ACCOR

New frontiers in Hospitality

2011

REGISTRATION DOCUMENT

and Annual Financial Report

Registration Document and Annual Financial Report

2011

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

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1

CORPORATE PRESENTATION

1.1. CORPORATE PROFILE

Accor, the world's leading hotel operator and market leader in Europe, is present in 90 countries with more than 4,400 hotels and 530,000 rooms. Accor's broad portfolio of hotel brands - Sofitel, Pullman, MGallery, Novotel, Suite Novotel, Mercure, Adagio, ibis, all seasons/ibis Styles, Etap Hotel/Formule 1/ibis *budget*, hotelF1 and Motel 6 - provide an extensive offer from luxury to budget. With 145,000 employees worldwide, the Group offers to its clients and partners nearly 45 years of know-how and expertise.

1.2. CORE BUSINESSES

1.2.1. HOTELS

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

A portfolio structured to meet demand, from luxury to economy

Luxury and upscale

The Sofitel and its Ambassadors link the world with French elegance across a collection of unique addresses offering their guests and partners a cousu main service enriched with emotion, performance and a passion for excellence.

The brand's three values: Spirit of openness, passion for excellence and essence of pleasure.

Network: 112 hotels, 28,887 rooms in 38 countries.

Guests: 59% business – 41% leisure.

Pullman's upscale hotels are located in major regional and international cities and designed to offer business travelers a hospitable place where life happens and people meet.

Tailored services, innovative technologies and « Co-Meeting », a fresh approach to the planning of meetings.

Network: 60 hotels, 17,685 rooms in 20 countries.

Guests: 70% business – 30% leisure.

The MGallery collection of upscale hotels was launched in 2008.

The hotels are remarkable because of each one's distinctive personality, identity, design, history or location. They will appeal to individual travelers seeking a place with a true soul.

Network: 48 hotels, 5,553 rooms in 18 countries.

Guests: 50% business – 50% leisure.

Launched in 2012, the Mei Jue (Grand Mercure) upscale hotel brand is custom designed for Chinese travelers. The Grand Mercure hotels all offer variations on the brand's concept "Discover a new authentic" based on their location and reflected in their welcome, in their relations with local art and even in the walks they create for guests to explore the surroundings.

Network: 9 hotels, 2,903 rooms in China.

Guests: 65% business – 35% leisure.

Midscale

Novotel

Novotel's midscale hotels are located in the world's major city centers, business districts and tourist destinations.

Novotel's consistently high standard of service contributes to the wellbeing of both business and leisure travelers: spacious rooms equipped for work and relaxation, a 24/24 healthy-eating restaurant service, meeting rooms, attentive staff, special children's areas and fitness and relaxation facilities.

Network: 394 hotels, 74,117 rooms in 56 countries.

Guests: 61% business – 39% leisure.

Suite Novotel

Suite Novotel offers a range of midscale hotels located principally in city centers.

It is an off-beat, avant-garde approach that invites medium-stay guests to enjoy a different way of experiencing hotel living.

The 30 sq.m. suites are flexible spaces with innovative services to meet guests' needs around the clock.

Network: 29 hotels, 3,620 rooms in 8 countries.

Guests: 70% business – 30% leisure.

Mercure

Mercure is the only midscale hotel brand that combines the strength of an international network with guaranteed quality standards, and the genuine experience of hotels, all different, rooted in their local community and managed by passionate hoteliers about their work.

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

Network: 716 hotels, 86,357 rooms in 49 countries.

Guests: 66% business – 34% leisure.

adagio

Adagio City Aparthotel, the European leader in urban tourism residences, offers an innovative accommodation concept with two product ranges: Adagio, the mid to upscale range of apartments located in the center of Europe's major cities and Adagio Access, the economy range of apartments located in town centers throughout France and close to Europe's main cities. The apartments are fully equipped and ready to live in with a choice of services so you can enjoy your stay at your own pace.

Network: 88 Aparthotels, 9,710 apartments in 7 countries.

Guests: 60% business – 40% leisure.

Economy

ibis

ibis, the worldwide economy hotel brand, offers consistent quality accommodation and services in all its hotels, for the best local value: a well-designed and fully-equipped bedroom, major hotel services available 24/7 and a wide choice of on-site food and beverage options. The quality of the ibis standard has been recognized by the International Organization for Standardization certification ISO 9001 since 1997. ibis is also the world's first hotel chain to demonstrate its environmental commitment through securing the ISO 14001 certification, which has already been awarded to one third of its hotels.

Network: 933 hotels, 113,077 rooms in 52 countries.

Guests: 57% business – 43% leisure.

ibis Styles – all seasons

Linked to Accor's global strategic project to dynamize economic brands and services, all seasons becomes ibis Styles. ibis Styles is the 'all inclusive' Accor brand, with a package that includes the room + all-you-can-eat breakfast + broadband internet connection and many more little extras.

ibis Styles' design spirit hotels sustain simplicity, comfort, quality and conviviality. Located in city centres or commercial districts, each property has its own positive and stylish personality while sharing a common colorful, bright, energetic decor and humorous brand spirit.

Network: 149 hotels, 13,110 rooms in 14 countries.

Guests: 60% business – 40% leisure.

Etap – ibis budget – Hotel Formule 1

As part of Accor's global economy brand dynamization project, Etap Hotel becomes ibis *budget*. ibis *budget* is Accor's casual, nifty brand. ibis *budget* reflects the values of simplicity and indispensability. It is ideal for self-reliant customers and offers well-designed rooms for one, two, or three people, round-the-clock room access and an all-you-can-eat breakfast. Located near major roads and airports – and increasingly in cities – the ibis *budget* hotels deliver highly competitive value for money. Outside Europe, Formule 1 is branded ibis *budget* (except in India and South Africa).

Réseau Etap Hotel/Formule 1/ibis *budget*: 522 hotels, 46,464 rooms in 11 countries.

Guests: 60% business – 40% leisure.

hotelF1

hotelF1 is the leading low cost hotel chain in France. It offers fully renovated, contemporary double and triple rooms and new reception and breakfast areas. hotelF1 is now more dynamic than ever and is asserting itself as a straightforward brand that meets the needs of smart consumers.

Network: 243 hotels, 18,213 rooms in France

Guests: 60% business – 40% leisure.

motel 6

Motel 6 is the leading North American budget motel chain and is known for its offer of comfortable, welcoming rooms at the lowest price.

Network: 1,028 hotels, 99,438 rooms in the United States and Canada.

Guests: 30% business – 70% leisure.

studio 6

Studio 6 offers the best extended stay accommodation in the North American budget hotel segment.

Network: 66 hotels, 7,282 rooms in the United States and Canada.

Guests: 65% business – 25% leisure – 10% residents.

A global presence in every market segment

Accor operates on five continents with a unique portfolio of 4,426 hotels (531,714 rooms) at December 31, 2011, and a presence in every market segment.

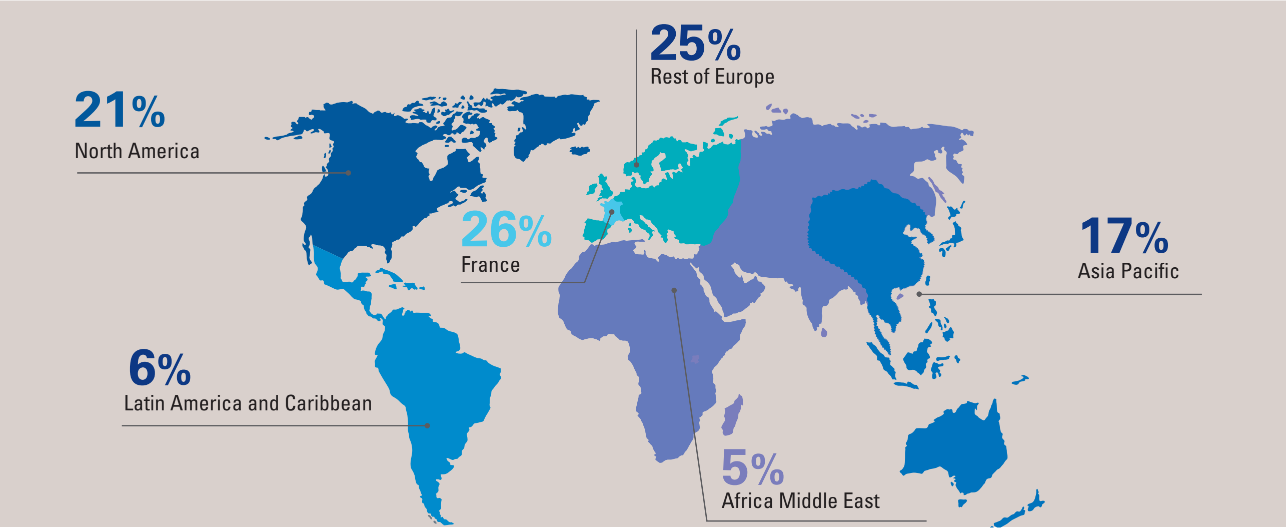
Hotel portfolio by region and brand at December 31, 2011

	France		Rest of Europe		North America		Latin America and Caribbean		Africa/Middle East		Asia-Pacific		Total	
Brand	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**
Sofitel	12	1,593	19	4,599	9	2,893	8	1,542	22	5,199	42	13,061	112	28,887
Pullman	14	4,336	12	3,009	-	-	2	538	6	1,608	26	8,194	60	17,685
Novotel	117	15,799	139	26,630	8	2,105	17	2,861	22	4,302	91	22,420	394	74,117
Mercure	237	22,506	292	37,573	-	-	73	9,504	33	5,273	138	19,957	773	94,813
Adagio	80	8,846	8	864	-	-	-	-	-	-	-	-	88	9,710
Suite Novotel	19	2,197	8	1,131	-	-	-	-	2	292	-	-	29	3,620
Luxury, upscale and midscale	**480**	**55,328**	**490**	**75,831**	**17**	**4,998**	**100**	**14,445**	**89**	**17,456**	**308**	**65,687**	**1,456**	**228,832**
all seasons	79	5,698	27	2,278	-	-	-	-	-	-	43	5,134	149	13,110
ibis	381	33,581	329	41,902	-	-	81	12,139	41	6,725	101	18,730	933	113,077
Etap Hotel/ibis *budget*	306	23,567	130	13,609	-	-	-	-	1	121	-	-	437	37,297
Formule 1/ibis *budget*	-	-	25	1,794	-	-	12	3,213	23	1,690	25	2,470	85	9,167
hotel F1	243	18,213	-	-	-	-	-	-	-	-	-	-	243	18,213
Economy	**1,009**	**81,059**	**511**	**59,583**	**-**	**-**	**93**	**15,352**	**65**	**8,536**	**169**	**26,334**	**1,847**	**190,864**
Motel 6	-	-	-	-	1,028	99,438	-	-	-	-	-	-	1,028	99,438
Studio 6	-	-	-	-	66	7,282	-	-	-	-	-	-	66	7,282
Economy United States	**-**	**-**	**-**	**-**	**1,094**	**106,720**	**-**	**-**	**-**	**-**	**-**	**-**	**1,094**	**106,720**
Other brands	1	51	12	2,025	-	-	1	385	4	782	11	2,055	29	5,298
TOTAL	**1,489**	**136,387**	**1,001**	**135,414**	**1,111**	**111,718**	**194**	**30,182**	**154**	**25,992**	**477**	**92,021**	**4,426**	**531,714**

Accor is the largest hotel group in **Europe**, with a network of 2,490 hotels and 271,801 rooms accounting for 51% of its room base at December 31, 2011. In other regions, its expertise is deployed through 1,111 hotels (21% of the room base) in **North America**, 194 hotels (6%) in Latin America and the **Caribbean**, 154 hotels (5%) in **Africa** and the **Middle East**, and 477 hotels (17%) in **Asia** and the **Pacific region**.

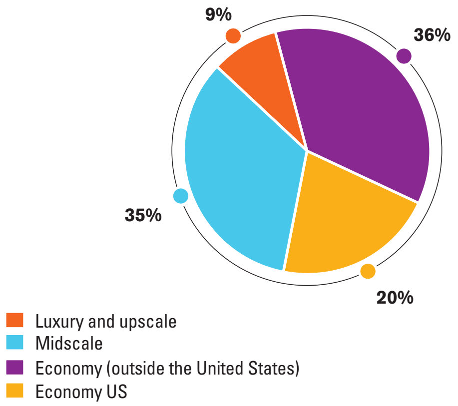
Hotel portfolio by region at December 31, 2011

(% based on number of rooms)



Hotel portfolio by segment at December 31, 2011

(% based on number of rooms)



Differentiated ownership structures

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

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

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

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

In emerging markets, the Group focuses on:

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

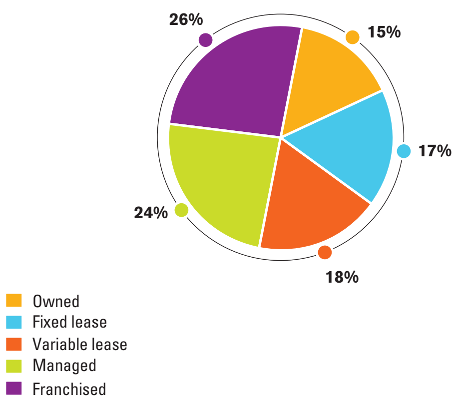
As of year-end 2011, 68% of the room base was operated under arrangements that limited earnings volatility, including variable leases, management contracts and franchise agreements.

Hotel portfolio by ownership structure and brand at December 31, 2011

	Owned		Fixed lease		Variable lease		Managed		Franchised		Total	
Brand	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**
Sofitel	16	2,489	4	1,196	7	1,173	80	22,179	5	1,850	112	28,887
Pullman	6	1,622	9	2,540	8	2,495	29	9,058	8	1,970	60	17,685
Novotel	49	9,337	54	10,637	125	20,756	109	25,907	57	7,480	394	74,117
Mercure	47	5,931	83	13,379	86	12,645	211	31,629	346	31,229	773	94,813
Adagio	2	207	7	817	1	133	77	8,442	1	111	88	9,710
Suite Novotel	1	174	8	1,239	9	1,127	4	488	7	592	29	3,620
Luxury, upscale and midscale	**121**	**19,760**	**165**	**29,808**	**236**	**38,329**	**510**	**97,703**	**424**	**43,232**	**1,456**	**228,832**
all seasons/ibis Styles	3	330	12	935	5	911	15	2,260	114	8,674	149	13,110
ibis	114	16,027	123	16,331	239	33,177	111	20,137	346	27,405	933	113,077
Etap Hotel/ibis *budget*	30	2,753	63	6,829	105	9,815	9	1,224	230	16,676	437	37,297
Formule 1/ibis *budget*	35	2,847	13	1,068	9	2,562	11	1,301	17	1,389	85	9,167
hotel F1	28	1,937			158	12,571			57	3,705	243	18,213
Economy	**210**	**23,894**	**211**	**25,163**	**516**	**59,036**	**146**	**24,922**	**764**	**57,849**	**1,847**	**190,864**
Motel 6	307	35,122	260	29,143	-	-	-	-	461	35,173	1,028	99,438
Studio 6	11	1,249	28	3,757	-	-	-	-	27	2,276	66	7,282
Economy United States	**318**	**36,371**	**288**	**32,900**	**-**	**-**	**-**	**-**	**488**	**37,449**	**1,094**	**106,720**
Other brands	10	1,892	2	154	-	-	15	3,086	2	166	29	5,298
TOTAL	**659**	**81,917**	**666**	**88,025**	**752**	**97,365**	**671**	**125,711**	**1,678**	**138,696**	**4,426**	**531,714**

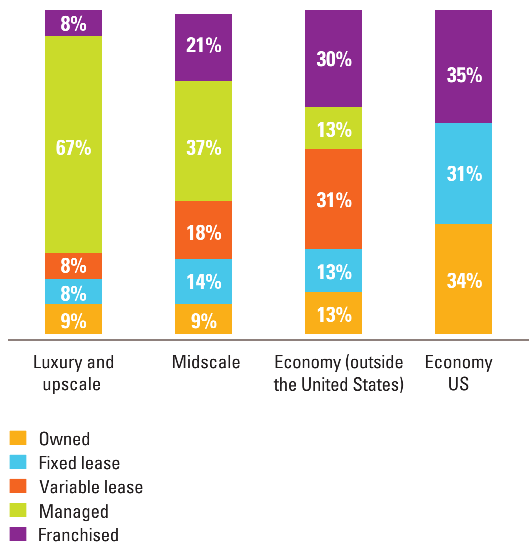
Hotel portfolio by ownership structure at December 31, 2011

(% based on number of rooms)



Hotel portfolio by segment and ownership structure at December 31, 2011

(% based on number of rooms)

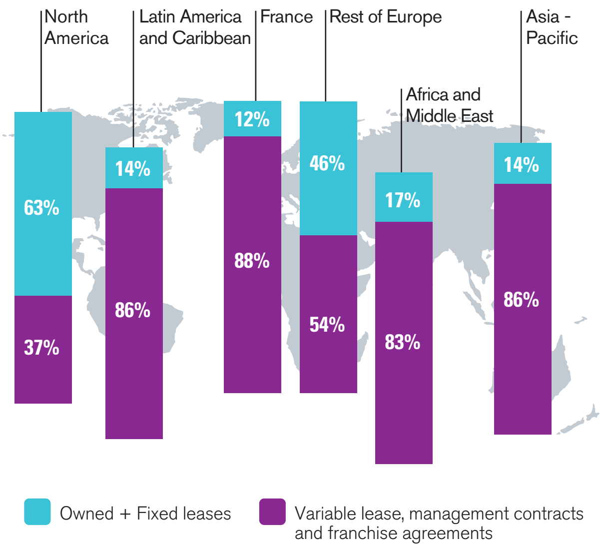


Hotel portfolio by ownership structure and region at December 31, 2011

	Owned		Fixed lease		Variable lease		Managed		Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
France	101	10,326	46	5,564	432	48,722	104	12,211	806	59,564	1,489	136,387
Rest of Europe	141	20,319	280	41,773	250	35,247	88	13,149	242	24,926	1,001	135,414
North America	322	37,556	288	32,900	-	-	12	3,664	489	37,598	1,111	111,718
Latin America and the Caribbean	24	3,351	6	936	48	9,227	88	13,139	28	3,529	194	30,182
Africa/Middle East	34	3,906	2	407	10	1,678	95	18,408	13	1,593	154	25,992
Asia-Pacific	37	6,459	44	6,445	12	2,491	284	65,140	100	11,486	477	92,021
TOTAL	**659**	**81,917**	**666**	**88,025**	**752**	**97,365**	**671**	**125,711**	**1,678**	**138,696**	**4,426**	**531,714**

Hotel portfolio by ownership structure and region

(% based on number of rooms)



The above breakdown of the hotel portfolio shows the number of rooms, the type of ownership structure and the location of the hotels at December 31, 2011. Occupancy rates, average room rates and Revenue Per Available Room (RevPAR) are described in the analysis of consolidated results on page 127.

Hotel projects currently underway are presented in note 2 to the consolidated financial statements on page 165.

Environmental issues are described in the Environmental Report on page 40.

Markets and Competition

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

Hotel companies ranked by number of rooms worldwide at December 31, 2011

Rank	Group	Number of hotels	Number of rooms
1	IHG	4,480	658,348
2	Hilton	3,843	633,238
3	Marriott	3,537	617,837
3	Wyndham	7,205	613,100
5	**Accor**	**4,426**	**531,714**

Source: Accor, MKG, March 2012.

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

Property

Property, plant and equipment recognized in the consolidated balance sheet primarily corresponds to hotel assets that are either owned outright or held under finance leases. The cost value of these assets stood at €6,038 million at December 31, 2011, while their carrying amount was €3,257 million, representing 40.7% of total consolidated assets at that date (see note 20 to the consolidated financial statements, page 199).

European hospitality companies by number of rooms at December 31, 2011 (27-country European Union)

Rank	Group	Number of hotels	Number of rooms
1	**Accor**	**2,345**	**254,553**
2	Best Western	1,316	89,743
3	IHG	559	86,780
4	Groupe du Louvre	956	67,687
5	Carlson Rezidor Hotel Group	253	51,498

Sources: HTR database – February 2012, Accor.

Four Accor brands rank among the top ten, in number of rooms, in the 27-country European Union.

