49	31.72	31.72	26.41	26.41
	11.55	7.00	5.78	10.28	9.44	9.25	7.99	7.99	7.88	6.50
	4 years of seniority	4 years of seniority	4 years of seniority	4 years of seniority	4 years of seniority + performance condition [3]	4 years of seniority	4 years of seniority	4 years of seniority + performance condition [4]	4 years of seniority	4 years of seniority + performance condition [4]
	2,080,442	110,052	1,429,456	2,618,770	153,478	92,448	621,754	53,125	527,515	47,375
	1,983,497	102,544	1,350,985	2,339,401	137,228	92,448	-	-	-	-
	-	-	-	-	-	-	621,754	53,125	-	-
	-	-	3,016	-	-	-	-	-	-	-
	63,869	-	30,561	42,076	-	-	2,150	-	-	-
	1,919,628	**102,544**	**1,317,408**	**2,297,325**	**137,228**	**92,448**	**619,604**	**53,125**	**-**	**-**
	-	-	-	-	-	-	-	-	527,515	47,375
	-	-	1,162	905	-	-	-	-	-	-
	20,058	-	42,389	82,643	-	-	12,270	-	500	-
	1,899,570	**102,544**	**1,273,857**	**2,213,777**	**137,228**	**92,448**	**607,334**	**53,125**	**527,015**	**47,375**
	-	-	4,178	905	-	-	-	-	-	-
	180,872	7,508	151,421	404,088	16,250	-	14,420	-	500	-

Stock savings warrants	Plan 10	Plan 16
Grant date	07/09/04	09/13/07
Expiry date	07/09/12	09/13/15
Post-merger exercise price (in euros)	22.51	40.08
Value used for calculating the contribution sociale surtax (in euros) (1)	N/A	N/A
Vesting conditions	3 years of seniority	3 years of seniority
Number of warrants granted at the plan launch	131,619	2,139
Number of warrants outstanding at Dec. 31, 2010	108,800	2,139
Number of warrants granted in 2011	-	-
Number of warrants exercised in 2011	2,925	-
Number of warrants cancelled in 2011	47	-
NUMBER OF WARRANTS OUTSTANDING AT DEC. 31, 2011	**105,828**	**2,139**
Number of warrants granted in 2012	-	-
Number of warrants exercised in 2012	23,101	-
Number of warrants cancelled in 2012	82,727	-
NUMBER OF WARRANTS OUTSTANDING AT DEC. 31, 2012	**-**	**2,139**
Number of warrants exercised since the plan launch	45,071	-
Number of warrants cancelled since the plan launch	86,548	-

(1) Surtax of 10% for warrants granted until 2011 and 14% for warrants granted after 2012.

Performance share plans	Plan 2009	Plan 2009	Plan 2011	Plan 2011	Plan 2011	Plan 2012	Plan 2012	Plan 2012
Grant date	03/31/09	03/31/09	04/04/11	04/04/11	04/04/11	03/27/12	03/27/12	03/27/12
Expiry date	03/31/11	03/31/13	04/04/15	04/04/15	04/04/16	03/27/16	03/27/16	03/27/16
Value used for calculating the contribution sociale surtax (in euros) (1)	25.49	25.49	30.62	29.35	29.98	25.32	24.16	25.32
Vesting conditions	2 years of seniority + performance conditions (2)	4 years of seniority + performance conditions (2)	2 years of seniority + performance conditions (3)	4 years of seniority + performance conditions (3)	3 years of seniority + performance conditions (4)	2 years of seniority + performance conditions (5)	4 years of seniority + performance conditions (5)	2 years of seniority + performance conditions (6)
Number of performance shares granted at the plan launch	249,084	51,299	190,331	38,326	20,450	170,332	67,269	47,375
Potential number of new shares to be issued at Dec. 31, 2010 if performance conditions met	108,976	22,710	-	-	-	-	-	-
Number of performance shares granted in 2011	-	-	190,331	38,326	20,450	-	-	-
Number of performance shares vested in 2011	107,646	377	-	-	-	-	-	-
Number of performance shares forfeited in 2011	1,330	410	1,125	150	-	-	-	-
Number of performance shares cancelled in 2011 due to failure to achieve the performance conditions	-	-	-	-	-	-	-	-
POTENTIAL NUMBER OF NEW SHARES TO BE ISSUED AT DEC. 31, 2011 IF PERFORMANCE CONDITIONS MET	**-**	**21,923**	**189,206**	**38,176**	**20,450**	**-**	**-**	**-**
Number of performance shares granted in 2012	-	-	-	-	-	170,332	67,269	47,375
Number of performance shares vested in 2012	-	-	-	-	-	-	-	-
Number of performance shares forfeited in 2012	-	-	3,140	895	-	1,316	874	-
Number of performance shares cancelled in 2011 due to failure to achieve the performance conditions	-	530	1,243	241	-	10,244	4,034	9,871
POTENTIAL NUMBER OF NEW SHARES TO BE ISSUED AT DEC. 31, 2012 IF PERFORMANCE CONDITIONS MET	**-**	**21,393**	**184,823**	**37,040**	**20,450**	**158,772**	**62,361**	**37,504**
Number of performance shares vested since the plan launch	107,646	377	-	-	-	-	-	-
Number of performance shares cancelled since the plan launch	141,438	29,529	5,508	1,286	-	11,560	4,908	9,871

(1) Surtax of 10% for performance shares granted until 2011 and 14% for performance shares granted after 2012.

(2) Performance condition based on Accor Hospitality ROCE, Accor Services revenue and consolidated recurring operating profit after tax.

(3) Performance condition based on revenue growth and EBIT and operating cash flow targets.

(4) Performance condition based on the Chairman and CEO successfully taking up his duties, including successfully implementing changes in the Group's organizational structure.

(5) Performance condition based on actual versus budgeted EBIT margin, and actual versus budgeted operating cash flow excluding acquisitions and disposals.

(6) Performance condition based on actual versus budgeted EBIT margin, actual versus budgeted operating cash flow excluding acquisitions and disposals, and the degree of completion of the asset disposal plan included in the budget.

NOTE 15 BONDS

In line with its strategy of increasing the maturity of its borrowings and ensuring the sustainability of its financial resources, Accor carried out a further bond issue in 2012.

	Currency	Amount of the issue (in millions of euros)	Fixed/ variable rate	Interest rate	Term	Outstanding principal at Dec. 31, 2011	Outstanding principal at Dec. 31, 2012
January 2009 bond issue	Euros	600	Fixed	7,500%	5 years	402	402
April 2009 bond issue	Euros	600	Fixed	6,500%	4 years	394	394
July 2009 bond issue	Euros	250	Fixed	6,039%	8 years	250	250
June 2012 bond issue	Euros	700	Fixed	2,875%	5 years	-	700

NOTE 16 LIABILITIES BY MATURITY

(in millions of euros)	Gross amount	Due within 1 year	Due in 1-3 years	Due beyond 3 years
BORROWINGS				
Bonds (1) (3)	1,803	451	402	950
Bank borrowings (1) (3)	266	266	-	-
Other borrowings (1) (2) (3)	2,512	2,512	-	-
OPERATING PAYABLES				
Trade payables (3)	154	154	-	-
MISCELLANEOUS PAYABLES				
Accrued taxes and payroll costs (3)	218	218	-	-
Due to suppliers of fixed assets (3)	6	6	-	-
Other payables (3)	53	53	-	-
Deferred income (3)	4	4	-	-
TOTAL	**5,016**	**3,664**	**402**	**950**

(1) Gross amount of new borrowings during the year: €706 million.
Gross amount of borrowings repaid during the year: €78 million.
(2) Including €2,320 million due to related parties.
(3) Breaking down as follows by currency:

Liabilities by currency	
AED	1
CHF	15
EUR	4,650
GBP	159
HKD	141
HUF	4
MXN	2
PLN	4
USD	39
Other currencies	1
TOTAL	**5,016**

Financing policy

At December 31, 2012, Accor had a confirmed line of credit maturing in more than one year. The unused portion of this facility totaled €1,500 million, expiring in 2016.

NOTE 17 RECEIVABLES BY MATURITY

(in millions of euros)	Gross amount	Due within 1 year	Due beyond 1 year
FIXED ASSETS			
Loans and advances to subsidiaries and affiliates	402	31	371
Other loans	10	5	5
Other investments	31	-	31
CURRENT ASSETS			
Trade receivables	315	315	-
Other receivables	538	538	-
Prepaid expenses	6	-	-
TOTAL RECEIVABLES (1)	**1,302**	**895**	**407**

(1) Breaking down as follows by currency:

Receivables by currency	
AED	4
AUD	12
CHF	7
CNY	9
CZK	20
EGP	4
EUR	1,179
GBP	6
HUF	5
JPY	37
NZD	3
USD	14
Other currencies	2
TOTAL	**1,302**

NOTE 18 RELATED PARTY ITEMS [(1)]

(in millions of euros)	2011	2012
Shares in subsidiaries and affiliates	6,994	6,954
Loans and advances to subsidiaries and affiliates	319	387
Other investment securities	-	-
Trade receivables	164	195
Other receivables	469	396
Borrowings	2,376	2,320
Trade payables	34	46
Income from investments in subsidiaries and affiliates	999	201
Other financial income	28	24
Financial expenses	72	55

(1) Companies that are fully consolidated in the Accor Group consolidated financial statements are deemed to be related parties.

NOTE 19 FINANCE LEASES

Commitments under finance leases

(in millions of euros)	Lease payments made			Future lease payments				Residual purchase price
Asset	2012	Prior years	Total	Due within 1 year	Due in 1-5 years	Due beyond 5 years	Total	
Buildings	-	2	2	-	-	-	-	1

Assets held under finance leases

(in millions of euros)		Depreciation				
Asset	Cost	2012	Prior years	Expected future depreciation	Total	Net value
Buildings	2	-	1	1	2	-

NOTE 20 BREAKDOWN OF NET REVENUE

(in millions of euros)	2011	2012
France	516	516
International	209	237
TOTAL NET REVENUE	**725**	**753**

NOTE 21 DIRECTORS' FEES, EXECUTIVE COMPENSATION AND WORKFORCE

Compensation paid to members of the Company's administrative and supervisory bodies

(in millions of euros)	2011	2012
Directors' fees	0.6	0.5
Members of the Executive Committee (excl. payroll taxes)	12.43	7.18
Retirement benefits	-	-

Workforce

Employee category	2011	2012
Managerial staff	776	810
Supervisors	205	188
Administrative staff	42	48
Apprentices	19	23
TOTAL	**1,042**	**1,069**

The Company had 1,069 employees at December 31, 2012, including 33 whose salaries are rebilled to subsidiaries.

