CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

Consolidated Income Statements

In millions of euros	Notes	2012 (*)	2013
CONSOLIDATED REVENUE	3	**5 649**	**5 536**
Operating expense	4	(3 861)	(3 777)
EBITDAR	5	**1 788**	**1 759**
Rental expense	6	(938)	(894)
EBITDA	7	**850**	**865**
Depreciation, amortization and provision expense	8	(324)	(329)
EBIT	9	**526**	**536**
Net financial expense	10	(75)	(92)
Share of profit of associates after tax	11	17	2
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS		**468**	**446**
Restructuring costs	12	(40)	(133)
Impairment losses	13	(119)	(89)
Gains and losses on management of hotel properties	14	11	68
Gains and losses on management of other assets	15	(81)	(33)
OPERATING PROFIT BEFORE TAX		**239**	**259**
Income tax expense	16	(143)	(121)
Profit from continuing operations		**95**	**138**
Net Profit or Loss from discontinued operations	17	(679)	1
NET PROFIT OR LOSS		**(584)**	**139**
Net Profit, Group Share from continuing operations		80	125
Net Profit or Loss, Group Share from discontinued operations		(679)	1
Net Profit or Loss, Group Share		**(599)**	**126**
Net Profit, Minority interests from continuing operations		15	13
Net Profit or Loss, Minority interests from discontinued operations		(0)	0
Net Profit, Minority interests		15	13

Weighted average number of shares outstanding (in thousands)	25	227 266	227 613
EARNINGS PER SHARE (in €)		**(2,64)**	**0,55**
Diluted earnings per share (in €)	25	(2,64)	0,55

Earnings per share from continuing operations (in €)		**0,35**	**0,55**
Diluted earnings per share from continuing operations (in €)		**0,35**	**0,55**

Earnings per share from discontinued operations (in €)		**(2,99)**	**0,00**
Diluted earnings per share from discontinued operations (in €)		**(2,99)**	**0,00**

(*) The amendment to IAS 19 "Employee Benefits" was adopted effective from January 1, 2013, with retrospective application to the period presented. The effect of the resulting changes of method on the income statement for the year ended December 31, 2012 was not material (see Note 1, page 15, for an explanation of the changes of method) and the comparative information for this period has not been restated.

Income statement indicators are explained in Note 1.S.

Statements of profit or loss and other comprehensive income

In millions of euros	Notes	2012 (*)	2013
NET PROFIT OR LOSS		**(584)**	**139**
Currency translation adjustment		101	(208)
Effective portion of gains and losses on hedging instruments in a cash flow hedge		3	4
Change in fair value resulting from "Available-for-sale financial assets"		-	(4)
Other comprehensive income that will be reclassified subsequently to profit or loss		***104***	***(208)***
Actuarial gains and losses on defined benefit plans, net of deferred taxes		(18)	1
Other comprehensive income that will never be reclassified subsequently to profit or loss		***(18)***	***1***
Other comprehensive income, net of tax	28	**86**	**(207)**
TOTAL PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		**(498)**	**(68)**
Profit or loss and other comprehensive income, Group share		**(529)**	**(75)**
Profit or loss and other comprehensive income, Minority interests		31	7

(*) The amendment to IAS 19 “Employee Benefits” was adopted effective from January 1, 2013, with retrospective application to the period presented. The effect of the resulting changes of method on the statement of profit or loss and other comprehensive income for the year ended December 31, 2012 was not material (see Note 1, page 15, for an explanation of the changes of method) and the comparative information for this period has not been restated.

Statements of financial position

Assets

ASSETS In millions of euros	Notes	Dec. 2012 (*)	Dec. 2013
GOODWILL	18	**840**	**707**
INTANGIBLE ASSETS	19	**264**	**283**
PROPERTY, PLANT AND EQUIPMENT	20	**2 592**	**2 448**
Long-term loans	21	147	98
Investments in associates	22	263	230
Other financial investments	23	222	174
TOTAL NON-CURRENT FINANCIAL ASSETS		**632**	**502**
Deferred tax assets	16	151	148
TOTAL NON-CURRENT ASSETS		**4 479**	**4 088**
Inventories	24	47	42
Trade receivables	24	402	390
Other receivables and accruals	24	516	478
Receivables on disposals of assets	29 & 30	48	41
Short-term loans	29 & 30	34	32
Cash and cash equivalents	29 & 30	1 878	1 928
TOTAL CURRENT ASSETS		**2 925**	**2 911**
Assets held for sale	32	156	61
TOTAL ASSETS		**7 560**	**7 060**

(*) The Group adopted the amendment to IAS 19 – Employee Benefits effective from January 1, 2013. The amended standard is applicable retrospectively to the period presented and restated statement of financial position has therefore been prepared at December 31, 2012 (see Note 1, page 15, for an explanation of the changes of method and their effects).

Equity and Liabilities

EQUITY AND LIABILITIES In millions of euros	Notes	Dec. 2012 (*)	Dec. 2013
Share capital		682	684
Additional paid-in capital and reserves		2 682	1 729
Net profit or loss, Group share	25	(599)	126
SHAREHOLDERS' EQUITY, GROUP SHARE		**2 765**	**2 539**
Minority interests	27	230	217
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTERESTS		**2 995**	**2 756**
Other long-term financial debt	29 & 30	1 496	1 670
Long-term finance lease liabilities	29 & 30	56	48
Deferred tax liabilities	16	119	118
Non-current provisions	33	122	109
TOTAL NON-CURRENT LIABILITIES		**1 793**	**1 945**
Trade payables	24	580	611
Other payables and income tax payable	24	1 142	964
Current provisions	33	185	244
Short-term debt and finance lease liabilities	29 & 30	811	496
Bank overdrafts and liability derivatives	29 & 30	18	18
TOTAL CURRENT LIABILITIES		**2 736**	**2 333**
Liabilities associated with assets classified as held for sale	32	36	26
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**7 560**	**7 060**

(*) The Group adopted the amendment to IAS 19 – Employee Benefits effective from January 1, 2013. The amended standard is applicable retrospectively to the period presented and restated statement of financial position has therefore been prepared at December 31, 2012 (see Note 1, page 15, for an explanation of the changes of method and their effects).

Consolidated Cash Flow Statements

	In millions of euros	Notes	2012	2013
+	EBITDA	7	850	865
+	Net financial expense	10	(75)	(92)
+	Income tax expense		(122)	(134)
-	Non cash revenue and expense included in EBITDA		21	21
-	Elimination of provision movements included in net financial expense and non-recurring taxes		20	46
+	Dividends received from associates		0	7
+	Impact of discontinued operations		92	4
=	**Funds from operations excluding non-recurring transactions**	34	**786**	**717**
+	Decrease (increase) in operating working capital	35	(158)	133
+	Impact of discontinued operations	35	81	5
=	**Net cash from operating activities**		**709**	**855**
+	Cash received (paid) on non-recurring transactions (included restructuring costs and non-recurring taxes)		(134)	(145)
+	Decrease (increase) in non-operating working capital (1)		-	(185)
+	Impact of discontinued operations (2)		(449)	(1)
=	**Net cash from operating activities including non-recurring transactions (A)**		**126**	**524**
-	Renovation and maintenance expenditure	36	(299)	(265)
-	Development expenditure	37	(676)	(194)
+	Proceeds from disposals of assets		371	334
+	Impact of discontinued operations (3)		529	(0)
=	**Net cash used in investments/ divestments (B)**		**(75)**	**(125)**
+	Proceeds from issue of share capital		3	12
-	Dividends paid		(269)	(189)
-	Repayment of long-term debt		(15)	(5)
-	Payment of finance lease liabilities		(1)	(7)
+	New long term debt		727	610
=	**Increase (decrease) in long-term debt**		**711**	**598**
+	Increase (decrease) in short-term debt		146	(728)
+	Change in ownership percentage of subsidiaries		(6)	-
+	Impact of discontinued operations		(145)	(2)
=	**Net cash from financing activities (C)**		**440**	**(309)**
+	Effect of changes in exchange rates (D)		17	(38)
+	Effect of changes in exchange rates on discontinued operations (D)		(10)	-
=	**Net change in cash and cash equivalents (E)=(A)+(B)+(C)+(D)**		**498**	**52**

-	Cash and cash equivalents at beginning of period		1 352	1 860
-	Effect of changes in fair value of cash and cash equivalents		6	5
-	Net change in cash and cash equivalents for discontinued operations		4	(7)
+	Cash and cash equivalents at end of period	30	1 860	1 910
=	**Net change in cash and cash equivalents**		**498**	**52**

(1) At December 31, 2013, this amount corresponds to the payment of 'precompte' dividend withholding tax for €184.7 million (see Note 39.2).

(2) and (3) For December 31, 2012, of which cash flows related to the sale of the Economy Hotels US business (see Note 2.A.1.1):

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

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

Changes in Consolidated Shareholders' Equity

In millions of euros	Number of shares outstanding	Share capital	Additional paid-in capital	Currency translation reserve (1)	Fair value adjustments on Financial 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, 2012	**227 251 446**	**682**	**1 318**	**(6)**	**(7)**	**(31)**	**134**	**1 448**	**3 537**	**231**	**3 768**
Changes in accounting policies (*)	-	-	-	-	-	-	-	6	6	-	6
Restated January 1, 2012	**227 251 446**	**682**	**1 318**	**(6)**	**(7)**	**(31)**	**134**	**1 454**	**3 543**	**231**	**3 773**
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 Loss and other comprehensive Income	-	**-**	**-**	**85**	**3**	**(18)**	**-**	**(599)**	**(529)**	**31**	**(498)**
At December 31, 2012	**227 277 972**	**682**	**1 318**	**79**	**(4)**	**(49)**	**148**	**591**	**2 765**	**230**	**2 995**
Issue of share capital											
- Performance share grants	**202 988**	1	-	-	-	-	-	(1)	-	-	-
- On exercise of stock options	**572 142**	2	10	-	-	-	-	-	**12**	**(0)**	**12**
Dividends paid in cash (2)	-	-	-	-	-	-	-	(173)	**(173)**	**(16)**	**(189)**
Change in reserve related to employee benefits	-	-	-	-	-	-	14	-	**14**	-	**14**
Effect of scope changes	-	-	-	-	-	(0)	-	(3)	**(3)**	**(4)**	**(7)**
Other Comprehensive Income	-	**-**	**(199)**	**(202)**	**0**	**1**	**-**	**199**	**(201)**	**(6)**	**(207)**
Net Profit	-	-	-	-	-	-	-	126	**126**	**14**	**139**
Total Profit and other comprehensive Income	-	**-**	**(199)**	**(202)**	**0**	**1**	**-**	**325**	**(75)**	**7**	**(68)**
At December 31, 2013	**228 053 102**	**684**	**1 129**	**(123)**	**(4)**	**(48)**	**162**	**739**	**2 539**	**217**	**2 756**

(*) Opening equity at January 1, 2012 has been restated for the effects of adopting the amendment to IAS 19 "Employee Benefits" effective from January 1, 2013, with retrospective application to the period presented (see Note 1, page 15, for an explanation of the changes of method and their effects).

(1) Exchange differences on translating foreign operations between January 1, 2012 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.1.1) 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).

Exchange differences on translating foreign operations between December 31, 2012 and December 31, 2013, representing a negative impact of €202 million, mainly concern changes in exchange rates against the euro of the Australian Dollar (€85 million negative impact), the US Dollar (€41 million negative impact), the Brazilian Real (€40 million negative impact) and the Argentinian Peso (€11 million negative impact).

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

	AUD	USD	BRL	ARS
December 2012	1,2712	1,3194	2,7036	6,4865
December 2013	1,5423	1,3791	3,2576	8,9900

(2) The 2011, 2012 and 2013 dividends were as follows:

In euros	2011	2012	2013 (*)
Dividend per share	**0,65**	**0,76**	**0,80**
Special dividend per share	**0,50**	**NA**	**NA**

(*) Ordinary dividend per share recommended by the Board of Directors to the Annual Shareholders' Meeting of April 29, 2014.

(3) The total amount includes €6 million in dividends corresponding to "précompte" dividend withholding tax refund that Accor was not required to return following the Supreme Court of Appeal ruling in late 2012 in the dispute concerning this tax (see Note 39.2).

Number of Accor's shares is detailed as follows:

Details on shares	Dec. 2012	Dec. 2013
Total number of shares authorized	227 277 972	228 053 102
Number of fully paid shares issued and outstanding	227 277 972	228 053 102
Number of shares issued and outstdanding not fully paid	-	-
Per value per share (in euros)	3	3
Treasury stock	-	-
Number of shares held for allocation on exercise of stock options and grants	-	-

Number of outstanding shares and number of potential shares that could be issued breaks down as follows:

Number of issued shares at January 1, 2013	**227 277 972**
Performance shares granted	202 988
Shares from conversion of stock option plans	572 142
Number of issued shares at December 31, 2013	**228 053 102**
Accor's share capital at December 31, 2013	**228 053 102**
Shares in treasury at December 31, 2013	-
Outstanding shares at December 31, 2013	**228 053 102**
Stock option plans (see Note 25.3)	8 300 398
Performance shares plans (see Note 25.3)	567 434
Potential number of shares	**236 920 934**

Full conversion would have the effect of reducing debt at December 31, 2013 as follows:

	In millions of euros
Theoretical impact of exercising stock options (*)	264
Theoretical impact on net debt of exercising all equity instruments	**264**

(*) assuming exercise of all options outstanding at December 31, 2013.

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

Accor's share capital at December 31, 2013	**228 053 102**	
Outstanding shares at December 31, 2013	**228 053 102**	
Effect of share issues on the weighted average number of shares	(52 387)	
Adjustment from stock option plans exercised during the period	(387 395)	
Weighted average number of ordinary shares during the period	**227 613 320**	(See Note 25)
Impact of dilutive stock options plans at December 31, 2013	548 495	
Impact of dilutive performance shares at December 31, 2013	416 963	
Weighted average number of shares used to calculate diluted earning per share	**228 578 778**	(See Note 25)

Key Management Ratios

	Note	Dec. 2012 (*)	Dec. 2013 (*)
Gearing	(a)	14,1%	8,4%
Adjusted Funds from Ordinary Activities / Adjusted Net Debt	(b)	28,5%	31,3%
Return On Capital Employed	(c)	14,0%	14,0%
Economic Value Added (EVA) (in millions of euros)	(d)	164	165

(*) Based on continuing operations: i.e. excluding the US Economy Hotels business sold in 2012 and the Onboard Train Services business 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. 2012 (*)	Dec. 2013 (*)
Net debt at end of the period (see Note 30)	**(1)**	**421**	**231**
Restatement of the debt of sold and acquired businesses prorated over the period	(2)	(177)	78
Average net debt		**244**	**309**
Rental commitments discounted at 7%	(3)	2 962	2 676
Total Adjusted net debt		**3 206**	**2 985**
Funds from Ordinary Activities		**694**	**713**
Rental amortization (see Note 6.C)		221	220
Adjusted Funds from Ordinary Activities		**915**	**933**
Adjusted Funds from Ordinary Activities / Adjusted Net Debt		**28,5%**	**31,3%**

(*) Based on continuing operations: i.e. excluding the US Economy Hotels business sold in 2012 and the Onboard Train Services business reclassified as a discontinued operation.

(1) Net debt at December 31, 2012 does not include the €184.7 million of "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) which were recorded in "Other payables".

(2) At December 31, 2013, including €126 million in adjustments for disposals and a €(48) million adjustment related to the "précompte" dividend withholding tax refund paid back to the French State.
At December 31, 2012, 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.

(3) 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.

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

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

2012 and 2013 Economic Value Added (EVA) have been calculated as follows:

		Dec. 2012 (*)	**Dec. 2013 (*)**
Weighted Average Cost of Capital (WACC)		**8,90%**	**8,80%**
ROCE after tax	(1)	**11,49%**	**11,40%**
Capital Employed (in millions of euros)		**6 355**	**6 350**
Economic Value Added (in millions of euros)	(2)	**164**	**165**

(*) Based on continuing operations: i.e. excluding the US Economy Hotels business sold in 2012 and the Onboard Train Services business reclassified as a discontinued operation.

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, 2013 the data used in the formula were as follows:

Adjusted EBITDA	: €891 million (see ROCE hereafter)
Depreciation, amortization and provisions	: €329 million
Effective tax rate	: 29.9% (see Note 16.2)
Capital employed	: €6,350 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 €38 million impact on December 2013 EVA and a €36 million impact on December 2012 EVA.

Return On Capital Employed (ROCE) by Business Segment

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

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

- Adjusted EBITDA: for each business, EBITDA plus revenue from financial assets and investments in associates (dividends and interests).
- Capital Employed: for each business, the average cost of 2012 and 2013 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 2013, ROCE stood at 14.0%, unchanged from December 31, 2012.

In millions of euros		2012 (*)	2013 (*)
Capital employed		6 625	6 547
Adjustments on capital employed	(a)	(326)	(198)
Effect of exchange rate on capital employed	(b)	56	1
Average Capital Employed		**6 355**	**6 350**
EBITDA (see Note 7)		850	865
Interest income on external loans and dividends		21	19
Share of profit of associates before tax (see Note 11)		20	7
Published Adjusted EBITDA		**891**	**891**
ROCE (Adjusted EBITDA/Capital Employed)		**14,0%**	**14,0%**

(*) Based on continuing operations: i.e. excluding the US Economy Hotels business sold in 2012 and the Onboard Train Services business reclassified as a discontinued operation.

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

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

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

Business	**Dec. 2012 (*)**		**Dec. 2013 (*)**	
	Capital Employed In million of euros	ROCE %	Capital Employed In million of euros	ROCE %
HOTELS	**6 192**	**14,1%**	**6 132**	**13,8%**
Upscale and Midscale Hotels	4 142	11,4%	3 947	11,0%
Economy Hotels	2 050	19,5%	2 185	18,7%
OTHER BUSINESSES	**163**	**13,0%**	**218**	**21,7%**
GROUP TOTAL excluding discontinued operations	**6 355**	**14,0%**	**6 350**	**14,0%**

(*) Based on continuing operations: i.e. excluding the US Economy Hotels business sold in 2012 and the Onboard Train Services business reclassified as a discontinued operation.

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Notes to the Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies

General Framework

In accordance with European Commission regulation 1606/2002 dated July 19, 2002 on the application of international financial reporting standards, the Accor Group consolidated financial statements for the year ended December 31, 2013, have been prepared in accordance with the International Financial Reporting Standards (IFRSs) adopted by the European Union as of that date. They include comparative 2012 annual financial information, prepared in accordance with the same standards.

At December 31, 2013, all of the International Financial Reporting Standards (including IFRSs, IASs and Interpretations) published by the International Accounting Standards Board ("IASB") had been adopted by the European Union, with the exception of IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 (revised) "Separate Financial Statements" and IAS 28 (revised) "Investments in Associates and Joint Ventures", which are applicable in the European Union from January 1, 2014 and have not been early-adopted by the Group. The effects of applying these new or revised standards on the consolidated financial statements taken as a whole will not be material (see table page 17). 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, 2013:

- Amendments to IAS 1 "Presentation of Items of Other Comprehensive Income", which notably require items that may be reclassified subsequently to profit or loss to be presented separately from items that will not be reclassified. Application of these amendments led to minor changes in the presentation of the statement of profit or loss and other comprehensive income.

- IAS 19 (revised) "Employee Benefits". Under the revised standard:
  - It is no longer possible to defer recognition of all or part of the actuarial gains and losses arising on defined benefit plans (application of the corridor approach). This change had no impact on the consolidated financial statements because the Group already recognized actuarial gains and losses directly in other comprehensive income.
  - The return on plan assets is calculated using the discount rate applied to determine the projected benefit obligation. The effect of this change on the consolidated financial statements was not material.
  - Unvested past service costs are recognized directly in profit or loss. At January 1, 2012, unrecognized unvested past service costs amounted to €9 million before the deferred tax effect. This amount was therefore recognized as of January 1, 2012 by adjusting retained earnings by the amount net of deferred tax. The effect of this change on the 2012 annual consolidated income statements and statements of comprehensive income was not material, however.
  - More detailed disclosures are required in the notes to the consolidated financial statements.