European integrated hotel chains by number of rooms at December 31, 2011 (27-country European Union)

Rank		Number of hotels	Number of rooms
1	Best Western	1,316	89,743
2	**ibis**	**681**	**71,422**
3	**Mercure**	**500**	**56,912**
4	Premier Inn	613	45,629
5	NH Hoteles	314	45,453
6	Holiday Inn	269	41,694
7	**Novotel**	**244**	**40,015**
8	**Etap Hotel**	**427**	**36,149**
9	Hilton International	139	35,653
10	Travelodge	494	35,189

Sources: HTR database – February-March 2012, Accor.

1.2.2. OTHER BUSINESSES

As part as the strategic refocusing on Accor core hotels business, the sales of Groupe Lucien Barrière and Lenôtre were completed respectively in March and September 2011. Accor is now "100% hotelier".

1.3. FINANCIAL HIGHLIGHTS

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

The following financial highlights have been taken directly from the consolidated financial statements at December 31, 2011.

Consolidated financial highlights

(in million of euros)	2010	2011
Consolidated revenue	5,948	6,100
EBITDAR	1,814	1,923
EBIT	446	530
Operating profit before tax and non-recurring items	334	438
Net profit	3,610	50
Net profit, Group share	3,600	27

Per-share data

(in euros)	2010	2011
Earnings per share	15.94	0.12
Diluted earnings per share	15.87	0.12
Ordinary dividend per share	0.62	0.65 (1)
Special dividend per share	-	0.50 (1)

(1) Submitted for approval at the Combined Ordinary and Extraordinary Shareholders' Meeting of May 10, 2012.

Total assets

(in million of euros)	2010	2011
Total non-current assets	5,555	5,038
Total current assets	2,310	2,576
Assets held for sale	813	386
Total assets	8,678	8,000

Equity and net debt

(in million of euros)	2010	2011
Equity attributable to shareholders	3,650	3,537
Equity attributable to non-controlling interests	299	231
Equity	3,949	3,768
Net debt	730	226

1.4. MILESTONES

1967
- Paul Dubrule and Gérard Pélisson create SIEH.
- First Novotel hotel opens in Lille.

1974
- First ibis hotel opens in Bordeaux.
- Acquisition of Courtepaille.

1975
- Acquisition of Mercure.

1976
- Hotel operations are launched in Brazil.
- Ticket Restaurant® meal vouchers introduced in Brazil, Italy, Germany, Belgium and Spain.

1980
- Acquisition of Sofitel (43 hotels and two seawater spas).

1981
- Initial public offering of SIEH shares on the Paris Bourse.
- Start-up of Services operations in Mexico.

1982
- Acquisition of Jacques Borel International, European leader in managed food services (Générale de Restauration) and concession restaurants (Café Route, L'Arche), and world leader in the issuance of meal vouchers (Ticket Restaurant®), with 165 million vouchers a year distributed in eight countries.

1983
- Creation of Accor following the merger of Novotel SIEH Group and Jacques Borel International.

1985
- Creation of Formule 1, a new hotel concept based on particularly innovative construction and management techniques.
- Creation of Académie Accor, France's first corporate university for service activities.
- Acquisition of Lenôtre, which owns and manages deluxe caterer boutiques, gourmet restaurants and a cooking school.

1988
- 100 new hotels and 250 restaurants are opened during the year, for an average of one opening a day.
- Start-up of Services operations in Argentina.

1989
- Formule 1 expands outside France, with two properties in Belgium.
- Alliance formed with Groupe Lucien Barrière SAS to develop hotel-casino complexes.

1990
- Acquisition of the Motel 6 chain in the United States, comprising 550 properties. With its global brands, Accor becomes the world's leading hotel group, in terms of hotels directly owned or managed (excluding franchises).
- Ticket Restaurant® business launched in Venezuela.

1991
- Successful public offer for Compagnie Internationale des Wagons-Lits et du Tourisme, which is active in hotels (Pullman, Etap, PLM, Altea, Arcade), car rental (Europcar), onboard train services (Wagons-Lits), travel agencies (Wagonlit Travel),managed food services (Eurest) and highway restaurants (Relais Autoroute).
- Creation of Etap Hotel.

1992
- Ticket Restaurant® business launched in Turkey.

1993
- Accor Asia Pacific Corp. is created by the merger of Accor's Asia-Pacific businesses with Quality Pacific Corp.
- Interest acquired in the Pannonia chain (24 hotels), as part of Hungary's privatization program.
- Services business starts up operations in Czech Republic, Austria and Luxembourg.

1994
- Partnership between Carlson and Wagonlit Travel in business travel services.
- Ticket Restaurant® introduced in Slovakia, Uruguay and Hungary.

1995
- Eurest is sold to Compass, making Accor the largest shareholder in the world's leading food services Company.
- The Accor service vouchers market doubles in three years to 10 million users a day.
- Disposal of 80% of the concession restaurants business.
- Introduction of an extensive training and communication program to improve environmental protection.

1996

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

1997

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

1998

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

1999

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

2000

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

2001

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

2002

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

2003

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

2004

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

2005

- Colony Capital invests €1 billion in Accor in exchange for €500 million in ORA equity notes and €500 million in convertible bonds, enabling Accor to strengthen its equity base and step up the pace of expansion.

- Accor implements a new property management strategy and signs an initial agreement with French real estate company Foncière des Murs to transform fixed-rent leases on 128 hotels in France into variable leases.
- Accor Services acquires a majority interest in Hungastro, the fourth largest issuer of service vouchers in Romania.

2006

- Accor changes its corporate governance system from a Supervisory Board and Management Board to a Board of Directors, with Serge Weinberg as Chairman and Gilles Pélisson as Chief Executive Officer.
- As part of the non-strategic asset disposal process, Accor sells its 1.42% stake in Compass Group PLC and its 50% interest in Carlson Wagonlit Travel, as well as most of its investment in Club Méditerranée (22.9% out of a total 28.9% stake).
- As part of the ongoing shift in the Hotels business model, Accor carries out a second transaction with Foncière des Murs, involving 59 hotels and five seawater spas in France, as well 12 hotels in Belgium. Accor will continue to operate the hotels under 12-year leases with variable rents and no guaranteed minimum, renewable four times per hotel at Accor's option.
- Accor sells six US Sofitel hotels to a joint venture comprised of GEM Realty Capital, Whitehall Street Global Real Estate Limited Partnership 2005 and Accor. Accor remains a 25% shareholder in the joint venture and continues to manage the hotels under the Sofitel brand through a 25-year contract.
- Accor strengthens its presence around the world with the opening of 21,600 rooms during the year.
- Accor strengthens its operations in Brazil by becoming Ticket Serviços' sole shareholder.
- Accor Services pursues its expansion and acquires Serial in Italy, RID in India and Calicado in Germany.
- Compagnie des Wagons-Lits wins a tender from French National Railways SNCF for onboard foodservices on the TGV Est Européen high-speed train line.

2007

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

2008

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

2009

- Gilles Pélisson, Chief Executive Officer, appointed Chairman of the Board of Directors.
- Stake in Groupe Lucien Barrière raised to 49%.
- In late August, the Board of Directors approves Gilles Pélisson's recommendation to conduct a review of the potential benefits of demerging the Hotels and Prepaid Services businesses into two self-managing companies, each with its own strategy and resources for growth. The findings demonstrate the sustainable, profitable nature of each business, as well as their ability to meet the challenges of their future growth and development. At year-end, the Board of Directors therefore approves the potential benefits of demerging the two businesses.

- In line with its ongoing asset-right strategy, Accor announces a major real estate transaction in the Budget segment in France, with the sale of 158 HotelF1 properties, representing a total of 12,300 rooms.
- 27,300 new rooms are opened during the year.

2010

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

1.5. STRATEGIC VISION AND OUTLOOK

For Accor, 2011 was a year of transformation, during which the shift to an asset-light business model was reflected in its results. During the year, a number of projects were undertaken that will structure the Group's future, including the revamping of the Economy Hotels' brand architecture with the launch of the ibis megabrand. Accor completed its refocusing on core hotels business and took major strategic decisions concerning the transformation of Motel 6's business model.

Now a pure player in hotels, the new Accor is dedicated to the ambitious goal of becoming the global reference in hotel industry – a vision expressed in a new corporate tagline: "Open New Frontiers in Hospitality."

1.5.1. THE NEW ACCOR PROFILE

Accor is distinct in its unique business model as hotel owner, operator and franchiser in every market segment and on five continents around the world.

1. The world's leading hotel operator

Covering every segment of the hospitality market

Today, Accor is the world's only hotel group operating in every segment, from luxury to economy, and on five continents. This coverage of the entire hospitality market gives us a competitive advantage with guests, who want to experience ever greater variety in their choice of lodging, and with hotel owners looking for multi-brand, multi-segment solutions.

Covering every type of operating structure

Accor is the world's largest hotel operator and Europe's leading hotel franchisor, with a unique business model based on a mix of hotel operating structures. Being at once owner, operator and franchisor, gives Accor a strong credibility in partnering hotel owners and franchisees, who know that they can benefit from our extensive expertise.

Unique operating expertise

Backed by a unique business model, Accor enjoys unrivalled operating expertise, supported by operational excellence and a powerful distribution system. These capabilities are being shared and developed with all of our owned, leased, managed and franchised hotels.

Operational excellence

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

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

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

Distribution

In a highly competitive market, distribution is a business-critical challenge, whose performance, by generating additional hotel revenue, offers a compelling argument in expanding the franchised network.

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

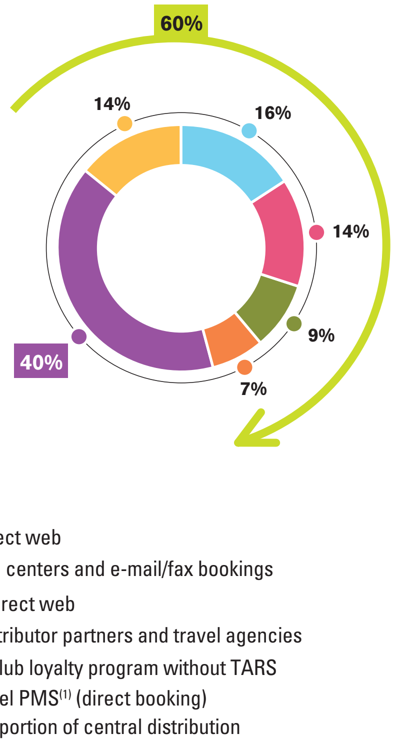
The power and performance of TARS

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

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

As Accor steps up its transformation with a hotel base that is 50% operated under franchise or management contracts, TARS's power is strengthening our ability to deliver revenue growth for franchisees and owners. In 2011, nearly half of all hotel revenue was generated directly through TARS.

2011 Revenue by distribution channel



(1) Property Management System
TARS : Travel Accor Reservation System

The success of AIClub

Our free, multi-brand, international AIClub is the only hotel loyalty program covering every market segment, from luxury to economy. Introduced in September 2008, AIClub has stepped up its expansion to some 8.3 million members by year-end 2011, up from 6.4 million at the end of 2010. Cardholders tend to stay longer and spend more, on average, than other guests.

In 2011, the performance of the distribution system was consolidated with:

- a sustained increase in the proportion of central sales, which transit via TARS and the AIClub loyalty program, to a total of 60% of lodging business volume (54% in 2010);
- €2 billion in online business volume, or more than a quarter of lodging revenue from owned, leased, managed and franchised hotels.

2. Shifting to an optimal business model

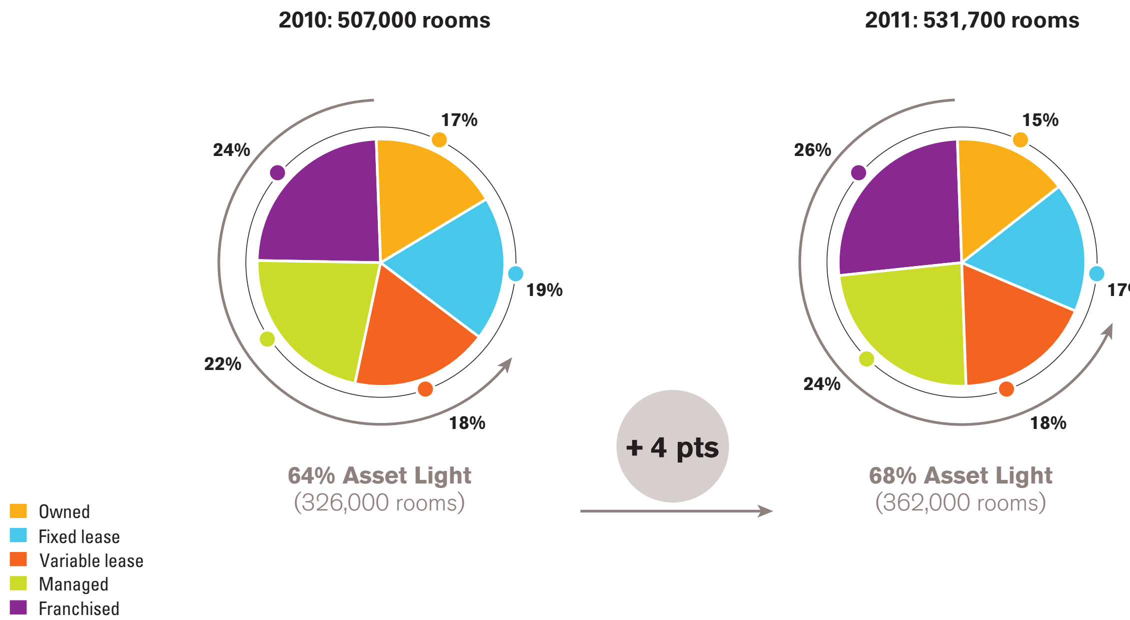
Faster transformation into an asset-light model

2011 was the first year in which the asset-light transformation of our business model was reflected not only in the balance sheet, with a reduction in debt, but also, and very clearly, in our earnings performance, margins, capital expenditure and attenuated volatility.

As of end 2011, more than two-thirds of the hotel base was held under asset-light operating structures, including franchise agreements, management contracts and variable leases. The business model's faster transformation is being driven by the combined impact of our expansion strategy, based on franchising and management contracts, and our active hotel asset management policy.

In 2011, 95% of new rooms were opened under asset-light systems, including 89% under franchise agreements or management contracts. In addition, 129 hotels (nearly 15,000 rooms) were sold during the year, which implied reducing adjusted net debt by €533 million, with a cash impact of €394 million. Most of these disposals concerned sales & management back and sales & franchise back arrangements, which accounted for 57% of the cash impact and 62% of the reduction in adjusted net debt over the year. This trend, which represented a notable change from previous years, is very positive as these types of refinancing transactions have a much more direct impact on the consolidated financial statements than sales & lease backs.

68% of the portflio was operated under asset-light systems at end-2011



129 hotels sold in 2011:

			Impacts on cash/debt	
2011 Asset disposals	**hotels**	**rooms**	**Cash (€m)**	**Ajusted net debt (1) (€m)**
Sales & Variable Lease Back	13	1,664	91	98
Sales & Management Back	9	1,713	151	176
Sales & Franchise Back	69	6,897	74	154
Outright Sales	38	4,451	78	105
Total	**129**	**14,725**	**394**	**533**

(1) Net debt adjusted for NPV of minimum lease payments discounted at 8% (Standard & Poor's methodology).

Driving transformation with the P&L Performance system

To manage the transformation strategy and track our performance drivers, the P&L Performance reporting system has been developed to analyze three types of income statement data:

- from the management and franchise business, including fees paid by all the hotels and the related costs;
- from the Sales & Marketing fund, including sales, distribution and marketing fees, from all the hotels of the Group and the related costs;
- from owned and leased hotels, restated from fees paid for the two previous columns.

All of the P&L Performance objectives for the year were met in 2011:

- 52% EBITDAR margin on management and franchise, exceeding the target of more than 50%;
- breakeven in the Sales & Marketing fund, at the EBITDAR level.

During the year, the system's transparency was enhanced with the disclosure of owned and leased hotel EBIT by business and operating structure, along with the medium-term margin objectives.

2011	Management & Franchise[1]	Sales & Marketing Fund[1]	Owned & Leased	Not allocated, plateform & interface	Total
Gross Revenue	10,602	N/A	5,454	184	10,786
o/w Revenue[1]	646	308	5,454	(309)	6,100
EBITDAR	337	1	1,573	12	1,923
Contributive margin	*52%*	*0%*	*29%*	*N/A*	*31.5%*
EBIT	337	1	245	(53)	530
EBIT margin	*52%*	*0%*	*4%*	*N/A*	*8.7%*
KPIs 2010	*Contrib. margin 53%*	*EBIT (7)% at €(18)m*	*EBIT Margin 4%*	*N/A*	*EBIT Margin 7.5%*

[1] Including fees from owned and leased hotels.

Breakdown of the owned & leased "P&L Performance"

EBIT margin	Owned	Fixed lease	Variable lease
Up & Midscale	5.2%	(1.3)%	3.5%
Economy excl. US	12.4%	6.7%	9.4%
Motel 6	10.4%	(10.2)%	N/A
TOTAL	7.9%	(0.4)%	6.0%
Midterm Target	*12-15%*	*6-8%*	*8-10%*

Breaking out owned and leased P&L Performance by operating structure offers two benefits. First, it demonstrates our commitment to continuously improving the transparency of the information provided to analysts, investors and the financial community at large and second, it offers an internal metric for tracking our asset management strategy and tightening its management. In line with the expansion strategy described on page 7, this implies in particular:

- for owned hotels:
  - restrict expansion through owned hotels to the Economy Hotels outside the United States segment, whose profitability already corresponds to our medium-term objectives,
  - continue to dispose of assets in the Upscale and Midscale segment, with a focus on identifying, then refinancing the hotels that are dragging down segment margins;
- for fixed-lease hotels:
  - restrict expansion through fixed-rent leases to Economy hotels outside the United States, and exclusively in strategic locations,
  - continue to restructure assets, in particular by stepping up the transformation of Motel 6;
- for variable-lease hotels:
  - continue to restructure the Upscale and Midscale hotel base,
  - renegotiate certain contracts.

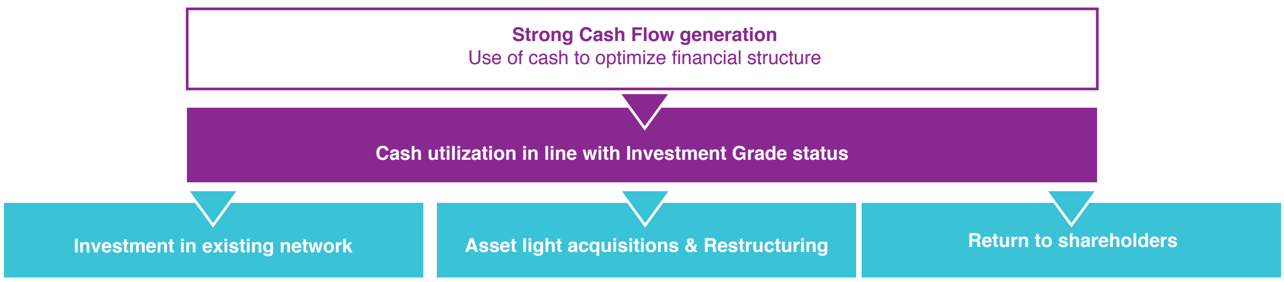
A value-creating financial strategy

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

To maintain its investment grade rating, Accor is committed to using its cash flow around three key axis:

- to invest in the existing network, including the brands, distribution channels and information technology. In 2011, for example, €5 million was committed to launch the ibis megabrand (out of a total €150 million scheduled over the 2011-2013 period);
- to fund acquisitions, exclusively under asset-light arrangements, and restructurings to improve our business model. In 2011, in particular, €174 million was invested in restructurings, of which €95 million to refinance Motel 6 hotels in the United States;
- to return profit to shareholders by paying out 50% of operating profit before non-recurring items, net of tax in ordinary dividends and, if possible while complying with covenants governing investment grade ratings, paying special dividends. In 2011, the Board of Directors asked shareholders at the May 10, 2012 Annual Meeting to approve the payment of an ordinary dividend of €0.65 per share, along with a special dividend of €0.50 per share.