Statutory training entitlement (DIF)

In accordance with Recommendation 2004F issued by the Urgent Issues Task Force of the French National Accounting Board, Accor did not set aside any provisions relating to employees' statutory training entitlement in its 2012 financial statements. At December 31, 2012 Accor employees had accumulated a total of **83,117 training hours** under this entitlement.

NOTE 22 FINANCIAL INCOME AND EXPENSES

(in millions of euros)	2011	2012
Income from investments in subsidiaries and affiliates	**1,023**	**217**
Dividends received from subsidiaries	1,007	202
Interest received on intragroup loans and receivables	16	15
Income from investment securities and long-term loans	**1**	**-**
Other interest income	**33**	**29**
Interest on current accounts	13	10
Interest on marketable securities	14	12
Interest on bank deposits	5	5
Interest on interest rate swaps	-	-
Interest on currency swaps	1	1
Other	-	1
Reversals of provisions for financial items	**126**	**65**
Reversals of provisions for shares in subsidiaries and affiliates	91	42
Reversals of provisions for loans and advances to subsidiaries and affiliates	11	8
Reversals of provisions for other receivables	10	9
Reversals of provisions for contingencies and charges	14	3
Expense transfers	-	3
Foreign exchange gains	**18**	**42**
TOTAL FINANCIAL INCOME	**1,201**	**353**
Interest expense	**(186)**	**(165)**
Interest on bonds	(76)	(81)
Interest on bank borrowings	(11)	(9)
Interest on other borrowings	(71)	(54)
Interest on interest rate swaps	(7)	(8)
Interest on currency swaps	(1)	(2)
Other	(20)	(11)
Amortization and provisions – financial assets	**(348)**	**(785)**
Additions to provisions for shares in subsidiaries and affiliates	(326)	(697)
Additions to provisions for loans	(8)	(46)
Additions to provisions for current assets	(9)	(10)
Amortization of bond issue premiums	(1)	(1)
Additions to provisions for contingencies and charges	(4)	(31)
Foreign exchange losses	**(18)**	**(43)**
TOTAL FINANCIAL EXPENSES	**(552)**	**(993)**
NET FINANCIAL INCOME (EXPENSE)	**649**	**(640)**

NOTE 23 NON-RECURRING INCOME AND EXPENSES

In 2012, total non-recurring items before tax represented a net expense of €23 million, breaking down as follows:

(in millions of euros)	2011	2012
Non-recurring income and expenses on revenue transactions (1)	-	(11)
Gains (losses) on disposals of intangible assets and property and equipment	26	(13)
Gains (losses) on disposals and liquidations of investments (2)	(245)	(78)
Reversals of provisions for contingencies and charges	1	2
Additions to provisions for contingencies and charges (3)	(11)	(9)
Additions to provisions for property and equipment and intangible assets	-	(15)
Reversals of provisions for property and equipment and intangible assets	-	15
Reversals of provisions for shares in subsidiaries and affiliates (4)	247	88
Additions to provisions for excess tax depreciation	(2)	(3)
Reversals of provisions for excess tax depreciation	2	1
NET NON-RECURRING INCOME (EXPENSE)	**18**	**(23)**

(1) Mainly reflecting €13 million in subsidies paid to hotels to cover rebranding costs as part of the ibis megabrand project.

(2) The main losses recorded under this item in 2012 related to the sale of shares in the Group subsidiary SH 18 Suffren (€17 million) and the liquidation of Accor.com (€69 million) and three non-trading companies (€9 million). The main gain concerned the sale of the Formula 1 subsidiary in South Africa (€17 million).

(3) Primarily corresponding to additions to provisions for tax risks.

(4) The main provision reversals in 2012 were recorded following the liquidation of Accor.com (€69 million) and two non-trading companies (€5 million) as well as the sale of SH 18 Suffren (€14 million).

NOTE 24 INCOME TAX

A. Accor SA income tax

Analysis of the tax charge

(in millions of euros)	2011	2012
Group relief	21	34
Adjustment to prior-year tax benefit	-	-
Corporate income tax, withholding tax and other taxes	3	(2)
TOTAL	**24**	**32**

In 2012, the Company's loss reduced the tax group's standard-rate tax base by €91.4 million.

B. Group relief

In its capacity as head of the French tax group, the Company recorded a tax benefit of €33.7 million in 2012, corresponding to the tax savings arising from Group relief.

C. Tax group

The tax group headed by Accor SA comprises the following 77 subsidiaries:

Accor Afrique	Lionest SCI	SHORET
Accor Centres de Contacts Clients (formerly ARS)	Marcq Hotel	SIDH
Accueil Partenaires	Mer et Montagne SNC	SIGEST 1
all seasons (formerly Mercure France-Est)	SHNM (formerly Newgen Hôtels France SAS)	SISP SNC
Blagnac SCI	NMP France (formerly DGR Île-de-France SNC)	SNC Management Hôtels
Chammans Finance	Novobiens	SODETIS
Cie d'Exploitation Hôtelière de Bagnolet	ORPA SCI	Sofitel Luxury Hôtels France (formerly SHBA)
Cie d'Exploitation Hôtelière de Roissy	Paris Clichy (Frantour Berthier)	Soluxury HMC SARL
Cie Européenne de Patrimoine Immobilier & Hôtelier	Paris Porte de St Cloud	Soparac
Cie Toulonnaise d'Investissement de Développement	Partal	Sophia Antipolis
CIWLT Succursale France	Pradotel	SPARHE
Devimco	Pro Fid (formerly Accentiv')	Sté Commerciales des Hôtels Economiques
Domaine de Marlioz	Pullman International Hôtels	Sté Comtoise Hôtels Brochets
ECOTEL	SA des Hôtels de Tradition	Sté de Construction des Hôtels Suite
EHS snc	SEH Strasbourg la Vigie	Sté d'Investissement & d'Expansion Touristique
ETAP HOTELS	SEORIM	Sté Française de Participation & d'Investissement Européen
EXHOTEL	SEPHI	Sté Internationale de Participation
FIMAKER	SGHPS – Grand Hôtel Poitiers Sud	Sté Internationale de Services Hôtels Economiques
FRANDOM	SH 61 QG (formerly DGR NNE)	Sté Management Intermarques
GESTAL	SH Danton Michelet	Sté Participation et d'Investissement de Motels
GPC Rive Gauche (formerly Sté Hôtel du Gâtinais)	SH de Thalasso Côte Varoise	Sté Participation d'Ile-de-France
HOSPITEL	SH Forum	Sté Participation Financières d'Hôtellerie
Hôtel de Porticcio	SH Nouveau Bercy SAS	Sudaix SCI
HOTEXCO	SH Porte de Sèvres	Thalamer
IBL	SH Sablaise	Thermale de France
Immobilière de Perrache	SHEMA (formerly Mercure RAM)	

D. Provision recognized in accordance with Article 312-1 of standard CRC 99-03

In 2012, Accor applied Recommendation 2005-G issued on October 12, 2005 by the French National Accounting Board's Urgent Issues Task Force concerning the conditions applicable for recognizing a provision within a parent company that has set up a tax group.

Under the Group relief agreement between Accor SA and its subsidiaries, the tax benefits resulting from the utilization by the tax group of a subsidiary's tax losses revert to the subsidiary if it leaves the tax group.

As required by Article 312-1 of CRC standard 99-03, a provision is recorded for the Company's liability when it is probable that the tax benefit will be transferred as a result of a subsidiary leaving the tax group.

In practice, over the past five years the majority of the companies that have left the tax group have done so as a result of a liquidation, merger or disposal not requiring any transfer of tax benefits. There has only been one case where the sale of a subsidiary to a party outside the tax group led to the transfer of a tax benefit.

E. Dividend withholding tax (précompte)

In 2002, Accor launched a legal challenge to its obligation to pay withholding tax on the redistribution of European-source dividends.

Until 2004, French parent companies that received dividends from their French subsidiaries were entitled to a 50% tax credit, which could be set off against the withholding tax payable on redistribution of the dividends. However, no such tax credit was available for European-source dividends.

Accor claimed that the absence of a tax credit on European-source dividends breached European Union rules.

Ruling on a dispute between Accor and the French State, on December 21, 2006 the Versailles Administrative Court ordered the State to refund the précompte withholding tax paid by Accor in the period from 1999 to 2001, for a total of €156 million.

The amount of €156 million was refunded to Accor during the first half of 2007, together with €36.4 million in late payment interest due by the French State.

However, on March 8, 2007, the French State appealed the ruling to the Versailles Administrative Court of Appeal. On May 20, 2008 the Versailles Administrative Court of Appeal ruled in favor of Accor and confirmed the Company's right to the refunded amount.

The French State went on to appeal the ruling to the French Supreme Court and a provision was therefore booked for the amount of the refund and the late payment interest, with the result that the decisions of the Versailles Administrative Court and Administrative Court of Appeal had no net impact on the 2011 accounts.

After examining the case in 2012, the Supreme Court issued an unfavorable ruling for Accor. Consequently, in 2013 Accor will be required to repay a principal amount of €149.7 million and an estimated €35 million in late payment interest. The €6.3 million out of the original principal amount refunded by the State that Accor will not be required to repay was recognized in reserves at December 31, 2012 and the €1.4 million in late payment interest received from the State that Accor will not have to repay was recognized as a tax benefit in the 2012 income statement.

In addition, on February 7, 2007, Accor filed an application instituting proceedings before the Cergy Pontoise Administrative Court to obtain a refund of the €187 million in précompte withholding tax paid in the years 2002 to 2004.

NOTE 25 DEFERRED TAX

Total provision movements for 2012 recorded by subsidiaries that form part of the Accor tax group represented a net non-deductible charge of €246 million, giving rise to an €82 million deferred tax asset calculated at the rate of 33.33% excluding the 3.3% contribution sociale surtax and the 5% special contribution.

NOTE 26 OFF-BALANCE SHEET COMMITMENTS GIVEN AND RECEIVED

Lease commitments

Commitments given by Accor SA to its subsidiaries concerning fixed and variable lease payments were as follows at December 31, 2012 and 2011:

(in millions of euros)	2011	2011
Fixed lease payment commitments given to subsidiaries	1,979	1,827
Variable lease payment commitments given to subsidiaries	1,705	1,894
TOTAL LEASE PAYMENT COMMITMENTS GIVEN	**3,685**	**3,721**

A breakdown of the Company's finance lease commitments is provided in note 19.