  Adoption of IAS 19 constituted a change of accounting policy, as defined in IAS 8, and the revised standard was therefore applied retrospectively to the period presented. The effects on consolidated equity and liabilities are presented below:

In millions of euros	Dec. 2012 Published	IAS 19 Revised Impact	Dec. 2012 Restated
Additional paid-in capital and reserves	2 676	6	2 682
Net profit or loss, Group share	(599)	(0)	(599)
Total shareholders' equity and minority interests	**2 989**	**6**	**2 995**
Deferred tax liabilities	116	3	119
Non-current provisions	131	(9)	122
Total liabilities and shareholders' equity	**7 560**	**(0)**	**7 560**

- IFRS 13 “Fair Value Measurement”. This standard provides a single IFRS framework for measuring fair value that is applicable to all IFRSs that require or permit fair value measurements or disclosures. Its application had no impact on the Group’s consolidated financial statements.

- Amendment to IFRS 1 “Government Loans”. This amendment deals with the accounting treatment of government loans at below-market rates of interest. As an exception to the general principle of retrospective application, it allows first-time adopters of IFRSs to apply the recommended accounting treatment prospectively from the IFRS transition date. This standard concerns companies adopting IFRS for the first time and the amendment therefore had no impact on the consolidated financial statements for the periods presented.

- Amendment to IFRS 7 “Disclosures – Offsetting Financial Assets and Financial Liabilities”. The amendment introduces additional disclosure requirements for recognized financial instruments that are set off in accordance with IAS 32. It also requires disclosure of information about recognized financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The Group does not set off any financial assets and financial liabilities and the amendment therefore had no impact on the consolidated financial statements.

- Improvements to IFRSs – 2009-2011 Cycle. These improvements had no impact on the consolidated financial statements.

- IFRIC 20 “Stripping Costs in the Production Phase of a Surface Mine”. Accor is not concerned by this interpretation which deals with waste removal costs that are incurred in surface mining activity during the production phase of the mine.

In addition, the Group decided to early adopt the amendment to IAS 36 - Recoverable Amount Disclosures for Non-Financial Assets. This amendment, which has been applied retrospectively to all periods presented, restricts the requirement to disclose the recoverable amount of a cash-generating unit (CGU) that includes goodwill or intangible assets with an indefinite useful life to those periods in which an impairment loss has been recognized or reversed.

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, 2013 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”	-	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”	-	
IFRS 10 and current amendments	“Consolidated Financial Statements”	January 1, 2013*	IFRS 10 establishes a single method of determining whether entities are controlled and should be fully consolidated. The three elements

Standard or Interpretation		Application Date (period beginning on or after)	Measurement of the possible impact on the Accor Group consolidated financial statements in the period of initial application
			of control are: i) power to direct the relevant activities, ii) exposure or rights to variable returns and iii) ability to use power to affect returns. Analyses conducted in 2012 showed that application of this standard will have no significant impact on the consolidated financial statements.
IFRS 11 and current amendments	"Joint Arrangements"	January 1, 2013*	Following adoption of IFRS 11, application of the proportionate consolidation method to jointly controlled entities will no longer be allowed. Consequently from January 1, 2014 these entities will be accounted for by the equity method with retrospective application of this method to 2013. The impact that the standard would have had on the Group's 2013 revenue, expenses and main statement of financial position's indicators if it had been applied in 2013 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 14	"Regulatory Deferral Accounts"	January 1, 2016**	
IAS 27 Revised	"Separate Financial Statements"	January 1, 2013*	
IAS 28 Revised	"Investments in Associates and Joint Ventures"	January 1, 2013*	
Amendment to IAS 19	"Defined Benefit Plans: Employee Contributions	July 1, 2014**	
Amendment to IAS 32	"Offsetting Financial Assets and Financial Liabilities"	January 1, 2014	
Amendment to IAS 39	"Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014	
Annual Improvements to IFRSs 2010-2012 Cycle		July 1, 2014**	
Annual Improvements to IFRSs 2011-2013 Cycle		July 1, 2014**	
IFRIC 21	"Levies"	January 1, 2014**	

*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.

** Standard, amendment or interpretation not yet adopted for use in the European Union

First-time adoption of IFRSs

The following options adopted by Accor in the opening IFRS statement of financial position 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 statements

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 for the twelve months ended 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 2013.

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 the Group's share of reserves and retained earnings, 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 2013 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 statement of financial position (see Note 1.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 analysed 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 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 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 statements of financial position 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.

Accor did not have any subsidiaries operating in hyperinflationary economies in any of the periods presented.

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 in France (droit au bail) 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.

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 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.

At the time of signature of management or franchise contracts, Accor may have to pay key money to the owners of the hotels. These payments are necessary to obtain the contracts and are qualified as intangible assets under IAS 38. Key money is amortized over the life of the contracts to which it relates.

E.2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at 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 recognized at acquisition cost, including any goodwill. Their carrying amount is then increased or decreased to recognize 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 or regions; 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.

For 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).

For intangible assets except goodwill, the recoverable value of an intangible asset is determined according to the discounted cash flow method only, due to the absence of an active market and comparable transactions.

Description of the methods:

1. Valuation by the EBITDA multiples method.

For hotels, the EBITDA multiples method is 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 or region, recoverable amount is determined by applying to the country/region's average EBITDA for the last two years a multiple based on its geographic location and a country/region 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/region's specific characteristics. The projected long-term rate of revenue growth reflects each country/region's economic outlook.

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.S.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

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.

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 statement of financial position, at the lower of their carrying amount and fair value less costs to sell.

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 expense corresponds 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 expense is 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.

A "Crédit d'Impôt pour la Compétitivité et l'Emploi" (CICE) tax credit was introduced in the 3rd 2012 Rectified Finance Act with the aim of making French businesses more competitive by reducing labor costs for certain employees. The CICE consists in substance of a government grant to be spent by companies on measures to improve their competitiveness. It is therefore accounted for in accordance with IAS 20 "Accounting for Government Grants and Disclosure". As allowed under IAS 20, the Group has chosen to record it as a deduction from the related expenses, i.e. as a deduction from payroll costs. The CICE recorded in the 2013 financial statements in respect of previously recognized payroll costs amounted to €10.5 million.

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 supplementary pension, 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, under which the Group has a legal or constructive obligation to provide agreed benefits to current and future employees in exchange for a given level of service (including multi-employer plans when the manager is able to provide the necessary information), the Group’s obligations are 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 statement of financial position 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.
Current service cost, past service cost, administrative expense, taxes for the year, and paid contributions and benefits are recognized in operating expense, whereas net interest on the net defined benefit liability (asset) is recognized in financial expense (income).
For post-employment benefits, actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized immediately in equity. However, actuarial gains and losses on long-term benefit obligations towards active employees (such as jubilees, seniority bonuses…) are recognized directly in profit or loss in net financial expense.
The net defined benefit obligation is recognized in the statement of financial position 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 last tax rates (and tax laws) that have been enacted or substantively enacted. 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 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 was 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 2012 and 2013 financial statements, Accor decided therefore to classify CVAE as income tax.

The second Amended 2012 Finance Act introduced a 3% surtax on dividends and other distributions paid by companies that are subject to French corporate income tax. The surtax is treated as an income tax expense arising as of the date of the Annual Shareholders' Meeting at which the dividend is approved. The Group therefore recognized additional income tax expense of €5.2 million in its 2013 financial statements in respect of the 2012 dividends paid in 2013.

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, 2013. Nine 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. Four 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".

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 statement of financial position 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: see Note 1.R) and the fair value of unlisted equities and mutual funds corresponds to their net asset value (level 1 valuation technique: see Note 1.R). 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: see Note 1.R). Securities that are not traded on an active market, for which fair value cannot be reliably estimated, are carried in the statement of financial position at historical cost plus any transaction expenses. When there is objective evidence of a significant or prolonged decline in value, the cumulative unrealized loss recorded in equity is reclassified to the income statement and can't be reversed.

N.2. Derivative financial Instruments

Derivative financial instruments such as interest rate and currency swaps, caps and forward purchases of foreign currencies, are used solely to hedge exposures to changes in interest rates and exchange rates.

They are measured at fair value. Changes in fair value are recognized in profit, except for instruments qualified as cash flow hedges (hedges of variable rate debt) for which changes in fair value are recognized in equity.

The fair value of interest rate derivatives is equal to the present value of the instrument's future cash flows, discounted at the interest rate for zero-coupon bonds.

The fair value of currency derivatives is determined based on the forward exchange rate at the period-end.

N.3. Financial liabilities hedged by derivative instruments

Financial liabilities hedged by derivative instruments qualify for hedge accounting. The derivative instruments are classified as either fair value hedges or cash flow hedges.

Financial liabilities hedged by fair value hedges are measured at fair value, taking into account the effect of changes in interest rates. Changes in fair value are recognized in profit and are offset by changes in the fair value of the hedging instrument.
Financial liabilities hedged by cash flow hedges are measured at amortized cost. Changes in the fair value of the hedging instrument are accumulated in equity and are reclassified into profit in the same period or periods during which the financial liability affects profit.

N.4. Bank borrowings

Interest-bearing drawdowns on lines of credit and bank overdrafts are recognized for the amounts received, net of direct issue costs.

N.5. Convertible bonds

Convertible bonds are qualified as hybrid instruments comprising a host contract, recognized in debt, and an embedded derivative, recognized in equity.
The carrying amount of the host contract or debt component is equal to the present value of future principal and interest payments, discounted at the rate that would be applicable to ordinary bonds issued at the same time as the convertible bonds, less the value of the conversion option calculated at the date of issue.
The embedded derivative or equity component is recognized in equity for an amount corresponding to the difference between the nominal amount of the issue and the value attributed to the debt component.

Costs are allocated to both 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 associated with 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 or to a discontinued operation (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 statement of financial position, 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. Fair value

The fair value corresponds to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In accordance with IFRS 13 "Fair value measurement", the fair value hierarchies have the following levels:

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

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

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

S. Income statement and cash flow statement presentation

S.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.

The Group applies the guidance provided in IAS 18 to determine whether it acts as the principal or an agent in its contractual hotel management relationships. For the purpose of applying IAS 18, the Group is considered as acting as the principal when it has exposure to the significant risks and rewards associated with the rendering of services. In this case, the revenue and related expenses are reported separately in the income statement. When the above criterion is not met, the Group is considered as acting as an agent and only the remuneration corresponding to the agency fee is recognized in revenue.

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 recognized 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.

S.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).

S.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.

S.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 indicators used by the Group.

S.5. Restructuring costs

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

S.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.

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

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

S.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.

S.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.

S.10. Profit or loss from discontinued operations

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

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

Profit or loss from discontinued operations corresponds to:

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

S.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.

T. Earnings per share

The methods used to calculate basic and diluted earnings per share are in accordance with IAS 33 “Earnings Per Share”.

U. 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, 2013 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, 2014.

Note 2. Significant Events and Changes in Scope of Consolidation

A. Divestments, real estate transactions and strategy

A.1 Divestments

A.1.1 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 included 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 December 30, 2011, 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, in the comparative annual information for 2012, 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:

- The net loss from the US Economy Hotels business for the periods to September 30, 2012 has been reclassified in the 2012 annual consolidated financial statement as "Net loss from discontinued operations" (see Note 17).
- The loss on the sale, completed on October 1, 2012, has also been reclassified as "Net loss from discontinued operations" in the 2012 annual consolidated financial statements (see Note 17).
- Cash flows for the US Economy Hotels business are presented separately as cash flows from discontinued operations in the 2012 annual consolidated statements of cash flows.

The transaction was completed on October 1, 2012, leading to the recognition in the 2012 consolidated financial statements of a total loss of €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 carrying amount 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 as of December 31, 2012. 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.1.2 Sale of Accor's stake in Onboard train services

In 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.

During the first-half of 2012, the 40% stake in the joint venture was sold to Newrest for €1 and Accor's remaining 17% direct interest in the Austrian subsidiary was also 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, 2013 (see Note 32) in view of the end of the contract with the grantor of the concession which took place in October 2013 and the ongoing liquidation process of the company.

A.1.3. Accor sells its 19.4% stake in TAHL

In November 2013, Accor sold its 19.4% stake in the Tourism Asset Holdings Ltd. (TAHL), Australia's largest hotel owning Company, to the Abu Dhabi Investment Authority (ADIA) for a value of AU$66 million (€46 million), and a repayment of AU$76 million (€53 million) loans.
At the end of December 2013, the impact of this transaction amounts to €2 million on net result and the transaction enabled Accor to reduce adjusted net debt by a cumulative €101 million.

TAHL owns 31 hotels in Australia (4,097 rooms), all of which are operated by Accor through lease or management contracts under the ibis, ibis *budget*, ibis Styles, Mercure, Novotel and Pullman brands. All contracts will be maintained.

A.2. Real estate transactions

The main real estate transactions carried out by the Group in 2012 and 2013 were as follows:

2012 and 2013	Number of transactions	Sale price	Debt impact	Adjusted debt impact
"Sale & Variable Leaseback" transactions	18	33	24	60
"Sale & Management-back" transactions	22	340	290	376
"Sale & Franchise-back" transactions and outright sales	112	399	368	578
TOTAL	152	772	682	1,014

A.2.1. Sale & Variable Leaseback transactions

Sale & Variable Leaseback transactions consist 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. In addition, negotiations are conducted with hotel owners to convert fixed-rent leases into variable rent leases.

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 closure 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 main sale & variable leaseback transaction carried out is the sale & 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 of which will be financed by the buyer. Both hotels will continue to be operated by Accor under a 15-year commercial lease that will be renewable at Accor's option. The rent will represent an average of 21.5% of the annual revenue generated by the hotels. Insurance costs, real estate taxes and structural capital expenditures will be paid by the new owner. The transaction enabled Accor to reduce adjusted net debt by a cumulative €28 million at December 31, 2012.

The other transactions enabled Accor to reduce adjusted net debt by a cumulative €32 million.

A.2.2. Sale & Management-back transactions

Sale and management-back transactions consist of selling the hotel properties while continuing to manage the business, retaining a minority interest depending on the circumstances.

The main sale & management back transactions carried out in 2012 and 2013 were as follows:

- In 2012, Accor sold the Novotel Times Square in New York under a sale & management-back agreement, for a total 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 remained open while the work was being carried out. In addition, an earn-out payment of up to €12 million may 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 at December 31, 2012. Moreover, Accor agreed to provide financing for part of the new owner's refurbishment costs, through a €15 million loan, which had been disbursed in full at December 31, 2013. The loan is repayable in February 2017.

- In 2012, Accor sold under a sale & 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.3). 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 benefited from a refurbishment program representing a €47 million investment. Accor acted as principal for the renovation work under a property development contract (see note 40). The work were paid for by the hotel's buyer, with part of the cost financed by a €15 million loan from Accor of which €10 million must still be disbursed. 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 & 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 seven 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.

- In 2013, Accor sold the Sofitel Paris Le Faubourg in Paris, under a sale & management-back agreement, for an enterprise value of €113 million (€769,000 per room) including a €13 million renovation program. The buyer is Mount Kellett Capital Management LP. The transaction enabled Accor to reduce adjusted net debt by a cumulative €89 million at December 31, 2013.

A.2.3. Sale & Franchise-back Transactions and Outright sales

Sale & franchise-back transactions and outright sales consist of selling hotels, through outright asset sales, lease terminations at or before the expiry date and sale & franchise-back transactions.

The main sale & franchise-back transactions and outright sales carried out in 2012 and 2013 were as follows:

- 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 fell 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 a cumulative €72 million.

- 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 a €3 million of loan repayment). Hotel Formula 1 was formed in 1991 as a joint venture between Accor and Southern Sun. Its South African network comprises 20 hotels (1,474 rooms) owned by the joint venture and 3 managed hotels owned by Southern Sun. All 23 hotels now operate as franchised units, under the Formula 1 brand. The transaction enabled Accor to reduce net debt by a cumulative €28 million.

- 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.

Sale & franchise-back transactions and outright sales also included various other transactions representing non-material amounts and various loan repayments.

A.3. New Strategy

Last November 27, at the initiative of its new Chairman and Chief Executive Officer, Sébastien Bazin, Accor announced the redefinition of the Group's business model around 2 core missions:

- HotelServices: a hotel operator and brand franchisor that will be fee-oriented and P&L driven;
- HotelInvest: a hotel owner and investor that will be yield-oriented and balance sheet driven.

This new strategy is built on four pillars:

- A clear and sustained vision;
- A simple and agile organization;
- A renewed management and firm leadership;
- Selected priorities to deliver results;

And is accompanied by five priorities:

- A value-oriented, disciplined hotel ownership strategy, entailing notably the end of expansion through leases, and no further disposals of owned hotels, unless they are structurally underperforming assets;
- A new organization built by geography, consistent in all markets, with lower running costs;
- Expertise in the digital value chain and distribution;
- Strengthened leadership and market share in the core markets;
- Renewed employee motivation.

With this new strategy, from 2014 Accor will have:

- Specific and dedicated KPIs to track and monitor execution of the strategy;
- A structure built to maximize operating performance and create value for shareholders and all other stakeholders.

The new strategy, which is currently being deployed, will lead to a change in the presentation of the Group's segment information in the consolidated financial statements as from June 30, 2014. In addition, financial indicators aligned with the financial characteristics of each of the two missions are in the process of being developed.

B. Organic growth and acquisitions

The Group is pursuing its expansion plan in line with its strategy.

B.1. HOTEL PORTFOLIO AND PIPELINE

During 2013, the Group added 170 hotels (22,637 rooms) to its portfolio through acquisitions and organic growth. In addition, 110 hotels (11,754 rooms) were closed during the period.