Financial strategy



Financial objectives met or exceeded in 2011

All of the objectives set for 2011 were met or exceeded during the year:

- €221 million in **operating free cash flow**, positive after capital expenditure and before disposals;
- **maintenance capital expenditure held** to 5% of revenue, in line with the objective;
- a **56% flow-through ratio** [1], exceeding the targeted 50%;
- **€530 million in EBIT**, at the upper end of the announced range, with a two-point like-for-like improvement in EBIT margin;
- a **sharp reduction in net debt**, to €226 million from €730 million in 2010 and close to the target of breakeven;
- **record expansion** with the **opening of 38,700 rooms**, amply exceeding the objectives for the year;
- an **increase in the number of rooms under asset-light** ownership systems, with 95% of openings in hotels under, franchise agreements, management contracts or variable leases (89% under franchise or management contracts alone);
- the **sustained, active deployment of the asset disposal program**, with 129 hotels sold and a €533 million reduction in adjusted net debt;
- **refocusing on the core hotels business**, with the disposals of Groupe Lucien Barrière and Lenôtre completed in, respectively, March and September 2011.

(1) Excluding Egypt and Ivory Coast. Unadjusted, the reported flow-through ratio was 54%. The flow-through ratio, which is used when revenue goes up, corresponds to the change in like-for-like EBITDAR/the change in like-for-like revenue.

1.5.2. STRATEGIC PRIORITIES

Backed by its solid fundamentals and excellent financial performance, Accor entered a new growth dynamic in 2011. To quicken the pace of transformation, with the goal of being 80% asset-light in 2015 (versus 68% at end-2011), major strategic objectives have been set for 2012, with a focus on three key areas: the brands, expansion and the asset management program.

An innovative brand strategy

Accor has a portfolio of strong, strategically aligned brands, clearly positioned in their markets and ranging from luxury hotels to economy accommodations.

Brands	International	Regional
Luxury	SOFITEL LUXURY HOTELS; SOFITEL Legend	
Upscale	pullman HOTELS AND RESORTS; MGALLERY	GRAND MERCURE
Miscale	NOVOTEL; Suite NOVOTEL; Mercure; adagio	
Economy	ibis; ibis budget (Etap, Formule1); ibis Styles (all); adagio access	hotelF1 (1); motel 6, studio 6 extended stay (2)

(1) France
(2) United States and Canada

Revamping the Economy Hotels' brand architecture

In 2011, a far-reaching project was launched to revitalize the economy segment around the ibis megabrand. This involves organizing the existing economy brands in a more aligned, understandable, attractive manner by capitalizing on ibis, a powerful brand that enjoys high awareness around the world. In this way, all seasons has been renamed ibis Styles and Etap Hotel has become ibis *budget*. The new ibis family, which serves the segment that contributes the most to consolidated revenue, comprises about 1,600 hotels with three seamlessly related offerings.

Scheduled for completion in 2013, the deployment of the new segmentation is designed to increase market share with greater brand awareness and improved guest satisfaction, while also optimizing the RevPAR index and securing the expansion plan.

The project will require investments of €150 million (of which 70% in 2012), with an expected ROCE of around 20% after plan.

The new ibis, ibis Styles and ibis *budget* identities will be rolled out to 70% of the network in 2012, with the goal of rebranding more than 1,000 hotels by year-end. In addition to upgrading the hotels, the changeover process will include a plan to improve bedding comfort. Common areas, the food & beverage offering and consumer technologies will be reconfigured to resonate with new trends and guest aspirations.

A dedicated project team has been set up to closely track and actively support the upgrades and a massive consumer advertising campaign will be undertaken as part of the marketing process.

Initiatives in the upscale segment

The primary objective of our marketing strategy is to strengthen the personality, appeal and positioning of our brands. In the upscale segment, we operate through four closely related brands, which are well defined and suited to the global marketplace. This segment will see several initiatives undertaken in 2012.

- **Pullman**: Several high-profile hotels that recently joined the brand – the Pullman Montparnasse and the Pullman Tour Eiffel in Paris and the Pullman St Pancras in London – will be renovated to become brand's flagships in Europe.
- **Mei Jue (Grand Mercure) in China**: Custom designed for the Chinese market, the Mei Jue brand was launched in February 2012 to more effectively serve the needs of local guests. China is one of our strategic country markets, where the upscale segment is experiencing extremely strong growth.
- **MGallery:** The MGallery collection of upscale "boutique" hotels enjoys very promising prospects, particularly in terms of rebranding independent hotels, thanks to a now well-established positioning.
- **Sofitel:** The brand is capitalizing on its successful repositioning to develop a large number of new projects through high-profile openings.

Ambitious expansion

After a year of record expansion in 2011, with 38,700 rooms opened compared with 25,000 in 2010, Accor has reaffirmed its objective of opening 40,000 rooms in 2012, led by an ambitious expansion strategy based on franchise agreements, management contracts and targeted acquisitions.

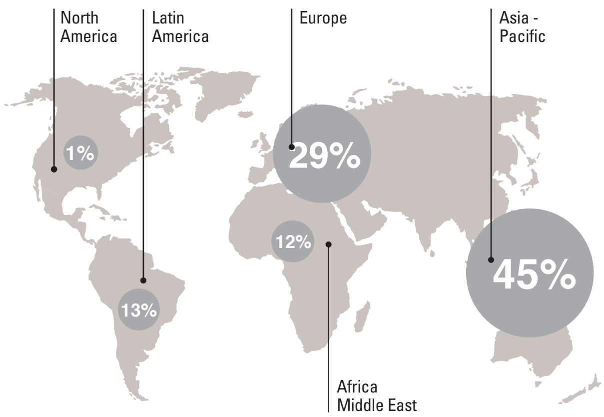
To meet this 2012 expansion objective, Accor will capitalize on:

- faster franchise-driven expansion in the midscale and economy segments, thanks to a new approach to the model, with dedicated teams, new franchisee relationship management systems and franchisee involvement in marketing decisions;
- brands that are more flexible, as illustrated by the ibis mega-brand project, and more closely aligned with local markets, like Grand Mercure brand in China "Mei Jue";
- asset-light acquisition opportunities in the most attractive markets, to consolidate our leadership. The purchase of Australia-based Mirvac offers a compelling example of this strategy. Carried out under an asset-light arrangement in a high-potential market, at an attractive price and with a leading local real estate partner, the acquisition will add 48 hotels or 6,100 rooms to the portfolio in Australia and New Zealand in 2012;
- selective investment in high-margin projects in prime locations.

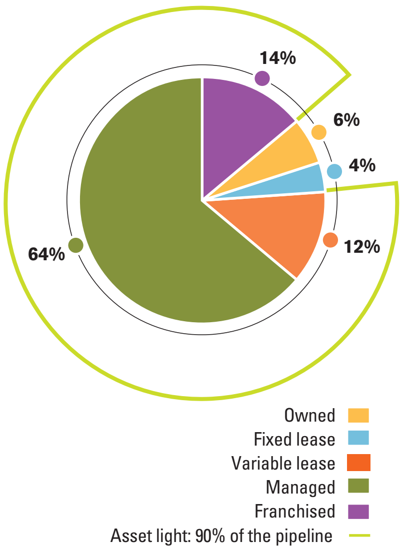
Accor wants to deepen its presence in emerging markets, particularly in the Asia Pacific region, where exceptional growth opportunities abound, and in Latin America. At year-end 2011, these two regions accounted for, respectively, 45% and 13% of our pipeline.

Pipeline: 609 hotels (104,000 rooms)

Projects in pipeline at end 2011 by region and by detention mode in % of total rooms



58% in Asia-Pacific & Latin America
78% under management & franchise contracts



An active asset management strategy

Accor's third priority focus in 2012 concerns the asset management program and the asset restructuring.

Asset management program

In 2005, Accor embarked on a far-reaching asset management program aimed at reducing the capital intensity of the hotel portfolio as well as cash flow volatility. The program unlocks the value of its property assets and structurally improves margins.

The 2011/2012 property disposal plan is designed to reduce adjusted net debt by €1.2 billion. During the presentation of the 2011 results on February 22, 2012, management announced that the current plan was already 50% completed, including disposals in 2011 (which reduced adjusted net debt by €533 million) and the signature of eight new sales in early 2012 (with an additional €119 million impact). Management is confident that the 2011/2012 program will be successfully completed, thanks to the renewed appeal of the Group's assets to real-estate investors.

Moreover, the Group announced in September 2011 that an additional plan covering the 2013-2015 period would involve the disposal of 175 hotels with a €1.0 billion impact on adjusted net debt, bringing the total 2011-2015 program to 400 Hotels, and a €2.2bn impact on adjusted net debt.

Asset restructuring

The second aspect of the asset management strategy concerns the restructuring of those leased assets whose performance falls short of Group standards. Optimizing these fixed and variable leases will structurally improve consolidated operating margin.

Motel 6, which in 2011 successfully pursued the franchise-driven transformation of its business model with the opening of 55 new franchised units and the disposal of 41 hotels, will step up this process in 2012 with the goal of selling around one hundred hotels over the year. To make this possible, in 2011 Accor exercised €95 million in call options on hotels operated under fixed leases.

Targets by 2015

Asset Management program	Asset Restructuring
400 hotels **€2,2bn** **positive impact** on adj. Net debt	Actions on underperforming leased hotels **Positive impact** **on EBIT margin**

In million of euros	2011 completed	+	January - Feb. 15 2012	=	Total
Sales & Variable Lease Back	13		1		14
Sales & Management Back	9		1		10
Sales & Franchise Back	69		3		72
Outright Sales	38		3		41
Total hotels	**129**		**8**		**137**
Impact on adj. net debt	**€533m**		**€119m**		**€652m**

1.5.3. TRENDS AND OUTLOOK

The trends observed in fourth-quarter 2011 continued into January 2012, with RevPAR figures stable in Europe despite high prior-year comparatives, and strong revenue growth in the emerging markets. The economy segment in Europe and the United States is continuing to benefit from rising room rates.

Despite the uncertain economic environment, business is holding firm, in line with the growing recovery observed since 2010. In all, Accor is confident as it moves into 2012, supported by favorable drivers in markets like France, where the country's hotel room supply is declining; Germany, where the trade fair calendar will have a positive effect; the United Kingdom, with the Olympic Games; Latin America; and the Asia-Pacific region.

1.5.4. CORPORATE OBJECTIVES

Accor has set the following **financial objectives**:

- improve **EBIT margin** by two to four points over the medium term;
- **structurally** generate **positive free cash flow** before disposals;
- increase **ROCE** thanks to a less capital-intensive business model;
- **repayment of debt**;
- maintain the Group's **investment grade** credit rating;
- pay out 50% of operating profit before non-recurring items, net of tax in **dividends**, and special returns in the frame of the Investment grade status.

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

- a more than 50% **EBIT margin in franchise and management**;
- breakeven of the **Sales & Marketing fund**;
- over the medium term, **EBIT margins on the owned and leased hotels** of:
  - 12% to 15% for owned hotels vs. 7.9% in 2011,
  - 6% to 8% for hotels leased under fixed-rent leases vs. a negative 0.4% in 2011,
  - 8% to 10% for hotels leased under variable-rent leases vs. 6.0% in 2011.

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

- a minimum 50% **flow-through ratio** in periods of growth and a minimum 40% reactivity ratio in cycle downturns;
- the **opening of 40,000 rooms** per year in 2012 and 2013;
- **maintenance capex** held to 5% of revenue.

1.6. MEN AND WOMEN AT ACCOR

Accor's human resources policies, which are intrinsically linked to its strategic vision and growth challenges, are guided by the key concepts of professionalism, mobility, diversity and recognition.

Professionalism is crucial for face-to-face service jobs in an increasingly competitive marketplace, where demanding customers require a constant focus on adapting to their needs. This is why our employees are regularly trained, effectively motivated and offered opportunities for professional growth.

Mobility, both geographic and occupational, is an important process at Accor, because it supports skills enrichment and opens up more diverse career opportunities.

The **diversity** of our human resources is a major strength in fostering team alignment, attracting and retaining talent and nurturing the ability to innovate and to embrace change.

Recognition is fundamental to an employee's motivation and sense of belonging to the corporate community. At Accor, it is expressed through compensation, empowerment, attentiveness, meaningful social dialogue and engaged, hands-on management.

While extremely diverse, Accor employees all embrace the same shared values and management principles:

- *innovation*, which takes us off the beaten path and plays a critical role in keeping us ahead of the pack;
- *a spirit of conquest*, because growth is impossible without boldness and a willingness to take risks;
- *performance*, or the ability to meet, as effectively as possible, our self-assigned objectives, both individually and as a company;
- *respect*, which stems from our belief that it is the very diversity of our employees, guests and partners around the world that stimulates us and keeps us moving forward;
- *trust*, without which initiative would not be possible.

1.6.1. KEY FIGURES

Accor's reporting process is defined in the human resources reporting protocol, which applies to everyone involved in the reporting chain, from hotel managers to the corporate manager. It provides a detailed, comprehensive description of Group procedures and definitions, the methods used to measure data and indicators, and the areas at risk that require particular attention. The protocol also mentions the country-specific features reported at December 31, 2011, which will be updated every year.

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

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

- all full and part-time employees, irrespective of the number of hours spent on site (excludes contingent workers, interns and temporary workers);
- total headcount of subsidiaries and units managed by Accor under contract. Full-scope data do not reflect units in which Accor holds a stake but is not responsible for managing the teams. Franchised hotels are not included.

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

As of December 31, 2011, Accor employed 144,893 people, compared with 143,939 a year earlier. Among them, 68,243 are collaborators in subsidiaries and 76,650 are employees of managed hotels.

Workforce by business and region at December 31, 2011

	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Total 2011 [1]	Total 2010
Hotels	**18,384**	**26,992**	**17,818**	**10,695**	**69,851**	**143,740**	**141,604**
Upscale and Midscale Hotels	12,283	20,563	3,522	7,620	62,185	106,173	104,363
Economy Hotels	6,101	6,429	-	3,075	7,666	23,271	22,390
US Economy Hotels	-	-	14,296	-	-	14,296	14,851
Other businesses	**1,153**	**-**	**-**	**-**	**-**	**1,153**	**2,335**
Restaurants	-	-	-	-	-	-	1,200
Other	1,153	-	-	-	-	1,153	1,135
TOTAL	**19,537**	**26,992**	**17,818**	**10,695**	**69,851**	**144,893**	**143,939**

(1) Not included in the scope of reporting: four managed hotels in Germany, 12 managed hotels in France and one managed hotel in Hungary.

We notice a slight increase of the headcount in spite of the sale of Lenôtre in 2011.

Human resources data at December 31, 2011

	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Total 2011	Total 2010
Number of Employees	**19,537**	**26,992**	**17,818**	**10,695**	**69,851**	**144,893**	**143,939**
% women	57%	56%	69%	51%	40%	50%	50%
% men	43%	44%	31%	49%	60%	50%	50%
% under permanent contracts	87%	81%	100%	91%	65%	77%	78%
% women	*56%*	*56%*	*69%*	*52%*	*39%*	*51%*	*51%*
% men	*44%*	*44%*	*31%*	*48%*	*61%*	*49%*	*49%*
Employees by age							
Under 25	15%	21%	18%	22%	22%	20%	20%
25 to 34 years	*33%*	*36%*	*28%*	*42%*	*40%*	*37%*	*37%*
35 to 44 years	*26%*	*21%*	*23%*	*24%*	*24%*	*24%*	*24%*
45 to 54 years	*19%*	*15%*	*20%*	*10%*	*11%*	*14%*	*14%*
Over 55	*7%*	*7%*	*11%*	*2%*	*3%*	*5%*	*5%*
Employees by seniority							
Under 6 months	*14%*	*10%*	*28%*	*20%*	*18%*	*17%*	*18%*
6 months to 2 years	*16%*	*25%*	*26%*	*33%*	*32%*	*28%*	*25%*
2 to 5 years	*20%*	*25%*	*22%*	*26%*	*25%*	*24%*	*26%*
5 to 10 years	*21%*	*18%*	*13%*	*14%*	*11%*	*14%*	*15%*
Over 10 years	*30%*	*22%*	*11%*	*7%*	*14%*	*17%*	*16%*
Management							
% of total workforce [1]	25%	17%	6%	11%	22%	19%	18%
% women	*47%*	*48%*	*53%*	*49%*	*39%*	*43%*	*43%*
% men	*53%*	*52%*	*47%*	*51%*	*61%*	*57%*	*57%*

(1) A manager is defined as an employee who manages a team and/or has a high level of expertise.
(2) Total number of days of training divided by total number of employees.

	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Total 2011	Total 2010
Managers by age							
Under 25	*2%*	*3%*	*3%*	*3%*	*6%*	*5%*	*5%*
25 to 34 years	*33%*	*35%*	*24%*	*47%*	*43%*	*39%*	*38%*
35 to 44 years	*35%*	*34%*	*30%*	*32%*	*33%*	*33%*	*34%*
45 to 54 years	*23%*	*20%*	*29%*	*14%*	*14%*	*18%*	*18%*
Over 55	*7%*	*8%*	*14%*	*4%*	*3%*	*5%*	*5%*
Training							
Number of days of training	32,246	49,218	12,747	37,961	302,920	435,092	341,304
Number of days of training for managers	*14,365*	*14,630*	*4,596*	*6,976*	*80,096*	*120,663*	*97,111*
Number of days of training for non-managers	*17,881*	*34,588*	*8,151*	*30,985*	*222,824*	*314,429*	*244,193*
Number of employees having attended at least one training course	10,314	21,579	6,130	11,502	94,412	143,937	110,183
Number of managers having attended at least one training course	3,310	4,128	1,539	1, 425	21,164	31,566	24,603
Number of non-managers having attended at least one training course	7,004	17,451	4,591	10,077	73,248	112,371	85,580
AVERAGE NUMBER OF DAYS OF TRAINING (2)	**1,7**	**1,8**	**0,7**	**3,5**	**4,3**	**3,0**	**2.4**

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

(2) Total number of days of training divided by total number of employees.

The lost-time incident frequency rate (i.e. the number of lost-time incidents (as defined by local legislation) per million hours worked) stood at 14.5, compared with 13.6 in 2010. The increase was mainly due to the updated calculation method. Note that in 2011, the scope of reporting did not include one hotel in Turkmenistan, where reporting of this information is prohibited by law, and 610 Motel 6 and Studio 6 units in the United States, where this information is not defined consistently in the local payroll system. In 2011, Accor was saddened by the accidental death of nine employees, two in the workplace and seven on the road.

Accor emphasizes promoting from within to offer employees exciting career development opportunities. In 2011, 57% of employees were under 35, as were 44% of Group managers.

1.6.2. HUMAN RESOURCES CHALLENGES

In an industry that is highly sensitive to the economy, Accor's human resources strategy is designed to support the development of its brands and to continuously enhance employee capabilities in the diverse, ever-changing array of hospitality skill-sets. To meet our core challenges of professionalism and mobility, for example, we hire the best talent, continuously strive to develop our **employees' expertise** and recognize and reward this expertise with **career opportunities**.

Attracting new talent

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

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

In **emerging markets**, we need to find the qualified employees required to support our expansion. In certain fast-growing regions, it is a challenge to hire enough qualified hotel managers and employees capable of delivering the superior services and experience guests deserve and of transferring their expertise to locally-hired teams.

Recruitment tools and resources

To promote our jobs and enhance our image as a good place to work, a wide range of **human resources marketing** tools have been developed for our country organizations.

Available on the Group intranet, the **Recruitment Communication Guide** gives managers around the world access to all the recruitment resources they need, including print advertising templates, webpage banners and 2D barcodes linking to a given website, as well as booths, kakemonos and brochures for job fairs. The current human resources advertising campaign is based on testimonials from a wide range of employees. In addition, a new film was produced in 2011 to present Accor's career opportunities to students.

Online, innovative communication tools are constantly being introduced to broaden our recruitment reach. On www.accor.com, for example, podcasts and videocasts offer testimonials from employees around the world talking about their successful careers with the Group, while in the Recruitment & Careers section, applicants can take a quiz to discover which jobs are right for them or browse a comprehensive guide that presents many of our jobs in detail. A dedicated blog also gives applicants the opportunity to find out more about the jobs offered by Accor and to ask questions about the advantages of working with us.

Revamped at the beginning of the year, the **AccorJobs** job vacancies site enjoyed record-breaking success in 2011, receiving nearly 4.6 million visits and offering around 21,000 jobs or internships. Available in 12 languages, the site is fully adaptable to each national market and now offers applicants the possibility of sharing job vacancies via social networks and watching videos in which human resources managers give advice on applying for a job at Accor.

In France, where employment searches are moving increasingly online, job and internship offers are now available in real time via the "Job Around Me" iPhone application. Using augmented reality, the application enables users to point their iPhone at a nearby Accor hotel and see which jobs are available. Each offer is located on a map and, with just one click, the applicant can obtain the hotel's contact details and then apply for the position online at www.accorjobs.com.