Other off-balance sheet commitments

Off-balance sheet commitments given at December 31, 2012 and 2011 break down as follows:

(in millions of euros)	2011	2012
COMMITMENTS GIVEN (LIABILITIES)		
Pledge of BRH shares [1]	26	-
Other purchase commitments	-	-
TOTAL PURCHASE COMMITMENTS	26	-
Construction performance bonds – ibis (China) [2]	2	4
Commitments given for refurbishment works – Pullman Paris Tour Eiffel [3]	-	41
TOTAL WORKS COMMITMENTS	2	45
Guarantees given [4]	19	6
Guarantees for confirmed credit lines [5]	142	76
Guarantees for bank borrowings [5]	44	38
Guarantees given to third parties [5]	83	111
Guarantees for liabilities [5]	282	232
TOTAL GUARANTEE COMMITMENTS	**571**	**463**
COMMITMENTS GIVEN IN THE NORMAL COURSE OF BUSINESS	**-**	**-**
TOTAL COMMITMENTS GIVEN	**599**	**508**

(1) Security interests given on assets correspond to pledges and mortgages valued at the acquisition cost of the underlying assets. In 2012, Accor fully wrote down its original €25.74 million interest in BRH, which had been pledged as collateral for a loan in the same amount granted to BRH by Mauritius Commercial Bank. As this pledge was indexed to the net value of the shares held by Accor SA, its amount was zero at December 31, 2012.

(2) In connection with its development in China, Accor has issued performance bonds to the developers of ibis hotels. The related commitment at December 31, 2012 concerned 6 ibis hotels and amounted to €3.8 million.

(3) The Company gave a total of €47 million in commitments in the capacity as property developer for refurbishment works to be carried out on the Pullman Paris Tour Eiffel hotel. At December 31, 2012, the refurbishment works that remained to be delivered by Accor were valued at €41 million.

(4) This item includes various guarantees given on behalf of direct and indirect subsidiaries either to banks or directly to the subsidiaries' customers.

(5) Accor has given guarantees for (i) borrowings (€38 million), (ii) confirmed credit lines (€76.2 million) and (iii) liabilities of SNC limited partnerships (€231.7 million). It has also issued other bank guarantees representing €6.1 million. Total guarantees given to other third parties came to €110.8 million at December 31, 2012.

(in millions of euros)	2011	2012
COMMITMENTS RECEIVED (ASSETS)		
Non-cancelable commitments received for the purchase of financial assets	-	-
PURCHASE COMMITMENTS RECEIVED	-	-
Commitments received for refurbishment works – Pullman Paris Tour Eiffel (6)	-	41
WORKS COMMITMENTS RECEIVED	-	41
Guarantees for confirmed credit lines	-	-
Guarantees received	-	-
Other commitments received	-	-
OTHER FINANCIAL GUARANTEES FOR BORROWINGS	-	-
TOTAL COMMITMENTS RECEIVED	**-**	**41**

(6) As part of the refinancing operation launched in 2012 concerning the Pullman Paris Tour Eiffel, Accor undertook to carry out refurbishment works at the hotel in the capacity of property developer and the investor undertook to purchase the resulting fixed assets for €47 million. At December 31, 2012, the outstanding amount of the investor's commitments stood at €41 million.

NOTE 27 SUBSEQUENT EVENT

On February 18, 2013, Accor announced that it had entered into a sale and management-back agreement for the Sofitel Paris Le Faubourg, for a total value of €113 million including a €13 million renovation program.

NOTE 28 MAIN SUBSIDIARIES AND AFFILIATES AT DECEMBER 31, 2012

(in thousands of local currency units)

Subsidiaries and affiliates	Currency	Share capital	Reserves (retained earnings)	Percent interest
A- SUBSIDIARIES AND AFFILIATES WITH A BALANCE SHEET VALUE IN EXCESS OF 1% OF ACCOR'S CAPITAL				
1- Subsidiaries (at least 50%-owned)				
a) French subsidiaries				
SPFH 110, avenue de France 75013 Paris	EUR	29,796	(28,928)	100.00%
SOCIETE HOTELIERE DE MONTPARNASSE 2, rue de la Mare Neuve 91000 Evry	EUR	16,008	6,914	100.00%
IBL. 110, avenue de France 75013 Paris (3)	EUR	863,010	(461,950)	100.00%
STE DE CONSTRUCTION DES HOTELS SUITES 2, rue de la Mare Neuve 91000 Evry	EUR	29,296	(4,284)	100.00%
SIET 2, rue de la Mare Neuve 91000 Evry	EUR	16,914	(2,590)	100.00%
SOLUXURY HMC 2, rue de la Mare Neuve 91000 Evry	EUR	10,226	6,621	100.00%
CHAMMANS 110, avenue de France 75013 Paris	EUR	102,048	7,377	100.00%
PROFID 2, rue de la Mare Neuve 91000 Evry	EUR	3,500	(1,793)	100.00%
SNC SH 61 QG 2, rue de la Mare Neuve 91000 Evry	EUR	10,038	(11,855)	100.00%
STE DES HOTELS DE TRADITION 2, rue de la Mare Neuve 91000 Evry	EUR	13,366	(331)	100.00%
SEPHI 6-8, rue du Bois Briard 91000 Evry (3)	EUR	8,000	42,024	99.99%
SFPIE 110, avenue de France 75013 Paris (3)	EUR	15,129	1,874	99.99%
SOFITEL LUXURY HOTELS FRANCE 2, rue de la Mare Neuve 91000 Evry	EUR	2,550	(7,868)	99.99%
LA THERMALE DE FRANCE 2, rue de la Mare Neuve 91000 Evry	EUR	2,405	(24,009)	99.99%
PIH 2, rue de la Mare Neuve 91000 Evry	EUR	32,236	34,414	99.99%
HOTEXCO 6-8, rue du Bois Briard 91000 Evry	EUR	39,071	77,977	99.99%
FIMAKER 6-8, rue du Bois Briard 91000 Evry	EUR	1,103	1,788	99.99%
SPARHE 2, rue de la Mare Neuve 91000 Evry	EUR	9,000	3,037	99.99%
CTID 2, rue de la Mare Neuve 91000 Evry	EUR	3,481	713	99.99%
CEPIH 110, avenue de France 75013 Paris	EUR	688	498	99.98%
SISHE 6-8, rue du Bois Briard 91000 Evry	EUR	10,039	(51)	99.50%
SCHE 6-8, rue du Bois Briard 91000 Evry	EUR	44,570	35,707	99.09%
ACCOR AFRIQUE 2, rue de la Mare Neuve 91000 Evry	EUR	29,709	11,143	97.22%
MARCQ HOTEL. 2, rue de la Mare Neuve 91000 Evry	EUR	6,789	4,160	96.91%
PRADOTEL. 6-8, rue du Bois Briard 91000 Evry	EUR	789	15,532	90.67%
SOCIETE DES HOTELS NOVOTEL ET MERCURE 2, rue de la Mare Neuve 91000 Evry	EUR	4,724	328,358	82.85%
SEORIM 2, rue de la Mare Neuve 91000 Evry	EUR	31,359	2,419	70.94%
WBA SAINT HONORE 15, rue Boissy-d'Anglas 75008 Paris	EUR	15,930	25,722	53.60%
SHTC 84, allée Jean Jaurès 31000 Toulouse	EUR	195	3,078	51.44%
b) Foreign subsidiaries				
ACCOR SUISSE SA (Switzerland)	CHF	14,300	21,459	100.00%
SH ATHENES CENTRE (Greece)	EUR	2,933	(2,762)	100.00%
ACCOR POLSKA (Poland)	PLN	173,038	11,310	100.00%

(in thousands of euros)

Carrying amount of shares		Outstanding loans and advances granted by Accor SA	Guarantees given by Accor SA	Last published net revenue	Last published net profit (loss)	Dividends received by Accor SA during the year
Cost	Net					
29,796	901	-	-	-	(262)	-
34,623	13,300	57	-	73,594	12,246	-
1,051,705	400,110	-	-	-	(222,585)	-
33,887	28,780	-	-	3,410	3,835	-
119,973	3,901	-	-	-	319	-
10,226	10,226	9,448	-	63,859	1,225	-
108,151	108,151	41,859	-	-	6,418	9,567
13,903	13,364	-	-	77,969	(2,146)	12,408
10,038	-	587	10	48,320	(2,859)	-
13,095	-	8,454	-	6,021	181	-
40,399	40,399	112	10	111,877	10,292	3,500
24,640	24,640	-	-	-	106	303
14,885	-	7,754	10	49,956	(3,675)	-
10,048	-	21,469	-	-	(383)	-
29,263	29,263	-	-	-	253	-
12,469	12,469	116	10	103,896	1,935	9,206
7,240	2,960	23	-	3,591	43	198
12,845	12,845	58	-	13,668	1,315	1,560
7,331	3,800	-	-	613	214	-
11,799	1,727	-	-	186	127	860
9,984	9,951	916	-	178	1	-
65,382	65,382	1,444	-	126,102	(12,177)	-
76,681	53,975	13,238	-	15,335	4,494	-
9,392	7,448	-	-	3,399	248	1,272
7,357	7,357	43	10	21,855	(1,681)	1,234
345,663	269,316	-	2,550	84,901	23,781	-
22,164	22,164	-	-	-	1,185	-
28,773	28,773	-	-	21,751	2,258	-
7,984	4,041	-	-	9,376	36	-
25,907	25,907	-	-	-	12,586	11,656
10,362	-	4	1,810	2,519	(1,770)	-
60,481	60,481	-	-	4,485	1,839	9,435

(in thousands of local currency units)

Subsidiaries and affiliates	Currency	Share capital	Reserves (retained earnings)	Percent interest
KATERINSKA HOTEL (Czech Republic) (3)	CZK	300,000	603,352	100.00%
ACCOR UK LTD (United Kingdom) (3)	GBP	32,530	51,584	100.00%
ACCOR HOTEL BELGIUM (Belgium)	EUR	1,062,222	32,385	100.00%
ACCOR HOSPITALITY GERMANY GMBH (Germany) (3)	EUR	48,750	298,357	100.00%
SOGEDETU (Dominican Republic) (3)	DOP	479,724	(135,058)	100.00%
BELLE RIVIERE HOTEL (Mauritius)	MUR	1,420,000	(1,803,761)	100.00%
ACCOR CHILE (Chile)	CLP	7,977,620	1,629,315	100.00%
STE IMMOBILIARIA HOT. DE MEXICO (Mexico)	MXN	350,450	(214,611)	100.00%
ACCOR AUSTRIA (Austria)	EUR	5,542	9,812	100.00%
ACCOR PARTICIPAZIONI Italia (Italy) (3)	EUR	1,232	954	100.00%
TURAMBAR (Spain) (3)	EUR	13,000	40,219	100.00%
COMPAGNIE DES WAGONS-LITS (Belgium)	EUR	50,676	297,265	99.78%
ACCOR HOSPITALITY ARGENTINA (Argentina)	ARS	7,864	112,015	95.00%
SOGECOL LTDA (Colombia)	COP	4,787,848	17,669,404	91.57%
SHERATON GEZIRAH LE CAIRE (Egypt)	USD	20,817	8,987	65.01%
HOLPA (Luxembourg)	EUR	53,245	(22,902)	63.55%
ACCOR LODGING NORTH AMERICA (United States)	USD	1,539,099	257,595	62.12%
ACCOR HOSPITALITY NEDERLAND (Netherlands)	EUR	6,930	116,083	58.09%
2 - Affiliates (10 to 50%-owned)				
a) French affiliates				
SHPS 2 avenue du Lac 91,080 Courcouronnes	EUR	48,909	6,774	40.89%
b) Foreign affiliates				
AMORIM HOTELS SERVICOS (Portugal) (3)	EUR	14,300	12,148	50.00%
ORBIS (Poland)	PLN	517,754	1,380,635	47.69%
RISMA (Morocco)	MAD	788,294	208,315	31.33%
PROGETTO VENEZIA (Italy) (1)	EUR	20,750	(10,243)	20.00%
AAPC (Australia)	AUD	522,382	(379,545)	18.10%
ACCOR HOTELES ESPANA (Spain) (3)	EUR	126,398	(125,679)	16.40%
CIE ITALIENNE DE TOURISME HOLDING SPA (Italy) (2)	EUR	26,367	(78,730)	10.00%
B - OTHER INVESTMENTS IN COMPANIES WITH A BALANCE SHEET VALUE OF LESS THAN 1% OF ACCOR'S CAPITAL				
1 - Subsidiaries (at least 10%-owned)				
a) French subsidiaries (aggregate)				
b) Foreign subsidiaries (aggregate)				
2-Other investments (less than 10%-owned)				
a) French companies (aggregate)				
b) Foreign companies (aggregate)				
TOTAL (NOTE 28)				

(1) Balance sheets at December 31, 2004.
(2) Balance sheets at June 30, 2005.
(3) Provisional or unaudited balance sheets.