Hotel portfolio by brand and type of management at December 31, 2013

In number of hotels	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total	
Sofitel	13	4	7	86	3	**113**	(*)
Pullman	6	8	6	50	11	**81**	
MGallery	4	7	4	22	31	**68**	
Novotel	42	43	119	134	64	**402**	
Suite Novotel	-	6	11	5	8	**30**	
Mercure	34	63	84	200	377	**758**	
Adagio	2	7	4	24	2	**39**	
ibis	109	111	249	129	401	**999**	
ibis Styles	4	13	5	25	186	**233**	
ibis *budget*	32	78	115	25	256	**506**	
Adagio Access	-	3	-	48	-	**51**	
Formule 1	5	1	-	4	-	**10**	
HotelF1	21	-	158	-	59	**238**	
Other	6	1	2	35	4	**48**	
Total	**278**	**345**	**764**	**787**	**1,402**	**3,576**	
Total (in %)	*7,8%*	*9,6%*	*21,4%*	*22,0%*	*39,2%*	*100,0%*	

(*) 120 hotels marketed through the TARS reservation system

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
Sofitel	2,014	1,199	1,165	22,642	1,196	**28,216**
Pullman	1,215	2,073	2,076	14,818	3,082	**23,264**
MGallery	293	818	573	2,507	2,726	**6,917**
Novotel	7,943	8,529	20,114	31,512	8,285	**76,383**
Suite Novotel	-	971	1,396	662	707	**3,736**
Mercure	4,701	10,330	12,733	32,755	35,052	**95,571**
Adagio	207	817	473	3,015	191	**4,703**
ibis	15,856	14,857	35,480	23,278	34,551	**124,022**
ibis Styles	426	1,139	911	4,291	14,389	**21,156**
ibis *budget*	3,550	8,404	12,707	3,135	18,751	**46,547**
Adagio Access	-	263	-	4,882	-	**5,145**
Formule 1	364	79	-	504	-	**947**
HotelF1	1,514	-	12,573	-	3,819	**17,906**
Other	1,422	51	289	5,096	348	**7,206**
Total	**39,505**	**49,530**	**100,490**	**149,097**	**123,097**	**461,719**
Total (in %)	*8,6%*	*10,7%*	*21,8%*	*32,3%*	*26,7%*	*100,0%*

Hotel portfolio by region and type of management at December 31, 2013

In number of hotels	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
France	64	41	415	110	910	**1,540**
Europe excluding France	139	252	271	102	299	**1,063**
Asia Pacific	25	46	7	359	130	**567**
Latin America & Caribbean	29	5	58	103	47	**242**
Other Countries	21	1	13	113	16	**164**
Total	**278**	**345**	**764**	**787**	**1,402**	**3,576**
Total (in %)	*7,8%*	*9,6%*	*21,4%*	*22,0%*	*39,2%*	*100,0%*

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
France	6,495	4,683	47,441	13,525	67,356	**139,50**
Europe excluding France	20,548	37,268	38,120	14,984	31,835	**142,755**
Asia Pacific	4,212	6,689	1,557	80,507	16,204	**109,169**
Latin America & Caribbean	4,515	684	11,242	16,166	5,536	**38,143**
Other Countries	3,735	206	2,130	23,915	2,166	**32,152**
Total	**39,505**	**49,530**	**100,490**	**149,097**	**123,097**	**461,719**
Total (in %)	*8,6%*	*10,7%*	*21,8%*	*32,3%*	*26,7%*	*100,0%*

Hotel portfolio by region and brand at December 31, 2013

In number of hotels	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other countries	Total
Sofitel	11	19	41	9	33	**113** (*)
Pullman	13	15	44	2	7	**81**
MGallery	17	22	20	4	5	**68**
Novotel	113	135	102	19	33	**402**
Suite Novotel	19	8	-	-	3	**30**
Mercure	228	299	129	75	27	**758**
Adagio	29	10	-	-	-	**39**
ibis	382	331	125	111	50	**999**
ibis Styles	120	65	46	1	1	**233**
ibis *budget*	319	147	24	13	3	**506**
Adagio Access	50	1	-	-	-	**51**
Formule 1	-	6	4	-	-	**10**
HotelF1	238	-	-	-	-	**238**
Other	1	5	32	8	2	**48**
Total	**1,540**	**1,063**	**567**	**242**	**164**	**3,576**
Total (in %)	*43,0%*	*29,7%*	*15,9%*	*6,8%*	*4,6%*	*100,0%*

(*) 120 hotels marketed through the TARS reservation system

In number of rooms	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other countries	Total
Sofitel	1,512	4,593	12,091	1,665	8,355	**28,216**
Pullman	3,722	3,889	12,715	538	2,40	**23,264**
MGallery	1,191	2,724	2,097	357	548	**6,917**
Novotel	15,437	25,957	24,632	3,239	7,118	**76,383**
Suite Novotel	2,199	1,130	-	-	407	**3,736**
Mercure	22,096	37,460	21,334	10,338	4,343	**95,571**
Adagio	3,575	1,128	-	-	-	**4,703**
ibis	33,627	42,816	23,013	16,350	8,216	**124,022**
ibis Styles	8,534	5,982	6,421	80	139	**21,156**
ibis *budget*	24,615	15,623	2,433	3,513	363	**46,547**
Adagio Access	5,035	110	-	-	-	**5,145**
Formule 1	-	443	504	-	-	**947**
HotelF1	17,906	-	-	-	-	**17,906**
Other	51	900	3,929	2,063	263	**7,206**
Total	**139,50**	**142,755**	**109,169**	**38,143**	**32,152**	**461,719**
Total (in %)	*30,2%*	*30,9%*	*23,6%*	*8,3%*	*7,0%*	*100,0%*

Hotel pipeline at December 31, 2013

The number of new rooms in the pipeline represented by ownership at December 31, 2013 and scheduled to be completed in the next four years is as follows:

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
Total	**3,868**	**2,483**	**13,526**	**93,297**	**23,187**	**136,361**

B.2. ACQUISITION OF ADDITIONAL STAKES IN ORBIS IN 2012

In 2012, Accor acquired additional stakes of 1.13% in the Orbis Group, i.e. 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.
Following this acquisition, Accor's interest in Orbis Group amounted to 52.69%.

B.3. ACQUISITION OF MIRVAC IN 2012

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

- Mirvac Hotels & Resorts, manager of 43 hotels (including two owned hotels acquired on August 1, 2012), representing 5,406 rooms, acquired for €152 million. This amount breaks down as €128 million for the Mirvac Hotels & Resorts shares and €24 million for the two companies that hold the two owned hotels.
- A 21.9% stake in the Mirvac Wholesale Hotel Fund (MWHF), an investment vehicle that owns seven of the hotels, acquired for €47 million.
  In line with Group strategy, the stake in MWHF was subsequently sold in late July 2012 to A-HTRUST, one of the largest publicly listed hotel investment trusts in the Asia-Pacific region. Accor took a 6.99% stake in this new entity. As agreed with Ascendas, which will hold up to 35% of A-HTRUST, Accor will be granted a right of first offer to manage future acquisitions when the hotels are not operated under a pre-existing management contract. Accor subsequently reduced its interest by 1.26% to 5.73% by selling some MVWH shares. The proceeds from the transactions were used to pay down net debt by €29 million. As Accor does not exercise significant influence over A-HTRUST, its 5.73% interest in this trust is carried in the statement of financial position under "Other financial investments" (see Note 23).

At December 31, 2012, 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 differed tax): €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 at December 31, 2012 (see Note 18), increased by €1.5 million in first-half 2013 after Accor took over the Sea Temple management contract.

The fair value of the main net assets acquired breaks down as follows at December 31, 2012:

In millions of euros	Fair Value
Property, plant and equipment	51
Non-current financial assets	18
Other receivables	2
Cash and cash equivalents	1
Deferred tax assets	(16)
Financial debt	(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.4. ACQUISITION OF THE SOUTH AMERICAN HOTEL PORTFOLIO OF GRUPO POSADAS IN 2012

On July 16, 2012, Accor signed a contract for the acquisition of the South American hotel portfolio of Grupo Posadas. The sale was completed on October 10, 2012. The final amount paid by Accor for this acquisition was €195 million but a total of €10 million was refunded to the Group in 2013 following two price adjustments that reduced the final price to €185 million. The transaction included 13 hotels, of which three owned hotels, three hotels leased under variable-rent leases and seven hotels under management contracts. The transaction also included a secure pipeline of 18 hotels under management contracts and the acquisition of two brands operated by Grupo Posadas in South America: Caesar Park and Caesar Business.

The fair value of the main net assets acquired represented €35 million (including €10 million for acquired brands that were written down in full at December 31, 2012). The €150 million difference between this amount and the cost of the business combination was allocated as follows in Accor's accounts:

- Value attributed to contracts (signed on the acquisition date): €30 million (see Note 19);
- Fair value adjustments to intangible assets: €(7) million (see Note 19);
- Value attributed to the hotels purchased outright: €54 million (see Note 20);
- Provision adjustments: €(2) million;
- Deferred tax liabilities: €(25) million corresponding to the above allocations;
- Goodwill: €100 million (see Note 18).

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

In millions of euros	Cost before purchase price allocation	Purchase price allocation	Cost after purchase price allocation
Intangible assets	30	23	53
Property, plant and equipment	23	54	77
Other receivables	6	-	6
Deferred tax assets/liabilities	5	(25)	(20)
Cash and cash equivalents	7	-	7
Debt	(27)	-	(27)
Other payables	(9)	(2)	(11)
TOTAL	**35**	**50**	**85**

The fair value of property, plant and equipment is based on independent valuations (Level 2 inputs as defined in IFRS 13: see Note 1.R). The fair value of intangible assets is estimated by discounting estimated fee revenues up to the next contract renewal date (Level 3 inputs as defined in IFRS 13: see Note 1.R), based on the data used to determine the acquisition price.

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.5. 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 a 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).
- In the 2013 financial statements of a €15 million loss reported under "Gains and losses on management of other assets" (see Note 15) and €27 million in costs reported under "Renovation and maintenance expenditure" (see Note 36).

C. Colony Capital / Eurazeo

Colony Capital acquired an initial stake in the Accor Group in March 2005 by investing €1 billion in Accor equity notes and convertible bonds that were redeemed for/converted into shares in 2007. In exchange for this investment, Colony was given two seats on the Accor Board of Directors.

In May 2008, Colony Capital and investment group Eurazeo announced a five-year shareholders' agreement under which they would increase their combined stake in the Group's capital. After this five-year term, the concert arrangement may be terminated with 30 days' notice. The agreement was followed by an increase in Eurazeo's interest in Accor and led to Eurazeo being given a seat on the Accor Board of Directors.

In 2009, the concert group represented by Colony Capital and Eurazeo purchased new Accor shares and 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.

In 2010, in connection with the demerger, Colony Capital and Eurazeo gave a commitment to support the demerged entities Accor and Edenred, by retaining their shares in the two companies. This commitment 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 Consignations, leading to the cancellation of a certain number of double voting rights and a resulting decrease in the total number of voting rights. The proportion of voting rights was above the 30% level at which French securities laws require a takeover bid to be presented. 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.

At December 31, 2013, the concert group always held 48,673,442 shares and 85,313,908 voting rights, representing 21.3% of the capital and 31.2% of the voting rights.

D. Bond Issues

Since 2009, Accor has completed several bond issues:

- February 4, 2009: €600 million 7.50% 5-year bond issue due February 4, 2014. In 2010 and 2011, €197.75 million worth of bonds were bought back, reducing the outstanding balance to €402.25 million excluding accrued interest. All of the remaining bonds were redeemed on February 4, 2014 (see Note 46).
- May 5, 2009: €600 million 6.50% 4-year bond issue due May 6, 2013. €206.3 million woth of bonds were bought back between 2010 and 2011 and the remaining bonds, totaling €393.7 million excluding accrued interest, were redeemed in 2013.
- August 24, 2009: €250 million 6.039% 8-year and 3 month bond issue due November 6, 2017
- June 19, 2012: €600 million 2.875% 5-year bond issue due June 19, 2017
- September 28, 2012: €100 million 2.875% 5-year tap issue (augmenting the June 19, 2012 issue), due June 19, 2017
- March 21, 2013: €600 million 2.50% 6-year bond issue due March 21, 2019.
- January 31, 2014: €750 million bond (see Note 46).

E. Voluntary redundancy plans

During the first half of 2013, Accor announced the launch of a voluntary redundancy plan at the Group's Paris headquarters. The terms and conditions of the plan were presented in June to employee representatives. This plan concerned 165 persons. The first wave of employee departures took place in September 2013, leading to the recognition of a total expense of €47 million in the 2013 financial statements.

On November 27, 2013, Accor announced its new strategic roadmap. Towards employee representatives, the Group stated at the end of 2013 that a new voluntary redundancy plan would be launched to address the human resources implications of the resulting organizational changes. The plan, which has been presented to employee representatives, would concern 86 positions. The first employee departures would take place in 2014. A €22 million provision has been recorded in the financial statements at December 31, 2013, corresponding to the Group's estimate of the costs of the plan, based on redundancy payments made under the earlier plan.

Note 3. Consolidated Revenue by Business and by Region

In millions of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2013	2012
HOTELS	**1 819**	**2 363**	**546**	**427**	**217**	**36**	**5 408**	**5 497**
Upscale and Midscale Hotels	1 144	1 479	392	223	166	34	**3 438**	**3 536**
Economy Hotels	675	884	154	204	51	2	**1 970**	**1 961**
OTHER BUSINESSES	**43**	**2**	**79**	**-**	**3**	**1**	**128**	**152**
Total 2013	**1 862**	**2 365**	**625**	**427**	**220**	**37**	**5 536**	
Total 2012	**1 901**	**2 379**	**725**	**396**	**208**	**40**		**5 649**

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

Consolidated revenue for 2013 totalled €5,536 million, compared with €5,649 million for 2012.

The period-on-period decrease of €113 million (or -2.0%) breaks down as follows:

• Like-for-like growth	+153	m€	+2,7%
• Business expansion (owned and leased hotels only)	+130	m€	+2,3%
• Currency effects	(138)	m€	(2,4)%
• Disposals	(258)	m€	(4,6)%
Decrease in 2013 Revenue	**(113)**	**m€**	**(2,0)%**

Change in 2013 consolidated revenue by business:

	Δ 2013 / 2012	Like-for-like change	
	In millions of euros	In millions of euros	%
HOTELS	**(89)**	**+149**	**+2,7%**
Upscale and Midscale Hotels	(98)	+103	+2,9%
Economy Hotels	+9	+46	+2,4%
OTHER BUSINESSES	**(24)**	**+4**	**+2,7%**
Group Total	**(113)**	**+153**	**+2,7%**

Change in 2013 consolidated revenue by region:

	Δ 2013 / 2012	Like-for-like change	
	In millions of euros	In millions of euros	%
France	(39)	+37	+1,9%
Europe (excl. France)	(14)	+44	+1,8%
Asia Pacific	(100)	+25	+3,5%
Latin America & Caribbean	+31	+27	+6,9%
Other Countries	+12	+24	+11,7%
Worldwide Structures	(3)	(4)	(10,1)%
Group Total	**(113)**	**+153**	**+2,7%**

At December 31, 2013, revenue from managed and franchised hotels (including distribution and loyalty program fees), included in the hotels' revenue presented above of €5,408 million, amounted to €603 million. This amount breaks down as follows:

In millions of euros	Management fees	Franchise fees	2013	2012
HOTELS				
Upscale and Midscale Hotels	377	99	**476**	**405**
Economy Hotels	51	76	**127**	**106**
Total 2013	**428**	**175**	**603**	
Total 2012	**349**	**162**		**511**

Total fees for Managed and Franchised hotels only, excluding currency and acquisitions, increased by 14.7%

Note 4. Operating Expense

In millions of euros		2012	2013
Cost of goods sold	(1)	(388)	(406)
Employee benefits expense	(2)	(2 081)	(1 994)
Energy, maintenance and repairs		(303)	(294)
Taxes, insurance and service charges (co-owned properties)		(203)	(195)
Other operating expense	(3)	(886)	(888)
TOTAL OPERATING EXPENSE		**(3 861)**	**(3 777)**

(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	2012	2013
Full-time equivalent (*)	52 062	49 119
Ratio employee benefits expense / FTE (€k)	(40)	(40)

(*) 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.

At December 31, 2013, employee benefits expense includes €10.8 million related to stock option plans and performance share plans (see Note 25).

(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 millions of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2013	2012
HOTELS	**541**	**804**	**152**	**145**	**52**	**22**	**1 716**	**1 774**
Upscale and Midscale Hotels	304	453	98	58	32	19	**964**	**1 017**
Economy Hotels	237	351	54	87	20	3	**752**	**757**
OTHER BUSINESSES	**7**	**1**	**14**	**-**	**3**	**18**	**43**	**14**
Total 2013	**548**	**805**	**166**	**145**	**55**	**40**	**1 759**	
Total 2012	**577**	**797**	**195**	**136**	**48**	**35**		**1 788**

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

Consolidated EBITDAR for 2013 totalled €1,759 million compared with €1,788 million for 2012.

The period-on-period decrease of €29 million (or -1.7%) breaks down as follows:

• Like-for-like growth	+47	m€	+2,6%
• Business expansion (owned and leased hotels only)	+36	m€	+2,0%
• Currency effects	(43)	m€	(2,4)%
• Disposals	(69)	m€	(3,8)%
Decrease in 2013 EBITDAR	**(29)**	**m€**	**(1,7)%**

Change in 2013 EBITDAR by business:

	Δ 2013 / 2012	**Like-for-like change**	
	In millions of euros	**In millions of euros**	**%**
HOTELS	**(58)**	**+20**	**+1,1%**
Upscale and Midscale Hotels	(53)	+10	+1,0%
Economy	(5)	+10	+1,3%
OTHER BUSINESSES	**+29**	**+27**	**+184,9%**
Group total	**(29)**	**+47**	**+2,6%**

Change in 2013 EBITDAR by region:

	Δ 2013 / 2012	**Like-for-like change**	
	In millions of euros	**In millions of euros**	**%**
France	(29)	(3)	(0,5)%
Europe (excl. France)	+8	+16	+1,9%
Asia Pacific	(29)	+4	+2,2%
Latin America & Caribbean	+9	+12	+8,6%
Other Countries	+7	+14	+30,1%
Worldwide Structures	+5	+4	+12,1%
Group total	**(29)**	**+47**	**+2,6%**

Note 6. Rental Expense

Rental expense amounted to €894 million at December 31, 2013 compared with €938 million at December 31, 2012.

In accordance with the policy described in Note 1.E.4, the expense reported on this line only concerns operating leases. Finance leases are recognized in the statement of financial position as an asset and a liability. The amount of the liability at December 31, 2013 was €49 million (see Note 29.1).

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 €894 million in rental expense corresponds to 1,109 hotel leases, including less than 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 millions of euros	2012	2013
HOTELS	**(943)**	**(896)**
Upscale and Midscale Hotels	(579)	(539)
Economy	(364)	(357)
OTHER BUSINESSES	**5**	**2**
Total	**(938)**	**(894)**

B. Rental expense by type of contract

Rental expense breaks down as follows by type of contract:

In millions of euros		Number of hotels (1)	2013 rental	Fixed rental expense	Variable rental expense
Fixed rent with purchase option		9	(15)	(15)	-
Fixed rent without purchase option		275	(233)	(233)	-
Fixed rent with a variable portion	(2)	61	(78)	(64)	(14)
Land rent		-	(9)	(6)	(3)
Office rental expenses (Hotels business)		-	(27)	(26)	(1)
Fees on intragroup rent guarantees on Hotels business		-	(15)	(14)	(1)
Total hotel fixed rental expense		**345**	**(377)**	**(358)**	**(19)**
Variable rent with a minimum	(3)	115	(90)	(75)	(15)
Variable rent with a minimum and cap	(4)	16	(23)	(10)	(13)
Variable rent without a minimum	(5)	633	(406)	-	(406)
Total hotel variable rental expense		**764**	**(519)**	**(85)**	**(434)**
Total hotel rental expense		**1 109**	**(896)**	**(443)**	**(453)**
Rental expense not related to hotels		-	(12)	(11)	(1)
Internal lease guarantee fees		-	14	13	1
Total rental expense		**1 109**	**(894)**	**(441)**	**(453)**

(1) Rental expense by brand and type of contract at December 31, 2013 is presented as follows:

Leased hotels at December 31, 2013	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	2	3	-	3	**14**
Mgallery	1	5	1	2	1	1	**11**
Novotel	1	34	8	21	4	94	**162**
Suite Novotel	-	6	-	1	-	10	**17**
Mercure	3	43	17	11	3	70	**147**
Adagio	-	7	-	-	4	-	**11**
ibis	2	96	13	63	3	183	**360**
ibis Styles	-	5	8	1	-	4	**18**
ibis *budget*	1	65	12	10	1	104	**193**
Formule 1 / HotelF1	-	1	-	-	-	158	**159**
Other	-	4	-	1	-	1	**6**
Total	**9**	**275**	**61**	**115**	**16**	**633**	**1 109**

(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 (601 hotels), or a percentage of EBITDAR (32 hotels). None of the leases contains any minimum rent clauses. Variable rents without a minimum based on a percentage of EBITDAR amount to €44 million at December 31, 2013.

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 millions of euros
2014	(407)
2015	(398)
2016	(374)
2017	(350)
2018	(339)
2019	(327)
2020	(289)
2021	(237)
2022	(218)
2023	(200)
2024	(185)
2025	(163)
2026	(144)
2027	(96)
2028	(78)
2029	(62)
2030	(43)
> 2030	(280)
Total	**(4 190)**

At December 31, 2013, 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 €(2,676) million.

Interest expense on adjusted net debt, estimated at 7%, amounted to €187 million. The difference between the minimum rent (€407 million) and interest expense (€187 million) amounted to €220 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 millions of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2013	2012
HOTELS	**279**	**332**	**85**	**68**	**40**	**16**	**820**	**831**
Upscale and Midscale Hotels	146	155	55	31	24	14	**425**	**439**
Economy Hotels	133	177	30	37	16	2	**395**	**392**
OTHER BUSINESSES	**4**	**1**	**14**	**-**	**2**	**24**	**45**	**19**
Total 2013	**283**	**333**	**99**	**68**	**42**	**40**	**865**	
Total 2012	**311**	**306**	**98**	**59**	**37**	**39**		**850**

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

Consolidated EBITDA for 2013 totalled €865 million compared with €850 million for 2012.