Apprenticeship programs

In France, in 2011 Accor signed a charter initiated by the French Apprenticeships and Vocational Training Ministry to promote access to work/study contracts for young people supported by local young-adult employment agencies. The charter helps to improve the information young people receive regarding local work/study programs, orient them to the right one and prevent dropout by fostering dialogue between the student, their local employment advisor and their company mentor. In 2011, 700 people were involved in work/study programs at our hotels in France, of which two-thirds under apprenticeship contracts.

Also in France, a special label is awarded to Mercure hotels that make a commitment to provide quality training and support to young people in work/study programs. The hotel team, the apprentice and his or her mentor all sign a "contract of trust" describing the rights and responsibilities of each party in ensuring the program's success. The label system enables work/study participants to receive personalized training and support, while helping the hotels to attract, train and retain young employees. Through this system, the Mercure brand has created a reservoir of potential employees, with 450 people participating in the program since its launch, including more than 170 who have stayed with the Group. Accor also recognizes the important role played by Mercure mentors with a specific training module at the Accor Academy that has been taken by more than 260 participants since 2008.

For the past nine years, **Accor Hotels EMEA** (Europe, Middle East, Africa) has organized the annual «Professions Challenge,» which celebrates the achievements of young professionals working in Accor hotels in four key areas: reception, kitchen, dining room and bar. After a pre-selection from among 1,000 candidates from 21 countries, 65 finalists participated in the 2011 Challenge, with eight winning an award.

Enhancing employee capabilities

For 40 years, employee training and skills development have been at the core of our human resources policies, helping all of our teams to grow every day in every job. Our challenge is to constantly enhance employee expertise and loyalty and to meet our guests' very high standards of excellence. To meet it, 143,937 employees received a total of 435,092 days of training in 2011.

Partnering with educational systems

Accor deploys a dedicated outreach strategy for recent graduates to attract, onboard and develop talent from universities and professional schools. Its core components include:

- work-study programs, to offer a consistent framework and support the outreach strategy through apprenticeship contracts, internships or gap years with the Group;
- onboarding programs, to give new hires an overall vision of the Group through the "keys to success" seminar and a systematic training period of at least one week in a front-line position for headquarters and support staff;
- compensation policies, to define common reference points for starting salaries, wage scales and raises, all in line with market practices;
- career management systems, with the objective of making two career steps in the first five years, with at least one change in job-track, country or business.

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

More generally, Accor nurtures close relationships with the educational systems of a large number of trade and business schools, actively participates in job fairs and develops innovative outreach programs. The **Schools Relations and Partnerships Department** deploys a variety of initiatives in our host countries.

As a result, partnerships and other ties have been forged with around 30 business schools, hotel management schools and universities in France and other countries, with the goal of giving hundreds of students the opportunity to participate in internships and find jobs at Accor hotels and support functions. In 2011, contacts were made with some 3,200 Bachelor's and Master's students at conferences and international trade fairs, helping to raise Accor's profile and expand the applicants database accessible by the hotels and support functions.

In addition, dedicated partnerships have been formed with a number of schools to further mutual understanding and facilitate the onboarding of young graduates. Accor offers certain schools the **RM Partner School** program, for example, which broadens the scope of revenue management training. Under the program, the Group participates in classes, provides internships, gives students access to certain employee training courses, and offers them employment. To ensure the program's long-term future, a partnership agreement was signed on December 21, 2011 with Institut Paul Bocuse and IAE Mont Blanc Savoie. In addition, to enhance the employability of its managers, Accor has also developed a partnership with the Glion Institute to give employees greater access to its innovative online MBA program. In this way, Accor is contributing to the development of new areas of expertise within the hotel industry, such as revenue management.

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

A number of specific initiatives were also undertaken in 2011. In Paris, for example, students working towards an undergraduate vocational degree at Jean Drouant high school performed quality audits at ibis hotels, while in Grenoble, seven hotels opened their doors to seven classes of students on the first day of the fall term. A "Franco-Luxembourg" receptionist training course was created in Nancy, and in Toulouse, 80 students from the local hospitality school took part in a conference on the work involved in rebranding a hotel. During the year, nearly 3,300 trainees were hired in France as part of vocational or technological work/study programs.

Accor Academies

In 1985, Paul Dubrule and Gérard Pélisson created Accor Academy, the first corporate university in the services industry in Europe. Today, this pioneering institution is helping to instill an entrepreneurial, service-oriented culture among employees from a wide range of backgrounds. From the start, the Academy was designed to serve not only as the symbol of Accor's unique training culture, but also as a showcase for the innovative concepts deployed across the organization and an effective forum for discussion and sharing our corporate culture.

The Academy offers training in the full range of hospitality skills and expertise for all of our hotel employees, regardless of job family, level of training, position or seniority.

To ensure consistent course content in all of the **17 Academies** worldwide, a collaborative process is used to design training methods and resources. In addition, the broad geographic base of the Academy network gives each one access to local training resources that reflect its region's specific practices and culture.

To fulfill its mission of helping employees advance and grow professionally by acquiring new skills, the Academy is guided by three fundamental teaching goals:

- to ensure that all programs, regardless of subject, are consistent with Accor's culture, operating methods and management principles;
- to continuously **support our brands** by designing, producing and leading all of their dedicated training programs;
- **to stay attuned** to social trends, by offering innovative teaching resources, such as **e-learning**, that reflect changes in the marketplace.

Indeed, the way the Academy operates has always been innovation-driven. Distance learning, through e-learning programs custom-tailored to each student, allows employees to test their knowledge in real-world situations, practice their skills in an enjoyable environment and acquire best practices in their profession and business.

Since 1997, our **International Hospitality Management Program (IHMP)** has been helping to create a pool of international managers ready to take on new operating responsibilities in both the short and medium term. The 30 employees who graduated from the program in 2011 ranged in age from 28 to 49, represented 16 different nationalities and one third of them were women. Of all the employees who have participated in the program since its creation, 50% are now hotel managers and another 5% have become Director of Operations, Sales Director or the head of an Accor Academy.

Supporting career growth

An integral part of Accor's corporate DNA, mobility enables employees to grow within the organization by developing their professional capabilities, moving into new job tracks and discovering new horizons.

International mobility

At Accor, we are dedicated to *opening new frontiers in hospitality*, and the primary responsibility of the international mobility and expatriation team is to help our employees to make that vision a reality.

To support employees who want to take postings outside their home country, a Group-level international mobility process is managed by a dedicated international mobility and expatriation team, whose role is to:

- help managers and human resources teams in each country to identify and recruit the right people for their needs;
- support employees at every stage of the process, by verifying their project's feasibility, advising them on the most suitable region, putting them in touch with recruiters and helping them prepare for their new assignment, for example through cross-cultural sensitivity training, information on labor and tax issues and taking care of administrative formalities;
- ensure compliance with the international mobility policies defined by the Group, covering, for example, moving costs, temporary lodging on arrival and other issues.

In 2011, particular emphasis was placed on **cross-cultural sensitivity**:

- a large number of cross-cultural training modules were offered to first-time expatriates and to employees leaving for countries with a very different culture;
- a cross-cultural sensitivity guide was prepared and posted online for all employees. Informative and educational, it covers the eight key aspects of cross-cultural awareness, including communication and sense of time.

Career development resources

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

The **Success** online application allows Accor managers to take charge of their own job mobility and career management. Initially deployed for 2,000 hotel General Managers in 2009 and extended to headquarters managers in 2010, Success was opened to all of Sofitel's department heads in 2011. Thanks to Success, nearly 5,000 employees are able, at any time, to check job vacancies, submit applications to open positions and access a single platform to share their résumés, job aspirations, annual performance reviews and other career-related information with their direct managers and human resources managers.

Assessing performance and providing effective guidance

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

Supporting brand development

As part of our growth strategy, the brands are playing a greater role in our human resources strategic landscape. A wide variety of projects are therefore being developed by the brands at both Group and country level to enhance their brand value.

Leading brand human resources projects

Ensuring that employees embrace the brand's spirit and strategy, thereby becoming brand ambassadors, is a key factor in building guest loyalty.

The "Ambassador" program initiated by **Sofitel**, for example, is a career development program for all employees, which is divided into three key stages:

- *Be Yourself* is the talent selection stage, comprising a new personality-based approach and the School of Excellence, a unique management education program for future Sofitel managers offered in exclusive partnership with 15 hotel schools worldwide;
- *Be Ready* gives participants the technical and behavioral skills they need to become true Sofitel Ambassadors. Flexibly organized over one to 24 months, the stage includes seven training modules and leads to accreditation as Ambassador;
- *Be Magnifique* is a flexible, personalized course that enables Ambassadors to advance within the Sofitel organization and enhance their career visibility. Graduating Ambassadors have the possibility of managing a team, communicating brand knowledge and culture, becoming an expert in their field or becoming a certified trainer at their hotel.

Designed to instill a strong brand spirit, this career development program is part of an ongoing commitment to rewarding and retaining the best employees.

The end of 2011 saw the launch of the new brand strategy and the creation of the ibis **mega-brand**, which will eventually transform all seasons and Etap Hotel properties into ibis Styles and ibis *budget* units. To support a smooth transition, in-hotel training sessions were organized for the employees concerned, to inform them of Accor's marketing strategy and familiarize them with the culture of their new brand.

Enhancing employability

One of the key objectives of brand human resources projects is to recognize the value of all employees and to enhance their employability, as seen in two initiatives undertaken by the Novotel and Etap Hotel/hotelF1 brands.

In 2010, **Novotel** launched "Move Up," a new global human resources policy designed to increase Novotel's attractiveness and employee retention through six programs:

- Welcome, a six-month onboarding program for all new employees;
- Itineraries, a skills qualification course that employees can complete at their own pace;
- Globe Trotter, a two-year track towards a position as department manager, with one year spent in another country on the same continent;
- GM Pass, a 12-month program for department managers interested in moving up to a hotel General Manager position;
- Visa, an opportunity for top performers to work for a month in another country;
- Novotel Service Attitudes, a program defining the brand's service style and spirit.

Move Up is now being deployed across the organization. In France, for example, two GM Pass graduates were promoted to hotel General Managers in 2011 and around ten employees from Australia, France and South America are now enrolled in the program.

In France, Etap Hotel/hotelF1 renewed its program in 2011 to support a group of nine hotel managers in earning degrees under the country's Validation of Acquired Experience system. The managers, most of whom are self-taught or only have a high school diploma, earned three-year post-secondary equivalency degrees from Rouen Business School after a panel of professors, professionals and alumni validated their experience. The program is also being offered to non-managers to help them earn Professional Qualification Contracts in housekeeping and reception skills.

hotelF1 is a Committee member of the new *Club des Enterprises Low-Cost*, a French trade association whose mission is to promote the low-cost business model and its operators, for example by highlighting their role as a social ladder and source of new jobs. The Club's first project was to develop a joint training course to instill the capabilities required across the low-cost hospitality sector. Graduates will earn an employability certificate that will facilitate job mobility within the industry.

1.6.3. OUR COMMITMENT TO EMPLOYEES

Accor's commitment to **diversity** and recognition in the workplace is expressed through equal opportunity and treatment, fair **compensation**, good **working conditions** and meaningful **social dialogue** with stakeholders.

Diversity

Given the broad geographic footprint of its hotel base, Accor enjoys natural diversity in its workforce, which it is committed to maintaining and promoting at every level of the organization. Similarly, equal opportunity is considered a core aspect of all our human resources processes and measures are in place to ensure compliance.

Commitments to support diversity

This commitment to diversity, which engages the highest levels of the organization, led Accor France to become one of the first companies to sign France's Diversity Charter in 2004 and to sign a diversity agreement with employee representatives in 2007.

This process is informed by three key issues for Accor:

- **corporate social responsibility**. As a fair and sustainable employer, Accor is responsible for respecting and reflecting the diversity of its host communities;
- **being perceived as a good place to work.** A diverse company is perceived as being more in tune with the times;
- **sales and marketing**. Integrating diversity helps us to understand the diversity of our guests and to devise solutions that resonate with each customer.

The International Diversity Charter

In 2011, Accor deployed its International Diversity Charter, signed by Chairman and Chief Executive Officer Denis Hennequin and expressing seven key commitments:

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

Available in 14 languages, the Charter serves as the foundation for our international diversity policies.

Four priorities have been defined for the period 2010-2015

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

Initiatives targeting these priorities are being pursued at every stage in an employee's professional journey, from hiring and career development to training and compensation.

Since June 2011, all Group units have reported data twice a year for diversity indicators based on the above four priorities, with a focus on each hotel job track, from General Manager to country Executive Committee member.

More than 17 country and Group Executive Committees worked towards implementing their respective actions plans in 2011. A summary of these actions plans and the results of the diversity indicator reporting process were presented to the Group Executive Committee at the end of the year. Precise targets and the related initiatives will be announced in 2012.

Measures to promote diversity and ensure equal opportunity

The measures undertaken to promote diversity have been shaped by the ambitious commitments demonstrated at the highest level and by the action plans tailored to each local situation. The main initiatives deployed in 2011 addressed the following issues:

Providing opportunities to the disadvantaged

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

In 2011, Accor participated in the second *Rencontres Nationales* career fair organized by French non-profit organization: ***Nos quartiers ont des talents***. The event gave young graduates from disadvantaged neighborhoods the opportunity to meet with representatives from companies that can help them find a job or internship or offer career guidance.

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

A large number of programs addressing local issues are also being deployed in our other host countries.

In Australia, Accor hotels in Perth joined with Polytechnic West to support our jobs program for aborigines. Thanks to their involvement, a group of 26 aborigines was able to participate in a four-week job training program in 2011, learning about different hospitality skill-sets. A total of 11 workshops like this were organized during the year in different areas of Australia, leading to the employment of 80 aborigines.

In Portugal, Accor is partnering a government program called New Opportunities designed to build employee skills and to identify both individuals in difficulty and those with potential. Depending on the assessment, specific training is offered to help participants earn academic or professional certification. A total of 90 employees have taken part in the program since 2009.

Gender equality in the workplace

The diversity reporting process enabled us to determine **the percentage of women in management positions** at the hotel General Manager, operations director and country Executive Committee levels, as well as in head offices, notably among senior executives. At December 31, 2011, Accor had 71,946 women employees worldwide, accounting for 50% of the total workforce and 43% of managerial staff [1].

Three out of the eleven members of the **Board of Directors** are women and two women were appointed to the **Executive Committee** in 2011, representing one quarter of its membership.

To ensure gender equality at every management level, steps are also being taken in our host countries to encourage the promotion of women, particularly to executive positions.

In the **Netherlands**, Accor has signed the "Talent to the Top" Charter, which encourages companies to implement sustainable, practical measures to increase the number of women in leadership positions.

Integration of people with disabilities

Following renewal of the Group-wide agreement with all of the employee representatives in 2009, the Integrating the Disabled Project (MIPH) is a vital part of the diversity action plan **in France**.

Under the agreement, the MIPH team carried out the following actions in 2011:

- 40 people were hired in Accor France operations, mostly under permanent contracts;
- 114 training and awareness-building sessions were conducted in our hotels, in particular through partnerships with schools. These sessions are sometimes a first step to joining the workforce, with nine participants being offered job contracts;
- 39 people with a hearing or vision impairment or a psychological disability were hired and trained in kitchen, dining room and housekeeping skills through custom-designed training programs;
- 58 employees were able to keep their jobs thanks to support from Mission Handicap, which i) helped to analyze their workstation ergonomics, leading to improvements in design and equipment; ii) provided financial support for the purchase of hearing aids, eyeglasses or special medical equipment for their business car; or iii) conducted skills reviews;
- 35 disabled people working in sheltered workshops were employed under a Group partnership program.

In France, a career orientation workshop was held for disabled students in their last year of middle school to inform them and their families about jobs in the hospitality and foodservices industry. As part of the initiative, 20 students were invited to Accor with their families and offered work/study contracts or internships, while 20 others were able to visit our hotels, talk to industry professionals and find out about potential careers.

A total of 530 disabled persons (full-time equivalent) were employed by Accor in France at December 31, 2011, representing 4.1% of the workforce for the year.

In addition, a new three-year Group-wide agreement on the integration of people with disabilities was signed with employee representatives in October 2011 for the period 2012-2014.

Programs to promote the inclusion of disabled employees are underway in a large number of host countries.

In partnership with the International Labour Organization (ILO) and Disabled People's International, **Accor Thailand** implemented a program that identified best practices with regards to the integration of disabled people and cascaded them across its entire hotel base.

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

In India, Accor participated in the Third ILO Global Business and Disability Network meeting in Bangalore, where we undertook to hire more disabled people and create appropriate working environments. The ibis brand's commitment was demonstrated by the ibis Delhi Airport, which organized a disability sensitivity seminar and a workshop to support the hotel's integration of disabled people, and by the brand's participation in a job fair dedicated to disabled employment.

Age diversity

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

- encouraging the hiring of people over 55 by developing the anonymous résumé and creating a module to train managers and human resources staff in non-discriminatory hiring practices;
- offering all employees over 45 a second-half career interview;
- improving and guaranteeing access to training for employees over 45;
- expanding information on retirement systems and introducing part-time working solutions;
- developing mentoring programs to transfer knowledge and skills;
- improving working conditions and avoiding physically and mentally strenuous situations.

In late 2009, Accor France signed a three-year agreement, running from January 1, 2010 until December 31, 2013, to promote the employment of older people, with measurable targets for retaining employees over 55 and for hiring people over 50. The target for December 31, 2012 is a 10% increase in the number of employees over 55 compared with December 31, 2010. Based on feedback from reporting indicators, measures to retain older employees are being implemented in three main areas: i) offering career development opportunities; ii) improving working conditions and avoiding physically and mentally strenuous situations; and iii) enhancing skills and access to training.

Diversity training

While the commitment to diversity is expressed at the highest level of executive management, it needs to be embraced by every employee and demonstrated in day-to-day working practices. To eradicate subconscious stereotyping, two levers are being activated: training and the sharing of the best practices already being applied in the organization.

Developed by the Accor Academy for front-line employees in all of our brands **in Brazil**, the innovative "Naturally Different" training program teaches people how to provide respectful, attentive service to every guest, regardless of origin, age, gender, specific needs or other characteristics. More than 10,000 employees have been trained since the program's launch, including all of the employees who joined Accor in 2011.

In France, the "Managing Diversity" **e-learning** module on diversity and non-discrimination was deployed in 2011 for managers in all of our brands. By the end of the year, a total of 1,007 managers had enrolled in the program and 594 had completed the module. The initiative highlights the importance both of eliminating all forms of discrimination from our day-to-day management practices and of enabling our operating unit managers to effectively relay our diversity and non-discrimination policies. During the year, the module's quality was recognized by two awards: the 2011 Diversity Trophy in the Training category at the seventh *Rencontres Internationales de la Diversité* symposium and the Grand Prix AFPA awarded by France's national adult vocational training association.

Showcasing best practices

Employees are kept regularly informed about our commitment to promoting diversity and fighting against discrimination through the **diversity website**, accessible on the corporate intranet since January 2011. Featuring our *International Diversity Charter* in 14 languages, the site helps to raise employee awareness of preconceived ideas and, most importantly, presents news about the major campaigns and best practices deployed in the host countries.

As part of a working group set up by France's *Observatoire sur la Responsabilité Sociétale des Entreprises* (ORSE), Accor helped to prepare the organization's practical guides on various issues relating to corporate social responsibility and diversity. Presented in the form of technical datasheets, the guides are aimed at everyone involved in the corporate social responsibility process and often cite Accor as an example.

Fighting discrimination

Locally defined discrimination alert plans

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

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

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

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

In **North America**, the procedure to follow in the event of harassment or discrimination is posted in every hotel's employee lounge. To report cases of discrimination anonymously, employees can also call a toll-free number, which is managed by an external provider to protect their privacy. All complaints are systematically investigated.

The anonymous résumé on the AccorJobs website

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

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

Compensation and benefits

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

Compensation and benefits policies are guided by four principles:

- offer **compensation that is competitive** in each market and country;
- ensure that employee compensation is **determined fairly**;
- encourage **employee savings** and stock ownership;
- strengthen employee **healthcare coverage** and other benefits.

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

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

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

To monitor implementation of this policy and its alignment with market practices, compensation studies are regularly conducted by job track, skills-set or region. In 2011, hotel industry-specific compensation studies were extended beyond the Europe, Middle East, Africa region to North and South America and Asia-Pacific, for worldwide coverage. We also stepped up our participation in the International Hospitality Industry Club, the global benchmark for compensation and benefits in the hospitality industry, which conducted a survey in 2011 on the expatriation policies of leading hotel operators.