(in thousands of euros)

Carrying amount of shares		Outstanding loans and advances granted by Accor SA	Guarantees given by Accor SA	Last published net revenue	Last published net profit (loss)	Dividends received by Accor SA during the year
Cost	Net					
9,125	9,125	20,297	-	22,873	805	-
92,790	92,790	-	-	-	43	31,062
1,002,299	1,002,299	-	-	130,021	11,510	18,266
537,919	518,432	8	5,235	833,271	10,244	-
20,855	3,390	-	-	5,713	108	-
35,315	-	1,000	-	2,771	(36,031)	-
10,498	10,498	-	-	15,215	1,341	-
28,707	8,533	1	-	14,348	(632)	-
21,573	21,573	-	-	5,837	1,999	-
67,763	-	44,221	-	-	(21,576)	-
198,932	198,932	-	-	-	32	-
1,150,668	381,564	-	-	-	13,330	36,406
20,474	17,539	1,138	-	19,234	(162)	1,036
9,050	8,000	-	-	1,996	286	-
35,879	35,686	-	-	6,922	3,659	1,262
44,585	19,402	-	-	-	38	-
917,764	37,102	-	-	-	(287)	-
17,746	17,746	-	-	184,321	2,648	11,618
20,000	20,000	32	-	17,977	14,178	-
7,145	7,145	46,952	-	-	(665)	-
206,534	206,534	-	-	128,488	24,924	7,479
41,574	27,786	14,111	-	48,782	(28,131)	-
8,568	-	-	-	1,094	(8,622)	-
66,758	66,758	11,818	-	13,273	(3,545)	-
30,240	-	82,326	-	106,590	(50,563)	-
8,985	-	-	-	3,125	(5,911)	-
103,629	**53,492**	**72,745**	**6,008**			**25,582**
39,576	**25,735**	**65,413**	**18,081**			**7,581**
8,118	**7,203**	**994**	**20**			**262**
5,804	**5,625**	**45**	**-**			**212**
7,035,319	**4,064,520**	**466,683**	**33,754**			**201,965**

5.4.4. FIVE-YEAR FINANCIAL SUMMARY

(in millions of euros)	2008	2009	2010	2011	2012
1- CAPITAL AT YEAR-END					
Share capital	660	676	680	682	682
Number of shares in issue	219,894,523	225,458,199	226,793,949	227,251,446	227,277,972
2- RESULTS OF OPERATIONS					
Net revenues	645	677	721	725	753
Profit before tax, depreciation, amortization and provisions	500	426	649	751	67
Income tax	(51)	(50)	(26)	(24)	(32)
Net profit (loss)	482	(302)	173	771	(584)
Dividends	363	237	141	261	173 (1)
3- PER SHARE DATA (in euros)					
Earnings per share after tax, before depreciation, amortization and provisions	2.51	2.11	2.98	3.41	0.44
Earnings (loss) per share	2.19	(1.34)	0.76	3.39	(2.57)
Dividend per share (before tax credit/allowance)	1.65	1.05	0.62	1.15	0.76 (1)
4- EMPLOYEES					
Number of employees	1,263	1,174	1,066	1,042	1,069 (2)
Total payroll and employee benefits	138	154	138	130	127

(1) Recommended dividend for 2012 proposed at the Annual Shareholders' Meeting of April 25, 2013 based on 227,277,972 shares.
(2) Number of employees on the Accor SA payroll at December 31, 2012.

6

Capital and ownership structure

6.1. INFORMATION ABOUT THE COMPANY

Company name

Accor

Registered office

110, avenue de France – 75013 Paris.

Legal form

Joint stock company (société anonyme) governed by the applicable French laws and regulations, including Articles L. 225-17 to L. 225-56 of the French Commercial Code.

Governing law

The laws and regulations of France.

Term

The Company was incorporated on April 22, 1960 and will be dissolved on April 22, 2059 unless it is wound up in advance or its term is extended.

Corporate purpose

(Article 3 of the Bylaws)

The Company's corporate purpose is to engage in the following activities, in France and other countries, for its own account, on behalf of third parties, or jointly with third parties:

- the ownership, financing and management, directly, indirectly, or under specified mandates, of hotels, restaurants and bars of any nature or category and, more generally, any establishment related to lodging, food, tourism, leisure, and services;
- the economic, financial, and technical review of projects and, generally, all services related to the development, organization and management of the above-mentioned establishments, including all actions related to their construction or the provision of any related consulting services;
- the review and provision of services intended to facilitate the supply of meals to employees in companies, institutions and other organizations;
- the creation of any new company and the acquisition of interests by any method in any company operating in any business;
- all civil, commercial, industrial and financial transactions, involving both securities and property, related to the purposes of the Company and all similar or related purposes.

Trade register

The Company is registered in Paris under number 602,036,444.

Business Identification (APE) Code: 7010Z.

Documents on display

Corporate documents, including the Bylaws, balance sheets, income statements, Board of Directors' reports and Auditors' reports, may be inspected at the Company's registered office.

Fiscal year

The Company's fiscal year begins on January 1 and ends on December 31.

Profit available for distribution

(Article 27 of the Bylaws)

Profit available for distribution consists of net profit for the year, less any losses brought forward from prior years and any amounts to be credited to reserves pursuant to the law, plus any unappropriated retained earnings brought forward from prior years.

After approving the accounts for the year, the Annual Meeting may decide to appropriate all or part of the profit available for distribution, if any, to the payment of a dividend. In the event of partial distribution, the Annual Meeting may decide to appropriate the remaining profit to one or more reserve accounts. Alternatively, the Annual Meeting may decide to appropriate all of the profit available for distribution to said reserve accounts.

Shareholders' Meetings

Notice of Shareholders' Meetings

(Article 24 of the Bylaws)

Shareholders' Meetings shall be called as provided for by law. The meetings shall take place at the Company's registered office or at any other venue specified in the notice of meeting.

Attendance and representation

(Article 24 of the Bylaws)

In accordance with applicable laws and regulations, all shareholders are entitled to attend or be represented at Shareholders' Meetings, regardless of the number of shares they hold, provided they can present legally sufficient evidence that the shares are registered in their name in the Company's share register (registered shares) or recorded in a share account in their name administered by an accredited financial intermediary (bearer shares), in compliance with paragraph 7 of Article L. 228-1 of the French Commercial Code, at least three business days prior to midnight CET on the date of the Meeting.

In the case of bearer shares, such evidence shall take the form of a statement of share ownership (attestation de participation) issued by the accredited financial intermediary in accordance with the law.

Organization of Shareholders' Meetings

(Article 25 of the Bylaws)

All shareholders have the right to attend or be represented at Shareholders' Meetings, within the conditions set by law. They may vote by post in accordance with Article L. 225-107 of the French Commercial Code. The proxy/postal voting form may be sent to the Company or to the Company's registrar in paper form or, by decision of the Board of Directors published in the notice of meeting, by electronic mail in accordance with the applicable laws and regulations.

In addition, if decided by the Board of Directors when the meeting is called, shareholders who participate in the meeting by videoconference or by any electronic means enabling their identification, on the basis and by the method stipulated in the applicable laws and regulations, will be considered as being physically present for the calculation of the quorum and voting majority.

To cast a vote or execute a proxy by electronic means, shareholders or their duly authorized representative or attorney must either:

- provide a secure electronic signature fulfilling the requirements of the applicable laws and regulations; or;
- enter a unique username and password on the Company's website, if such a website exists, in accordance with the applicable laws and regulations. This type of electronic signature shall be considered a reliable mechanism for identifying shareholders and their votes, in compliance with the first sentence of paragraph 2 of Article 1316-4 of the French Civil Code.

Meetings are chaired by the Chairman of the Board of Directors or, in his or her absence, by a director designated by the Board. Otherwise, the meeting elects its own Chairman.

The function of Scrutineer of the Meeting is fulfilled by the two shareholders present at the Meeting who represent the largest number of voting rights and who consent to take on the role. The Bureau thus formed names a Secretary, who may or may not be a shareholder.

An attendance register is kept, pursuant to the law.

Copies or excerpts of the Meeting minutes may be certified by the Chairman of the Board of Directors, the Chairman of the meeting, or the meeting Secretary.

Ordinary and Extraordinary Shareholders' Meetings fulfilling the relevant quorum and majority voting requirements exercise the powers vested in them by law.

Double voting rights

(Article 25 of the Bylaws)

All fully paid shares registered in the name of the same holder for at least two years carry double voting rights.

In the event of a capital increase through the capitalization of retained earnings, profits or additional paid-in capital, the resulting bonus shares distributed in respect of registered shares carrying double voting rights will similarly carry double voting rights.

Registered shares converted into bearer shares or sold to a different holder lose their double voting rights. However, transfers through inheritance, liquidation of marital assets, inter vivos transfers to a spouse or to a relative in the ascending or descending line do not result in the loss of double voting rights or a break in the qualifying period. The merger of the Company has no impact on double voting rights, provided that the Bylaws of the surviving company allow for their exercise.

When shares are held by beneficial and non-beneficial owners, voting rights in Ordinary and Extraordinary Shareholders' Meetings are exercised by the beneficial owner.