The period-on-period increase of €15 million (or +1.7%) breaks down as follows:

• Like-for-like growth	+34	m€	+4,0%
• Business expansion (owned and leased hotels only)	+19	m€	+2,2%
• Currency effects	(21)	m€	(2,5)%
• Disposals	(17)	m€	(2,0)%
Increase in 2013 EBITDA	**+15**	**m€**	**+1,7%**

Change in 2013 EBITDA by business:

	Δ 2013 / 2012	**Like-for-like change**	
	In millions of euros	**In millions of euros**	**%**
HOTELS	**(11)**	**+8**	**+1,0%**
Upscale and Midscale Hotels	(14)	(3)	(0,6)%
Economy	+3	+11	+2,8%
OTHER BUSINESSES	**+26**	**+26**	**+129,0%**
Group total	**+15**	**+34**	**+4,0%**

Change in 2013 EBITDA by region:

	Δ 2013 / 2012	**Like-for-like change**	
	In millions of euros	**In millions of euros**	**%**
France	(28)	(11)	(3,6)%
Europe (excl. France)	+27	+15	+4,8%
Asia Pacific	+1	+8	+8,3%
Latin America & Caribbean	+9	+6	+11,2%
Other Countries	+5	+13	+36,1%
Worldwide Structures	+1	+3	+7,2%
Group total	**+15**	**+34**	**+4,0%**

Note 8. Depreciation, Amortization and Provision Expense

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

In millions of euros	2012	2013
Depreciation and amortization	(326)	(328)
Provision	2	(1)
Total	**(324)**	**(329)**

Note 9. EBIT by Business and Region

In millions of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2013	2012
HOTELS	**192**	**182**	**53**	**47**	**25**	**0**	**499**	**511**
Upscale and Midscale Hotels	89	70	37	17	13	(2)	**224**	**234**
Economy Hotels	103	112	16	30	12	2	**275**	**277**
OTHER BUSINESSES	**4**	**(1)**	**10**	**-**	**3**	**21**	**37**	**15**
Total 2013	**196**	**181**	**63**	**47**	**28**	**21**	**536**	
Total 2012	**218**	**159**	**59**	**43**	**22**	**25**		**526**

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

Consolidated EBIT for 2013 totalled €536 million compared with €526 million for 2012.

The period on-period increase of €10 million (or +1.9%) breaks down as follows:

• Like-for-like growth	+28	m€	+5,3%
• Business expansion (owned and leased hotels only)	+4	m€	+0,7%
• Currency effects	(15)	m€	(2,8)%
• Disposals	(7)	m€	(1,3)%
Increase in 2013 EBIT	**+10**	**m€**	**+1,9%**

Change in 2013 EBIT by business:

	Δ 2013 / 2012	**Like-for-like change**	
	In millions of euros	**In millions of euros**	**%**
HOTELS	**(12)**	**+6**	**+1,2%**
Upscale and Midscale Hotels	(10)	(3)	(1,3)%
Economy	(2)	+9	+3,4%
OTHER BUSINESSES	**+22**	**+22**	**+145,7%**
Group total	**+10**	**+28**	**+5,3%**

Change in 2013 EBIT by region:

	Δ 2013 / 2012	**Like-for-like change**	
	In millions of euros	**In millions of euros**	**%**
France	(22)	(10)	(4,5)%
Europe (excl. France)	+22	+12	+7,3%
Asia Pacific	+4	+8	+13,6%
Latin America & Caribbean	+4	+5	+12,1%
Other Countries	+6	+15	+76,8%
Worldwide Structures	(4)	(2)	(8,9)%
Group total	**+10**	**+28**	**+5,3%**

Note 10. Net Financial Expense

In millions of euros		2012	2013
Net financial expense	(1)	(84)	(84)
Other financial income and expense	(2)	9	(8)
Net financial expense		**(75)**	**(92)**

(1) Finance costs can be analyzed as follows between cash and non-cash items:

In millions of euros	2012	2013
Finance costs, net - cash	(85)	(85)
Finance costs, net - non-cash	1	1
Total Net financial expense	**(84)**	**(84)**

Finance costs net include interest received or paid on loans, receivables and debts measured at amortized cost.

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

In millions of euros	2012	2013
Dividend income from non-consolidated companies (Available-for-sale financial assets)	5	7
Exchange gains and losses (excl. financial instruments at fair value)	(1)	(7)
Movements in provisions	5	(8)
Total Other financial income and expense	**9**	**(8)**

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

In millions of euros	2012	2013
Share of profit of associates before tax	20	7
Share of tax of associates	(3)	(5)
Share of profit of associates after tax	**17**	**2**

The main contributions are as follows:

In millions of euros		2012	2013
Asia Pacific Hotels		(4)	(3)
The Grand Real Estate (Sofitel The Grand, Hotels Netherlands)		(2)	(2)
Sofitel Hotels US (25%)	(1)	24	6
Other		(1)	1
Share of profit of associates after tax		**17**	**2**

(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.

In 2013, the profit of the Sofitel US Hotels Business was boosted by the €6 million gain on the sale of Minneapolis Sofitel.

Note 12. Restructuring Costs

Restructuring costs can be analyzed as follows:

In millions of euros	2012	2013
Movements in restructuring provisions	3	(37)
Restructuring costs	(43)	(96)
Total Restructuring costs	**(40)**	**(133)**

Restructuring costs in 2012 and 2013 correspond mainly to the costs linked to the reorganization of the Group. In 2013, they resulted for the most part from the various changes in strategy introduced during the period, the reorganization of the Executive Committee and the restructuring of the various European headquarters.

In particular, costs of €69 million were incurred during the year for voluntary separation plans at the different headquarters units in Paris (see Note 2.E.)

Note 13. Impairment Losses

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

A. Definition of cash-generating units

At December 31, 2013, 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 millions of euros	Goodwill	Intangible assets with indefinite useful life
HOTELS		
Australia	152	-
Germany	170	-
France (excluding Adagio)	148	-
Latin America	100	-
Asia	43	-
Net goodwill and intangible assets with indefinite useful life included in cash-generating units	**613 (*)**	-

(*) This amount (before any impairment losses recognized during the year) represents 87 % of goodwill recognized at December 31, 2013.

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 millions 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 (before any impairment losses recognized during the year) represented 84% of goodwill recognized at December 31, 2012, apart from that arising on the acquisition of Grupo Posadas' South American hotel network in October 2012.

B. Assumptions applied

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

At December 31, 2013, the main other assumptions used to estimate recoverable amounts were as follows:

December 2013	Hotels				
	Germany	France (excl. Adagio)	Asia	Australia	Latin America
Basis on which the recoverable amount has been determined	Discounted cah flow method	EBITDA multiples method	Discounted cah flow method	Discounted cah flow method	EBITDA multiples method
Level of the fair value hierarchy according IFRS 13 (see Note 1.R)	3	2	3	3	2
Multiple used	N/A	8,5	N/A	N/A	5
Period of projections (years)	5	N/A	5	5	N/A
Growth rate	2,00%	N/A	2,00%	2,60%	N/A
Discount rate	8,80%	N/A	10,40%	8,20%	N/A

At December 31, 2012, the main other assumptions used to estimate recoverable amounts were as follows:

December 2012	Hotels			
	Germany	France (excl. Adagio)	Asia	Australia
Basis on which the recoverable amount has been determined	Discounted cah flow method	EBITDA multiples method	Discounted cah flow method	Discounted cah flow method
Level of the fair value hierarchy according IFRS 13 (see Note 1.R)	3	2	3	3
Multiple used	N/A	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%

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

Impairment losses recognized in 2012 and 2013 can be analyzed as follows:

In millions of euros	2012	2013
Goodwill	(11)	(7)
Intangible assets	(24)	(1)
Property, plant and equipment	(83)	(81)
Financial assets	(1)	-
Impairment Losses	**(119)**	**(89)**

The main assets and cash generating units for which impairment losses were recognized in 2012 and 2013 were as follows:

A. Impairment of goodwill

In millions of euros	2012	2013
HOTELS	**(11)**	**(7)**
Upscale and Midscale Hotels	(10)	(5)
Economy Hotels	(1)	(2)
OTHER BUSINESSES	**-**	**-**
Total	**(11)**	**(7)**

At December 31, 2013, impairment losses resulted from revised estimates of the recoverable amount of goodwill related to the French hotel business (€1 million impairment loss), to the German hotel business (€5 million impairment loss) and to the Dutch hotel business (€1 million impairment loss).

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).

Sensitivity analysis:

The CGUs' 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 CGUs' recoverable amount.

In 2012 and in 2013, analyses showed that, in the case of CGUs for which no impairment was recorded during the period, only a substantial, improbable change in the discount rate in the next twelve months would have caused their recoverable amount to fall to below their carrying amount.

Sensitivity tests performed on main CGU at December 31, 2013 showed that:

- In Germany, the CGU's carrying amount would exceed its recoverable amount if the discount rate increased by 1,230 basis points or the growth rate to perpetuity was reduced by 4,430 basis points.

- In Asia, the CGU's carrying amount would exceed its recoverable amount if the discount rate increased by 1,800 basis points or the growth rate to perpetuity was reduced by 7,440 basis points.
- In Australia, the CGU's carrying amount would exceed its recoverable amount if the discount rate increased by 470 basis points or the growth rate to perpetuity was reduced by 730 basis points.

B. Impairment of intangible assets

At December 31, 2013, impairment losses of €(1) million were recorded on intangible assets.

At December 31, 2012, following the periodic review of the recoverable amount of intangible assets, impairment losses were recognized as shown below:

	Australia				Brazil	
In millions of euros	**Sebel brand**	**Quay West brand**	**Sea Temple brand**	**Quay Grant et Citigate brand**	**Caesar Park brand**	**Caesar Business brand**
At December 31, 2012						
Recoverable amount	5	-	-	-	-	-
Impairment loss recognised in profit or loss	(7)	(4)	(1)	(1)	(6)	(4)

In 2012, the Quay West, Sea Temple, Quay Grant and Citigate brands included in the Mirvac acquisition (see Note 2.B.3) and the Caesar Park and Caesar Business brands included in the acquisition of Grupo Posadas' South American hotel portfolio (see Note 2.B.4) were written down in full following the Group's decision not to use them. The Sebel brand was partly written down following the Group's decision to discontinue its use for certain hotels only.

C. Impairment of property, plant and equipment

In millions of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other Countries	Worldwide Structures	2013	2012
HOTELS	**(17)**	**(38)**	**(5)**	**(1)**	**(19)**	**-**	**(80)**	**(83)**
Upscale and Midscale Hotels	(10)	(21)	(1)	(1)	(19)	-	(52)	(59)
Economy Hotels	(7)	(17)	(4)	-	-	-	(28)	(24)
OTHER BUSINESSES	**0**	**-**	**(1)**	**-**	**-**	**-**	**(1)**	**(0)**
Total 2013	**(17)**	**(38)**	**(6)**	**(1)**	**(19)**	**-**	**(81)**	
Total 2012	**(9)**	**(41)**	**(3)**	**-**	**(30)**	**-**		**(83)**

At December 31, 2013, impairment losses on property, plant and equipment amounted to €81 million, of which €1.8 million concerning the assets of hotels that were held for sale at the balance sheet date and measured at fair value. Impairment losses recognized during the period concerned 136 hotels for €80 million. No impairment losses were reversed.

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.

Note 14. Gains and Losses on Management of Hotel Properties

In millions of euros	2012	2013
Disposal gains and losses	1	78
Provisions for losses on hotel properties	10	(10)
Total	**11**	**68**

At December 31, 2013, the total mainly included a net gain of €56 million on the sale & management-back of Sofitel Paris Le Faubourg (see Note 2.A.2.2).

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 a 52.6% stake in "Hotel Formula 1" to Southern Sun Hotels (see Note 2.A.2.3).
- 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.2.2).
- A net gain of €10 million on the sale & management-back of Sofitel Paris La Défense in France (see Note 2.A.2.2).
- A €9 million gain on the sale & management-back of Novotel and ibis Beijing Sanyuan in China (see Note 2.A.2.2).
- A €1 million loss on the outright sale of Pullman Paris Rive-Gauche in France to Bouygues Immobilier (see Note 2.A.2.3).
- A €11 million loss on the sale & management-back of Pullman Paris Tour Eiffel in France (see Note 2.A.2.2).
- A net loss of €47 million on the termination of hotel leases in Germany (5 hotels) and in the Netherlands (1 hotel) (see Note 2.A.2.3).

Note 15. Gains and Losses on Management of Other Assets

In millions of euros	2012	2013
Disposal gains and losses	(1)	0
Provision movements	(11)	(6)
Gains and losses on non-recurring transactions	(69)	(27)
Total	**(81)**	**(33)**

At December 31, 2013, the total mainly included €15 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.5).

At December 31, 2012, the total mainly included €50 million in costs related to the ibis Megabrand project and €13 million in fees related to acquisitions for the year.

Note 16. Income Tax Expense

Note 16.1. Income tax expense for the period

In millions of euros	2012	2013
Current tax	(130)	(137)
Sub-total, current tax	**(130)**	**(137)**
Deferred taxes (expense) income on new temporary differences and reversals of temporary differences arising in prior periods	(14)	14
Deferred taxes arising from changes in tax rates or tax laws	1	2
Sub-total, deferred tax	**(13)**	**16**
Income tax expense (excluding tax on the profits of associates and discontinued operations)	**(143)**	**(121)**
Tax on profits of associates	(3)	(5)
Tax on profits of discontinued operations	(0)	0
Tax of the period	**(146)**	**(126)**

Note 16.2. Effective tax rate

In millions of euros		2012	2013
Operating profit before tax	**(a)**	**239**	**259**
Non deductible impairment losses		75	44
Elimination of intercompany capital gains		5	-
Tax on share of profit (loss) of associates		3	5
Other		11	1
Total permanent differences (non-deductible expenses)	**(b)**	**94**	**50**
Untaxed profit and profit taxed at a reduced rate	**(c)**	**(11)**	**12**
Profit taxed at standard rate	**(d) = (a) + (b) + (c)**	**322**	**321**
Standard tax rate in France (*)	**(e)**	**36,10%**	**38,00%**
Tax at standard French tax rate	**(f) = (d) x (e)**	**(116)**	**(122)**
Effects on tax at standard French tax rate of:			
. Differences in foreign tax rates		24	26
. Unrecognized tax losses for the period		(41)	(36)
. Utilization of tax loss carryforwards		18	11
. Share of profit (loss) of associates		3	5
. Net charges to/reversals of provisions for tax risks		(8)	(4)
. Effect of CET business tax in France (see Note 1.L)		(23)	(22)
. Other items		0	21
Total effects on tax at standard French tax rate	**(g)**	**(27)**	**1**
Tax at standard rate	**(h) = (f) + (g)**	**(143)**	**(121)**
Tax at reduced rate	**(i)**	**-**	**-**
Income tax expense	**(j) = (h) + (i)**	**(143)**	**(121)**

	2012	2013
Pre-tax operating profit taxed at standard rate	322	321
Income tax expense	(92)	(96)
Group effective tax rate	**28,5%**	**29,9%**

(*) At December 31, 2013, the standard tax rate in France includes the 3.3% "*contribution sociale de solidarité*" tax and the 10.7% "*contribution additionnelle*" surtax, both calculated on the 33.3% corporate income tax.

Note 16.3. Details of deferred tax (Statement of financial position)

In millions of euros	Dec. 2012 (*)	Dec. 2013
Timing differences between company profit and taxable profit	77	77
Timing differences between consolidated profit and company profit	21	33
Recognized tax losses	53	38
Sub-total, deferred tax assets	**151**	**148**
Timing differences between company profit and taxable profit	30	21
Timing differences between consolidated profit and company profit	89	97
Recognized tax losses	0	0
Sub-total, deferred tax liabilities	**119**	**118**
Deferred tax assets, net (liabilities)	**32**	**30**

(*) Adoption of the amendment to IAS 19 “Employee Benefits” from January 1, 2013 with retrospective application to the period presented led to the immediate recognition in the opening statement of financial position at January 1, 2012 of all unrecognized past service costs. The effect of this change of method was a €3 million increase in deferred tax liabilities at December 31, 2012 (see Note 1, page 15, for an explanation of the changes of method and their effects).

Note 16.4. Unrecognized deferred tax assets

Unrecognized deferred tax assets at December 31, 2013 amounted to €721 million. Unrecognized deferred tax assets at December 31, 2012 amounted to €784 million.

Unrecognized deferred tax assets at December 31, 2013 will expire in the following periods if not utilized:

In millions of euros	Deductible temporary differences	Tax loss carryforwards	Tax credits	Total
Y+1	-	7	-	**7**
Y+2	-	3	0	**3**
Y+3	-	2	0	**2**
Y+4	-	5	0	**5**
Y+5 and beyond	11	501	3	**515**
Evergreen	29	160	-	**189**
Deferred tax, net	**40**	**678**	**3**	**721**

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 millions of euros	2012	2013
Profit or loss from discontinued operations before tax	(444)	1
Tax on profit or loss from discontinued operations	(1)	(0)
Profit or loss from discontinued operations during the period	**(445)**	**1**
Loss recognized on the disposal or remeasurement at fair value of assets held for sale constituting the discontinued operations	(234)	-
Tax on loss from discontinued operations	-	-
Impact of realized losses or fair value adjustments	**(234) (*)**	**-**
NET PROFIT OR LOSS FROM DISCONTINUED OPERATIONS	**(679)**	**1**

(*) See Note 2.A.1.1

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

- At December 31, 2013, the profit generated by the Italian Onboard day Train Services business, which remained classified as a "discontinued operations" in view of the end of the contract with the grantor of the concession which took place in October 2013 and the ongoing liquidation process of the company (see Note 2.A.1.2).

- At December 31, 2012,
  - The profit from the US Economy Hotels Business from January 1st 2012 to September 30, 2012, which has been classified as a discontinued operation in 2012 (see Note 2.A.1.1).
  - The loss arising from the sale of the US Economy Hotels business on October 1, 2012 (see Note 2.A.1.1).
  - The profit generated by the Italian Onboard day Train Services business, which remained classified as a "discontinued operations" (see Note 2.A.1.2).

The consolidated income statements of discontinued operations (including the profit or loss recognized on the disposal) classified in 2012 and 2013 in profit or loss from discontinued operations in Accor's consolidated financial statements are presented below:

A. At December 31, 2013

In millions of euros	Onboard Train Services
CONSOLIDATED REVENUE	**69**
Operating expense	(65)
EBITDAR	**4**
Rental expense	(1)
EBITDA	**3**
Depreciation, amortization and provision expense	(1)
EBIT	**3**
Net financial expense	1
Share of profit of associates after tax	-
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS	**4**
Restructuring costs	(0)
Impairment losses	(1)
Gains and losses on management of hotel properties	-
Gains and losses on management of other assets	(2)
OPERATING PROFIT BEFORE TAX	**1**
Income tax expense	(0)
NET PROFIT	**1**

Impact of realized gains or losses	**-**

NET LOSS FROM DISCONTINUED OPERATIONS	**1**

B. At December 31, 2012

In millions of euros		Economy Hotels US business	Onboard Train Services	Total Dec. 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 LOSS	(**)	**(445)**	**(0)**	**(445)**
Impact of realized gains	(**)	**(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.1.1

Note 18. Goodwill

In millions of euros	Dec. 2012	Dec. 2013
Goodwill (gross value)	945	802
Less impairment losses	(105)	(95)
Goodwill, net	**840**	**707**

In millions of euros	Notes	Dec. 2012	Dec. 2013
HOTELS			
Australia	2.B.3	212	152
Germany	13.2.A	170	165
Hotels, Latin America - Grupo Posadas' hotel network in South America	2.B.4	160	100
Upscale and Midscale France	13.2.A	121	115
Economy (France)		67	66
Asia		45	43
Egypt		19	20
Poland		11	11
Switzerland		11	11
The Netherlands		8	7
Ivory Coast		7	6
Other hotels (< €6 million)		9	11
Sub-total Hotels		***840***	***707***
OTHER BUSINESSES		-	-
Goodwill, net		**840**	**707**

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

In millions of euros	Notes	Dec. 2012	Dec. 2013
Carrying amount at beginning of period		**712**	**840**
Goodwill recognized on acquisitions for the period and other increases		**183**	**3**
. Hotels, Asia Pacific	(a)	20	2
. Hotels, Latin America (Grupo Posadas)	(b)	160	-
. Hotels, Latin America (Others)	(c)	-	1
. Hotels, Germany	(d)	3	-
Disposals	(e)	**(9)**	**(30)**
Impairment losses	**Note 13**	**(11)**	**(7)**
Translation adjustment	(f)	**1**	**(40)**
Reclassifications to Property, Plant and Equipment	(b)	**(6)**	**(60)**
Reclassifications to Assets held for sale	**Note 32**	**(3)**	**3**
Other reclassifications and movements		**(27)**	**(2)**
Carrying amount at end of period		**840**	**707**

(a) In 2012, acquisition of Mirvac by Accor, generating goodwill of €19.7 million in the Accor Group's accounts at December 31, 2012 (see Note 2.B.3). An additional €1.5 million in goodwill was recorded in 2013, after Accor took over the Sea Temple management contract.