To strengthen our compensation and career management policies, management-level benchmark jobs are now being mapped worldwide, by job track. In 2011, the IT and Sales/Distribution tracks were chosen as pilots and the Operations track was finalized.

In France, total gross payroll amounted to €525 million and employer payroll taxes came to €232 million, compared with respectively €574 million and €233 million in 2010.

Employee savings and stock ownership

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

Under the conventional system, employees invest whenever they like, generally at year-end, and qualify for the employer's contribution; in 2011, 4,101 employees paid into the plan this way. The supplemental system allows employees to make regular payments directly debited from their pay, which are also eligible for the employer's contribution. In 2011, 2,646 people invested via this system, which is designed to help employees with little capital available for savings.

In a commitment to encouraging long-term employee savings, Accor France negotiated the creation of a PERCO group retirement savings plan with employee representatives in 2011. The plan enables employees to build a nest egg that will supplement their income during retirement, with matching funds contributed by Accor. A total of 9,162 employees have invested in the new plan.

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

Employees in France also receive profit-shares under a corporate agreement covering 103 companies in 2010. Non-discretionary profit-shares earned in 2010 and paid in 2011 amounted to an aggregate €6.9 million for 24,749 employees, or an average net amount of €278 per person.

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

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

In 2011, an aggregate of more than €21 million in discretionary profit-shares earned in 2010 was paid to 22,791 employees, representing an average net amount of €928 per person for the year.

In every host country, employees are regularly offered the opportunity to acquire Accor shares on preferential terms and conditions, as part of employee share issues. At the end of 2011, 17,488 employees owned shares in their company (for more details, please refer to page 295).

Insurance coverage

In France, employee insurance benefits were upgraded in 2010, in particular to offer more favorable reimbursement of healthcare costs. New guarantees were also added, with partial reimbursement of osteopathy, hospital accommodation for caregivers and contraceptive pills and patches not reimbursed by French national health insurance.

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

In the rest of the world, Accor has embarked on a comprehensive, detailed review of existing coverage and has begun extending healthcare and other coverage, depending on local needs, to improve conditions for local employees and encourage employee mobility. Benefits include both insurance and healthcare coverage for routine care, hospitalization, maternity benefits, eye care and other expenses.

Retirement benefits

The Group Retirement Benefits Committee set up in 2007 continued its activities in 2011. Designed to encourage dialogue and consensual management, the Committee is comprised of representatives from the corporate Human Resources, Consolidation, Treasury and Financing, and Administrative Services Departments, as well as the Group's consulting actuary.

In 2011, the following issues were addressed:

- actuarial assumptions;
- tracking the financial management of outsourced pension plan assets;
- negotiating and setting up the PERCO retirement savings plan in France, described in the "Employee savings and stock ownership" section;
- adapting the pension plans for executives in France to comply with the French Pension Reform Act of November 2010;
- an analysis of how the signature of new corporate agreements on length-of-service benefits will impact the Group's employee benefits in France.

Working Conditions

Workweek organization

In the **French Hotels** business, the workweek has been set at 39 hours for non-managerial employees. However, in compliance with amendment 2 to the Hotels, Cafés and Restaurant industry agreement, time worked from the 36^{th} to the 39^{th} hour is paid 10% overtime.

In owned and leased hotels, overtime from the 36^{th} to the 39^{th} hour is paid at the normal rate, with the 10% overtime taken in the form of additional time off.

Most managers are paid a fixed annual salary for 218 days worked per year.

At **Accor headquarters**, the workweek for non-managerial staff is 35 hours, with most managers expected to work a set 218 days a year.

Worldwide, 77% of employees have permanent work contracts. Their working hours comply with local legislation and collective bargaining agreements.

Work-life balance

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

The **ibis chain**, for example, has deployed a hotline and support system for employees in all its French subsidiaries to prevent workplace distress. The system is designed to detect and remedy abusive situations confidentially so that action is taken quickly to limit their impact. As of year-end 2011, 44 employees had used the system since its creation in 2007.

In Portugal, local initiatives include a training course on healthy living and stress management, which 6% of the workforce attended in 2011. In addition, partnership agreements have been signed with a local university to prepare a workplace stress survey, with a specialized firm to provide stress counseling and with a gym to offer special rates for employees.

Health and safety

Workplace health and safety agreements

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

In 2011, **the French Hotels business** signed a framework agreement on psychosocial risks with employee representatives, covering three areas. The first deals with the prevention of these risks by offering sensitivity courses open to any employee, with the goal of training all hotel managers and department heads by 2013. The second describes the newly implemented method for jointly assessing workplace distress, which will be carried out primarily through a questionnaire distributed by an independent firm to all, or to a representative sample of, employees of the Hotels business in France. The findings will be presented to the Hotels Consultation Committee prior to the development of action plans. The third area concerns a method for managing workplace-related psychosocial issues, which has been defined for each situation and widely distributed to employees in the Hotels business.

Creation of Health and Safety Committees

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

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

Preventing occupational illnesses and accidents

A variety of measures have been taken locally to prevent occupational illnesses and accidents, particularly through employee training and the onboarding of best practices.

One example is the ergonomics program offered to housekeeping staff at ibis hotels in **Belgium and Luxembourg**, which was attended by all of the housekeepers in 2010. It included advice on how to apply ergonomic principles in their daily work and classes to learn strengthening exercises and relaxation techniques. This was followed up by personalized monitoring in 2011.

Training in ergonomics is also offered in **New Zealand** to prevent musculoskeletal injuries during such workplace activities as carrying loads and cleaning rooms. An e-learning module is available and one-hour training sessions are organized by human resources managers and department heads.

Changes in the scope

When a hotel changes operating structure as part of the asset-light strategy, human resources teams help to support employees through the transition.

In France, for example, an agreement on the principles and procedures for managing and supporting the transfer of employees during hotel divestments was signed in 2009 and amended in December 2010. Its provisions cover:

- procedures for informing employee representatives;

- procedures for informing employees;
- individual support and the right for employees to apply for positions and maintain their seniority if the hotels are leased back;
- the impact of divestment on the status of employees as a group and the retention of individual benefits.

While several hotels were removed from the scope of reporting during the year, many others were added. In 2011, for example, a large number of hotels were opened in the Asia-Pacific region, Europe, Latin America.

Social dialogue

All of Accor's human resources policies are shaped by a focus on maintaining constructive social dialogue based on mutual respect with employee representatives, in a commitment to fostering a high-quality working environment.

Employee surveys

Regular surveys are conducted to gauge employee perceptions of workplace relations, training, personal development and other job-related issues. Employees are generally asked to participate in an opinion survey once every other year. To obtain comparable data across all units, a set of core questions defined at corporate level is integrated into each local survey, which may also include questions on more specific local issues. The results allow us to define and deploy action plans and measure their long-term effectiveness.

In November 2011, consulting firm Hay Group conducted the second worldwide employee opinion survey for the Sofitel brand, inviting 25,288 people to complete a questionnaire available in 16 languages. The response rate was higher than in 2010, at 94%, and the results showed that 84% of employees were satisfied with their jobs compared to 82% the year before. The data collected will be reviewed and used to develop action plans that will be deployed in 2012.

Employee relations

In 1995, a worldwide agreement was signed with the International Union of Food Workers (IUF) concerning application of ILO conventions 87, 98 and 135 on employees' freedom of association and right to unionize. The agreement ensures the effective application of these conventions in all of our establishments. In France, union news and information have been communicated via a dedicated union intranet since 2002.

Collective agreements

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

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

In 2008, a Group agreement on insurance and supplementary health coverage was signed in France, consolidating in a single text all of the previous plans that had been in place for many years. The provisions provide all employees in France with coverage for such major risks as death and disability, as well as for a wide range of healthcare expenses, including prescription drugs, doctor's visits, hospitalization, eyewear and dental care. An amendment was signed in 2010 with all of the unions to reflect changes in legislation and regulations, reduce the deductibles for certain items and add new areas of coverage.

In October 2011, a new collective agreement was signed for employees at the Accor SA headquarters in France, replacing the one signed in 1997. The new agreement reflects changes in legislation and regulations, covers such new issues as training, workplace health and parenthood, and adds new provisions, in particular concerning employee leave and the payment of a thirteenth month bonus.

Collective agreements have also been signed in our host countries. In 2011, for example, a new collective agreement was signed with employee representatives **in Poland** covering employees at Orbis hotels. The main changes compared with the previous agreement, in place since 1997, related to compensation, the allocation of bonuses and benefits, and the standardization of job titles across the Orbis hotel network.

Employee representative organizations

Group Works Council

Created by the October 12, 1984 framework agreement, the Group Works Council supports dialogue and the sharing of business information with employee representatives in France. Under a new agreement signed with the representative unions on October 27, 2011, the Council now comprises 24 employee representatives chosen from among the 82 subsidiary Works Councils in France, plus a delegate from each of the representative unions. The latest agreement also stipulates that the Council can use the services of a certified accountant and that its members should receive two days of financial training each year. Chaired by the Chairman and Chief Executive Officer or his representative, it meets twice a year and has access to all of the Group's business data.

Social Council

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

European Works Council

The European Works Council is co-chaired by the Chairman and Chief Executive Officer and an IUF representative. It meets at least once a year to examine the Group's organization, strategy and results, as well as cross-border issues. The full-session meetings are held at the International Labour Organization's head office in Geneva, where a local office provides ongoing liaison.

Outsourcing

Hotel cleaning services account for most of the Group's outsourcing costs.

In 2003, Accor France management met with union representatives to define the process of outsourcing room cleaning to subcontractors in Group hotels. The resulting protocol agreement on guidelines and conditions for using subcontractors requires strict compliance with labor laws and regulations and defines such aspects as working hours, the calculation of paid hours, and training. Enforcement is regularly monitored in collaboration with employee representatives. Every year, the Human Resources Department verifies outsourcing contracts for compliance with our employee relations standards.

In 2010, a survey of our subcontractors' employee relations practices was carried out in Australia, France, Germany, Italy and Spain.

A Sustainable Purchasing Charter was introduced in 2002 to share our standards with suppliers. It requires certified suppliers to comply with carefully defined criteria in the areas of employee working conditions and environmental protection, in line with the International Labour Organization's fundamental conventions.

The Charter was updated in 2010 to reflect new regulations and to strengthen compliance requirements. In particular, suppliers are expected to:

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

In late 2011, audit firm Ernst & Young was commissioned to conduct a social audit of all of our suppliers in France. An action plan will be prepared in early 2012 and the identified best practices will be shared and deployed across the entire supplier network.

1.6.4. SUMMARY TABLES OF EMPLOYEE DATA – FRANCE

In compliance with French legislation, this report consolidates data from the 2011 corporate reports prepared by French subsidiaries that are at least 50%-owned and that have at least 300 employees. In the scope of the 2011 Consolidated Report are included data from Lenôtre up to September 30, 2011, which corresponds to its sale by Accor.

In all, the Consolidated Report covers 77% of Accor employees in France.

This same scope has been used for most of the indicators shown below.

The report concerns 15,001 employees in service at December 31, 2011, irrespective of the type of employment contract.

Number of employees	December 31, 2011	December 31, 2010
Total number of employees (1)	15,001	16,044
% of women	56.2%	56.4%
% of men	43.8%	43.6%
Average monthly number of employees	16,154	16,911
Number of full-time employees under permanent contracts	9,277	9,764
Number of part-time employees under permanent contracts	3,165	4,654
Number of employees under fixed-term contracts	1,406	1,626
Number of non-French employees working in France	1,829	2,032
As a % of total employees	*12.2%*	*12.7%*

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

Hiring	December 31, 2011	December 31, 2010
Number of persons hired under permanent contracts	2,520	3,001
% of women	49%	49.6%
% of men	51%	50.4%
Number of persons hired under fixed-term contracts	8,348	8,936
Number of people under 25 hired	5,403	5,974

Absenteeism rate (1) by reason	December 31, 2011	December 31, 2010
Sick leave	6.2%	6.2%
Workplace and commuting accidents	1.3%	1.4%
Maternity, paternity and adoption leave	1.8%	0.3%
Compensated absences (family events)	0.5%	0.4%
Non-compensated absences (unpaid leave, parental leave)	2.8%	3.2%
TOTAL	**11.0%**	**11.5%**

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

Compensation	December 31, 2011	December 31, 2010
2010 discretionary profit-shares paid in 2011		
Number of beneficiaries (1)	22,781	18,804
Average gross amount per beneficiary (in euros)	928	896
2010 non-discretionary profit-shares paid in 2011		
Special employee profit sharing reserve, net (in million of euros)	7	6
Number of beneficiaries (1)	24,749	27,862
Average net amount per beneficiary (in euros)	278	209

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

Health and Safety Conditions	December 31, 2011	December 31, 2010
Number of meetings of Health, Safety and Working Conditions Committees	563	567
Number of employees receiving onsite safety training	4,883	5,179

Employee Relations	December 31, 2011	December 31, 2010
Collective agreements signed during the year	68	28
Total hours used for employee delegate activities	79,824	80,738
Number of meetings with employee representatives	1,621	1,683

Employee Benefits	December 31, 2011	December 31, 2010
Solidarity fund	In 1994, a solidarity fund was set up in France to provide administrative or financial assistance to employees faced with major financial or family-related difficulties that they cannot overcome alone.	
Works Council benefits budget (in million of euros)	2	2

1.7. ENVIRONMENTAL REPORT

INTRODUCTION

As a committed enterprise, Accor created a dedicated Environment Department in 1994 to deploy its initiatives to help protect the planet. In 2006, the Earth Guest program was launched to unite all of these corporate social responsibility initiatives around eight priorities, of which four relate to societal issues ("EGO" priorities) and four to environmental issues ("ECO" priorities).

The policies implemented across the organization have enabled the hotels to make significant progress. Water consumption per occupied room, for example, was reduced by 12% between 2006 and 2010 and energy use per available room by 5.5%

Following a review of the Earth Guest program's outcomes between 2006 and 2010, new objectives were set for 2011-2015. They were defined according to the results of a number of studies, especially a quantified analysis of our main environmental impacts, which is available on the accor.com website.

To further enhance performance, the Group has now reaffirmed its commitment with **PLANET 21**, a sustainable development program structured around targets for 2015, shared by all of the brands, countries and corporate functions.

PLANET 21 is built on seven pillars – Health, Nature, Carbon, Innovation, Local, Employment and Dialogue – and expresses 21 commitments.

The detailed outcomes presented below were primarily collected via OPEN, our sustainable development management tool. Available on the corporate intranet, OPEN is used by hotel managers to record and analyze their monthly water and energy use, as well as to track implementation of their sustainable development action plan in line with the Charter 21, the new version of the Accor Hotels Environment Charter.

Planet 21 strategy

Pillars	Commitment	2015 Target	2011 Result	Additional Indicators – 2011 Results (without targets)
Health	**1. Ensure healthy interiors**	**85%** of hotels use eco-labeled products	**68%**	**51%** of hotels use eco-labeled cleaning products
				23% of hotels use eco-labeled wall paint
				10% of hotels use eco-labeled floor coverings
	2. Promote responsible eating	**80%** of hotels promote balanced dishes	**62%**	**1** balanced meal is included in the children's menu at Novotel hotels
				Number of hotels offering vegetarian dishes (indicator under construction)
	3. Prevent diseases	**95%** of hotels organize disease prevention training for employees	**77%**	**1,768** hotels are equipped with condom vending machines
				38 countries have implemented a health program
Nature	**4. Reduce our water use**	**15%** reduction in water use between 2011 and 2015 (owned/leased hotels)	**12%** reduction between 2006 and 2010 (owned/leased hotels)	**93%** of hotels monitor and analyze water consumptions monthly
				88% of hotels have flow regulators on faucets and showers
				161 hotels have rainwater recovery systems
	5. Expand waste recycling	**85%** of hotels recycle their waste	**64%**	**91%** of hotels sort and recycle batteries
				91% of hotels sort and recycle fluorescent lamps and tubes
				73% of hotels sort and recycle paper and cardboard
	6. Protect biodiversity	**60%** of hotels participate in the Plant for the Planet reforestation project	**34%**	**82%** of hotels choose plants suited to the local environment
				53% use eco-friendly gardening products
				77% of hotels use certified paper for printing
Carbon	**7. Reduce our energy use**	**10%** reduction in energy use between 2011 and 2015 (owned/leased hotels)	**5.5%** reduction between 2006 and 2010 (owned/leased hotels)	**94%** of hotels monitor and analyze energy consumptions monthly
				90% of hotels use low-consumption lamps for 24/7 lighting
				92% of hotels monitor the optimum settings of energy installations
	8. Reduce our CO_2 emissions	**10%** reduction in CO_2 emissions between 2011 and 2015 (owned/leased hotels)	Not previously tracked	**76%** of hotels check that equipment containing HCFCs and HFCs is leak-proof
				62% of hotels use energy-efficient boilers
				50% of hotels use energy-efficient air conditioning cooling equipment
	9. Increase the use of renewable energy	**10%** of hotels use renewable energy	**4%**	**172** hotels use renewable energy
				135 hotels are equipped with solar panels for domestic hot water

Pillars	Commitment	2015 Target	2011 Result	Additional Indicators – 2011 Results (without targets)
Innovation	**10. Encourage eco-design**	**40%** of hotels have at least three eco-designed room components	**13%**	**39%** of hotels use dispensers or eco-friendly packaging for bathroom products
				10% of hotels use eco-labeled bathroom products
				6% of hotels use sustainable bedding products
	11. Support building sustainable	**21** new or renovated hotels are certified as sustainable buildings	**3 hotels**	**18%** of hotels use a building management system to steer energy consumptions
				65% of hotels use energy-efficient lamps for frontage lighting
				25% of hotels recover energy from the ventilation system
	12. Introduce sustainable offers and technologies	**20%** of owned and leased hotels offer green meeting solutions	New indicator	Automatic electricity/gas/heating sub-meter tested at 2 hotels
				Steam cleaning solutions tested at 15 hotels
				Electric vehicle charging station installed in 6 hotel
Local	**13. Protect children from abuse**	**70%** of hotels have committed to protecting children	**49%**	**36** country organizations have signed the Child Protection Code of Conduct
				Nearly 23,500 employees have been trained to fight against child sex tourism
				66 hotels are involved in programs to help marginalized minors reintegrate into society
	14. Support responsible purchasing practices	**70%** of hotels purchase and promote locally sourced products	**51%**	**34%** of hotels serve fair trade products (with the Fairtrade/Max Havelaar label)
				9% of hotels serve sustainable products (with the Rainforest Alliance or other recognized label)
				350 tonnes of fair trade products are served at hotels in France per year
	15. Protect ecosystems	**100%** of hotels ban endangered seafood species from restaurant menus	**68%**	**82%** of hotels ensure proper sanitation of wastewater
				95% of hotels train staff on good pratices for the environment
Employment	**16. Support employee growth and skills**	**75%** of hotel managers promoted from internal mobility	**75%**	**Number** of employees who have completed diploma awarding certification courses (indicator under construction)
				477 hotels organize language classes of the country for employees
	17. Make diversity an asset	Women account for **35%** of hotel managers (outside Motel 6 / Studio 6)	**27%**	**0.9%** of Accor employees are disabled (outside the United States)
	18. Improve quality of worklife	**100%** of host countries organize an employee opinion survey every two years	**71**	**531** hotels organize training to prevent psychosocial risks

Pillars	Commitment	2015 Target	2011 Result	Additional Indicators – 2011 Results (without targets)
Dialogue	**19. Conduct our business openly and transparently**	Accor is included in **6** internationally-recognized socially responsible investment indices or standards	**4**	Meetings were held with **470** investors during the year to present our management practices
				2 of the Board of Directors' annual meetings are dedicated to CSR issues
	20. Engage our franchised and managed hotels	**40%** of all hotels are ISO14001 or EarthCheck certified (excl. economy segment)	**25%**	**25%** of franchised hotels meet the «standard level» defined in the Charter 21
	21. Share our commitment with suppliers	**100%** of purchasing contracts are in compliance with our Procurement Charter 21	**45%**	**150** suppliers have been audited by a third party
				64% of European contracts include REACH compliance for chemical products

ENVIRONMENTAL POLICY

Internal organization

Accor's environmental policy is defined by the Sustainable Development Department, which reports to the Executive Vice President, Global Human Resources.

The department coordinates initiatives with the brands and the support services concerned, such as human resources, procurement, marketing, legal affairs and technical services. The policy is then deployed in the countries via a network of approximately 100 sustainable development coordinators.