Disclosure thresholds

(Article 9 of the Bylaws)

Any shareholder, acting alone or in concert with other shareholders within the meaning of Article L. 233-10 of the French Commercial Code, that directly or indirectly acquires an interest, or raises its interest, in the capital or voting rights of the Company, including any equivalent shares or voting rights as defined in Article L. 223-9-1 of the Commercial Code, to above or below any statutory disclosure threshold is required to disclose its interest to the Company. In the case of failure to make such disclosure, the sanctions provided for by law will apply.

In addition, any shareholder that acquires or raises its interest to 1% of the capital or voting rights is required to disclose its interest to the Company by registered letter with return receipt requested sent to the head office, within five trading days of the transaction date or the signature of any agreement resulting in the disclosure threshold being crossed, whatever the date on which the shares are recorded in the holder's account. The notification must include details of the total number of shares and/or share equivalents held and the number of voting rights held as provided for above.

Above said 1% threshold, the same disclosure rules as defined above will apply to any increase in a shareholder's interest by any multiple of 0.5% of the capital or voting rights and to any reduction in a shareholder's interest by any multiple of 1% of the capital or voting rights.

For the application of the above paragraphs, the shares or voting rights referred to in paragraphs 1 to 8 of Article L. 233-9-1 of the French Commercial Code are considered as being equivalent to the shares or voting rights held by the shareholder.

Restrictions on voting rights

(Article 9 of the Bylaws)

In the case of failure to comply with the applicable disclosure rules, at the request of one or several shareholders representing at least 3% of the Company's capital or voting rights, as duly recorded in the minutes of the Shareholders' Meeting, the undisclosed shares will be stripped of voting rights at all Shareholders' Meetings held in the two years following the date when the omission is remedied.

Notification of intentions

(Article 9 of the Bylaws)

Any shareholder that acquires or raises its interest to more than one-twentieth, three-twentieths or one quarter of the capital or voting rights is required to notify the Company of its intentions over the following twelve months.

At the end of each successive twelve-month period, any shareholder that continues to hold a number of shares or voting rights in excess of the above fractions will be required to notify the Company of its intentions for the following twelve months.

In particular, the shareholder must inform the Company of whether it is acting alone or in concert with other shareholders, whether or not it plans to purchase additional shares, and whether or not it intends to acquire control of the Company or to request its election or the election of one or several candidates of its choice as directors of the Company. The Company will have the right to inform the public and shareholders of the said shareholder's disclosed intentions, or of the shareholder's failure to comply with this requirement.

For the application of the above paragraphs, the shares or voting rights referred to in paragraphs 1 to 8 of Article L. 233-9-1 of the French Commercial Code are considered as being equivalent to the shares or voting rights held by the shareholder.

6.2. SHARE CAPITAL

6.2.1. SHARE CAPITAL

At December 31, 2012, the Company's share capital amounted to €681,833,916, divided into 227,277,972 common shares with a par value of €3.00, all fully paid-up and all in the same class.

Shares may be held in either registered or bearer form.

The Company avails itself of legal procedures to identify its shareholders.

Shares are freely transferable within legal and regulatory limits.

The transfer of shares, regardless of price or terms, is made by account transfer, pursuant to regulations in force.

6.2.2. SHARE BUYBACK PROGRAM

Authorization granted by the Annual Meeting of May 10, 2012

The Annual Meeting of May 10, 2012 authorized the Board of Directors to trade in the Company's shares on the stock market. The authorization was given for a period of 18 months and superseded all previous authorizations.

The number of shares acquired under the authorization may not exceed 22,000,000, or 9.68% of the share capital at May 10, 2012 and the maximum total investment in the buyback program may not exceed €1,100 million.

The authorization may be used to purchase, sell or transfer shares for the following purposes:

- for cancellation at a later date in connection with a capital reduction decided or authorized by shareholders in an Extraordinary Meeting;
- for allocation upon exercise of stock options granted under plans governed by Articles L. 225-177 et seq. of the French Commercial Code, or to members of an employee stock ownership plan governed by Articles L. 3332-1 et seq. of the Labor Code or to recipients of stock grants made under plans governed by Articles L. 225-197-1 et seq. of the Commercial Code;
- for allocation on the conversion, redemption, exchange or exercise of share equivalents;
- to be held in treasury for subsequent remittance in exchange or payment in connection with external growth transactions, a merger, demerger or asset contribution within a limit of 5% of the Company's capital;
- to make a market in the Company's shares under a liquidity contract that complies with the Code of Ethics recognized by the Autorité des Marchés Financiers.

Implementation of the share buyback program in 2012

The authorization granted by shareholders on May 10, 2012 was not used by the Board of Directors during the year, and at year-end, Accor did not hold any shares in treasury.

6.2.3. FINANCIAL AUTHORIZATIONS

Shareholders have granted the Board of Directors the following authorizations.

Type of authorization	Date of authorization	Nominal amount authorized	Term and expiry date	Utilization in 2012
Reduction of capital by canceling treasury stock	Annual Meeting of May 10, 2012 11th resolution	10% of the share capital	18 months – November 10, 2014	
Issuance of shares and share equivalents:	Annual Meeting of May 30, 2011 16th to 20th resolutions		26 months – July 30, 2013	
■ With pre-emptive subscription rights		€300 million		
■ By public offering without pre-emptive subscription rights		€160 million with priority subscription rights		
■ By public offering without pre-emptive subscription rights		€100 million without priority subscription rights		
■ By restricted offering without pre-emptive subscription rights		€100 million		
■ In connection with a stock-for-stock offer		€160 million with priority subscription rights €100 million without priority subscription rights		
■ To increase the amount of any issues that are oversubscribed		15% of the initial issue (or according to legislation prevailing on the issue date)		
■ In payment for contributed assets		10% of the share capital		
Issuance of new shares by capitalizing reserves, retained earnings or additional paid-in capital	Annual Meeting of May 30, 2011 21st resolution	€300 million	26 months – July 30, 2013	
Blanket ceiling on the authorizations to issue shares and/or other securities (par value)	Annual Meeting of May 30, 2011 22nd resolution			
■ With or without pre-emptive subscription rights (16th to 21st resolutions)		€340 million		
■ Without pre-emptive subscription rights (17th to 20th resolutions)		€135 million		
Employee share issue	Annual Meeting of May 30, 2011 23rd resolution	2% of the share capital at May 30, 2011	26 months – July 30, 2013	

Type of authorization	Date of authorization	Nominal amount authorized	Term and expiry date	Utilization in 2012
Stock option plans for employees and executive directors	Annual Meeting of May 30, 2011 24th resolution	2.5% of the share capital at May 30, 2011	38 months – July 30, 2014	527,515 stock options and 47,375 performance stock options granted on March 27, 2012
Stock grants without consideration	Annual Meeting of May 30, 2011 25th resolution	0.5% of the share capital at May 30, 2011	38 months – July 30, 2014	284,976 performance shares granted on March 27, 2012

6.2.4. EMPLOYEE STOCK OWNERSHIP

The first employee share issue, open to participants in the "Accor en Actions" Corporate Savings Plan, was carried out in France in 1999, with 7,900 employees purchasing shares.

In 2000, Accor launched its first international employee share issue in 23 countries, demonstrating its commitment to offering a significant number of employees worldwide the opportunity to become Accor shareholders by tailoring the plan rules to comply with legal and tax restrictions in each country. A total of 16,000 people participated in the offer.

International employee share issues were again carried out in 2002, with more than 12,600 employees participating in 25 host countries, and in 2004, with 9,100 employees participating in some twenty countries.

Lastly, in 2007, for the first time, a leveraged employee share ownership plan was offered, with 8,736 employees purchasing shares in the 26 countries where such plans are permitted by local legislation.

At December 31, 2011, 0.97% of the Company's capital was held by 17,488 employees through employee stock ownership plans.

At December 31, 2012, 0.69% of the Company's capital was held by 11,514 employees through employee stock ownership plans.

6.2.5. SECURITIES NOT CARRYING RIGHTS TO A SHARE IN THE CAPITAL

None. There are no other share equivalents outstanding.

6.2.6. CHANGES IN CAPITAL

Year	Changes in capital over the past five years	Increase/(decrease) in capital (in euros) Par value	Additional paid-in capital	New capital (in euros)	New shares outstanding
2008	Exercise of stock options at €31.83	2,220	21,334	689,755,602	229,918,534
	Exercise of stock options at €32.42	7,800	76,492	689,763,402	229,921,134
	Exercise of stock options at €35.68	92,193	1,004,289	689,855,595	229,951,865
	Exercise of stock options at €37.00	419,457	4,753,846	690,275,052	230,091,684
	Exercise of stock options at €37.77	80,535	933,401	690,355,587	230,118,529
	Exercise of stock savings warrants at €39.10	2,082	25,053	690,357,669	230,119,223
	Exercise of stock savings warrants at €43.40	4,860	65,448	690,362,529	230,120,843
	Exercise of stock savings warrants at €33.94	4,587	47,307	690,367,116	230,122,372
	Cancellation of shares	(30,683,547)	(509,196,503)	659,683,569	219,894,523
2009	Exercise of stock options at €31.83	900	8,649	659,684,469	219,894,823
	Exercise of stock options at €32.42	84,852	832,115	659,769,321	219,923,107
	Exercise of stock options at €35.68	20,700	225,492	659,790,021	219,930,007
	Exercise of stock options at €37.77	477,186	5,530,586	660,267,207	220,089,069
	Exercise of stock savings warrants at €39.10	32,409	389,988	660,299,616	220,099,872
	Vested performance shares	149,412	-	660,449,028	220,149,676
	Dividend reinvestment at €30.54	15,925,569	146,196,723	676,374,597	225,458,199
2010	Exercise of stock options at €21.11	234,825	1,417,560	676,609,422	225,536,474
	Exercise of stock options at €21.50	922,257	5,687,252	677,531,679	225,843,893
	Exercise of stock options at €23.66	1,530,156	10,537,674	679,061,835	226,353,945
	Exercise of stock options at €30.60	14,931	137,365	679,076,766	226,358,922
	Exercise of stock options at €31.83	1,950	18,740	679,078,716	226,359,572
	Exercise of stock options at €32.42	926,250	9,083,425	680,004,966	226,668,322
	Exercise of stock options at €32.56	5,430	53,504	680,010,396	226,670,132
	Exercise of stock options at €35.68	311,745	3,395,942	680,322,141	226,774,047
	Exercise of stock options at €21.50	41,850	485,041	680,363,991	226,787,997
	Exercise of stock savings warrants at €22.51	37,560	244,265	680,401,551	226,800,517
	Exercise of stock savings warrants at €33.94	5,712	58,910	680,407,263	226,802,421
	Vested performance shares	78,498	-	680,485,761	226,828,587
	Issue of 1,985,428 new shares as consideration for SEIH shares	5,956,284	68,901,754	686,442,045	228,814,015
	Distribution of Edenred shares to shareholders, as part of the demerger	-	(1,099,185,386)	680,485,761	228,814,015
	Cancellation of shares	(6,060,198)	(68,717,522)	680,381,847	226,793,949
2011	Exercise of stock options at €18.20	9,048	45,843	680,390,895	226,796,965
	Exercise of stock options at €21.50	596,580	3,678,910	680,987,475	226,995,825
	Exercise of stock options at €23.66	420,447	2,895,478	681,407,922	227,135,974
	Exercise of stock options at €30.60	13,572	124,862	681,421,494	227,140,498
	Exercise of stock savings warrants at €22.51	8,775	57,067	681,430,269	227,143,423
	Vested performance shares	324,069	-	681,754,338	227,251,446

Year	Changes in capital over the past five years	Increase/(decrease) in capital (in euros) Par value	Additional paid-in capital	New capital (in euros)	New shares outstanding
2012	Exercise of stock options at €18.20	3,486	17,662	681,757,824	227,252,608
	Exercise of stock options at €21.50	4,074	25,123	681,761,898	227,253,966
	Exercise of stock options at €26.66	2,715	21,412	681,764,613	227,254,871
	Exercise of stock savings warrants at €22.51	69,303	450,701	681,833,916	227,277,972

N.B.: There are no options outstanding to purchase existing shares of the Company. All options granted are to purchase new shares.