(b) In 2012, the difference between the cost of Grupo Posadas' hotel network in South America and the book value of the net assets acquired amounted to €160 million. In 2013, part of the difference (€50 million) was allocated to the assets and liabilities acquired (see Note 2.B.4) and €10 million in price adjustments were obtained.

(c) In 2013, acquisition of an additional 21.43% stake in ibis Colombia (50%-owned at December 31, 2012), leading to the recognition of €1 million in goodwill in the statement of financial position at December 31, 2013.

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

(e) In 2013, disposals include the Group's interest in TAHL, Australia (see Note 2.A.1.3), leading to the write-off of net goodwill in the amount of €24.1 million.

(f) In 2013, this amount is due to the fall in the Australian dollar.

Note 19. Intangible Assets

In millions of euros		Dec. 2012	Dec. 2013
Gross value			
Brands and rights	(1)	75	59
Licenses, software		157	174
Other intangible assets	(2)	244	278
Total intangible assets at cost		**476**	**511**
Accumulated amortization and impairment losses			
Brands and rights	(1)	(42)	(36)
Licenses, software		(123)	(133)
Other intangible assets	(2)	(47)	(59)
Total accumulated amortization and impairment losses		**(212)**	**(228)**
Intangible assets, net		**264**	**283**

(1) The carrying amount of other brands and rights was €23 million at December 31, 2013, as follows:

i. €17 million related to ibis in China and
ii. €4 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 in 2012 were written down in full in 2012 (see Note 13.2).

(2) At December 31, 2013, the net book value of other intangible assets amounted to €219 million, including:

a. €97 million in lease premiums, of which €86 million corresponding to the value attributed to Orbis's land use rights in Poland;
b. €50 million corresponding to the value attributed to management contracts of which:
   i. €28 million for Grupo Posadas' network of hotels in Brazil, Argentina and Chile (see Note 2.B.4);
   ii. €22 million for Mirvac's Australian management contracts (see Note 2.B.3);
c. €41 million in key money of which:
   a. €16 million for 24 management contracts and 24 franchise contracts in the United Kingdom;
   b. €6 million for management contracts in Australia.

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

In millions of euros		Dec. 2012	Dec. 2013
Carrying amount at beginning of period		**373**	**264**
Acquisitions		**6**	**25**
Internally-generated assets	**(1)**	**30**	**32**
Intangible assets of newly consolidated companies	**(2)**	**80**	**23**
Amortization for the period		**(28)**	**(32)**
Impairment losses for the period	**(3)**	**(24)**	**(2)**
Disposals of the period		**(173)**	**(8)**
Disposal of the Economy Hotels US business (see Note 2.A.1.1)		(164)	-
Other disposals		(9)	(8)
Translation adjustment		**6**	**(18)**
Reclassifications of Assets held for sale (See Note 32)		**(6)**	**(3)**
Other reclassifications		**-**	**2**
Carrying amount at end of period		**264**	**283**

(1) In 2012, acquisitions of licenses and software for €30 million (including €20 million in Worldwide Structures and €4 million in France).
In 2013, acquisitions of licenses and software for €32 million (including €26 million in Worldwide Structures).

(2) In 2012, intangible assets of newly consolidated companies consist of:
a. Assets recognized on the business combination with the Mirvac Group for €50 million (see Note 2.B.3), as follows:
i. Value attributed to the management contract: €31 million;
ii. Value attributed to the brand: €19 million.
b. The €30 million value of entrance fees recognized on the acquisition of Grupo Posadas' hotel network in South America (see Note 2.B.4) of which:
i. €18 million for hotel entrance fees;
ii. €10 million for the Caesar Park and Caesar Business brands.

In 2013, intangible assets of newly consolidated companies correspond to assets recognized following the 2012 acquisition of Grupo Posadas' hotel network in South America, for €23 million (see Note 2.B.4).

(3) Including at December 31, 2012, 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)

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

In millions of euros	Dec. 2012	Dec. 2013
Sebel brand (Australia)	5	4
Other brands and rights with indefinite useful life	1	1
Carrying amount at end of period	**6**	**5**

Note 20. Property, Plant and Equipment

Note 20.1. Property, plant and equipment by nature

In millions of euros	Dec. 2012	Dec. 2013
Land	199	177
Buildings	1 699	1 625
Fixtures	1 592	1 571
Equipment and furniture	1 439	1 433
Constructions in progress	190	247
Property, plant and equipment, at cost	**5 119**	**5 053**

In millions of euros	Dec. 2012	Dec. 2013
Buildings	(538)	(535)
Fixtures	(836)	(846)
Equipment and furniture	(953)	(989)
Constructions in progress	(4)	(3)
Total of depreciation	**(2 331)**	**(2 373)**
Land	(7)	(10)
Buildings	(104)	(116)
Fixtures	(49)	(61)
Equipment and furniture	(29)	(36)
Constructions in progress	(7)	(9)
Total of impairment losses	**(196)**	**(232)**
Accumulated depreciation and impairment losses	**(2 527)**	**(2 605)**

In millions of euros	Dec. 2012	Dec. 2013
Land	192	167
Buildings	1 057	974
Fixtures	707	664
Equipment and furniture	457	408
Constructions in progress	179	235
Property, plant and equipment, net	**2 592**	**2 448**

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

In millions of euros		Dec. 2012	Dec. 2013
Net carrying amount at beginning of period		**3 257**	**2 592**
Property, plant and equipment of newly acquired companies	**(1)**	**93**	**59**
Capital expenditure	**(2)**	**468**	**371**
Depreciation for the period		**(345)**	**(297)**
Impairment losses for the period recognized in impairment losses or in net loss from discontinued operations (see Note 13.2 and Note 17)		**(123)**	**(80)**
Translation adjustment		**17**	**(94)**
Disposals for the period		**(694)**	**(118)**
. Economy Hotels US business (see Note 2.A.1.1)		(605)	-
. Other disposals		(89)	(118)
Reclassification of assets held for sale (see Note 32)		**(79)**	**13**
Other reclassifications		**(2)**	**2**
Net carrying amount at end of period		**2 592**	**2 448**

(1) In 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.3) and Grupo Posadas' South American hotel network, for €23 million (see Note 2.B.4).

In 2013, the €59 million in property, plant and equipment of newly acquired companies corresponds to the allocation of the purchase price of Grupo Posadas' hotel network in South America acquired in 2012 for €54 million (see Note 2.B.4) and to the purchase of additional ibis Colombia shares for €5 million.

(2) Capital expenditure in 2012 includes refurbishment work for €256 million, for the most part in France, Germany and the United Kingdom, as well as €212 million for new buildings, of which €25 million for the exercise of call options in Poland.

Capital expenditure in 2013 includes refurbishment work for €234 million, for the most part in France, Germany and the United Kingdom, as well as new buildings for €137 million including the acquisition of a €28 million plot of land in the Canary Wharf district of London, United Kingdom, for the construction of a Novotel unit.

At December 31, 2013, contracts totaling €91 million have been signed for the purchase of property, plant and equipment (see Note 40). They are not recognized in the statement of financial position. At December 31, 2012, contracts totalized €101 million.

Note 20.2. Finance leases

At December 31, 2013, the carrying amount of finance leases recognized in the statement of financial position in net value is €40 million (December 31, 2012: €50 million), as follows:

In millions of euros	Dec. 2012	Dec. 2013
Land	8	6
Buildings	59	51
Fixtures	30	26
Equipment and furniture	4	4
Property, plant and equipment, at cost	**101**	**87**
Buildings	(29)	(27)
Fixtures	(19)	(17)
Equipment and furniture	(3)	(3)
Cumulated depreciation and impairment losses	**(51)**	**(47)**
Property, plant and equipment, net	**50**	**40**

Finance lease liabilities can be analyzed as follows by maturity:

	Debt in millions of euros Non Discounted
2013	49
2014	48
2015	36
2016	36
2017	35
2018	35
2019	34
2020	28
2021	27
2022	27
2023	26
2024	26
2025	26
2026	26
> 2026	51

Note 21. Long-Term Loans

In millions of euros	Dec. 2012	Dec. 2013
Gross value	158	112
Accumulated impairment losses	(11)	(14)
Long-term loans, net	**147**	**98**

In millions of euros		Dec. 2012	Dec. 2013
Hotels, Asia-Pacific	(1)	98	39
Other		49	59
Total		**147**	**98**

(1) Loans to hotels in the Asia-Pacific region mainly consist of:

- A new loan to A.P.V.C. Finance Pty Limited (a timeshare financing company) for an amount of €19 million (€28 million at December 31, 2012), paying interest at an average rate of 14.75%. During 2013, part of the loan was repaid early (€7 million).
- A loan to Shree Naman Hotels Private to finance the development of the Sofitel Mumbai in India. The total loan amounted to €16 million at December 31, 2013.

The decrease in long-term loan between December 31, 2012 and December 31, 2013 was mainly due to the repayment of the loan accorded to TAHL following the sale of Accor's stake in TAHL and to the decrease of the Australian Dollar.

Note 22. Investments in Associates

In millions of euros		Dec. 2012	Dec. 2013
Accor Asia Pacific subsidiaries (*)	(1) (2) (3) (4) (5)	162	129
The Grand Real Estate (Sofitel The Grand, Hotels, Netherlands)	(6)	15	14
Société Hôtelière Paris Les Halles	(7)	12	12
Egyptian investment fund		6	6
Sofitel London St James (Hotels, United Kingdom)		6	6
Sofitel Hotels, USA (25%)	(8)	2	6
Other		60	57
Total		**263**	**230**

(*) The Asia-Pacific investments primarily include Interglobe Hotels Entreprises Limited (the development company for ibis hotel in India) for €39 million, Caddie Hotels (Novotel and Pullman Delhi) for €16 million, a joint-venture for development partnerships under ibis and Novotel brands in India (Triguna) for €13 million and Ambassador Inc., Ambasstel and Ambatel Inc (South Korea) for €25 million.

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

Hotels, Korea Ambassador (Novotel, Seoul) (In millions of euros)	**Dec. 2012**	**Dec. 2013**
Revenue	26	24
Net profit (loss)	4	3
Net cash/(Net debt)	(9)	(7)
Equity (including currency translation reserve)	52	51
Market capitalization	N/A	N/A
Total assets	72	70
% interest held	30,19%	30,19%

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

Hotels, Korea Ambatel Inc (Novotel, Seoul) (In millions of euros)	**Dec. 2012**	**Dec. 2013**
Revenue	11	10
Net profit (loss)	2	1
Net cash/(Net debt)	(8)	(7)
Equity (including currency translation reserve)	38	37
Market capitalization	N/A	N/A
Total assets	53	51
% interest held	21,83%	21,83%

(3) Key figures for Ambasstel are as follows:

Hotels, Korea Ambasstel (Ibis, Seoul) (In millions of euros)	**Dec. 2012**	**Dec. 2013**
Revenue	25	23
Net profit (loss)	5	4
Net cash/(Net debt)	11	12
Equity (including currency translation reserve)	32	33
Market capitalization	N/A	N/A
Total assets	37	38
% 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 millions of euros)	Dec. 2012	Dec. 2013
Revenue	15	N/A
Net profit (loss)	1	N/A
Net cash/(Net debt)	(6)	N/A
Equity (including currency translation reserve)	6	N/A
Market capitalization	N/A	N/A
Total assets	20	N/A
% interest held	22,32%	-

Beijing Peace Hotel Ltd (Novotel Beijing) has been sold in 2013.

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

Interglobe Hotel (Ibis Hotels, India) Ibis India Development (In millions of euros)	March 2012	March 2013
Revenue	10	12
Net profit (loss)	1	(1)
Net cash/(Net debt)	(21)	(23)
Equity (including currency translation reserve)	82	108
Market capitalization	NA	N/A
Total assets	138	171
% interest held	40,00%	40,00%

As Interglobe has a March 31 year-end and Accor is only 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, 2013. The key figures shown above are extracted from Interglobe's latest audited and published financial statements.

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

The Grand Real Estate (Hotels, Netherlands) Sofitel The Grand (In millions of euros)	Dec. 2012	Dec. 2013	
Revenue	23	24	
Net profit (loss)	(5)	(4)	
Net cash/(Net debt)	(1)	(1)	
Equity	32	28	
Market capitalization	N/A	N/A	
Total assets	42	37	
% interest held	58,71%	58,71%	(*)

(*) The percentage of control is 40 %

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

Société Hôtelière Paris Les Halles (In millions of euros)	Dec. 2012	Dec. 2013
Revenue	90	90
Net profit (loss)	5	2
Net cash/(Net debt)	(90)	(86)
Equity (including currency translation reserve)	42	40
Market capitalization	N/A	N/A
Total assets	173	163
% interest held	31,19%	31,19%

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

Sofitel Hotels USA (In millions of euros)	**Dec. 2012**	**Dec. 2013**
Revenue	123	77
Net profit (loss) (a)	94	22
Net cash/(Net debt)	(173)	(146)
Equity (including currency translation reserve)	9	23
Market capitalization	N/A	N/A
Total assets	244	213
% interest held	25,00%	25,00%

(a) At December 31, 2012, the Sofitel San Francisco, Chicago and Miami disposals had a positive impact of €96 million on December 2012 profit.
At December 31, 2013, the Sofitel Minneapolis disposal had a positive impact of €6 million on December 2013 profit.

Note 23. Other Financial Investments

In millions of euros	Dec. 2012	Dec. 2013
Investments in non-consolidated companies (Available for sale financial assets)	147	118
Deposits (Loans and Receivables)	140	120
Other financial investments, at cost	**287**	**238**
Accumulated impairment losses	(65)	(64)
Other financial investments, net	**222**	**174**

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

Other financial investments break down as follows:

In millions of euros	Note	Dec. 2012	Dec. 2013
Deposit for the purchase of the Sofitel Rio de Janeiro	(*)	62	47
TAHL (Australian property company)	2.A.1.3	25	-
A-HTrust (Singapore investment fund)	2.B.3	24	19
Pullman Tour Eiffel receivable		20	20
Deposit paid following the claim under the loan guarantee issued to the owner of the Los Angeles Sofitel		20	19
Stone (French property company)		11	11
Deposit for hotels in France sold in 2008		10	10
Other investments and deposits		50	48
Other financial investments, net		**222**	**174**

(*) 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.

The decrease in investments in non-consolidated companies between December 31, 2012 and December 31, 2013 was due to the November 2013 sale of the Group's interest in TAHL for €23 million (see Note 2.A.1.3) and the €4 million write-down of the Group's 5.73% stake in A-HTRUST based on this company's share price at year-end. The impact of the TAHL disposal was recorded in the income statement while the impairment charge on the A-HTRUST shares was recorded in equity under "Fair value adjustments on financial instruments reserve" (see Note 26).

At December 31, 2013, the fair value reserve for assets classified as available-for-sale amounted to €(4) million. At December 31, 2012, 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 millions of euros	Dec. 2012	Dec. 2013
Gross value	435	425
Provisions	(33)	(35)
Net	**402**	**390**

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 millions of euros	Dec. 2012	Dec. 2013
Recoverable VAT	151	142
Prepaid wages and salaries and payroll taxes	2	7
Other prepaid and recoverable taxes	58	58
Other receivables	291	254
Other prepaid expenses	59	62
Other receivables and accruals, at cost	**561**	**523**
Provisions	**(45)**	**(45)**
Other receivables and accruals, net	**516**	**478**

Note 24.3. Details of other payables

In millions of euros	Dec. 2012	Dec. 2013
VAT payable	78	82
Wages and salaries and payroll taxes payable	351	342
Other taxes payable (1)	192	78
Other payables (1)	445	394
Deferred income	76	68
Other payables	**1 142**	**964**

(1) At December 31, 2012, these amounts included €184.7 million in "précompte" dividend withholding tax, of which €149.7 million in principle and €35 million in interest. Following a ruling handed down by the French Supreme Court of Appeal in December 2012, the Group paid back these amounts to the French State in first-half 2013 (see Note 39.2).

Note 24.4. Analysis of other receivables / payables' periods

In millions of euros at December 31,2013	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Dec. 2013	Dec. 2012
Inventories	42	-	-	42	47
Trade receivables	389	1	-	390	402
Recoverable VAT	129	12	1	142	151
Prepaid payroll taxes	7	-	-	7	2
Other prepaid and recoverable taxes	58	-	-	58	38
Other receivables	209	0	-	209	265
CURRENT ASSETS	**834**	**13**	**1**	**848**	**905**
Trade payables	611	-	-	611	580
VAT payable	82	-	-	82	78
Wages and salaries and payroll taxes payable	342	-	-	342	351
Other taxes payable	78	-	-	78	192
Other payables	388	5	1	394	445
CURRENT LIABILITIES	**1 501**	**5**	**1**	**1 507**	**1 646**

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 for plans dating back prior to July 2010 are therefore adjusted figures.

Note 25.1. Number of potential shares

At December 31, 2013, the Company's share capital was made up of 228,053,102 ordinary shares. The average number of ordinary shares outstanding during the period was 227,613,320. **The number of outstanding shares at December 31, 2013 was 228,053,102.**

In addition, employee stock options exercisable for 8,300,398 ordinary shares, representing 3.64% of the capital, were outstanding at December 31, 2013 (see Note 25.3).

Lastly, 567,434 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 236,920,934.

Note 25.2. Diluted earnings per share

Based on the above number of potential shares and the average Accor share price for 2013 of €29.10, the diluted weighted average number of shares outstanding at December 31, 2013, was 228,578,877. Diluted earnings per share were therefore calculated as follows:

In millions of euros	**Dec. 2012**	**Dec. 2013**
Net profit, Group share (continuing operations and discontinued operations)	**(599)**	**126**
Weighted average number of ordinary shares (in thousands)	227 266	227 613
Number of shares resulting from the exercise of stock options (in thousands)	-	549
Number of shares resulting from performance shares grants (in thousands)	-	417
Fully diluted weighted average number of shares (in thousands)	227 266	228 579
Diluted earnings per share (in euros)	**(2,64)**	**0,55**

The instruments that may have a dilutive impact on basic earnings per share in the future but that have not been included in the calculation of diluted earnings per share because they did not have a dilutive effect on 2013 are all of the stock options outstanding under the plans 14, 15, 16, 17, 22, 23, 24, 25, 26 and 27 in force at December 31, 2013 (see Note 25.3).

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, 2013, 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 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 03/28/16 until 03/27/20	8	26,41 €	Equity
Plan 27	September 26, 2013	8 years	40 000	from 09/27/17 until 09/26/21	1	30,13 €	Equity

(*) Plan 16 is 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, was adjusted following the demerger of the Hotels and Services businesses. The options vest after four years, depending on the annual performance of the Accor share versus the CAC 40 index. The number of options that may be exercised after the four-year vesting period may not exceed 100% of the initial award. The performance criteria were met in 2010. In 2011 and 2012, the performance criteria were only partly met. In 2013, the performance criteria were not met. Grantees will receive 77,191 stock options in 2014.

Stock options granted under Plan 24, Plan 26 and Plan 27 are subject to a market-based performance criterion. During each year of the vesting period (from 2011 to 2014 for Plan 24, from 2012 to 2015 for Plan 26 and from September 2013 to September 2017 for Plan 27) 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. In 2013, the Plan 24's performance criteria were partially met and the Plan 26's performance criteria were not met.