Environmental expenditure

The Sustainable Development Department's environmental budget, excluding operating costs, amounted to €245,000 in 2011. The budget was spent on finalizing the Group's environmental footprint study, developing the OPEN tool, managing compliance and conducting studies and projects, particularly on waste and renewable energies, contributing to the Plant for the Planet project and organizing the fifth Earth Guest day, an employee day devoted to sustainable development. The budget did not include any costs incurred by the hotel brands or support functions, which are not consolidated.

Assessment tools

OPEN

The environmental stewardship process is managed using OPEN, a sustainable development management tool available on the corporate intranet since 2005. OPEN enables hotels to monitor:

- Charter 21;
- water and energy use;
- bath linen use for hotels taking part in the Plant for the Planet project, which encourages guests to keep their bath towels for more than one day. Half of the resulting laundry cost savings are donated to reforestation projects being carried out by seven partner NGOs. A total of 1,340 hotels in 39 countries are now taking part in the project;
- waste management: hotel managers can monitor the amount of waste produced in their units, its recovery or disposal (landfilled, incinerated, recycled, etc.) and related waste management costs. The application was gradually rolled out across the hotel network beginning in mid-2010.

Charter 21

Introduced in 2005, the Accor Hotels Environment Charter recommended 65 actions – such as recycling glass, recovering rainwater and using eco-labeled products – that hotels could deploy to effectively reduce their environmental footprint. Every year, hotel managers indicated the Charter actions they had implemented, so that their performance could be compared with prior-year outcomes and with their region as a whole. In this way, the Environment Charter served as a management tool as well as a reporting system.

In 2011, the Charter was updated and renamed as part of the new PLANET 21 strategy. While the checklist still contains 65 items, the indicators have been updated and extended to social responsibility issues like the use of fair trade products and the organization of staff training on health and well-being.

Charter 21 is divided into five sections:

- Management;
- Energy;
- Water;
- Waste;
- Products.

Some of the actions have been clarified, others have been removed and new ones have been added. New actions for which comparative data are not available are marked NEW in the tables below.

To enhance the reliability of reported data, eight Charter actions have been included in internal quality audits since 2008. The eight most critical actions will be audited in 2012.

Reported data are consolidated and analyzed at Group level, with the results indicated in the following tables with a ●. Unless otherwise specified, these results concern all Accor hotels worldwide, with the exception of Adagio City Aparthotels. Thalassa sea & spa facilities apply the same Charter actions as their host hotels and their data are consolidated along with those of the hotel. Results are expressed as a percentage comparing the number of hotels implementing a given action to the total number of hotels applying the Charter. Some action points apply only to hotels equipped with special facilities, such as a restaurant or laundry. In this case, the percentage of hotels having implemented these actions is calculated based solely on the total number of hotels concerned (designated "applicable hotels" in the tables).

The response rate improved considerably in 2011, with the number of hotels reporting data on Charter 21 actions increasing by 52 units to 3,757 hotels, or 94% [(1)] of the Accor network. In addition, Charter 21 was applied by **all owned, leased and managed hotels** in 2011 and by 82% of franchised hotels.

Percentage of hotels applying the Charter 21	2010	2011
Owned/Leased	100%	100%
Managed	96%	100%
Franchised	73%	82%
TOTAL	**90%**	**94%**

Charter 21 action points applied in 2011	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Total 2011	Change 2010-2011
Average number of actions deployed	**31**	**39**	**31**	**41**	**40**	**35**	**-5 actions**

The reduction in the average number of actions deployed per hotel was primarily due to the updating of Charter 21 and the inclusion of new indicators aimed at lifting the hotels' performance levels.

Monitoring water and energy use

Water and energy use is managed by the Design & Technical Services Department (D&TS), which reports the related data. To improve the management of these inputs, the reporting process was upgraded in 2011 and is now conducted exclusively via OPEN. The new system will deliver more reliable data so that progress can be measured more accurately by taking into account the impact of weather conditions and occupancy rates on changes in consumption.

OPEN was deployed in more than 1,330 owned, leased or managed hotels in 2011, bringing the total number of hotels using the system worldwide to 2,483.

During the year, a procedure was also introduced in which water and energy use data entered into OPEN – manually, via remote metering or imported from service providers' reporting systems – are validated each month by the hotel and by the regional or country manager. Only hotels whose water and energy use data have been validated at regional level are included in the scope of reporting, thereby ensuring greater reliability.

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

Data can be accessed at all operational and functional levels, enabling several kinds of comparison, such as year on year and between hotels, countries or brands, using relevant operating indicators.

Indicators for **water and energy and greenhouse gas emissions** are marked with a * and, unless otherwise specified, concern hotels in Europe, North America, Latin America & the Caribbean, and the rest of the world (43 countries in Africa and the Middle East, and in Asia-Pacific).

Franchised hotels, hotelF1 and Etap Hotel under commission-based management contracts in France, Australia and South Africa, Mercure Apartments in Brazil and Adagio City Aparthotels are not included in the scope of reporting. The respect of reporting processes about water and energy use have been revised by Ernst & Young since 2009. The assurance statement is available on the Accor website.

Environmental certification

ISO 14001 certification

442 hotels were certified ISO 14001, an increase of 95 units over 2010.

		Year-on-year increase
Ibis	419 ibis hotels in 19 countries: 182 in France, 48 in Brazil, 55 in Germany, 34 in Spain, 20 in Switzerland, 19 in Portugal, 11 in the Netherlands, 9 in Belgium and Italy, 8 in Austria, 6 in Hungary and Morocco, 4 in Mexico, 3 in Argentina, and 1 each in India, Luxembourg, the United Kingdom, Slovakia and Uruguay	**+93 hotels**
Novotel	6 Novotel units: 3 in France, and 1 each in Australia, Italy and the United Kingdom	**+1 hotel**
Mercure	2 Mercure hotels in France	-
Thalassa	9 spas in France	-
Sofitel	6 Sofitel: 4 in France, and 1 each in Australia and Greece	**+1 hotel**

EarthCheck

In all, 144 hotels have received EarthCheck certification, an increase of 62 over 2010. In addition, 147 Novotel units are in the process of being certified.

		Year-on-year increase
Novotel	137 Novotel units in 29 countries: 27 in France, 22 in the United Kingdom, 9 in Indonesia and Italy, 7 in Australia, 6 in Germany, 5 in China, Egypt, New Zealand, the Netherlands, Switzerland and Thailand, 4 in Brazil, 3 in South Korea and Hong Kong, 2 in Fiji, India and Mexico, and 1 each in Argentina, Belgium, Ivory Coast, Greece, Monaco, Peru, Singapore, Taiwan, Turkey, United Arab Emirates and Vietnam	**+59 hotels**
ibis	1 ibis in New Zealand	**+1 hotel**
Mercure	3 Mercure hotels in 2 countries: 2 in Egypt and 1 in Fiji	-
Pullman	1 Pullman in Egypt	-
Sofitel	2 Sofitel: 1 in Egypt and 1 in Fiji	**+2 hotels**

Green Key Eco-Rating

707 Motel 6 and Studio 6 hotels have received Green Key Eco-Rating certification from the Hotel Association of Canada.

Motel 6	707 hotels in 2 countries: 697 in the United States and 10 in Canada

Raising employee awareness

Held every year on April 22, Earth Guest day is designed to build awareness of sustainable development issues among Accor employees. In 2011, the fifth edition was dedicated to forests as part of the United Nations' International Year of Forests.

Employees in the 65 participating countries planted more than 25,000 trees in local reforestation programs, attended sustainable development training and sensitivity workshops, participated in initiatives to promote a healthy, balanced diet or supported local clean-up the environment campaigns.

Capitalizing on the courses offered by ibis and Novotel as part of their certification process, a unique, online training program was launched in April 2012 for employees of all the brands. It enables participants to embrace sustainable development issues and the PLANET 21 program's ambitious objectives, while raising their awareness of the daily, environmentally-friendly actions that can be applied in every part of the hotel, including rooms, restaurants and kitchens.

Raising employee awareness	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting		Change at comparable scope of reporting*
							2011	
Number of covered & applicable hotels	**1,260**	**916**	**852**	**186**	**543**	**3,705**	**3,757**	**3,423**
Train staff on good practices for the environment	92%	96%	99%	92%	93%	90%	95%	+6%
Have an identify sustainability manager	38%	59%	17%	60%	53%	*NEW*	42%	N/A

* *Hotels reporting data in both years.*

Raising guest awareness

Launched in 2008 in partnership with the UN Environmental Program's One Billion Trees campaign, the innovative Accor Plant for the Planet project invites hotel guests to reuse their towels, with the promise that half of the savings on laundry bills will be invested in reforestation projects in seven regions around the world.

In addition to its environmental aspects, the program also strongly supports the economic and social development of local communities. In Senegal, for example, the reforestation program carried out with non-profit SOS Sahel supports the economic development of 30,000 farmers in the Louga and Thiès regions and combats the transformation of arable land into desert. In all, Accor is committed to financing the planting of three million trees by year-end 2012. As of December 31, 2011, a total of 1,340 hotels were taking part in the project, 235 more than at December 31, 2010.

Raising guest awareness	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting		Change at comparable scope of reporting*
						2010	2011	
Number of covered & applicable hotels	**1,260**	**916**	**852**	**186**	**543**	**3,705**	**3,757**	**3,423**
Raise guests' awareness on sustainable development	86%	92%	94%	94%	90%	86%	90%	+6%
Invite guests to reuse their bath towel	87%	97%	97%	96%	93%	*88%*	93%	+6%

* *Hotels reporting data in both years.*

ENERGY

Energy use

The table below shows the total amount of energy used worldwide and by region. Validated data were available for 78% of the hotels in the scope of reporting.

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

As part of its new strategy, Accor has undertaken to reduce energy consumptions in owned and leased hotels by 10% between 2011 and 2015.

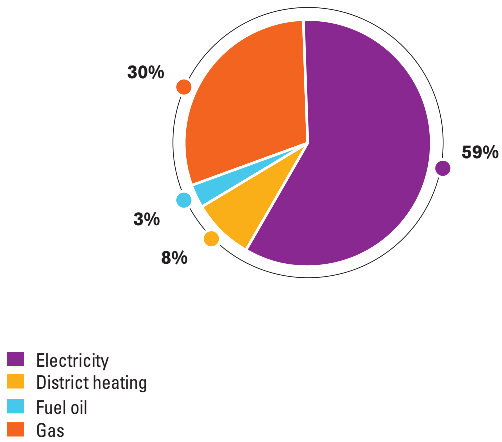
The indicators will be reviewed and improved to more effectively take into account the impact of occupancy rates and weather conditions.

The significant reduction in 2011 primarily reflected a change in the scope of presentation. In 2010, all of the hotels were included in the data presented, with extrapolations used for hotels whose data had not been validated. In 2011, on the other hand, only hotels whose data have been validated at regional level were included in the scope of consolidation, representing 78% of the total.

On a like-for-like basis, energy use per available room declined by 4% in 2011. The improvement attests to the efforts made during the year by hotel teams, as well as the particularly mild weather experienced in 2011 compared with 2010, which reduced heating and air conditioning needs and resulted, on the whole, in a strong performance for the year.

	France		Rest of Europe		North America		Latin America & Caribbean		Rest of the world		Scope of reporting	
* Energy use	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	2010	2011
Number of hotels	**471**	**31**	**677**	**84**	**610**	**12**	**75**	**37**	**112**	**374**	**2,735**	**2,483**
Number of validated hotels	**358**	**15**	**590**	**52**	**608**	**12**	**55**	**0**	**47**	**203**	**2,735**	**1,940**
Energy use (in MWh)	448,848	32,352	881,687	145,405	550,043	114,309	74,699	/	91,345	1,083,226	5,193,218	3,421,916

Energy used by type in 2011



Energy efficiency

Implementation of energy efficiency programs or technological solutions in the hotels is accurately tracked by the indicators in place since 2006 and those added in 2011.

The Design & Technical Services Department (D&TS) has been reorganized to:

- enhance coordination of energy performance management among the different country organizations and brands;
- finalize deployment in 2012 of the OPEN water and energy use module that takes into account the impact of weather conditions and occupancy rates;
- extend energy audits to hotels where the most substantial savings could be made.

On the whole, all of the energy use management and tracking indicators improved in 2011. Note that some of these indicators were added as part of the new Charter 21, so that prior-year comparative data are not available.

Managing energy use	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting 2010	Scope of reporting 2011	Change at comparable scope of reporting*
Number of hotels covered	**1,260**	**916**	**852**	**186**	**543**	**3,705**	**3,757**	**3,423**
Number of applicable hotels	**1,260**	**916**	**852**	**186**	**543**	**3,705**	**3,757**	**3,423**
Monitor and analyze consumptions monthly	87%	97%	97%	98%	95%	91%	94%	+2%
Use low-consumptions lamps for 24/7 lighting	84%	92%	98%	95%	89%	82%	90%	+9%
Insulate pipes containing hot/cold fluids	81%	95%	96%	94%	92%	83%	90%	+8%
Monitor the optimum settings of energy installations	87%	96%	94%	95%	89%	90%	92%	+2%
Use a timer for montage lighting	80%	83%	33%	66%	85%	*NEW*	70%	N/A
Use low-consumptions lamps in rooms	80%	83%	99%	90%	88%	76%	87%	+14%
Use central light switch in rooms	32%	36%	18%	54%	67%	*NEW*	36%	N/A
Use low-consumptions lamps for outdoor signage	35%	45%	95%	58%	65%	*NEW*	56%	N/A
Use energy-efficient boilers	53%	73%	61%	78%	59%	53%	62%	+16%
Recover energy from the ventilation system	21%	47%	6%	13%	31%	*NEW*	25%	N/A
Use energy-efficient lamps for frontage lighting	47%	62%	90%	78%	70%	*NEW*	65%	N/A
Use a building management system to steer energy consumptions	10%	32%	6%	21%	32%	*NEW*	18%	N/A
Use variators for fan and pump motors	8%	30%	10%	31%	39%	*NEW*	19%	N/A
Number of applicable hotels	**805**	**634**	**833**	**172**	**504**	**3,048**	**2,948**	**/**
Use energy-efficient air conditioning cooling equipment	54%	58%	28%	67%	65%	48%	50%	(6)%
Equipped with a timer for public area air conditioning	14%	47%	15%	17%	48%	*NEW*	27%	N/A
Number of applicable hotels	**300**	**371**	**23**	**155**	**353**	**1,152**	**1,202**	**/**
Use energy-efficient minibars	77%	74%	74%	78%	74%	*NEW*	75%	N/A

* *Hotels reporting data in both years.*

Encouraging the use of renewable energies

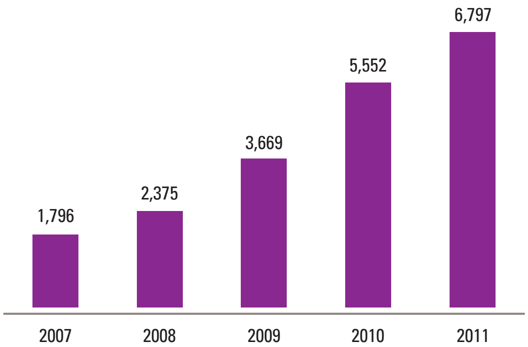
In line with its commitment to promoting renewable energy, Accor is continuing to install solar panels to produce domestic hot water in the hotels.

At December 31, 2011, such systems had been installed in **135 hotels** worldwide, representing a total surface area of 12,957 square meters and annual output of 6.8 GWh.

In France, solar energy installations are being developed in partnership with the Agency for Environment and Energy Management (ADEME) following an agreement signed in 2007. France alone accounts for 36% of solar energy installations, with 53 units producing approximately 1.7 GWh of energy in 2011.

Annual output data is not available for some of the hotels equipped with solar panels. In these cases, estimates based on solar panel surface area have been used.

Solar power used to produce domestic water (in MWh)



A recent review of all the renewable energies used by the hotels showed that in 2011, 172 units, representing 4% of the network, were using these sources, of which:

- 135 hotels equipped with solar thermal panels to produce domestic hot water;
- 7 hotels equipped with solar panels to produce electricity;
- 5 hotels equipped with geothermal probes;
- 3 hotels equipped with biogas units;
- 22 hotels that use other renewable energy technologies, such as hydroelectricity or biomass.

One of the objectives of our new sustainable development strategy is to increase the percentage of hotels using renewable energy to 10% by 2015.

WATER

Water use

The table below shows the total amount of water used worldwide and by region. Validated data were available for 77% of the hotels in the reporting scope.

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

After an initial target of a 10% reduction in water use per occupied room, Accor has set a new objective of reducing water consumptions in owned and leased hotels by 15% between 2011 and 2015.

The decline in 2011 primarily reflected a change in the scope of presentation. In 2010, all of the hotels were included in the data presented, with extrapolations used for hotels whose data had not been validated. In 2011, on the other hand, only hotels whose data have been validated at regional level have been included in the scope of consolidation, representing 77% of the total. Adjusted for the change in scope, water consumptions remained unchanged over the year.

* Water use	France		Rest of Europe		North America		Latin America & Caribbean		Rest of the world		Scope of reporting	
	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	Owned & Leased	Managed	2010	2011
Number of hotels	**471**	**31**	**677**	**84**	**610**	**12**	**75**	**37**	**112**	**374**	**2,735**	**2,483**
Number of validated hotels	**358**	**15**	**590**	**52**	**607**	**10**	**31**	**0**	**47**	**203**	**2,735**	**1,913**
Water use (thousands of cu.m)	3,220	198	5,154	722	8,652	573	852	/	893	12,975	46,868	33,239

Reducing water use

The water use indicators in place since 2006 and those added in 2011 make it possible to accurately track the programs or technological solutions implemented in the hotels to respond to the environmental challenge of resource depletion.

• Managing water use	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting 2010	2011	Change at comparable scope of reporting*
Number of hotels covered	**1,260**	**916**	**852**	**186**	**543**	**3,705**	**3,757**	**3,423**
Number of applicable hotels	**1,260**	**916**	**852**	**186**	**543**	**3,705**	**3,757**	**3,423**
Monitor and analyze consumptions monthly	87%	97%	96%	96%	93%	91%	93%	+2%
Use flow regulators on faucets/shower	85%	91%	95%	82%	80%	85%	88%	+5%
Monitor the optimum settings of water installations	87%	95%	91%	90%	86%	*NEW*	90%	N/A
Have sub-meters to improve monitoring	14%	21%	6%	12%	45%	*NEW*	18%	N/A
Eliminate waste-water cooling systems	51%	68%	8%	60%	51%	*NEW*	46%	N/A
Use motion sensors for bathroom faucets	15%	25%	5%	25%	23%	*NEW*	17%	N/A
Use dual flush toilets	33%	51%	7%	31%	61%	*NEW*	36%	N/A
Recover rainwater for use in gardens and toilet	2%	3%	2%	4%	14%	*NEW*	4%	N/A
Use a water-efficient laundry	22%	44%	28%	53%	48%	67%	34%	+40%
Number of applicable hotels	**871**	**539**	**709**	**148**	**401**	**2,818**	**2,668**	**/**
Use selective grounds watering methods	60%	72%	97%	84%	71%	75%	75%	(5)%

* *Hotels reporting data in both years.*

OTHER RAW MATERIALS

As a hotel group, Accor does not have any manufacturing operations and is not a direct user of raw materials other than water and energy. To ensure effective management of the supply chain, international subcontractors are asked to sign the Accor Sustainable Procurement Charter. Signees authorize Accor to conduct audits if appropriate.