6.3. OWNERSHIP STRUCTURE

6.3.1. OWNERSHIP AND VOTING RIGHTS STRUCTURE

At December 31, 2012, the Company's capital consisted of 227,277,972 shares, representing a total of 283,662,612 voting rights, all of which were exercisable. There are 56,384,640 double voting rights outstanding.

The Company had 4,127 registered shareholders at December 31, 2012, representing 26.09% of the capital and 40.78% of total voting rights.

Shareholders at December 31, 2012

	Number of shares	Number of voting rights	% capital	% voting rights
ColDay/Legendre Holding 19 (1)	48,673,442	85,313,908	21.42%	30.08%
Founders	6,083,430	9,510,579	2.68%	3.35%
Other members of the Board of Directors	5,600	10,200	0.00%	0.00%
Board members and Founders	**54,762,472**	**94,834,687**	**24.09%**	**33.43%**
Other shareholders	172,515,500	188,827,925	75.91%	66.57%
TOTAL AT DECEMBER 31, 2012	**227,277,972**	**283,662,612**	**100.00%**	**100.00%**

(1) Shareholders acting in concert at December 31, 2012: ColDay (Colony Capital, LLC), which owns 25,506,869 shares and 39,086,044 voting rights, and Legendre Holding 19 (controlled by Eurazeo), which owns 23,166,573 shares and 46,227,864 voting rights.

At December 31, 2012, 11,514 employees held 1,568,887 shares (0.69% of total capital) and 2,648,265 voting rights (0.93% of the total) under employee stock ownership plans.

During the year, the following registered intermediaries or fund managers notified the Autorité des Marchés Financiers of changes in their interests, in accordance with disclosure threshold rules:

Registered intermediary or fund manager	Disclosure date	AMF reference number	Increase or decrease in interest	Number of shares	% capital	Number of voting rights	% voting rights
ColTime/ColDay/Legendre Holding 19	January 11, 2012	212C0081	↘	48,568,160	21.37%	71,979,451	27.51%
ColDay/Legendre Holding 19	April 26, 2012	212C0562	↗	48,568,160	21.37%	79,354,896	29.49%
Manning & Napier Advisors	November 16, 2012	212C1532	↗	11,374,332	5.00%	11,374,332	3.97%
Fonds Stratégique d'Investissement (FSI)	November 30, 2012	212C1594	↘	10,852,507	4.77%	21,705,014	7.58%
ColDay/Legendre Holding 19/ Eurazeo	December 12, 2012	212C1705	↗	48,673,442	21.42%	85,313,908	30.06%*

** On January 16, 2013, the AMF waived the obligation to file a public tender offer for the Company shares it did not already own.*

Changes in ownership structure over the past three years

	December 31, 2010			December 31, 2011			December 31, 2012		
	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
ColDay/Legendre Holding 19	61,844,245	27.27%	32.71%	61,844,245	27.21%	32.58%	48,673,442	21.42%	30.08%
Founders	4,516,369	1.99%	2.98%	6,222,631	2.74%	3.63%	6,083,430	2.68%	3.35%
Other shareholders	160,433,335	70.74%	64.31%	159,184,570	70.05%	63.79%	172,521,100	75.91%	66.57%
TOTAL	**226,793,949**	**100.00%**	**100.00%**	**227,251,446**	**100.00%**	**100.00%**	**227,277,972**	**100.00%**	**100.00%**

Sources: Accor share register, disclosures made to the Autorité des Marchés Financiers and the Company.

There were no shares held in treasury as of December 31, 2012.

A Euroclear France survey of financial institutions holding at least 200,000 shares and of shareholders holding at least 250 shares at December 31, 2012 identified 10,292 shareholders owning an aggregate 70.80% of the Company’s capital, representing 56.73% of total voting rights.

Analysis by shareholder category at December 31, 2012	% capital	% voting rights
Private shareholders	2.04%	1.64%
Institutional investors	71.19%	57.04%
French institutions	22.27%	17.84%
Foreign institutions	48.92%	39.20%
Unidentified in the Euroclear survey	26.77%	41.32%
TOTAL	**100.00%**	**100.00%**

Source: Euroclear France.

Shareholders’ agreements relating to the shares making up the Company’s capital

Apart from the shareholders’ pact described below, the Company is not aware of any other shareholders’ agreements relating to the shares making up its capital.

On May 4, 2008, a memorandum of understanding was signed by Colony Capital (represented by ColTime [1] and ColDay [2]) and Eurazeo (represented by Legendre Holding 19 [3]), acting in concert in accordance with the memorandum of understanding regarding their investment in Accor, which they had signed on January 27, 2008.

On December 18, 2009, an amendment to the memorandum was signed following the Accor Board of Directors’ approval of the potential benefits of demerging the Group’s Hotels and Prepaid Services businesses to create two separate listed companies. The purpose of the amendment was i) to extend the provisions of the memorandum of understanding to the shares in Edenred, and ii) to extend the undertaking in the memorandum not to sell their shares in Accor and Edenred until January 1, 2012.

The main clauses of the agreement are as follows:

- an undertaking to cast the same votes on strategic matters at Board of Directors’ meetings;
- an undertaking to cast the same votes at Accor Shareholders’ Meetings;
- an agreement that the parties should have equal representation on Accor’s Board;

(1) ColTime SARL is controlled by the investment funds Colony Investors VI, L.P. and Colyzeo Investors L.P., which are managed by Colony Capital, LLC.
(2) ColDay SARL is controlled by the investment funds Colony Investors VIII, L.P and Colyzeo Investors II, L.P., which are managed by Colony Capital, LLC.
(3) Controlled by Eurazeo SA.

- an agreement that if either of the undertakings set out above with respect to voting are breached by one of the parties, the party that has breached the undertaking shall offer to sell its Accor shares to the other party, at a price equal to 80% of the lower of i) the weighted average price of the Accor share over the twenty trading days preceding the breach, and ii) the closing price on the day of the breach. This offer must be made and taken up within a month of the date of breach;
- an undertaking not to enter into any acquisition or other agreement with a third party that would result in the concert group raising its interest to above one third of Accor's capital and/or voting rights;
- in the event that one of the parties decides to sells its shares to an identified purchaser, a right of first refusal for the other party, exercisable within ten days following notification of the intention to sell. The price for the shares sold will be proposed by the selling party;
- a duty for each party to give the other party four days' notice if they decide to sell their shares on the market to unidentified purchasers;
- in the event that one of the parties sells its shares, a right for the other party to sell the same proportion of shares, exercisable within ten days following the related notification;
- in the event that the two parties' existing shareholdings are equal, the obligation for either party that decides to purchase additional shares to propose the acquisition of the same number of shares to the other party;
- a priority share purchase right for the party holding the least number of shares. However, ColDay may freely acquire shares enabling it to raise its interest to 11% of Accor's capital and Eurazeo may freely acquire shares enabling it to raise its interest to 10% of the capital;
- in the event of a public offer initiated by a third party, if one of the two parties does not wish to tender its shares whereas the other one does, the right for the former to acquire the shares tendered to the offer by the other party at the offer price or at a higher price;
- in the event of a public offer initiated by one of the parties, in which the other party does not wish to participate, the right for either of the parties to terminate the concert arrangement. If the party not participating in the offer wishes to sell its Accor shares, the right for the initiator of the offer to acquire said shares before filing the offer, at the offer price or at a higher price.

The shareholders' pact has a five-year term, after which the concert arrangement may be terminated with 30 days' notice. However, it may be terminated in advance if either of the parties breaches its obligations or announces an intention to acquire a number of additional shares which would raise the concert group's interest to above the capital and/or voting rights threshold beyond which the Group would be required to launch a public tender offer. Between the third and fifth year, either party may terminate the pact subject to three months' notice. It will also be terminated if either of the parties reduces its interest in Accor to below 5% of the Company's capital.

On December 6, 2012, the concert group increased its interest to more than 30% of the Company's voting rights, simply because of a decrease in the number of total voting rights outstanding. In line with its General Regulations, and given the concert group's undertaking not to "actively increase" its interest in the Company, the AMF has waived the concert group's obligation to file a public tender offer.

Items likely to have an influence in the event of a public takeover offer

To the best of the issuer's knowledge, there are no items likely to have a material influence on the execution of lease, management or franchise contracts in the event of public takeover bid.

On the other hand, as mentioned on page 116 above, certain financing contracts contain change of control clauses.

6.3.2. DIVIDENDS

Year	Shares outstanding at December 31	Dividend for the year (in euros)	Paid on	Share price (in euros) High	Low	Year-end closing	Yield based on year-end closing price
2008	219,894,523	1.65	June 17, 2009	56.30	24.23	35.11	4.70%
2009	225,458,199	1.05	July 2, 2010	39.95	25.20	38.25	2.70%
2010	226,793,949	0.62	June 6, 2011	34.03	22.26	33.29	1.86%
2011	227,251,446	1.15	June 14, 2012	36.20	17.03	19.59	5.87%
2012	227,277,972	0.76 (1)	-	27.76	18.32	26.70	2.85%

(1) Submitted for approval at the Annual Shareholders' Meeting of April 25, 2013.

No interim dividend was paid. Dividends are paid through Euroclear France.

Dividends not claimed within five years from the date of payment are forfeited, as provided for by law.

The Board of Directors will recommend that shareholders at the Combined Ordinary and Extraordinary Shareholders' Meeting of April 25, 2013 approve the payment of a 2012 dividend of €0.76 per share.

6.4. THE MARKET FOR ACCOR SECURITIES

The market for Accor shares

Accor shares are traded on the NYSE Euronext Paris stock exchange (Compartment A) and are included in the CAC 40 index.