Changes in outstanding stock options during 2012 and 2013 are as follows:

	December 31, 2012		December 31, 2013	
	Number of options	Weighted average	Number of options	Weighted average
Options outstanding at beginning of period	**12 997 382**	**30,13 €**	**11 587 420**	**31,07 €**
Options granted during the period	574 890	26,41 €	40 000	30,13 €
Options cancelled or expired during the period	(1 958 326)	23,53 €	(2 754 880)	31,08 €
Options exercised during the period	(26 526)	22,41 €	(572 142)	20,90 €
Options outstanding at end of period	**11 587 420**	**31,07 €**	**8 300 398**	**31,77 €**
Options exercisable at end of period	**6 635 261**	**35,46 €**	**4 704 861**	**34,91 €**

Outstanding options at December 31, 2013 are as follows:

	Exercise price	Number of outstanding options	Remaining life of the options
Plan 14	45,52 €	1 925 535	3 months
Plan 15	47,56 €	85 079	4 months
Plan 16	40,08 €	2 139	1.7 years
Plan 17	30,81 €	1 777 025	1.3 years
Plan 18	28,32 €	102 544	1.8 years
Plan 19	18,20 €	812 539	3.3 years
Plan 20	26,66 €	2 169 979	4.3 years
Plan 21	26,66 €	77 191	4.3 years
Plan 22	30,49 €	92 448	5 years
Plan 23	31,72 €	594 994	5.3 years
Plan 24	31,72 €	53 125	5.3 years
Plan 25	26,41 €	520 425	6,3 years
Plan 26	26,41 €	47 375	6,3 years
Plan 27	30,13 €	40 000	8 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 12 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 12	Plan 13	Plan 14	Plan 15	Plan 16	Plan 17	Plan 18	Plan 19
Accor share price at the option grant date	49,80 €	48,30 €	70,95 €	70,45 €	62,35 €	47,10 €	37,12 €	25,49 €
Option exercise price	46,15 €	49,10 €	68,65 €	71,72 €	60,44 €	46,46 €	42,70 €	27,45 €
Expected volatility (1)	35,36%	34,60%	31,73%	31,60%	27,57%	27,87%	26,72%	31,91%
Contractual life of the options	7 years	7 years	7 years	7 years	8 years	7 years	7 years	8 years
Expected share yield (2)	3,13%	3,74%	3,94%	4,25%	4,15%	3,84%	4,03%	2,63%
Dividend rate (3)	3,22%	3,22%	2,29%	2,29%	2,29%	2,53%	2,53%	2,53%
Fair value of options (4)	14,11 €	12,57 €	20,38 €	19,36 €	16,66 €	11,55 €	7,00 €	5,78 €

	Plan 20	Plan 21	Plan 22	Plan 23	Plan 24	Plan 25	Plan 26	Plan 27
Accor share price at the option grant date	41,47 €	41,47 €	32,19 €	31,96 €	31,96 €	26,55 €	26,55 €	30,88 €
Option exercise price	40,20 €	40,20 €	30,49 €	31,72 €	31,72 €	26,41 €	26,41 €	30,13 €
Expected volatility (1)	33,96%	33,96%	34,99%	35,74%	35,74%	39,71%	39,71%	37,16%
Contractual life of the options	8 years	8 years	8 years	8 years	8 years	8 years	8 years	8 years
Expected share yield (2)	2,29%	2,29%	1,98%	2,90%	2,60%	1,67%	1,67%	1,20%
Dividend rate (3)	3,24%	3,24%	2,22%	2,19%	2,19%	2,42%	2,42%	3,04%
Fair value of options (4)	10,28 €	9,44 €	9,25 €	9,40 €	8,89 €	7,88 €	6,50 €	6,30 €

(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 since 2012, this rate corresponds to the payout rate for the previous year.

(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 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.

PERFORMANCE SHARE PLANS

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.
At December 31, 2013, plan costs recognized amounted to €1 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 Accor opening share price on the grant date less the present value of dividends unpaid multiplied by the number of shares granted under the plan.

In 2012, the performance criteria were almost met. Plan costs recognized in 2012 amounted to €2.4 million.
In 2013, the performance criteria were met. Plan costs recognized in 2013 amounted to €2.6 million.

2013 Plan

On April 15, 2013, Accor granted 290,550 performance shares to senior executives and certain employees. Of these:

- 169,605 have a two-year vesting period followed by a two-year lock-up period and are subject to two vesting conditions.
- 48,445 have a four-year vesting period with no subsequent lock-up period, and are subject to two vesting conditions.
- 72,500 have a two-year vesting period followed by a two-year lock-up period and are subject to four vesting conditions.

The performance shares are subject to vesting conditions based on EBIT margin, operating cash flow from operating activities, disposals' plan and an external vesting condition for each of the years 2013 and 2014. 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 €6.6 million at April 15, 2013 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 Accor opening share price on the grant date less the present value of dividends unpaid multiplied by the number of shares granted under the plan.

In 2013, the performance criteria were almost met. Plan costs recognized in 2013 amounted to €2.6 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 €13.5 million at December 31, 2013 of which €2.7 million due to changes in the Executive Management (December 31, 2012: €14 million).

Note 26. Fair value adjustments on Financial Instruments reserve

In millions of euros	Dec. 2012	Dec. 2013
Interest rate and currency swaps	(4)	(0)
Fair value adjustments to non-consolidated investments	-	(4)
Total Fair Value Adjustments on Financial Instruments Reserve	**(4)**	**(4)**

Fair value adjustments to financial instruments recognized in equity

In millions of euros	Dec. 2012	Dec. 2013
Cash flow hedges	**3**	**4**
Gains (losses) recognized in Equity during the period	3	4
Gains (losses) reclassified to profit or loss	-	-
Available for sale Financial Assets	**-**	**(4)**
Gains (losses) recognized in Equity during the period	-	(4)
Gains (losses) reclassified to profit or loss	-	-
Changes in Fair Value Adjustments on Financial Instruments Reserve	**3**	**0**

Note 27. Minority interests

Changes in minority interests break down as follows:

In millions of euros	
At December 31, 2011	**231**
Minority interests in net profit for the period	15
Dividends paid to minority interests	(14)
Increase in capital	2
Translation adjustment	16
Changes in scope of consolidation (1)	(20)
At December 31, 2012	**230**
Minority interests in net profit for the period	13
Dividends paid to minority interests	(16)
Capital increase	(0)
Translation adjustment	(6)
Changes in scope of consolidation (2)	(4)
At December 31 2013	**217**

(1) Including €(8) million corresponding to the sale of the Formula 1 Hotels in South Africa (see Note 2.A.2.3).
Including €(4) million corresponding to the buyout of minority interests in Orbis (1.13% - see Note 2.B.2).

(2) Including €(2) million concerning the sale of Orbis Transport.

Note 28. Comprehensive Income

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

In millions of euros	Dec. 2012			Dec. 2013		
	Before tax	Income tax expense	Net of tax	Before tax	Income tax expense	Net of tax
Currency translation adjustment	101	-	101	(208)	-	(208)
Change in fair value resulting from "Available-for-sale financial assets"	-	-	-	(4)	0	(4)
Effective portion of gains and losses on hedging instruments in a cash flow hedge	3	-	3	4	-	4
Actuarial gains and losses on defined benefits plans	(26)	8	(18)	1	(0)	1
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	-	-	-	-	-	-
Total Other Comprehensive income	**77**	**8**	**86**	**(207)**	**-**	**(207)**

Note 29. Debt by Currency and Maturity

Note 29.1. Long and short-term debt

Long and short-term debt at December 31, 2013 breaks down as follows by currency and interest rate after hedging transactions:

In millions of euros	Dec. 2012	Effective rate Dec. 2012 %	Dec. 2013	Effective rate Dec. 2013 %
EUR	2 006	5,44	1 915	4,23
JPY	37	0,21	30	0,14
CNY	39	6,32	30	6,32
MUR	25	7,95	23	7,94
DZD	19	5,75	21	5,75
CZK	21	0,54	16	0,44
CHF	21	1,24	16	1,47
Other currencies	70	7,14	52	6,95
Long and short-term borrowings	**2 238**	**5,37**	**2 103**	**4,28**
Long and short-term finance lease liabilities	58		49	
Purchase commitments	10		9	
Liability derivatives	10		-	
Other short-term financial liabilities and bank overdrafts	65		71	
Long and short-term debt	**2 381**		**2 232**	

In millions of euros	Dec. 2012	Dec. 2013
Long-term debt	1 552	1 718
Short-term debt	829	514
Total long and short-term debt	**2 381**	**2 232**

Note 29.2. Maturities of debt

At December 31, 2013, maturities of debt were as follows:

In millions of euros	Dec. 2012	Dec. 2013
Year Y+1	829	514
Year Y+2	439	35
Year Y+3	26	23
Year Y+4	26	961
Year Y+5	975	14
Year Y+6	17	615
Beyond	69	70
Total long and short-term debt	**2 381**	**2 232**

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 closure date. Interest rate and currency hedging instruments are analysed by maturity in Note 29.5 « Financial Instruments ».

On December 31, 2013, unused long-term committed line is amounting to €1,500 million, expiring in May 2016.

2013 financial costs amounted to €84 million. Future financial costs are estimated at €294 million for the period from January 2014 to December 2017 and €90 million thereafter.

2012 financial costs amounted to €84 million. Future financial costs were estimated at €227 million for the period from January 2013 to December 2016 and €34 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 29.3. Long and short-term debt before and after hedging

At December 31, 2013, long and short-term debt breaks down as follows before hedging transactions:

In millions of euros	Total debt		
	Amount	Rate	% of total debt
EUR	1 971	4,12%	94%
JPY	-	0%	0%
CNY	30	6,32%	1%
MUR	24	7,94%	1%
DZD	21	5,75%	1%
CZK	1	1,28%	0%
CHF	16	1,47%	1%
Other currencies	40	8,21%	2%
Total long and short-term debt	**2 103**	**4,27%**	**100%**

Long and short-term debt after currency and interest rate hedging breaks down as follows at December 31, 2013:

In millions of euros	Total debt		
	Amount	Rate	% of total debt
EUR	1 915	4,23%	91%
JPY	30	0,14%	1%
CNY	30	6,32%	1%
MUR	24	7,94%	1%
DZD	21	5,75%	1%
CZK	16	0,44%	1%
CHF	16	1,47%	1%
Other currencies	51	6,95%	3%
Total long and short-term debt	**2 103**	**4,28%**	**100%**

Note 29.4. Long and short-term debt by interest rate after hedging

In millions of euros	Total debt	
	Amount	Rate
December 2012	2 238	5,37%
December 2013	2 103	4,28%

At December 31, 2013, 92% of long and short-term debt was fixed rate, with an average rate of 4.29%, and 8% was variable rate, with an average rate of 4.16%.

At December 31, 2013, fixed rate debt was denominated primarily in EUR (98%), while variable rate debt was denominated mainly in JPY (17%), CNY (17%) 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 €2,103 million, a total of €1,944 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 29.5. 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 statement of financial position, corresponding to their fair value, at December 31, 2013:

Forward sales and currency swaps In millions of euros	Maturity 2014	Maturity 2015	December 31, 2013 Nominal amount	December 31, 2013 Fair value
JPY	30	-	30	(2)
CZK	15	-	15	-
HUF	7	-	7	-
Other	4	-	4	(1)
Forward sales	**56**	**-**	**56**	**(3)**

Forward purchases and currency swaps In millions of euros	Maturity 2014	Maturity 2015	December 31, 2013 Nominal amount	December 31, 2013 Fair value
GBP	132	-	132	(1)
HKD	119	-	119	-
AUD	98	-	98	3
USD	12	-	12	1
PLN	9	-	9	-
AED	5	-	5	-
Other	10	-	10	-
Forward purchases	**385**	**-**	**385**	**3**

TOTAL CURRENCY HEDGING	**441**	**-**	**441**	**-**

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.

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 statement of financial position, corresponding to their fair value, at December 31, 2013:

In millions of euros	2014	2015	2016	Beyond	December 31, 2013 Nominal amount	December 31, 2013 Fair value
EUR: Fixed-rate borrower swaps and caps	4	-	-	-	4	0
Interest rate hedges	**4**	**-**	**-**	**-**	**4**	**0**

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.

3. Fair value

3.1 Fair value of financial instruments

The carrying amount and fair value of financial instruments at December 31, 2013 are as follows:

In millions of euros		December 31, 2013 Carrying amount	December 31, 2013 Fair value
FINANCIAL LIABILITIES		**2 232**	**2 303**
Bonds	(1)	1 944	2 015
Bank borrowings		144	144
Finance lease liabilities		49	49
Other financial liabilities		95	95
Interest rate derivatives (Cash Flow Hedge)		-	-
Currency derivatives (Fair Value Hedge)		-	-
FINANCIAL ASSETS		**(2 001)**	**(2 001)**
Money market securities		(1 796)	(1 796)
Cash		(132)	(132)
Other		(73)	(73)
Interest rate derivatives (Cash Flow Hedge)		-	-
Currency derivatives (Fair Value Hedge)		-	-
NET DEBT		**231**	**302**

(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 (level 1 valuation technique: see Note 1.R).

3.2 Fair value of money market securities

The carrying amount and fair value of money market securities at December 31, 2013 are as follows:

In millions of euros		December 31, 2013 Carrying amount	December 31, 2013 Fair value
Other negotiable debt securities	(a)	-	-
Money market securities	(b)	(1 748)	(1 748)
Mutual fund units convertible into cash in less than three months (*)	(c)	(38)	(38)
Other (accrued interest)		(10)	(10)
Total Money market securities		**(1 796)**	**(1 796)**

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

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

Note 29.6. Financial Risk Management

The Group's Risk Management objectives, policies and procedures (liquidity risk, credit risk, interest risk and equity risk) are described in Section III of the 2013 Registration Document about Risk Management, which also includes rates and currency rates sensibility analyses.

Note 29.7. Credit rating

At December 31, 2013, Accor's credit ratings were as follows:

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

Standard & Poor's reaffirmed Accor's ratings on March 9, 2012 whereas Fitch reaffirmed Accor's ratings and outlooks on December 19, 2013.

Note 30. Net Debt and Net Cash

Net debt breaks down as follows:

In millions of euros	Dec. 2012	Dec. 2013
Other long-term financial debt (1)	1 496	1 670
Long-term finance lease liabilities	56	48
Short-term borrowings	811	496
Bank overdrafts	8	18
Liabilities derivatives	10	-
Total debt	**2 381**	**2 232**
Short-term loans	(34)	(32)
Money market securities (2)	(1 752)	(1 796)
Cash	(122)	(132)
Asset derivatives	(4)	-
Short-term receivables on disposals of assets	(48)	(41)
Financial Assets	**(1 960)**	**(2 001)**
Net debt	**421**	**231**

(1) See Note 2.D.
(2) See Note 29.5.

Net debt at December 31, 2012 does not include the €184.7 million of the "précompte" dividend withholding tax refund that Accor repaid to the French State at the beginning of April 2012, following the Supreme Court of Appeal ruling in December 2012 in the dispute concerning this tax (see Note 39.2), which were recorded in "Other payables" (see Note 24.3).

In millions of euros	Dec. 2012	Dec. 2013
Net debt at beginning of period	**226**	**421**
Change in long-term debt	(42)	167
Change in short-term financial liabilities	706	(316)
Cash and cash equivalents change	(508)	(53)
Changes in other current financial assets	39	12
Changes for the period	**195**	**(190)**
Net debt at end of period	**421**	**231**

The following table reconciles cash and cash equivalents in the statement of financial position to cash and cash equivalents in the cash flow statement:

In millions of euros	Dec. 2012	Dec. 2013
Balance sheet cash and cash equivalents	**1 878**	**1 928**
Bank overdrafts	(8)	(18)
Derivatives included in liabilities	(10)	-
Cash flow Statement cash and cash equivalents	**1 860**	**1 910**

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

At December 31, 2013, and December 31, 2012, financial assets and liabilities broke down as follows by category:

In millions of euros	**Category in the balance-sheet**						**Fair value for financial instruments recognized at fair value**			
	Cash and cash equivalents	Loans	Receivables on disposals of assets	Other financial investments	Trade receivables	**Carrying amount**	Level 1*	Level 2*	Level 3*	**Fair value of the class**
Held to maturity financial assets										
Bonds and other negotiable debt securities										
Loans and receivables						**2 438**				
Short-term loans		32				**32**				
Long-term loans		98				**98**				
Receivables on disposals of assets			41			**41**				
Deposits				119		**119**				
Trade receivables					390	**390**				
Money market securities	1 748					**1 748**				
Other	10					**10**				
Available for sale financial assets						**93**				**93**
Investments in non-consolidated companies				55		**55**			55	**55**
Mutual fund units convertible into cash	38					**38**	38			**38**
Other										
Financial assets at fair value										
Interest rate derivatives	-					**-**				**-**
Currency derivatives	-					**-**				**-**
Cash at bank	132					**132**				
Financial assets at December 31, 2013	**1 928**	**130**	**41**	**174**	**390**	**2 663**	**38**		**55**	**93**

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

En millions of euros	Category in the balance-sheet						Fair value for financial instruments recognized at fair value			
	Bank overdrafts	Other long-term financial debt	Short-term debt	Long-term finance lease liabilities	Trade payables	**Carrying amount**	Level 1*	Level 2*	Level 3*	**Fair value of the class**
Financial liabilities at fair value through profit or loss										
Currency derivatives	-					-				-
Interest rate derivatives										
Financial liabilities at amortised cost						**2 825**				
Other bonds		1 542	402			**1 944**				
Bank Borrowings		116	28			**144**				
Finance lease liabilities			1	48		**49**				
Other debts		12	65			**77**				
Trade payables					611	**611**				
Cash at bank	**18**					**18**				
Financial liabilities at December 31, 2013	**18**	**1 670**	**496**	**48**	**611**	**2 843**	**-**		**-**	

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

* The fair value hierarchies have three levels: see Note 1.R. 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 millions of euros	Dec. 2012	Dec. 2013
Onboard Train Services business	32	24
Disposal groups classified as held for sale	58	21
Non-current assets classified as held for sale	66	16
Total Assets classified as Assets held for sale	**156**	**61**
Onboard Train Services business	(23)	(16)
Liabilities related to Disposal groups classified as held for sale	(13)	(10)
Total Liabilities classified as Liabilities associated with assets classified as held for sale	**(36)**	**(26)**

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.

During the first-half of 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.1.2). In view of the end of the contract with the grantor of the concession which took place in October 2013 and the ongoing liquidation process of the company, the related assets and liabilities remained classified under "Assets held for sale" and "Liabilities associated with assets held for sale" at December 31, 2013.

In millions of euros	Dec. 2012	Dec. 2013
Property, plant and equipment and intangible assets	3	0
Other assets	29	24
Total Assets classified as Assets held for sale	**32**	**24**
Financial debt	-	-
Other liabilities	(23)	(16)
Total Liabilities classified as Liabilities associated with assets classified as held for sale	**(23)**	**(16)**

B. Other assets held for sale

In millions of euros		Dec. 2012	Dec. 2013
Disposal group to be sold in Germany	(a)	33	-
Disposal group to be sold in China	(b)	18	21
Disposal group to be sold in Poland	(c)	7	-
Total Disposal groups classified as held for sale		**58**	**21**
Hotels to be sold in France	(d)	20	3
Hotels to be sold in the Netherlands	(e)	-	2
Hotels to be sold in Canada	(f)	12	9
Hotels to be sold in Poland	(c)	12	1
Hotels to be sold in Australia	(g)	11	-
Hotels to be sold in China	(b)	7	-
Other		4	1
Non-current assets classified as held for sale		**66**	**16**

In accordance with IFRS 5, these assets are reclassified in the statement of financial position under “Assets held for sale” and measured at the lower of their carrying amount and fair value less costs to sell.

(a) At December 31, 2010, the Group planned to sell one Novotel unit in Germany, carried in the statement of financial position for €33 million at December 31, 2012. The sale was cancelled in 2013 and the assets are no longer classified as held for sale.

(b) At December 31, 2012, the Group planned to sell seven ibis units in China. Five of these hotels were sold in 2013. At December 31, 2013, the other two ibis units were classified as held for sale, for an aggregate carrying amount of €12 million.

(c) As of December 31, 2012, the Group had agreed to sell Orbis Transport’s remaining car rental business (carried in the statement of financial position for €7 million) and the Zakopane Mercure hotel (carried in the statement of financial position for €11 million) along with a €1 million plot of land. Orbis Transport’s car rental business and the Zakopane Mercure hotel were sold in 2013.