EMISSIONS INTO THE NATURAL ENVIRONMENT

Atmospheric emissions

Greenhouse gas emissions

Greenhouse gas emissions are calculated from the energy use data above, with:

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

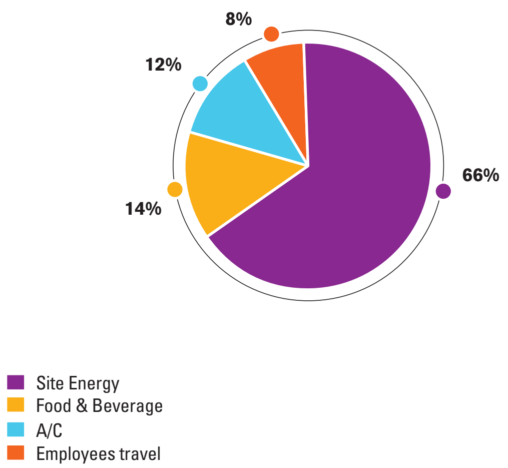
*	France		Rest of Europe		North America		Latin America & Caribbean		Rest of the world		Scope of reporting	
Greenhouse gas emissions	**Owned & Leased**	**Managed**	**Owned & Leased**	**Managed**	**Owned & Leased**	**Managed**	**Owned & Leased**	**Managed**	**Owned & Leased**	**Managed**	**2010**	**2011**
Number of hotels	**471**	**31**	**667**	**84**	**610**	**12**	**75**	**37**	**112**	**374**	**2,735**	**2,483**
Number of validated hotels	**358**	**15**	**590**	**52**	**608**	**12**	**55**	**0**	**47**	**203**	**2,735**	**1,940**
Direct emissions (tonnes of CO_2 equivalent)	18,217	1,288	58,696	12,551	48,661	10,067	4,848	/	5,400	74,354	390,960	234,082
Indirect emissions (tonnes of CO_2 equivalent)	29,686	2,147	267,186	31,673	162,208	29,884	6,242	/	41,084	481,327	1,648,585	1,051,438
Total emissions (tonnes of CO_2 equivalent)	47,904	3,435	325,882	44,224	210,869	39,951	11,090	/	46,485	555,681	2,039,545	1,285,520

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

The Group's environmental footprint study showed that about 66% of the greenhouse gases that Accor releases come from energy consumption in hotels.

It also indicated that nearly 15% of Accor's greenhouse gas emissions come from farming operations up the line. Meat and dairy products are responsible for nearly half of the greenhouse gas emissions associated with food services department (27% and 20% respectively), even though they account for less than 15% of food purchases in terms of volume. Employee travel accounts for 8% of Accor's greenhouse gas emissions, with employees flying an estimated total of 120 million kilometers a year.

Contribution of the various areas of the hospitality business to the CO_2 impact



Ozone-depleting cooling fluids

Cooling fluids present only a small risk of coolant emissions in normal use. However, there can be a risk of coolant evaporation during maintenance operations or as a result of an accident. To limit this risk, Accor implements a strict monitoring policy, combined with detailed instructions and procedures to ensure that cooling systems are checked regularly to prevent leaks. Two coolant use indicators have been included in the environmental reporting process since 2006.

Protecting the ozone layer	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting 2010	Scope of reporting 2011	Change at comparable scope of reporting*
Number of covered & applicable hotels	**1,260**	**916**	**852**	**186**	**543**	**3,705**	**3,757**	**3,423**
Use CFC-free and (PCB-free) technical installations	42%	59%	17%	48%	47%	NEW	42%	N/A
Verify that installations containing HCFCs and HFCs are leak-proof	60%	84%	92%	79%	75%	73%	76%	+4%

* *Hotels reporting data in both years.*

Water pollution

The Group's environmental impact study, which is available on the accor.com website, also looked at how Accor hotels could impact water resources.

The two main sources of this type of impact are runoff from the fertilizers and crop-protection products used by the farmers who supply food to Accor, and the organic, chemical and other substances released in hotel wastewater.

Food services represent the main source of water use at Accor and it also accounts for the bulk of the pollution it releases into watercourses. No less than 94% of the eutrophication generated by Accor comes from farm runoff, even though only 46% of the hotels included in the Charter 21 scope of reporting have a restaurant.

Systems to recover cooking oils and fats have now been introduced in virtually every hotel to control and manage restaurant releases and avoid overloading wastewater treatment plants.

Water pollution	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting 2010	Scope of reporting 2011	Change at comparable scope of reporting*
Number of hotels covered	**1,260**	**916**	**852**	**186**	**543**	**3,705**	**3,757**	**3,423**
Number of applicable hotels	**510**	**569**	**22**	**168**	**478**	**1,703**	**1,747**	**/**
Collect and treat cooking oil	95%	96%	86%	90%	81%	87%	91%	+4%
Collect and treat edible fats	95%	89%	82%	80%	70%	90%	85%	(4)%
Number of applicable hotels	**1,260**	**916**	**852**	**186**	**543**	**3,705**	**3,757**	**3,423**
Ensure proper sanitation of wastewater	77%	85%	88%	82%	77%	*64%*	82%	+28%
Recycle grey water	3%	5%	2%	13%	20%	*5%*	6%	+36%

* *Hotels reporting data in both years.*

Soil contamination

A study carried out in 2010 with PriceWaterhouseCoopers to identify the Group's main environmental impacts confirmed that the hotel operations generate a negligible amount of soil contamination or none at all.

WASTE

Reducing waste volumes at source

Accor makes a special effort to reduce waste volumes at source, in particular by requiring upstream suppliers to identify ways to limit packaging when goods are being prepared for delivery.

Reducing waste upstream	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting 2010	Scope of reporting 2011	Change at comparable scope of reporting*
Number of covered & applicable hotels	**1,260**	**916**	**852**	**186**	**543**	**/**	**3,757**	**3,423**
Use dispensers or eco-friendly packaging for bathroom products	36%	57%	13%	48%	52%	NEW	39%	N/A

* *Hotels reporting data in both years.*

Types of waste

The Group's environmental impact study showed that it produces around 2.3 million tonnes of waste per year, which is equivalent to the waste produced annually by 780,000 Europeans. Nearly 70% of this waste comes from construction and renovation worksites.

While waste is produced everywhere in a hotel – including meeting rooms, the bar, offices, the reception desk and the car park – guest rooms and food services account for 70% of the total. Indeed, by itself a restaurant can generate up to 60% of a hotel's waste.

Monitoring waste production is a complex process in which Accor is making progress every year. In 2011, data were compiled from waste collection service providers in Australia, Brazil, Germany, Portugal, Spain and Switzerland. The number of hotels corresponds to the hotels for which data were available.

Waste production	Number of hotels	Amount (in tonnes)	Amount per hotel (in tonnes)
Production of non-hazardous process waste			
Unsorted	151	2,967.15	19.7
Biodegradable	112	1,905.25	17
Paper/cardboard	209	880.45	4.21
Plastic	58	121.33	2.09
Glass	141	390.66	2.77
Oil and fats	72	59.27	0.82
Production of hazardous waste			
Electrical and electronics	19	9.23	0.49
Batteries	59	2.08	0.04
Fluorescent tubes	46	1.18	0.03

The waste module in OPEN

A waste module has been added to the OPEN sustainable development management tool and is already being used by 270 ibis and hotels worldwide. It supports detailed waste management by tracking the amounts generated, collection costs and the sorting methods used.

The table below shows information about the amount of waste produced by 48 pilot ibis hotels in five countries. Data vary significantly from one country to the next due to the different waste management methods used in each one. On average, an ibis hotel produces 160 tonnes of waste per year. The pilot program has helped to develop a more comprehensive version of the module, which tracks waste by type and more effectively identifies the various service providers. The module is now available for use in all our hotels.

	Number of hotels	Amount (in tonnes)	Amount per hotel (in tonnes)
Brazil	9	221.4	24.6
France	13	2,214.9	170.3
Germany	8	2,076.3	259.6
United Kingdom	11	2,978.7	270.8
Thailand	7	318.7	45.5

An example of detailed data: recycling in Latin America

Sorted waste data is increasing reported in Latin America, with 158 hotels in six countries – Argentina, Brazil, Chile, Ecuador, Peru and Uruguay – recycling 1,277 tonnes of waste in 2011.

	Number of hotels	Amount (in tonnes)	Amount per hotel (in tonnes)
Biodegradable	21	1,116	53.1
Paper	41	28.6	0.7
Magazines	34	11.4	0.3
Cardboard	44	40.8	0.9
Plastic	42	13.5	0.3
Tetrapacks	8	1.7	0.2
PVC	6	0.9	0.2
PET	22	6.1	0.3
Aluminum	41	6.2	0.2
Other metals	23	10.5	0.5
Glass	29	27.4	0.9
Oil and fats (in liters)	22	10.9	0.5
Light bulbs (units)	14	3,215	230
Batteries (units)	13	1,516	117

Waste resource recovery

By 2015, Accor is committed to having 85% of the hotels recovering at least paper, cardboard, ink cartridges, batteries and fluorescent lamps and tubes for recycling or processing. In 2011, 64% of hotels had such waste recovery programs in place.

Waste resource recovery	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting 2010	Scope of reporting 2011	Change at comparable scope of reporting*
Number of hotels covered	**1,260**	**916**	**852**	**186**	**543**	**3,705**	**3,757**	**3,423**
Sort and recycle paper/cardboard	66%	92%	51%	91%	85%	72%	73%	(2)%
Sort and recycle glass bottles and packaging	73%	95%	40%	88%	81%	68%	73%	+6%
Recycle plastic packaging	56%	84%	41%	90%	75%	55%	64%	+15%
Recycle metal packaging	40%	70%	47%	87%	68%	*53%*	55%	+4%
Invite guests to sort their waste	14%	31%	7%	59%	35%	*NEW*	22%	N/A
Number of applicable hotels	**510**	**569**	**22**	**168**	**478**	/	**1,747**	**/**
Sort and recycle organic waste from restaurants	29%	59%	45%	35%	46%	*34%*	44%	+29%
Number of applicable hotels	**871**	**539**	**709**	**148**	**401**	/	**2,668**	**/**
Sort and recycle green waste from gardens	45%	55%	24%	33%	56%	*51%*	42%	(22)%

* *Hotels reporting data in both years.*

Eliminating hazardous waste

Hazardous industrial waste produced by hotels is mainly comprised of empty contaminated packaging, disposable and rechargeable batteries, electric and electronic equipment, fluorescent lamps and tubes, ink cartridges and aerosols. Dedicated collection systems have been introduced in the hotels to manage hazardous waste after ensuring the traceability and compliance of treatment processes.

Management of hazardous industrial waste	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting	Scope of reporting 2011	Change at comparable scope of reporting*
Number of covered & applicable hotels	**1,260**	**916**	**852**	**186**	**543**	**3,705**	**3,757**	**3,423**
Sort and dispose batteries	94%	96%	94%	90%	69%	88%	91%	+4%
Sort and dispose fluorescent lamps and tubes	95%	98%	91%	90%	67%	80%	91%	+10%
Recycle electric and electronic equipment	79%	88%	20%	75%	53%	56%	64%	+14%
Sort and recycle ink cartridges	93%	98%	97%	76%	78%	*92%*	92%	+0.4%

* *Hotels reporting data in both years.*

BIODIVERSITY AND LOCAL IMPACT

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

The Group is pursuing its commitment to protecting biodiversity by promoting responsible eating in its restaurants. In Asia, for example, many hotels have removed shark fin soup from their menus or encourage their guests not to eat it. In Africa, a guide to sustainable seafood procurement in Senegal and distributed to hotels in Dakar.

In addition, in 2008, the Group joined forces with the International Union for Conservation of Nature (IUCN) to produce the *Biodiversity: My Hotel in Action* handbook. Intended for hospitality professionals, the guide presents in detail the different ways hotels can help to protect diversity in choosing building materials, procuring foodstuffs, etc.

Biodiversity	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting 2010	Scope of reporting 2011	Change at comparable scope of reporting*
Number of hotels covered	**1,260**	**916**	**852**	**186**	**543**	**3,705**	**3,757**	**3,423**
Number of applicable hotels	**510**	**569**	**22**	**168**	**478**	**/**	**1,747**	**/**
Ban endangered seafood species from restaurant menus	65%	69%	64%	66%	70%	NEW	68%	N/A
Number of applicable hotels	**871**	**539**	**709**	**148**	**401**	**/**	**2,668**	**/**
Choose plants suitable to the local environment	65%	80%	96%	97%	92%	*75%*	82%	+5%
Use eco-friendly gardening products	51%	82%	12%	78%	81%	*NEW*	53%	N/A

* *Hotels reporting data in both years.*

NOISE POLLUTION AND ODORS

As Accor's activities generate very little noise pollution or odors, no related measures have been taken.

PREVENTION AND REMEDIES

Compliance

Since 2009, Accor has measured compliance using the proprietary Safety Environment Tool (SET), a management software program that identifies regulations applicable to hotels organized by topics like "equipment", "installations" and "waste" that are easily recognizable by hotel managers and technical teams. These topics are listed in a section entitled "what concerns me" with related operating procedures explained in another section entitled "what I should do".

SET enables managers to:

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

Launched in 2009, SET is currently deployed in France (excluding Etap Hotel and hotelF1), Morocco, Portugal, Belgium, Luxembourg, Egypt and in ibis hotels in Germany.

Organization created to respond to accidental pollution

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

Environmental provisions and guarantees

No material provisions have been set aside for environmental risks.

Penalties paid following a court ruling on environmental claims

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

1.8. SOCIAL RESPONSIBILITY REPORT

HEALTH

Employee health and well-being

Focus on HIV/AIDS

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

Employee-focused actions are structured by ACT-HIV. Introduced in 2007, this front-line program offers hotel managers a six-step action plan built on our commitment's three core principles: confidentiality, non-discrimination and equal access to treatment.

By the end of 2011, more than 50,000 employees had attended awareness and training sessions, 1,768 hotels were equipped with condom vending machines, and 1,378 hotels were leading HIV/AIDS information campaigns.

Health training for employees

Today, this commitment to fighting against HIV/AIDS is being extended to general health issues, which vary according to local priorities. Employee awareness and training sessions are regularly organized to help prevent epidemics like HIV/AIDS and malaria, as well as chronic diseases such as diabetes, cancer and cardiovascular disease.

Health/well-being training	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting 2011
Number of hotels covered	1,260	916	852	186	543	3,757
Organize staff training on health and well-being	80%	65%	87%	67%	89%	77%

In 2011, 77% of hotels organized health and well-being training sessions for employees, with a focus on first aid, workplace ergonomics, the prevention of HIV/AIDS, chronic diseases like diabetes and cancer, and psychosocial risks, including stress.

Responsible eating

To enable guests to maintain a healthy diet, restaurants in Accor hotels offer nutritionally balanced dishes and meals. In 2011, 62% of Accor hotels with a restaurant had at least one balanced dish on their menu.

Nutritional balance	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting 2011
Number of hotels covered	**1,260**	**916**	**852**	**186**	**543**	**3,757**
Number of applicable hotels	**510**	**569**	**22**	**168**	**478**	**1,747**
Offer balanced dishes in the restaurant	62%	60%	95%	50%	69%	62%

LOCAL

Protecting children from abuse

Since 2001, Accor has been engaged in the fight against child sex exploitation in partnership with ECPAT International, an NGO whose mission is to end child prostitution, child pornography and trafficking of children for sexual purposes. This commitment is structured by the "Child Protection Code of Conduct", which was signed by the Group in 36 countries in 2011. The two main initiatives undertaken by the hotels in this area are training for employees and awareness campaigns for guests and suppliers. In 2011, a total of 23,000 employees worldwide received training on how to detect and respond to situations of child abuse.

Training to fight child sex tourism	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting 2011
Number of employees trained	412	3,988	307	5,583	13,169	23,459

Today, this commitment is being broadened beyond the fight against child sex exploitation to the protection of children in general, notably by relaying national missing children alerts in our hotels and facilitating the reintegration of marginalized minors. In 2011, 49% of hotels had made a commitment to protecting children from abuse. More than 1,000 Motel 6 and Studio 6 hotels in the United States relay the Department of Justice's AMBER alerts and 66 hotels have already initiated programs to help marginalized minors reintegrate into society.

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

"Accor pledges to:

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

Certified suppliers pledge to prohibit child and forced labor when they sign the Accor Sustainable Procurement Charter.

Choosing local food products

Accor supports responsible procurement practices, in particular by choosing local food products and serving fair trade coffee, tea and hot chocolate.

In 2011, 51% of hotels had a policy of purchasing and promoting their host country's food products.

Local food products	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting 2011
Number of hotels covered	**1,260**	**916**	**852**	**186**	**543**	**3,757**
Number of applicable hotels	**510**	**569**	**22**	**168**	**478**	**1,747**
Purchase and promote local food products	36%	45%	77%	45%	74%	51%

Supporting fair trade and sustainable initiatives

Accor has been committed to supporting fair trade initiatives since 2003. In 2011, 34% of our hotels served fair trade products carrying the Fairtrade/Max Havelaar label.

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

In 2011, 9% of hotels offered sustainable products.

Fair trade and sustainable agriculture	France	Rest of Europe	North America	Latin America & Caribbean	Rest of the world	Scope of reporting 2011
Number of hotels covered	**1,260**	**916**	**852**	**186**	**543**	**3,757**
Number of applicable hotels*	1,260	782	852	0	193	3,085
Serve fair trade products	**73%**	**18%**	**0%**	**N/A**	**0%**	**34%**
Number of applicable hotels	1,260	916	852	186	543	3,757
Serve sustainable products	**3%**	**22%**	**2%**	**9%**	**15%**	**9%**

* Countries with a national Fairtrade organization.

In France, 350 tonnes of Fairtrade/Max Havelaar labeled tea, coffee and hot chocolate were purchased by Accor hotels in 2011, representing a 4.5% increase over 2010. Fair trade products account for nearly 44% of all hot beverages served at Accor hotels.

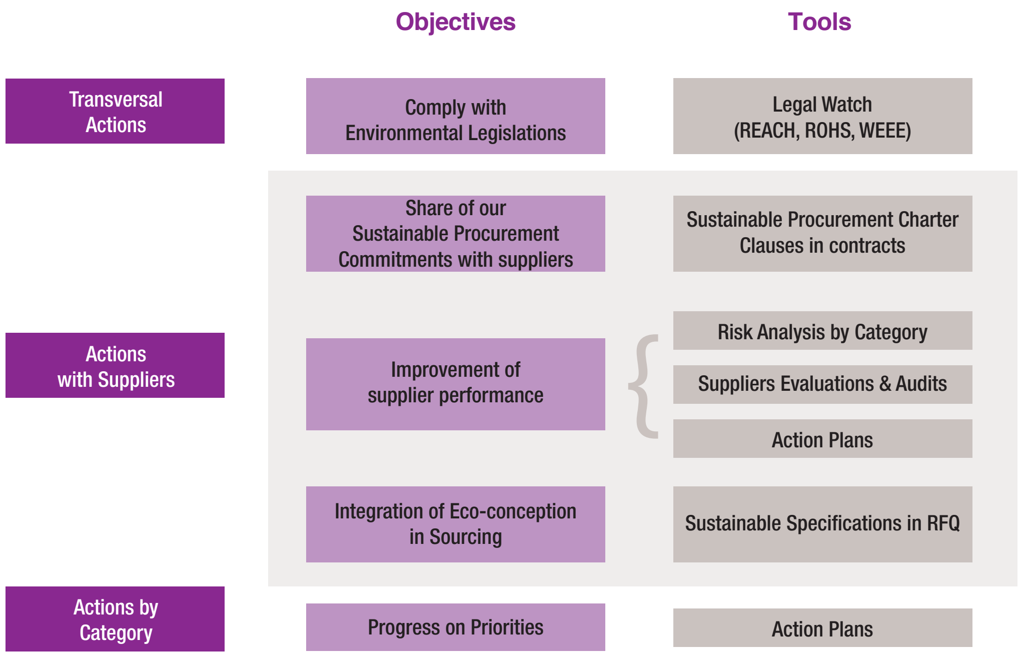
SUSTAINABLE PROCUREMENT

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

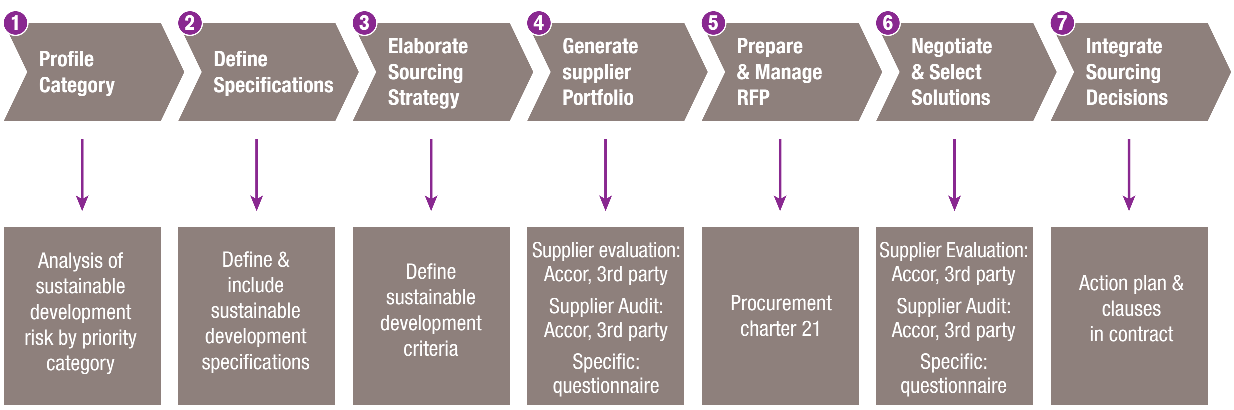
At the same time, sustainable development criteria have gradually been integrated into our own offerings, for example, via the introduction of fair trade products in France in 2003/2004, first at Sofitel and later in Etap Hotel and hotelF1 Economy Hotels.