They are also included in the four main socially responsible investment stock indexes, the Vigeo ASPI index, the FTSE4Good index, the Ethibel ESI index and the Dow Jones Sustainability Index.

At December 31, 2012, the Accor share closed at €26.70, and the Company's market capitalization stood at €6.1 billion.

Accor share prices and trading volumes (ISIN: FR0000120404)

	Average closing price	High-Low		Trading volume
		High	Low	
2012				
January	21.29	24.09	18.70	29,609,366
February	25.58	27.74	23.35	28,802,327
March	26.40	27.37	25.01	23,831,231
April	25.70	27.98	24.31	30,985,361
May	25.28	27.10	23.68	25,551,482
June	23.28	24.71	21.98	25,346,517
July	25.19	27.67	24.10	16,684,840
August	26.83	27.76	25.21	13,759,732
September	26.60	27.57	24.87	15,324,379
October	25.16	27.10	23.13	16,627,390
November	24.59	25.85	23.18	12,548,454
December	26.16	26.78	25.37	12,380,022
2013				
January	27,76	29,11	26,58	12,299,127
February	28,62	29,63	27,21	15,955,570

Source: Euronext.

7

Other information

7.1. INVESTOR RELATIONS AND DOCUMENTS ON DISPLAY

In addition to the Annual Meeting and the events organized to present the annual results, Accor keeps both private and institutional shareholders informed of the latest developments on a highly responsive daily basis. This information is tailored to the specific needs of different types of shareholders and financial analysts while constantly complying with the principle of fair access to information.

Meetings with investors

In 2012, meetings were held with 523 representatives of more than 450 financial institutions and 19 roadshows were organized in Europe, North America and Asia.

These events included hotel visits that enabled investors to talk with line managers and gain a better understanding of management practices and processes. Accor also took part in seven investor conferences during the year, in France, the United Kingdom and the United States.

Held on May 10, 2012 at the Novotel Paris Tour Eiffel, the Annual Shareholders' Meeting was attended by 341 people and provided many opportunities for exchanging views and opinions.

The Accor Shareholders Club

Created in May 2000, the Accor Shareholders Club had 8,143 members at year-end 2012, with each one owning at least 50 bearer shares or one registered share.

Among the many advantages members enjoy are regular e-mail updates throughout the year with press releases, the Letter to Shareholders and other news, the possibility of subscribing to all of our other corporate publications, the opportunity to discover our businesses in a more personal way through site visits, and VIP invitations to investor events in which Accor participates.

As part of the A|Club customer loyalty program, Shareholders Club members receive an A|Club Platinum Card which doubles the points earned when they stay at participating hotels and offers them exclusive advantages. Club members also receive promotional offers on Group products.

Working group on the private shareholder relations process

Created in 2007, a working group of private Shareholders Club members is exploring ways to encourage exchanges of views and opinions with our private shareholders and to improve the private shareholder relations process. The group currently comprises 13 members, who met on June 25, 2012 at Accor headquarters in Paris to discuss the following agenda:

- presentations: 1) review of measurable progress towards objectives and 2) the Group's strategic vision and main vectors, including an innovative brand strategy, highly effective development driven by an efficient distribution system, a strong sustainable development commitment with the launch of the Planet 21 process, an active Asset Management program and the successful disposal of Motel 6;
- an in-depth look at the deployment of the ibis project to revitalize the ibis, all seasons and Etap Hotel economy brands around the ibis megabrand. Afterwards, the Group visited the ibis Paris Bercy Village to see for themselves how the rebranding is being applied;
- workshops: review of the Shareholders' Meeting and analysis of the various communication media available to shareholders.

Easily accessible information tailored to shareholder profiles

All of the Group's financial news and publications can be accessed in the "Finance" section of the www.accor.com website, which serves as a comprehensive investor relations database. The site carries live and deferred webcasts of results presentations, Investor Days and Annual Shareholders' Meetings. It also tracks the Accor share price in real time and features a dedicated section for private shareholders and members of the Shareholders Club.

A wide array of documents far exceeding regulatory requirements may be viewed in the "Finance" section of the website.

These documents, which cover both current and previous years, include:

- the Registration Document filed with the Autorité des Marchés Financiers (available in electronic form since 1997);

- the Annual Report;
- a corporate brochure describing the Group and its values;
- information memoranda filed with the Autorité des Marchés Financiers concerning corporate actions;
- notices of Shareholders' Meetings, sent systematically to registered shareholders and on request to members of the Shareholders Club;
- the Letter to Shareholders, available on request in electronic form and accessible via the corporate website.

Legal documents are on display at the Company's primary business office, Immeuble Odyssey, 110 avenue du France, 75013, France.

Since January 20, 2007, when the European Transparency Directive was transposed into French law, Accor has issued its regulatory filings through a professional disclosure service that complies with the criteria set out in the AMF's General Regulations. The filings are also available on the corporate website.

Shareholder hotline

Shareholders in France may call 0805,650,750 (calls charged at local rate) at any time to obtain general information about the Group, the share price, the latest news and practical guidelines for private shareholders. Operators are available to answer questions from 9:00 a.m. to 6:00 p.m. from Monday to Friday. Messages left out of hours are answered as soon as possible.

Senior Vice-President, Investor Relations and Financial Communication

- Sébastien Valentin

Immeuble Odyssey
110, avenue de France
75013 PARIS

Phone: + 33 (0)1 45 38 86 26
Fax: +33 (0)1 45 38 85 95

Shareholder hotline (France only): 0805,650,750 (free from a landline)
E-mail: comfi@accor.com

7.2. PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE AUDIT OF THE ACCOUNTS

Name and position of the person responsible for the Registration Document

- Denis Hennequin

Chairman and Chief Executive Officer

Statement by the person responsible for the Registration Document

I hereby declare that having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I further declare that, to the best of my knowledge, the financial statements included in the Registration Document have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of Accor and its subsidiaries, and the Management report represents a fair view of the business, results and financial position of Accor and its subsidiaries and provides a description of the main risks and uncertainties to which they are exposed.

I obtained a statement from the Auditors at the end of their engagement affirming that they have read the whole of the Registration Document and examined the information about the financial position and the accounts contained therein.

The Statutory Auditors have issued reports on the historical financial information presented in this document, as well as on the information incorporated by reference for the years ended December 31, 2010 and 2011, included respectively in the 2010 and 2011 Registration Documents. These reports may be found on pages 158 and 270 to 271 above. The Statutory Auditors' report on the consolidated financial statements for the year ended December 31, 2010, on page 122 of the 2010 Registration Document, contains an observation concerning the accounting impact of the Accor demerger.

Denis Hennequin

Persons responsible for information

- Pascal Quint

Member of the Executive Committee – Corporate Secretary and Secretary of the Board of Directors

Phone: + 33 (0)1 45 38 87 33

- Sophie Stabile

Member of the Executive Committee – Global Chief Financial Officer

Phone: + 33 (0)1 45 38 87 03

- Sébastien Valentin

Senior Vice-President,
Investor Relations and Financial Communications

Phone: + 33 (0)1 45 38 86 26

Statutory Auditors

Statutory Auditors

- Ernst & Young et Autres

Member of the Ernst & Young network

Jacques Pierres
1/2, place des Saisons
92400 Courbevoie - Paris - La Défense 1

Date of first appointment: June 16, 1995

Re-appointed for six years at the May 14, 2007 Annual Shareholders' Meeting.

- Cabinet Deloitte & Associés

Pascale Chastaing-Doblin
185, avenue Charles-de-Gaulle – BP 136
92203 Neuilly-sur-Seine cedex, France

Date of first appointment: June 16, 1995

Re-appointed for six years at the May 14, 2007 Annual Shareholders' Meeting.

Alternate Auditors

- Auditex

Tour Ernst & Young – 11, allée de l'Arche
92037 Paris, La Défense cedex, France

Appointed for six years at the May 14, 2007 Annual Shareholders' Meeting.

- BEAS

7 Villa Houssay
92200 Neuilly-sur-Seine, France

Date of first appointment: May 29, 2001

Re-appointed for six years at the May 14, 2007 Annual Shareholders' Meeting.

7.3. FEES PAID TO THE AUDITORS

The fees paid to the Auditors and the members of their networks by the Group may be analyzed as follows:

	Deloitte				Ernst & Young			
	2011		2012		2011		2012	
(in millions of euros)	Amount	%	Amount	%	Amount	%	Amount	%
Audit services								
Statutory and contractual audit services								
France: issuer	0.7	12%	0.7	12%	0.5	12%	0.5	11%
France: subsidiaries	1.1	20%	1.1	19%	0.9	22%	0.9	21%
International: subsidiaries	2.9	54%	2.6	44%	2.2	52%	2.5	56%
Other audit-related services								
France: issuer	0.1	2%	0.8	14%	-	-	-	-
France: subsidiaries	0.2	6%	0.1	2%	0.2	5%	0.2	5%
International: subsidiaries	0.2	3%	0.5	8%	0.2	4%	0.2	4%
SUB-TOTAL	5.2	97%	5.8	98%	4.0	95%	4.3	98%
Other services								
Legal, tax and employee relations advice								
France	-	-	-	-	-	-	-	-
International	0.1	3%	0.1	2%	0.2	5%	-	-
Other services (representing less than 10% of the audit budget)								
France	-	-	-	-	-	-	-	-
International	-	-	-	-	-	-	0.1	2%
SUB-TOTAL	0.1	3%	0.1	2%	0.2	5%	0.1	2%
TOTAL	**5.3**	**100%**	**5.9**	**100%**	**4.2**	**100%**	**4.4**	**100%**

7.4. INFORMATION INCORPORATED BY REFERENCE

In accordance with Article 28 of European Commission Regulation (EC) **809/2004,** the Registration Document incorporates by reference the following information:

- the consolidated financial statements and the related Auditors' reports contained in the 2011 Registration Document filed with the Autorité des Marchés Financiers on **March 30, 2012** under **no. D.12-0254** (pages **141 to 250**, and **140**);
- the financial information contained in pages **124 to 133** of the 2011 Registration Document filed with the Autorité des Marchés Financiers on **March 30, 2012** under **no. D.12-0254**;
- the consolidated financial statements and the related Auditors' reports contained in the 2010 Registration Document filed with the Autorité des Marchés Financiers on **March 31, 2011** under **no. D.11-0198** (pages **123 to 230**, and **122**);
- the financial information contained in pages **106 to 115** of the 2010 Registration Document filed with the Autorité des Marchés Financiers on **March 31, 2011** under **no. D.11-0198**.

Sections of these documents that are not mentioned above are either not applicable to investors or are covered in another part of the Registration Document.

7.5. CROSS-REFERENCE TABLE FOR THE REGISTRATION DOCUMENT

The table below cross-references the pages in the Registration Document and the key information required under European Commission Regulation (EC) No. 809/2004 implementing EC Directive 2003/71/EC of the European Parliament and of the Council.