(d) At December 31, 2012, in France 11 hotels had been reclassified as held for sale, for an aggregate carrying amount of €20 million of which €14 million concerned the Suite Novotel Paris Saint Denis and the Suite Novotel Paris Porte de Montreuil. At December 31, 2013, eight hotels had been sold and a further four hotels were classified as held for sale, for an aggregate carrying amount of €2 million.

(e) At December 31, 2013, one ibis unit in the Netherlands was classified as held for sale, for a carrying amount of €2 million.

(f) At December 31, 2012, the Novotel Mississauga in Canada was classified as held for sale, for a carrying amount of €12 million. At December 31, 2013 its carrying amount was €9 million.

(g) At December 31, 2012, the Sebel Mandurah in Australia was classified as held for sale, for a carrying amount of €11 million. The hotel was sold during first-half 2013.

Impairment losses were recorded during 2013 only on the Novotel Mississauga in Canada and the ibis Dongguan Dongcheng in China. The write-downs, in the amount of €1.4 million and €0.4 million respectively, were based on the prices offered by the buyers, corresponding to fair values determined using Level 2 inputs as defined in IFRS 13: see Note 1.R.

Note 33. Provisions

Movements in long-term provisions between December 31, 2012 and December 31, 2013 can be analysed as follows:

In millions of euros	Dec. 2012 (*)	Equity impact	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope	Dec. 2013
- Provisions for pensions (**)	94	(1)	13	(4)	(19)	(1)	3	85
- Provisions for loyalty bonuses (**)	22	-	3	(2)	(1)	-	(3)	19
- Provisions for claims and litigation and others contingencies	6	-	-	-	-	-	(1)	5
TOTAL LONG-TERM PROVISIONS	**122**	**(1)**	**16**	**(6)**	**(20)**	**(1)**	**(1)**	**109**

(*) Adoption of the amendment to IAS 19 "Employee Benefits" from January 1, 2013 with retrospective application to the period presented led to the immediate recognition in the opening statement of financial position at January 1, 2012 of all unrecognized past service costs. The effect of this change of method was a €9 million reduction in provisions for pensions at December 31, 2012 (see Note 1 page 15).
(**) See Note 33.C

Movements in short-term provisions between December 31, 2012 and December 31, 2013 can be analysed as follows:

In millions of euros	Dec. 2012	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope	Dec. 2013
- Tax provisions	38	12	(1)	(9)	(1)	(0)	39
- Restructuring provisions	20	80	(16)	(2)	(1)	0	81
- Provisions for claims and litigation and others contingencies	127	28	(19)	(11)	(4)	3	124
TOTAL SHORT-TERM PROVISIONS	**185**	**120**	**(36)**	**(22)**	**(6)**	**3**	**244**

At December 31, 2013, ordinary provisions for claims and litigation and others include:

- €36 million provisions for various claims;
- €10 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.

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.

Restructuring provisions at December 31, 2013 include €42 million in provisions for voluntary separation plans within the Group (see Note 2.E).

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 millions of euros	Dec. 2012	Dec. 2013
EBIT	5	2
Finance cost, net	1	3
Provision for losses on hotel properties	(17)	4
Provision on other assets and restructuring provisions	(2)	39
Provision for tax	8	4
TOTAL	**(5)**	**52**

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 statements of financial position 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 statement of financial position.

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 during the second half. 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 (48% of the obligation), in the Netherlands (24% of the obligation), in Belgium (9% of the obligation) and in Switzerland (8% 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 statement of financial position 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. In the Worldwide Structures, the pension plan concerns senior executives. Pension rights are unvested and plan participants receive a regular pension, not a lump sum. In the Netherlands, the plan concerns all employees and provides for the payment of a lump sum to participants on retirement.

In 2013, the implementation of voluntary separation plans and the departure of certain Executive Committee members led to the recognition of a curtailment gain.

B. Actuarial assumptions

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

2012	France	Europe excluding France						Worldwide Structures	Other countries
		Netherlands	Germany	Belgium	Poland	Switzerland	Italy		
Rate of future salary increases	3,0%	3,0%	1,5%	3,0%	3,0%	1,5%	2,0%	3% - 4%	2%-10%
Discount rate	3,0%	3,0%	3,0%	3,0%	4,5%	1,8%	3,0%	3,0%	4% - 8,7%

2013	France	Europe excluding France						Worldwide Structures	Other countries
		Netherlands	Germany	Belgium	Poland	Switzerland	Italy		
Rate of future salary increases	3,0%	3,0%	1,5%	3,0%	3,0%	1,0%	N/A	4,0%	2%-10%
Discount rate	3,0%	3,0%	3,0%	3,0%	4,5%	2,0%	3,0%	3,0%	4% - 8,7%
Weighted average duration of the obligation	14	19	13,2	11,85		12,5	10	14	

The assumptions concerning 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 Corporate AA 10+ 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. Since January 1st, 2013, in line with IAS 19 (revised), the expected long-term return on plan assets had been matched to the discount rate (see Note 1 page 15).

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, 2013

In millions of euros	Pensions	Other post-employment benefits (*)	Total
Present value of funded obligation	143	-	**143**
Fair value of plan assets	(102)	-	**(102)**
Excess of benefit obligation/(plan assets)	**41**	**-**	**41**
Present value of unfunded obligation	-	63	**63**
Liability recognized in the balance sheet	**41**	**63**	**104**

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

At December 31, 2012

In millions 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**
Liability recognized in the balance sheet (**)	**50**	**65**	**115**

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

(**) Adoption of the amendment to IAS 19 "Employee Benefits" from January 1, 2013 with retrospective application to the period presented led to the immediate recognition in the opening statement of financial position at January 1, 2012 of all unrecognized past service costs. The effect of this change of method was a €9 million reduction in provisions for pensions at December 31, 2012 (see Note 1 page 15).

Change in the funded status of post-employment defined benefit plans and long-term employee benefits by geographical area

In millions of euros	Pensions												
	France	Europe excluding France: Nether-lands	Germany	Belgium	Poland	Switzerland	Italy	Worldwide structures	Other	Total	Other benefits	Total Dec. 2013	Total Dec. 2012 (*)
Projected benefit obligation at the beginning of the period	26	44	12	15	1	14	4	73	5	195	22	217	172
Current service cost	2	0	0	1	0	1	0	5	1	10	2	12	10
Interest Cost	1	1	0	1	0	0	0	2	0	6	1	6	7
Employee contributions for the period	-	0	-	0	-	1	-	-	-	1	-	1	1
(Gains) losses on curtailments/settlements	(1)	-	(0)	(1)	(0)	-	-	(15)	(2)	(19)	(0)	(19)	(2)
Taxes and administrative expenses	-	(0)	-	(0)	-	(0)	-	(0)	-	(1)	-	(1)	-
Effect of changes in scope of consolidation	0	-	-	-	(0)	-	-	-	-	0	-	0	(0)
Benefits paid during the period	(1)	(1)	(1)	(0)	(0)	(1)	(1)	(2)	(0)	(7)	(2)	(9)	(11)
Actuarial (gains)/losses recognised during the period	(1)	0	0	0	0	(0)	(0)	(1)	0	(1)	0	(1)	39
Exchange differences	-	-	-	-	(0)	(0)	-	-	(1)	(1)	(0)	(1)	0
Transfers at beginning of period	(0)	-	-	1	-	0	-	0	3	4	(3)	1	0
Other	-	-	-	-	-	0	(0)	-	0	0	(0)	0	(0)
Reclassification of Onboard Train Services in "Assets held for sale"	-	-	-	-	-	-	-	-	-	-	-	-	(0)
Projected benefit obligation at the end of the period	26	44	12	17	1	14	4	63	6	186	19	207	217

In millions of euros	France	Europe excluding France: Nether-lands	Germany	Belgium	Poland	Switzerland	Italy	Worldwide structures	Other	Total	Other benefits	Total Dec. 2013	Total Dec. 2012 (*)
Fair value of plan assets at the beginning of the period	-	45	5	12	-	10	-	30	-	101	-	101	88
Return on plan assets, excluding interest income	-	0	(0)	0	-	0	-	-	-	0	-	0	14
Interest income	-	1	0	1	-	0	-	1	-	3	-	3	-
Employer contributions for the period	-	0	0	1	-	1	-	-	-	2	-	2	4
Employee contributions for the period	-	0	-	0	-	1	-	-	-	1	-	1	1
Benefits paid during the period	-	(1)	(0)	(0)	-	(1)	-	(2)	-	(5)	-	(5)	(6)
(Gains) losses on curtailments/settlements	-	-	(0)	(1)	-	-	-	-	-	(1)	-	(1)	-
Taxes and administrative expenses	-	(0)	-	(0)	-	(1)	-	-	-	(1)	-	(1)	-
Exchange differences	-	-	-	-	-	(0)	-	-	-	(0)	-	(0)	0
Fair value of plan assets at the end of the period	-	44	5	13	-	11	-	29	-	102	-	102	101

In millions of euros	France	Europe excluding France: Nether-lands	Germany	Belgium	Poland	Switzerland	Italy	Worldwide structures	Other	Total	Other benefits	Total Dec. 2013	Total Dec. 2012 (*)
Unfunded obligation at the beginning of the	26	(1)	7	4	1	4	4	43	5	94	22	115	84
Expense for the period	1	0	0	1	(0)	1	0	(9)	(1)	(6)	2	(4)	13
Benefits paid during the period	(1)	-	(0)	-	(0)	-	(1)	(0)	(0)	(2)	(2)	(4)	(5)
Employer contributions for the period	-	(0)	(0)	(1)	-	(1)	-	-	-	(2)	-	(2)	(4)
Employee contributions for the period	-	-	-	-	-	-	-	-	-	-	-	-	(0)
Taxes and administrative expenses	-	0	-	0	-	0	-	(0)	-	0	-	0	-
Effect of changes in scope of consolidation	0	-	-	-	(0)	-	-	-	-	0	-	0	(0)
Exchange differences	-	-	-	-	(0)	(0)	-	-	(1)	(1)	(0)	(1)	0
Actuarial (gains)/losses recognised during the period	(1)	0	0	0	0	(0)	(0)	(1)	0	(1)	0	(1)	27
Transfers at beginning of period	(0)	-	-	1	-	0	-	0	3	4	(3)	1	0
Other	-	-	-	-	-	-	(0)	-	0	0	(0)	(0)	(0)
Reclassification of Onboard Train Services in "Assets held for sale"	-	-	-	-	-	-	-	-	-	-	-	-	(0)
Unfunded obligation at the end of the period	26	(1)	7	4	1	3	3	34	6	85	19	104	115
Reclassification of Onboard Train Services in "Assets held for sale"	-	-	-	-	-	-	(0)	-	-	(0)	-	(0)	(0)
Provision at the end of the period	26	(1)	7	4	1	3	3	34	6	85	19	104	115

In millions of euros	France	Europe excluding France: Nether-lands	Germany	Belgium	Poland	Switzerland	Italy	Worldwide structures	Other	Total	Other benefits	Total Dec. 2013	Total Dec. 2012 (*)
Current service cost	2	0	0	1	0	1	0	5	1	10	1	11	10
Interest cost	1	0	0	(0)	0	0	0	1	0	3	1	3	3
(Gains) losses on curtailments/settlements	(1)	-	(0)	(0)	(0)	-	-	(15)	(2)	(19)	(0)	(19)	(3)
Others	-	0	-	0	-	0	-	(0)	-	0	-	0	2
Actuarial (gains)/losses recognised during the period for long-term employee benefits	-	-	-	-	-	-	-	-	-	-	-	-	2
Expense for the period	1	0	0	1	(0)	1	0	(9)	(1)	(6)	2	(5)	13

In millions of euros	France	Europe excluding France: Nether-lands	Germany	Belgium	Poland	Switzerland	Italy	Worldwide structures	Other	Total	Other benefits	Total Dec. 2013	Total Dec. 2012 (*)
Actuarial (gains) losses recognized in equity	(1)	0	0	0	0	(0)	(0)	(1)	0	(1)	-	(1)	27

(*) Adoption of the amendment to IAS 19 "Employee Benefits" from January 1, 2013 with retrospective application to the period presented led to the immediate recognition in the opening statement of financial position at January 1, 2012 of all unrecognized past service costs. The effect of this change of method was a €9 million reduction in provisions for pensions at December 31, 2012 (see Note 1 page 15).

Reconciliation of provisions for pensions between January 1, 2012 and December 31, 2013

In millions of euros	Amount
Provision at January 1, 2012 (*)	**84**
Expense for the period	13
Benefits paid	(9)
Actuarial gains and losses recognized in equity	27
Changes in exchange rates	0
Other	0
Provision at December 31, 2012 (*)	**115**
Expense for the period	(4)
Benefits paid	(6)
Actuarial gains and losses recognized in equity	(1)
Changes in exchange rates	(0)
Other	0
Provision at December 31, 2013	**104**

(*) Adoption of the amendment to IAS 19 "Employee Benefits" from January 1, 2013 with retrospective application to the period presented led to the immediate recognition in the opening statement of financial position at January 1, 2012 of all unrecognized past service costs. The effect of this change of method was a €9 million reduction in provisions for pensions at January 1, 2012 and December 31, 2012.

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

In millions of euros	Dec. 2012	Dec. 2013
Actuarial debt		
Actuarial gains and losses related to experience adjustment	4	(1)
Actuarial gains and losses related to changes in demographic assumptions	-	0
Actuarial gains and losses related to changes in financial assumptions	33	(0)
Fair value on assets		
Actuarial gains and losses related to experience adjustment	(10)	(0)

Detail of plan assets

The assets of insured defined benefit plans are invested in investment funds held by insurance companies in each of the countries concerned except for Worldwide Structures.

The following table shows the breakdown of these plan assets by country (except for the Netherlands for which no information is available):

Detail of plan assets	Germany	Belgium	Switzerland	Worldwide Structures
Bonds	4	11	3	23
Real Estate	1	1	3	2
Shares	0	1	3	4
Liquidity	-	0	2	0
Other	0	0	0	0
Total value of plan assets	**5**	**13**	**11**	**29**

Sensitivity analysis

At December 31, 2013, 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 €9.8 million reduction in the projected benefit obligation, a 0.5-point decrease in the discount rate would lead to a €10.7 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.

Expected cash flows

The following table shows expected cash outflows for the coming years, without taking account any cash inflows generated by plan assets:

Expected cash flows in millions of euros	France	Netherlands	Germany	Belgium	Poland	Switzerland	Italy	Worldwide Structures	TOTAL
Expected benefits payment in 2014	1	1	1	0	2	2	0	2	**9**
Expected benefits payment in 2015	1	2	1	0	1	1	0	2	**8**
Expected benefits payment in 2016	1	1	1	-	2	1	0	2	**8**
Expected benefits payment from 2017 to 2023	10	13	4	5	14	5	2	16	**69**
Expected contributions in 2014	-	0	1	1	-	1	-	-	**3**

Note 34. Reconciliation of Funds from Operations

In millions of euros	Dec. 2012	Dec. 2013
Net Profit, Group share	80	125
Minority interests	15	13
Depreciation, amortization and provision expense	327	333
Share of profit of associates, net of dividends received	(17)	5
Deferred tax	13	(16)
Change in financial provisions and provisions for losses on asset disposals	20	81
Impairment losses	119	89
Funds from operations from discontinued operations	(576)	2
FUNDS FROM OPERATIONS INCLUDING NON-RECURRING TRANSACTIONS	**(18)**	**632**
(Gains) losses on disposals of assets, net	(0)	(78)
(Gains) losses on non-recurring transactions (included restructuring costs and exceptional taxes)	136	161
Non-recurring items from discontinued activities	668	2
FUNDS FROM OPERATIONS EXCLUDING NON-RECURRING TRANSACTIONS	**786**	**717**

Note 35. Change in Working Capital

The change in working capital can be analyzed as follows:

In millions of euros	Dec. 2012	Dec. 2013	Change
Inventories	47	42	(5)
Trade receivables	402	390	(12)
Other receivables and accruals	516	478	(38)
WORKING CAPITAL ITEMS - ASSETS	**965**	**910**	**(55)**
Trade payables	580	611	31
Other payables	1 142	964	(178)
WORKING CAPITAL ITEMS - LIABILITIES	**1 722**	**1 575**	**(147)**
WORKING CAPITAL	**757**	**665**	**(92)**

December 31, 2012 WORKING CAPITAL	**757**
Change in operating working capital	133
Change in operating working capital of discontinued operations	5
Change in non-operating working capital (1)	(185)
Working capital items included in assets disposals and assets reclassified as held for sale	(27)
Translation adjustment	(18)
NET CHANGE IN WORKING CAPITAL	**(92)**
December 31, 2013 WORKING CAPITAL	**665**

(1) This amount corresponds to the payment of “précompte” dividend withholding tax for €185 million (see Note 39.2).

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 millions of euros	2012	2013
HOTELS	**287**	**262**
- Upscale and Midscale Hotels	161	154
- Economy	126	108
OTHER BUSINESSES	**12**	**3**
RENOVATION AND MAINTENANCE EXPENDITURE	**299**	**265**

In 2012 and 2013, expenditure on existing assets included €39 million and €27 million respectively related to the ibis Megabrand (see Note 2.B.5).

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 millions of euros		France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Other countries	Worldwide Structures (*)	2013	2012
HOTELS		**26**	**113**	**20**	**23**	**9**	**-**	**191**	**639**
Upscale and Midscale Hotels	(1)	20	69	14	6	7	-	**116**	**511**
Economy Hotels	(2)	6	44	6	17	2	-	**75**	**128**
OTHER BUSINESSES		**(0)**	**3**	**-**	**-**	**-**	**0**	**3**	**37**
Total 2013		**26**	**116**	**20**	**23**	**9**	**0**	**194**	
Total 2012		**47**	**283**	**227**	**69**	**38**	**12**		**676**

(*) "Worldwide Structures" corresponds to development expenditure that is not specific to a single geographic region.

(1) Including:

a. €28 million corresponding to the purchase of the freehold on the Canary Wharf Novotel in London.
b. €12 million corresponding to the rebranding of the Pullman Roissy Charles de Gaulle as a Mercure unit.
c. €11 million liés corresponding to the second key money installment for the Moorfield transaction in the United Kingdom.
d. Other amounts of less than €10 million each.

(2) Including:

a. €10 million for the development of ibis *budget* hotels in Spain.
b. €7 million for the purchase of additional ibis Colombia shares.
c. €7 million for the development of an ibis *budget* in Brazil.
d. €6 million for the development of an ibis *budget* in Switzerland.
e. Other amounts of less than €5 million each.

At December 31, 2012, development expenditure included:

a. €217 million related to the acquisition of Grupo Posadas' hotel network in South America (see Note 2.B.4) of which €10 million classified in "Other Businesses".
b. €193 million related to the Mirvac acquisition (see Note 2.B.3) of which €21 million classified in "Other Businesses".
c. €21 million deposit related to the Sofitel Los Angeles (see Note 23).

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

1. Hotels

Considering the way in which:

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

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

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

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

The other operating segments correspond to the following regions:

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

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

- Upscale and Midscale hotels, comprising the Sofitel, Pullman, MGallery, Novotel, Suite Novotel, Mercure and Adagio brands.
- Economy hotels, comprising the ibis, ibis Styles, ibis *budget*, Adagio Access, Formule 1 and HotelF1 brands.
- Economy hotels in the United States, comprising the Motel 6 and Studio 6 brands. During 2012, the business was being sold and was therefore no longer included in the Group's segment reporting (see Note 2.A.1.1).

2. Other businesses

Other businesses, which are not material compared with the hotel business, include the Group's corporate departments 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
- EBITDA
- EBIT

No statement of financial position 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 7 for EBITDA.
- 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 €817 million at December 31, 2013 and to €840 million at December 31, 2012.