Key information required under Annex 1 of European Commission Regulation 809/2004	Page numbers
1. PERSONS RESPONSIBLE	324
2. STATUTORY AUDITORS	324
3. FINANCIAL HIGHLIGHTS	
3.1. Historical financial information	11; 142-150; 306
3.2. Selected financial information for interim periods	N/A
4. RISK FACTORS	113-119
5. INFORMATION ABOUT THE ISSUER	
5.1. History and development of the issuer	12-15; 182-197
5.2. Investments	21-24; 148; 191-196; 257-258
6. BUSINESS OVERVIEW	
6.1. Principal activities	4-10
6.2. Principal markets	4-10; 142-150; 197-205
6.3. Exceptional factors	N/A
6.4. Dependence on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	N/A
6.5. Competitive position	9-10
7. ORGANIZATIONAL STRUCTURE	
7.1. Brief description of the Group	93; 154-155; 266-267
7.2. List of significant subsidiaries	151-154; 266-267; 302-305
8. PROPERTY, PLANT AND EQUIPMENT	
8.1. Material tangible fixed assets and any major encumbrances thereon	9; 210-211; 220-224
8.2. Environmental issues that may affect the utilization of tangible fixed assets	47-50
9. OPERATING AND FINANCIAL REVIEW	
9.1. Financial condition	147-148; 153; 165-167
9.2. Operating results	145; 205-206
10. CASH AND CAPITAL RESOURCES	
10.1. Information concerning capital resources	149; 163; 171; 287
10.2. Cash flows	115-117; 162; 242
10.3 Borrowing requirements and funding structure	237-241; 292-293
10.4. Restrictions on the use of capital resources	117-118
10.5. Anticipated sources of funds	115-117; 197; 292
11. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES	N/A
12. TREND INFORMATION	
12.1. Significant recent trends	19; 154-155
12.2. Known trends or events that are reasonably likely to have a material effect on the issuer's prospects	154-155; 301
13. PROFIT FORECASTS OR ESTIMATES	N/A

7.6. CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT

The 2012 Registration Document contains all of the information in the Annual Financial Report governed by article L. 451-1-2 of the French Monetary and Financial Code. To make this information easier to find, the following cross-reference table lists it by main topic.

7.7. CROSS-REFERENCE TABLE - CORPORATE SOCIAL RESPONSABILITY

CSR Indicators	Page numbers	The Grenelle II Act	GRI * Indicator	GRI * Scope	UN Global Compact
OUR COMMITMENTS					
Challenges	26-27	Promotion and respect for the clauses of ILO conventions	Management approach	F	Commitment 4, 5 & 10
		Actions implemented to prevent any kind of corruption	SO2 à SO4	P	
Accor stakeholders	27	Stakeholder relationship	4.14 à 4.17	P	/
Engagement and recognition	27-28	Promotion and respect for the clauses of ILO conventions from the Respect for the right to organise and collective bargaining to the Abolition of discrimination in employment and occupation	4.11 à 4.13	F	Commitment 1, 2, 3, 6, 7, 8 & 9
Responsible growth strategy	28-30	/	Management approach	F	/
HUMAN RESOURCES					
Key figures					
Number of employees	31	Employment: total workforce	LA 1	F	/
Number of employees by gender	33				
Number of employees by age	33		/	/	
Number of employees by region	32-33		LA 1	F	
Average number of days of training per employee	33-34	Total number of training hours	LA 10	F	
Total number of days of training	34				
% full-time employees and % part-time employees	33	Organization of work time	/	/	
Average number of days absent per employee over the year	33	Absenteeism	LA 7	F	
Estimate of the indirect regional economic and social impact regarding employment	32	Regional, economic and social impact created by the activity of the company regarding employment	/	/	
Number of hires	32	Employment: hires and redundancies	/	/	
Number of departures from the Group	32	/	LA 2	P	
Including involuntary separations - dismissals	32	Employment: hires and redundancies	/	/	
Including separations under redundancy plans	32		/	/	
Human Ressources policies					
Enhancing employee capabilities	35-38	Implemented training policies	LA 11	F	Commitment 1

CSR Indicators	Page numbers	The Grenelle II Act	GRI * Indicator	GRI * Scope	UN Global Compact
Our Commitments to employees					
A commitment to diversity					
Promoting diversity and equal opportunity	38-39	Promotion and respect for the clauses of ILO conventions from the Respect for the right to organise and collective bargaining to the Abolition of discrimination in employment and occupation	/	/	Commitment 1, 2 & 6
Gender equality in the workplace	39-40	Measures promoting gender equality	LA 13	P	
Percentage of women in management positions at the hotel General Manager, Operations Director and country Executive Committee levels, as well as in head offices, notably among senior executives.	40				
People with disabilities	40	Measures promoting the employment and integration of people with disabilities	/	/	
Locally defined discrimination alert plans	41	Policy against discrimination	/	/	
Diversity training	41				
Compensation and benefits					
Compensation and benefits policies	41-42	Employment: compensation	/	/	/
Employee savings and stock ownership	42				
Insurance coverage	43	Health and safety conditions at work			
Directors' fees, executive compensation and workforce	199	Employment: compensation and evolution of compensation			
Health and working conditions					
Employee health and safety	43	Health and safety conditions at work	LA 8	F	Commitment 1 & 3
Employee training in good health and eating habits	44				
Health and Safety Committees	43-44	Outcome of the collective agreements signed with trade unions regarding occupational health and safety	/	/	
Workplace health and safety agreements	44		LA 9	F	
Lost-time incident frequency rate	43	Frequency and seriousness of incident	LA 7	P	
Fatal workplace accidents	43	Frequency and seriousness of incident			
Indicator under construction: occupational illnesses	N/A	Occupational diseases	/	/	
Impact of the Group activity regarding work time organization and collective agreements	44-45	Organization of work time			
Social dialogue					
Employee surveys	45	Organization of social dialogue	/	/	/
Employee representative organizations	46				Commitment 3
Collective agreements	45-46	Outcome of the collective agreements			
ENVIRONMENT					
Environmental Policy					
Internal organization	47	Organization of the company to take into account environmental concerns. If applicable Environmental evaluation and verification approachs	Management approach	F	Commitment 7, 8 & 9
Management application	47-49		3.1 à 3.11	F	
Certification procedures	49-50		/		
Environmental expenditure	50	Budget dedicated to environmental protection and environmental risk mitigation.	EN30	F	

CSR Indicators	Page numbers	The Grenelle II Act	GRI *		UN Global Compact
			Indicator	Scope	
Prevention and Remedies					
Compliance	50	Budget dedicated to environmental protection and environmental risk mitigation.	PR6		Commitment 7, 8 & 9
Organization created to respond to accidental pollution	50		EN23	F	
Environmental provisions and guarantees	51	Financial provisions for environmental risks	EN28 & EC2	F	
Penalties paid	51				
Training and information initiatives					
Raising employee awareness	51	Training and information towards employees on environmental protection	/	/	Commitment 7, 8 & 9
Raising guest awareness	51	/	/	/	
Water					
Water use	52	Water consumption	EN8 & EN9 & EN10	P	Commitment 7, 8 & 9
Reducing water use	52-53	/			
Water supply from local sources	54	Water supply considering local resources			
Energy					
Tracking energy use	54	Energy consumption	EN3 & EN4	P	Commitment 7, 8 & 9
Energy efficiency	55	Measures to improve energy efficiency and better use renewable energies	EN5 & EN6 & EN7 & EN18	F	
Managing energy use	55-56				
Renewable energies	56-57				
Emissions into the natural environment and measures to prevent and reduce them					
Greenhouse gas emissions and ozone-depleting cooling fluids	57-58	Greenhouse gaz emissions	EN16 & EN17	F	Commitment 7, 8 & 9
		/	EN18 & EN19	P	
Assessing the impact of climate change	59	Measures to adapt to climate change	EC2 & EN18	P	
Water pollution	59	Prevention, reduction and fixing of air/water/soil emissions	EN21	P	
Soil contamination	59		/	/	
Local environmental impacts of the business					
Land use	60	Land use	EN12	P	Commitment 7, 8 & 9
Preserving biodiversity	60	Measures taken to save and develop biodiversity	EN12 & EN14	P	
Noise pollution, visual pollution and odors	61	Noise pollution and others types of pollution	/	/	
Waste					
Waste management	61	Prevention, recycling and cuting waste	EN22 & EN27	P	Commitment 7, 8 & 9
Categories of waste	61-62				
Resource recovery and reuse	62-63				
Eco-Design and Innovation Processes					
Eco-Design and Innovation	63-64	Consumption of raw materials and Measures taken to improve the efficiency of raw materials use	EN26 & EN27	P	Commitment 7, 8 & 9
SOCIAL RESPONSABILITY					
Social Responsibility Policy					
Internal organization	65	/	Management approach	F	/
Management application	65	/	3.1 à 3.11	F	
Protecting children from abuse					
Fight against child sex exploitation, relaying national missing children alerts, faciliting the integration of marginalized minors	65-66	Impact on local and neighbouring communities	HR6 & HR7	P	/
			SO1	F	

CSR Indicators	Page numbers	The Grenelle II Act	GRI *		UN Global Compact
			Indicator	Scope	
Local Development					
Promoting local food products	66	Regional, economic and social impact created by the activity of the company regarding local development	/	/	/
Promoting fair trade and sustainable agriculture	66-67	Integration of the social and environmental issues within the sourcing policy			
Guest Health and Safety					
Responsible eating	67	Measures implemented to promote consumer health and safety	/	/	/
Product selection	67-68		EN26 & EN27 & PR1	F	/
Preventing health risks	68		/	/	/
Protecting personal data	68		/	/	/
Sustainable Procurement					
The Accor procurement process	68	Integration of the social and environmental issues within the sourcing policy	EC6, HR2, PR1	P	Commitment 1 & 2
Sustainable procurement strategy and plan	69-71	Importance of subcontracting and integration of CSR in the relationships with suppliers and subcontractors			
FOUNDATION					
Foundation initiatives	72-74	Impact on local and neighbouring communities	/	/	/
		Regional, economic and social impact created by the activity of the company regarding local development			
		Philanthropic actions and community involvement			
Attestation of presentation and independent verifier's assurance report					
Attestation of presentation and independent verifier's limited assurance	75-77	Verification by a third-party body	3.13	F	/

* *Accor is committed by 2015 to generate corporate social responsability information in line with the Global Reporting Initiative (GRI). Progress in a logical table above shows all the indicators CSR Steering Group in 2012 and their equivalents in the GRI standard. In a logic of progress, the board above present all the steering CSR indicators of the Group in 2012 and their equivalents in the GRI reference table :*
"F": Fully reported
"P": Partially reported

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