Total assets break down as follows:

At December 31, 2013 In millions of euros	**Hotels**	**Other Businesses**	**Total consolidated**
Goodwill	707	-	707
Intangible assets	281	2	283
Property, plant and equipment	2 369	79	2 448
Non-current financial assets	*452*	*50*	*502*
Deferred tax assets	114	34	148
Total non-current assets	*3 923*	*165*	*4 088*
Total current assets	*1 331*	*1 580*	*2 911*
Assets held for sale	37	24	61
TOTAL ASSETS	**5 291**	**1 769**	**7 060**
Shareholders' Equity & Minority Interests	4 542	(1 786)	2 756
Total non-current liabilities	*363*	*1 582*	*1 945*
Total current liabilities	*376*	*1 957*	*2 333*
Liabilities associated to assets classified as held for sale	10	16	26
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**5 291**	**1 769**	**7 060**

At December 31, 2012 In millions of euros	**Hotels**	**Other Businesses**	**Total consolidated**
TOTAL ASSETS	**5 804**	**1 756**	**7 560**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**5 804**	**1 756**	**7 560**

At December 31, 2013 In millions of euros	Up and Midscale Hotels	Economy Hotels	Total Hotels
Goodwill	642	65	707
Intangible assets	237	44	281
Property, plant and equipment	1 302	1 067	2 369
Non-current financial assets	402	50	452
Deferred tax assets	104	10	114
Total non-current assets	*2 687*	*1 236*	*3 923*
Total current assets	*1 212*	*119*	*1 331*
Assets held for sale	12	25	37
TOTAL ASSETS	**3 911**	**1 380**	**5 291**
Shareholders' Equity & Minority Interests	3 614	928	4 542
Total non-current liabilities	*270*	*93*	*363*
Total current liabilities	*27*	*349*	*376*
Liabilities associated to assets classified as held for sale	-	10	10
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3 911**	**1 380**	**5 291**

At December 31, 2012 In millions of euros	Up and Midscale	Economy Hotels	Total Hotels
TOTAL ASSETS	**4 181**	**1 623**	**5 804**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4 181**	**1 623**	**5 804**

At December 31, 2013 In millions of euros	France	Europe (excl. France)	Asia Pacific	Latin America & Caribbean	Worldwide Structures	Other countries	Total
Goodwill	181	202	197	101	-	26	707
Intangible assets	9	125	65	32	51	1	283
Property, plant and equipment	609	1 246	201	214	35	143	2 448
Non-current financial assets	72	63	195	62	28	82	502
Total non-current assets excluding deferred tax assets	*871*	*1 636*	*658*	*409*	*114*	*252*	*3 940*
Deferred tax assets	31	46	9	22	39	1	148
Other assets	*440*	*412*	*284*	*110*	*1 597*	*129*	*2 972*
TOTAL ASSETS	**1 342**	**2 094**	**951**	**541**	**1 750**	**382**	**7 060**

At December 31, 2012 In millions 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**

For information, total non-current assets (excluding deferred tax assets) in Germany amounted to €377 million at December 31, 2013 and to €331 million at December 31, 2012.

Note 39. Claims and litigation

Note 39.1. 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, were contested by CIWLT, on the basis of the notice received from the Belgian tax authorities confirming that its seat of management was in Belgium.

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. CIWLT decided to appeal these rulings before the Versailles Administrative Court of Appeal on February 10, 2009 and on July 11, 2011 respectively.

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 statement of financial position.

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.

In light of these unfavorable developments, the tax receivable recognized as an asset in the statement of financial position at December 31, 2010 was written down by €242.5 million in 2010 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 statement of financial position 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 was written off and the corresponding provision was 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.

In a ruling handed down on May 21, 2013, the Versailles Administrative Court of Appeal also found against CIWLT for the year 2003. CIWLT appealed this ruling before the French Supreme Court of Appeal (Conseil d'Etat) in August 2013. The Supreme Court ruled that the appeal was admissible and it is currently in the pre-trial investigation phase.

Note 39.2. Dividend withholding tax (précompte)

In 2002, Accor mounted a legal challenge to its obligation to pay “précompte” dividend withholding tax 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” dividend 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” dividend withholding tax systems had been shown to be incompatible. However, he also considered that the amount to be refunded was subject to strict rules which, to all intents and purposes, restricted Accor’s right to a refund.

On December 10, 2012, the Supreme Court of Appeal handed down a ruling closely aligned with the reporting judge’s conclusions, according to which Accor was entitled to €6.3 million of the €156 million already refunded. In addition to the €149.7 million to be returned to the French State, Accor was 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. In all, €184.7 million in principal and interest was repaid to the French State during first-half 2013.

In the 2012 financial statements, the €6.3 million “précompte” dividend withholding tax 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 was considered as offsetting the early payment of tax, and was therefore recorded as a tax benefit in the income statement. The total amount repaid to the French State, representing approximately €184.7 million, led to an increase in net debt of the same amount.

Accor has noted the Supreme Court of Appeal’s decision and intends to continue to use the avenues available to it to defend its position in the dispute with the French tax authorities.

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” dividend withholding tax paid in the period 2002 to 2004. A ruling is expected during 2014 as the Court has indicated that it wants the pre-trial investigation to be completed by February 28, 2014.

Note 39.3. 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.

Legal proceedings have been launched and the date of the first-instance court hearing has been set for March 11, 2014.

Note 39.4. Tax audit at Accor SA

A tax audit is currently in progress at Accor SA. On December 26, 2013, the tax authorities notified the Company of proposed adjustments to its 2010 accounts. The proposal was timed to interrupt the statute of limitations that was due to expire for claims by the tax authorities on December 31, 2013. The tax authorities have not yet provided any indication of the financial consequences of the proposed adjustments for the tax group of which Accor SA is the filing entity, but the total risk including late interest is estimated at €26 million.

The tax authorities are challenging the independent valuation of the Accor Services brands that was used by Accor SA to calculate the taxable capital gain on the brands contributed at the time of the Group's demerger in 2010. They have also queried the alleged waiver by Accor SA of income due by its wholly-owned Brazilian subsidiary, Hotelaria Accor Brasil S.A., which they say had corporate income tax and withholding tax implications. This represents a relatively minor risk.

Accor SA wrote to the tax authorities in February 2014 contesting the proposed adjustments, but has nevertheless recorded a contingency provision of €11 million in its 2013 financial statements.

Note 39.5. 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, 2013

Note 40.1. Off-balance sheet commitments given

Off-balance sheet commitments (not discounted) given at December 31, 2013 break down as follows:

In millions of euros		Less than 1 year	1 to 5 years	Beyond 5 years	Dec. 31, 2013 (*)	Dec. 31, 2012
Security interests given on assets	(1)	**3**	**42**	**62**	**107**	**136**
Purchase commitments	(2)	**16**	**23**	**-**	**39**	**84**
. Renovation commitment in Germany	(3)	29	0	-	29	15
. Renovation commitment in the Netherlands	(4)	11	1	-	12	25
. Renovation commitment in Switzerland	(5)	8	-	-	8	14
. Renovation commitment in Poland	(6)	6	-	-	6	7
. Other renovation commitments	(7)	15	13	8	36	40
Capex Commitments		**69**	**14**	**8**	**91**	**101**
Loan guarantees given		**12**	**9**	**0**	**21**	**25**
Commitments given in the normal course of business		**12**	**17**	**21**	**50**	**62**
Contingent liabilities		**1**	**3**	**-**	**4**	**7**
Total December 31, 2013 (*)		**113**	**108**	**91**	**312**	
Total December 31, 2012		**77**	**223**	**115**		**415**

(*) In line with IFRS 5, off-balance sheet commitments given by the Onboard Train Services business are not presented in this note. Off-balance sheet commitments given by the Onboard Train Services business amounted to €6 million at December 31, 2013. These commitments had been extinguished as of the date of publication of the financial statements.

(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 €30 million and concern land, buildings and fixtures for the ibis Bab Ezzouar, ibis Oran, ibis Tlemcen and ibis/Novotel Constantine projects.

b. Collateral for loans obtained from Banque Cantonale de Genève and UBS in Switzerland, consisting of pledges on all the assets of the Novotel Bern, ibis Bern and ibis *budget* Bern. The pledged assets had a total net book value of €18 million at December 31, 2013. A repayment guarantee for the mortgage loan from Zürcher Kantonalbank for the purchase of the ibis Basel Bahnhof hotel in Switzerland. The mortgage covers the hotel's net book value, in the amount of €11 million at December 31, 2013.

(2) In connection with property development projects:

a. The Group is committed to carrying out €11 million worth of renovation work under the Moorfield contract concerning the management and rebranding of 24 Mercure units in the United Kingdom.

b. Accor is committed to carrying out €47 million worth of renovation work on the Pullman Paris Tour Eiffel in its capacity as developer (see Note 2.A.2.2). As of December 31, 2013, the remaining work amounted to €10 million.

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, 2013, the remaining work amounted to €2 million.

(3) In connection with development plans in Germany, commitments to carry out work mainly concerned development plans of the ibis and Novotel Arnulfstrasse (€25 million) and renovation of the Mercure Frankfurt Residenz and the MGallery Köln Mondial that began in late 2012.

(4) In the Netherlands, in 2012, Accor was committed to financing construction of the Suite Novotel Den Haag for €13 million, construction of the ibis Rotterdam Center for €8.5 million, construction of the ibis *budget* Zaandam for €4 million and renovation works of the MGallery Amsterdam The Convent for €3 million.
Commitments for work in progress in the Netherlands as of December 31, 2013 amounted to €12 million of which €5 million for the ibis Rotterdam Center, €4 million for the Suite Novotel Den Haag and €3 million for the MGallery Amsterdam The Convent.

(5) In connection with development plans in Switzerland, commitments to carry out work concerned construction of the ibis *budget* Glattbrugg (€8 million) that began in late 2012.

(6) In connection with development plans in Poland, Accor agreed to finance mainly renovation work on the Novotel Warsaw for €4 million and on the Sofitel Victoria Warszawa for €2 million.

(7) Other commitments mainly include €22 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.

From time to time the Group may also issue performance guarantees to the owners of managed hotels. The guarantee may include a clawback clause applicable if the hotel's performance improves in subsequent years.

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, 2013 break down as follows:

In millions of euros		Less than 1 year	1 to 5 years	Beyond 5 years	Dec. 31, 2013 (*)	Dec. 31, 2012
Irrevocable commitments received for the purchase of intangible assets and property, plant and equipment	(1)	11	-	-	**11**	**47**
Irrevocable commitments received for the purchase of financial assets	(2)	2	-	18	**20**	**20**
Purchase commitments received		**13**	**-**	**18**	**31**	**67**
Sellers' warranties received		0	1	-	**1**	**1**
Other guarantees received in the normal course of business	(3) + (4) + (5) + (6)	19	14	13	**46**	**43**
Other commitments and guarantees received		**19**	**15**	**13**	**47**	**44**
Total December 31, 2013 (*)		**32**	**15**	**31**	**78**	
Total December 31, 2012		**32**	**61**	**18**		**111**

(*) In line with IFRS 5, off-balance sheet commitments received by the Onboard Train Services business are not presented in this note. Off-balance sheet commitments received by the Onboard Train Services business amounted to €1 million at December 31, 2013 and 0.3 million at the date of publication of the consolidated financial statements.

(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 in 2012 (see Note 2.A.2.2), 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. As of December 31, 2013, the remaining amount due by the investor stood at €10 million.

b. In connection with the Sofitel Arc de Triomphe sale & management-back transaction in 2011, 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. As of December 31, 2013, the remaining amount due by the investor stood at €0.9 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, 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, 2013, the remaining work amounted to €13 million.

(4) In connection with the sale of the Pullman Paris Rive Gauche hotel property to Bouygues Immobilier in 2012 (see Note 2.A.2.3.), the Group has received a commitment from Bouygues Immobilier to pay an additional amount of up to €7.5 million when the building permit is obtained.

(5) In connection with the sale-and-variable leaseback transactions in France, Belgium and Germany in 2010-2011, Predica and Foncière des Murs agreed to finance €31 million worth of renovation work. As of December 31, 2013, the remaining work amounted to €1 million.

(6) Other commitments received consist mainly of guarantees related to hotels in the Netherlands, Germany and Italy for €14 million.

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

Note 41. Main Consolidated Companies at December 31, 2013

The main subsidiaries and associates represent 98% of consolidated revenue, 96% of EBITDAR and 90% of EBIT. The many other subsidiaries and associates represent individually less than 0.11% of consolidated revenue, EBITDAR and EBIT.

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

ACCOR SA

HOSPITALITY

France			
Académie Accor	France	IG	100,00%
Accor Afrique	France	IG	100,00%
Adagio	France	IP	50,00%
Devimco	France	IG	100,00%
Compagnie Etap hôtels Roissy	France	IG	96,00%
Ecotel	France	IG	99,45%
Ibis Budget Hôtels	France	IG	96,00%
Exhotel	France	IG	100,00%
Hôtel de Porticcio	France	IG	100,00%
GESTAL	France	IG	96,00%
Ibis Styles Hôtels	France	IG	100,00%
Mer & Montagne	France	IG	100,00%
Paris Clichy	France	IG	100,00%
Paris Porte de Saint-Cloud	France	IG	100,00%
Pradotel	France	IG	100,00%
Pro-Fid	France	IG	100,00%
Société Hôtelière Défense Grande Arche	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%
Société Commerciale des Hôtels Economiques	France	IG	99,96%
Société de Management Intermarques	France	IG	100,00%
Société du domaine de Marlioz et Extensions	France	IG	100,00%
Société d'Etude et de Promotion Hôtelière Internationale	France	IG	100,00%
Société Hôtelière de Montparnasse	France	IG	100,00%
Société Hôtelière et de Thalassotherapie de la Côte Varoise	France	IG	100,00%
Société Hôtelière du Forum	France	IG	100,00%
Hotexco	France	IG	100,00%
Société Hôtelière Toulouse Centre	France	IG	51,44%
Sofitel Luxury Hôtels France	France	IG	100,00%
SOGECA	France	IG	100,00%
SoLuxury HMC	France	IG	100,00%
Société Parisienne des Hôtels Economiques	France	IG	100,00%
Société d'exploitation Hôtel Monegasque	France	IG	100,00%
Société d'Hôtelerie et d'Exploitation Marseillaise	France	IG	100,00%
Société Hôtelière 61 quai de Grenelle	France	IG	100,00%
Société Hôtelière Paris Eiffel Suffren	France	IG	75,00%
Société Hôtelière Paris Les Halles	France	MEE	31,19%
Société de la Porte de Montreuil	France	IG	99,96%
Thalamer	France	IG	100,00%
WBA Saint-Honoré	France	IG (***)	100,00%

Rest of Europe			
Accor Gestion Hôteliere & Services	Switzerland	IG	100,00%
Accor Hospitality Germany GMBH	Germany	IG	100,00%
Accor Hospitality Italia	Italy	IG	100,00%
Accor Hospitality Nederland	The Netherland	IG	100,00%
The Grand Real Estate	The Netherland	MEE	58,71% (**)
Accor Hotelbetriebs GMBH	Austria	IG	100,00%
Accor Hoteles Espana	Spain	IG	100,00%
Accor Hotels Belgium	Belgium	IG	100,00%
Accor Hotels Luxembourg	Luxembourg	IG	100,00%
Accor Hotels Romania	Romania	IG	100,00%
Pannonia Hotels ZRT	Hungary	IG	99,94%
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% (**)
Berne Messe	Switzerland	IG	60,00%
Hekon-Hotele Ekonomiczne	Poland	IG	52,69%
Hotek Polska	Poland	IG	100,00%
Hotel Muranowska	Poland	IG	100,00%
Orbis	Poland	IG	52,69%
Katerinska Hotels	Czech Republic	IG	100,00%
Pannonia Hotelbetriebs	Austria	IG	99,94%
Portis	Portugal	IG	100,00%
Russian Management Hotel Comany LLC	Russia	IG	100,00%
Société d'exploitation hôtelière	Switzerland	IG	99,78%
Upsite Investimentos Hoteleiros	Portugal	IG	100,00%

(**) For these entities, the percentage shown corresponds to Accor's direct interest plus the interest held indirectly through Société Hôtelière Paris Les Halles which owns 60% of the Grand Real Estate and 70% of Saint James Hotel.

(***) Company sold on March, 2013

OTHER SERVICES

Soc. d'Exploitation des Résidences Hôtelières Rail	France	IP	50,00%

Compagnie Internationale des Wagons Lits & du Tourisme (*) - Belgium

Treno (*)	Italy	Asset held for sale	99,78%

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

Asia Pacific			
Accor Asia Pacific Corp	Asia/Australia	IG	100,00%
Accor Australia and New Zealand Hospitality	stralia/New Zeala	IG	100,00%
AAPC India Hotel Management Private	India	IG	70,00%
Safari club	French Polynesia	IG	100,00%

Latin America/Caribbean			
Accor Chile	Chile	IG	100,00%
Accor Hospitality Arg	Argentina	IG	100,00%
Caesar Park Argentina	Argentina	IG	100,00%
Hotelaria Accor Brasil	Brazil	IG	100,00%
Posadas Do Brasil	Brazil	IG	100,00%
SI Hotelera de Mexico	Mexico	IG	100,00%
Sociedad de desarollo de hoteles peruanos (SDHP)	Peru	IG	100,00%

Other Countries			
Accor Business And Leisure North America	USA	IG	100,00%
Accor Canada	Canada	IG	100,00%
Accor Gestion Maroc	Marocco	IG	77,94%
Accor Hôtel SAE	Egypt	IG	99,77%
RISMA	Marocco	MEE	32,89%
Hotel Union Pullman	Senegal	IG	100,00%
Premier Lodge	South Africa	IG	100,00%
Saudi Franch Company Hotel MGT	Saudi Arabia	IG	99,98%
Société Abidjannaise Hôtelière	Ivory Coast	IG	99,99%
Société Hôtelière Barachois	Senegal	IG	90,58%
Société immobilière d'exploitation algérienne	Algeria	IP	50,00%
Société Hôteliere La Lagune	Ivory Coast	IG	100,00%
Société Togolaise d'investissement et d'exploitation hôtelière	Togo	IG	100,00%
Tamaris Turizm Try	Turkey	IG	100,00%
Sogedetu	Dominican Republi	IG	100,00%
Pierre Loti	Cameroon	IG	100,00%
Compagnie Hôtelière du Plateau	Ivory Coast	IG	90,85%

Note 42. Additional Information about Jointly-controlled Entities

In millions 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	25	(10)	42	22	(19)
Adagio	17	12	27	2	28	(27)
Société d'Exploitation des Résidences Hôtelières Rail	10	0	5	5	43	(39)
Société Immobilière d'Exploitation Hôtelière Algérienne	8	16	4	20	12	(11)
Ibis Colombie	1	7	1	7	4	(4)

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 and 2013.

✓ **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 2013 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 2012 and 2013.

Note 44. Corporate Officers' Compensation

In millions of euros		2012		2013	
		Charges	**Montant au bilan**	**Expenses**	**Balance sheet amount**
Short-term benefits received		7	4	8	4
Post-employment benefits	(1)	3	17	(10)	3
Other long-term benefits		-	-	-	-
Compensation for loss of office	(1)	-	-	13	3
Share-based payments		3	-	4	-
Rémunération globale		**13**	**21**	**15**	**10**

(1) At December 31, 2013, the amounts presented mainly arose from the departure of certain Executive Committee members during the period, leading notably to the reversal of provisions for post-employment benefits (pension benefits).

Corporate officers are defined as members of the Executive Committee which had eight members at the end of December 31, 2013, and the Board of Directors.

In 2013, the compensation data for corporate officers presented above includes all the different forms of compensation received by the members of the Executive Committee.

Members of the Board of Directors do not receive any compensation and receive only attendance fees. Attendance fees paid in 2013 by the Group to the members of the Supervisory Board for 2012 amounted to €550,720.

Note 45. Fees Paid to the Auditors

The table below shows the total fees billed by the Auditors recognized in the income statements in 2013 and prior year.

In millions of euros	2012 (*)	2013
Statutory and contractual audit fees	(8)	(8)
Fees for audit-related services	(2)	(0)
Total fees billed by the Auditors	**(10)**	**(8)**

(*) The fees paid by companies reclassified as discontinued operations according to IFRS 5 are included in this chart.

Note 46. Subsequent Events

Launch of a bond offering

On January 31, 2014, Accor set the terms of a 7 year bond issue for an amount of EUR 750 million with an annual coupon of 2.625%.

This operation enabled Accor to both lengthen the average maturity of its debt and decrease significantly its average cost of funding.

Redemption of the February 4, 2009 bond issue

On February 4, 2014, all outstanding February 4, 2009 bonds (see Note 2.D) were redeemed for a total of €402.25 million.