In 2009, a dedicated sustainable procurement unit was set up within the Group Procurement Department to lead the implementation of a sustainable procurement plan, in line with the corporate sustainable development strategy.

This plan is structured around three main areas of action:



The plan is designed to integrate sustainable development principles into our sevenstep sourcing process, from designing specifications that include sustainable development criteria to integrating specific clauses into suppliers' contracts.



How sustainable development principles are integrated into the seven step sourcing process

To start, the plan tracks throughout the procurement process compliance with such environmental regulations as the European Union's REACH, WEEE and ROHS directives. Particular attention is paid to REACH legislation, which is designed to control chemicals manufactured or imported in the European Union. To date, more than 850 contracts include an Accor Declaration of compliance to REACH regulation ensuring that suppliers fully meet REACH requirements.

The plan also involves sharing our commitments with suppliers by assessing their sustainable development performance and tracking it over time. Updated in 2010, the Accor Sustainable Procurement Charter had been signed by more than 1,200 suppliers by end-2011.

To determine which suppliers to audit first, the sustainable development risks inherent in each of our 98 product/service categories were analyzed. The resulting sustainable development risk map helped to identify 23 high-priority categories, based on the level of customer exposure, the purchasing budget and the nature of the supplier's markets. Suppliers in these categories are assessed first.

The assessment process is supported by EcoVadis, an expert in sustainable development evaluation of companies To date, 150 suppliers have been assessed over the past two years.

Another plan objective is to integrate eco-designed products and, more generally, sustainable development criteria into tender specifications. So far, sustainable development criteria have been integrated into 39 of the 98 categories, including eco-label amenities, cleaning products, wood joinery panels, paper and carpet.

Lastly, the plan includes the tracking of sustainable sourcing priorities by country. Depending on local issues, each country organization defines three priorities from among the ten sustainable development areas where the Procurement Department can exert the most leverage.

These ten priority areas have been identified as:

- local products and services;
- eco-labeled cosmetics;
- fair-trade products;
- eco-labeled cleaning products;
- well-being/balanced food;
- linen/laundry services;
- cleaning contracts;
- sustainable fishing;
- wood products from sustainably managed forests;
- waste.

COMMUNITY OUTREACH & CORPORATE PHILANTHROPY

Introduction

The Accor Foundation is dedicated to supporting and developing socially-responsible actions initiated by employees, with the goal of "linking cultures by supporting the development of individuals and their integration into the community."

Since its creation on August 31, 2008, the Foundation has supported more than 100 projects in 33 countries.

The Accor Foundation

Organization

The Accor Foundation's distinctive feature is that it exclusively supports projects proposed by employees, who can take advantage of this opportunity to add a social and humanitarian dimension to their work lives. To successfully manage these community outreach initiatives, the Foundation is organized as follows:

The Board of Directors, which meets two or three times a year, defines strategic objectives, votes on projects budgeted at €20,000 or more, and oversees their implementation. Chaired by Denis Hennequin, the Board comprises six representatives of the founding companies and their employees and four qualified persons from outside the Group;

The Board is supported by a standing team dedicated to assisting employees in their community outreach projects. It works with Regional Experts who act as an interface between the Foundation and the local employees, providing information and advice. These experts are Accor employees who come from the region concerned or have worked there for several years. They are also familiar with the non-profit sector and the local environment, thereby enabling them identify, assess and recommend initiatives that may be of interest to the Foundation.

Operation

The Accor Foundation provides technical and financial assistance to projects supported by employees.

It accepts requests for advice and financial support from employees worldwide who are involved in or wish to become involved in a community outreach initiative.

For 5 years, the multi-year action program of the Foundation amounts to 5 million euros.

This amount comes from various founders which are Accor SA and its Hotexco, Mercure InternationalHotel, Etap Hotel, Soluxury and Lenôtre subsidiaries (the latter since September 22, 2011 does not belong to the companies' founders anymore, because of its transfer to Sodexo).

The Foundation budget for the 2011 year is estimated to 1,350,000 euros.

With a clear focus of working in the public interest, the Foundation supports projects in three specific areas:

- **local know-how**, supporting socio-economic initiatives highlighting traditional crafts and techniques;
- **training and insertion**, encouraging integration and insertion of young people in difficulty aged 15-30;
- **humanitarian and emergency aid**, helping populations in great difficulty and responding to humanitarian disasters.

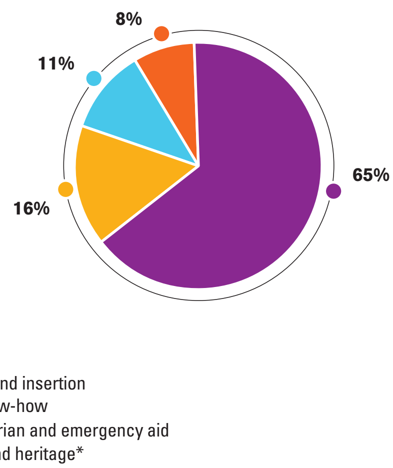
In 2011, culture and heritage was no longer a focus area for the Foundation.

Projects supported in 2011

A total of 37 projects received support in 2011, covering all of the Foundation's focus areas.

Focus area	Europe	Asia	Americas	Oceania	Africa	Total
Training and insertion	14	4	2	1	3	24
Local know-how	3	1	1	-	1	6
Humanitarian and emergency aid	1	2	-	1	-	4
Culture and heritage	3	-	-	-	-	3
TOTAL	**21**	**7**	**3**	**2**	**4**	**37**

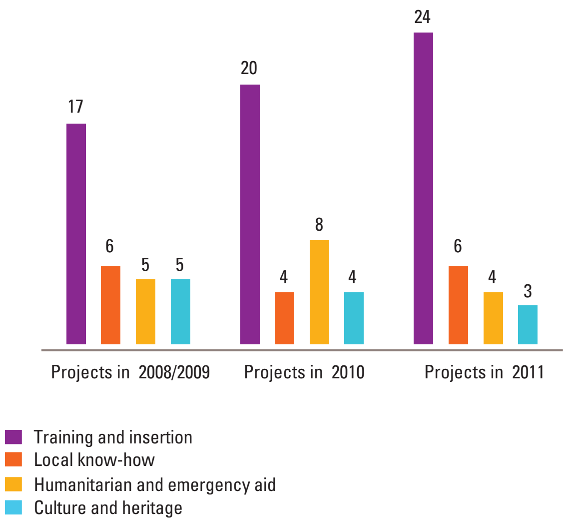
Humanitarian and emergency aid Local know-how



In 2011, culture and heritage was no longer a focus area for the Foundation.

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

Focus area	Projects in 2008/2009	Projects in 2010	Projects in 2011	Total
Training and insertion	17	20	24	61
Local know-how	6	4	6	16
Humanitarian and emergency aid	5	8	4	17
Culture and heritage	5	4	3	12
TOTAL	**33**	**36**	**37**	**106**



In the years to come, the Foundation plans to support many more projects in a commitment to extending its field of action to new host countries. Enhancing employee and guest awareness is also a priority. The Foundation hopes to foster a sense of community spirit among its employees and its franchised partners, by recognizing and rewarding their involvement in outreach initiatives. In 2012, a social audit will be performed to determine exactly how many people benefit on a daily basis from initiatives supported by the Foundation in its three focus areas – training and insertion, local know-how and humanitarian and emergency aid.

2

CORPORATE GOVERNANCE

2.1. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

2.1.1. PRESENTATION

2.1.1.1. Directors and corporate officers

Board of Directors

- **Jean-Paul Bailly – Independent director** (1)

> Jean-Paul Bailly has been a director since May 13, 2009 and his current term of office expires at the close of the Annual Shareholders' Meeting to be called to approve the accounts for the year ended December 31, 2011. To the Company's knowledge, Mr. Bailly owns 600 Accor shares.

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

> 65 years old, of French nationality.

> After graduating from Ecole Polytechnique and the Massachusetts Institute of Technology, Mr. Bailly began his career with the Paris Transit Authority (RATP). He then took over the running of French technical cooperation programs in Mexico before moving back to RATP where he held the posts of Departmental Director, Bus Rolling Stock, Director of the Paris Metro and RER suburban rail system, Personnel Director and Deputy Managing Director. He was then appointed Chairman and CEO of RATP in 1994. Since 2006, Mr. Bailly has also been Chairman of the Supervisory Board of La Banque Postale.

- **Thomas J. Barrack**

> Thomas J. Barrack has been a director since January 9, 2006 and his current term of office expires at the close of the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2012. He was previously a member of Accor's Supervisory Board, from May 3, 2005. To the Company's knowledge, Mr. Barrack owns 500 Accor shares.

> 64 years old, of US nationality.

> Mr. Barrack is Founder, Chairman and Chief Executive Officer of Colony Capital LLC. He was previously Chief Executive Officer of Robert M. Bass Group Inc. and also served in the Reagan administration as Deputy Undersecretary of the Department of the Interior.

- **Sébastien Bazin**

> Sébastien Bazin has been a director since January 9, 2006 and his current term of office expires at the close of the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2013. He was previously a member of Accor's Supervisory Board, from May 3, 2005. To the Company's knowledge, Mr. Bazin owns 1,000 Accor shares.

> Chief Executive Officer of Colony Capital Europe.

> 50 years old, of French nationality.

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

- **Philippe Citerne – Independent director** (1)

> Philippe Citerne has been a director since January 9, 2006 and a director and Vice-Chairman of the Board since May 13, 2009. His current term of office expires at the close of the Annual Meeting to be called to approve the accounts for the year ended December 31, 2011. He was previously permanent representative of Société Générale on Accor's Supervisory Board, from December 22, 2003. To the Company's knowledge, Mr. Citerne owns 500 Accor shares.

> Non-Executive Chairman of Télécom & Management SudParis (educational and research institute).

> 63 years old, of French nationality.

> After graduating from Ecole Centrale de Paris and holding a number of positions in the French Finance Ministry, Mr. Citerne joined Société Générale in 1979, where he served as Vice President of Economic Research, Vice President Finance and Vice President Human Relations, prior to becoming a director, Deputy Chief Executive Officer and Chief Operating Officer from 1997 to April 2009.

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

- **Mercedes Erra – Independent director** (1)

> Mercedes Erra has been a director since February 22, 2011 and her current term of office expires at the close of the Annual Shareholders' Meeting to be called to approve the accounts for the year ended December 31, 2011. To the Company's knowledge Ms. Erra owns 500 Accor shares.

> Executive President of Euro RSCG Worldwide.

> 57 years old, of French nationality.

> A graduate of HEC business school and Sorbonne University of Paris, Ms. Erra began her career with Saatchi & Saatchi where she spent fourteen years and reached the position of Chief Executive Officer. In 1995 she founded BETC Euro RSCG, France's leading advertising agency. Ms. Erra is also Managing Director of Havas and Chairman of the Board of Directors of Cité Nationale de l'Histoire de l'Immigration. She is actively involved in the Women's Forum for the Economy and Society and the work undertaken by UNICEF, as well as being an active member of the French Committee of Human Rights Watch and a permanent member of the French Commission on the Image of Women in the Media. She also sits on the Board of Directors of the Force Femmes association and since 2011 has been a director of Havas Group, France Télévision and Société de la Tour Eiffel.

- **Sophie Gasperment – Independent director** (1)

> Sophie Gasperment has been a director since June 29, 2010 and her current term of office expires at the close of the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2012. To the Company's knowledge, Ms. Gasperment owns 500 Accor shares.

> Executive Chairman of The Body Shop International.

> 47 years old, of French nationality.

> A graduate of ESSEC business school and the Insead Advanced Management Program, Ms. Gasperment began her career in marketing at L'Oréal, where she held both operational and brand development positions before being appointed Managing Director of L'Oréal UK, where she served for 12 years. Ms. Gasperment was also appointed as a French Foreign Trade Advisor in 2005 and is a member of the Business Advisory Council of Saïd Business School at the University of Oxford.

- **Denis Hennequin**

> Denis Hennequin joined Accor as a director on May 13, 2009. He became Chief Executive Officer on December 1, 2010 and then Chairman and Chief Executive Officer on January 15, 2011. His current term of office as a director expires at the close of the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2013. To the Company's knowledge, Mr. Hennequin owns 500 Accor shares.

> 53 years old, of French nationality.

> Mr. Hennequin holds a bachelor's degree in economics and a master's degree in corporate and tax law. He began his career at McDonald's as an Assistant Restaurant Manager. He then held the positions of Restaurant Manager, Field Service Consultant, Director of Franchising, Director of Operations and Regional Manager for Paris and the surrounding suburbs before being appointed Vice President of Operations, Human Resources, Development and Regional Coordination. He was named Managing Director of McDonald's France in 1996 and then Chairman and CEO of McDonald's Europe in 2005.

- **Bertrand Meheut – Independent director** (1)

> Bertrand Meheut has been a director since May 13, 2009 and his current term of office expires at the close of the Annual Shareholders' Meeting to be called to approve the accounts for the year ended December 31, 2011. To the Company's knowledge, Mr. Meheut owns 500 Accor shares.

> Chairman of the Groupe Canal+ Management Board.

> 60 years old, of French nationality.

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

- **Virginie Morgon**

> Virginie Morgon has been a director since May 13, 2009 and her current term of office expires at the close of the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2013. To the Company's knowledge, Ms. Morgon owns 500 Accor shares.

> Member of the Executive Board of Eurazeo.

> 42 years old, of French nationality.

> Ms. Morgon graduated from Institut d'Etudes Politiques de Paris, majoring in Economics and Finance, and holds a master's degree in Economics and Management (MIEM) from the University of Bocconi (Milan, Italy). After working as an investment banker in New York and London, Ms. Morgon joined Lazard in 1994. She became a senior partner at Lazard in 2001 and was responsible for the European Food, Retail and Consumer Goods sector. Since January 2008, she has been a member of Eurazeo's Executive Board and co-led its investment team.

- **Gilles Pélisson**

> Gilles Pélisson was a director and Chief Executive Officer of Accor from January 9, 2006 and subsequently Chairman and Chief Executive Officer from February 24, 2009 to December 1, 2010 and Chairman of the Board of Directors until January 15, 2011.

> 54 years old, of French nationality.

> A graduate of France's ESSEC business school and the Harvard Business School (MBA), Mr. Pélisson began his career with Accor in 1983, first in the United States and

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

then in the Asia-Pacific region. In particular, he served as Co-Chairman of the Novotel hotel chain. He was appointed Chief Executive Officer of Euro Disney in 1995 and Chairman and Chief Executive Officer in 1997. In 2000, he joined Suez, then Bouygues Telecom, serving as Chief Executive Officer and then Chairman and Chief Executive Officer (from February 2004 to October 2005).

- **Franck Riboud – Independent director** [(1)]

> Franck Riboud has been a director since January 9, 2006 and his current term of office expires at the close of the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2013. He was previously a member of the Accor Supervisory Board, from July 3, 2001. To the Company's knowledge, Mr. Riboud owns 523 Accor shares.

> Chairman and Chief Executive Officer of Danone.

> 56 years old, of French nationality.

> Mr. Riboud, who has an engineering degree from Ecole Polytechnique Fédérale in Lausanne, Switzerland, has spent his entire career with the Danone Group, holding positions in finance, marketing and development. He has served as Chairman and Chief Executive Officer of Danone since 1996.

- **Patrick Sayer**

> Patrick Sayer has been a director since August 27, 2008 and his current term of office expires at the close of the Annual Shareholders' Meeting to be called to approve the accounts for the year ending December 31, 2012. To the Company's knowledge, Mr. Sayer owns 500 Accor shares.

> Chairman of the Executive Board of Eurazeo.

> 54 years old, of French nationality.

> A graduate of Ecole Polytechnique and Ecole des Mines de Paris, Mr. Sayer has held the positions of Managing Partner at Lazard Frères et Cie in Paris and Managing Director of Lazard Frères & Co. in New York, where he was global head of media and technology-related transactions. Mr. Sayer has been Chairman of Eurazeo's Executive Board since May 2002. He is a member of France Investissement's Steering Committee, a director of the Arts Décoratifs museum in Paris, a member of the Club des Juristes and also served between 2006 and 2007 as President of the Association Française des Investisseurs en Capital (AFIC).

President and Chief Operating Officer

- **Yann Caillère**

> Appointed Deputy Chief Executive Officer on August 25, 2010 and President and Chief Operating Officer in January 2011

> 58 years old, of French nationality.

> Yann Caillère is a graduate of Ecole Hôtelière de Thonon-les-Bains and began his career with Pullman. In 1995 he joined Disneyland Resort Paris, as Executive Vice President, Luxury Hotels and Conventions, before becoming Senior Vice President of the Hotels division, COO and President. In 2004 he was appointed Chairman of the Louvre Hôtels Group. He joined Accor in 2006 as Chief Operating Officer, in charge of Europe, Middle East, Africa, Sofitel Worldwide and Design and Construction. In August 2010 he was named Deputy Chief Executive Officer, responsible for worldwide operations and hotel design and construction and in January 2011, he became President and Chief Operating Officer.

Founding Co-Chairmen

- **Paul Dubrule**

Born on July 6, 1934 in Tourcoing, France, Paul Dubrule graduated from Institut des Hautes Etudes Commerciales at the University of Geneva. In 1963, he and Gérard Pélisson co-founded the Novotel hotel chain. After serving as co-Chairman of the Novotel SIEH Group between 1971 and 1983, he co-founded Accor, serving as its co-Chairman from 1983 to 1997. Mr. Dubrule has also served as Chairman of Entreprise et Progrès, Vice-Chairman of the World Travel and Tourism Council (WTTC) and Chairman of Maison de la France. He is currently co-Chairman of the French Tourism Institute. A Paul Dubrule Chair for Sustainable Development was created by INSEAD in 2002 and a Paul Dubrule Chair for Innovation has been inaugurated at the Haute Ecole d'Hôtellerie in Lausanne. Mr. Dubrule has also personally opened a hotel and tourism school in Siem Reap, Cambodia.

- **Gérard Pélisson**

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

Secretary to the Board of Directors

- **Pascal Quint**

To the best of the Company's knowledge, in the last five years no director or officer has (i) been convicted of any fraudulent offence; (ii) been a member of the administrative, management or supervisory body of a company that has been declared bankrupt, or placed in liquidation or receivership; (iii) been the subject of

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

any official public incrimination and/or sanctions by statutory or regulatory authorities; or (iv) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer. Neither Accor SA nor any of its subsidiaries has entered into a service contract providing for benefits for any of its directors or corporate officers.

Executive Committee

Members of the Executive Committee in 2011

- **Denis Hennequin**

Chairman and Chief Executive Officer.

- **Yann Caillère**

President and Chief Operating Officer.

- **Anne-Marie Cambourieu (until August 2011)**

Global Chief Human Resources Officer.

- **Grégoire Champetier**

Global Chief Marketing Officer, responsible for Brand Strategy, Design Strategy, Marketing and Distribution.

- **Dominique Esnault**

Global Chief Operations Support Officer, responsible for Development, Franchising, Procurement, Technical Services & Design Management.

- **Pascal Quint**

Corporate Secretary, responsible for Legal Affairs, Insurance, Risk Management and the Audit Department.

- **Antoine Recher (since October 2011)**

Global Chief Human Resources Officer, responsible for Human Resources, Group Organization, Transformation and Sustainable Development.

- **Sophie Stabile**

Global Chief Financial Officer, also responsible for Group Information Systems.

- **Marc Vieilledent**

Global Executive Vice President Asset Management, responsible for Asset Management & Strategy and Merger & Acquisitions.

2.1.1.2. Directorships and positions held by Accor's directors and corporate officers

Accor's directors and corporate officers held the following directorships, offices and other positions in 2011 and the past five years, based on information they provided to the Company.

- **Jean-Paul Bailly – Independent director [1]**

Chairman and Chief Executive Officer of the La Poste Group.

Other positions held at December 31, 2011 with companies controlled [2] by the La Poste Group

In France:

Chairman of the Supervisory Board of La Banque Postale.

Permanent representative of La Poste as a director of GeoPost, Sofipost, Poste Immo and Xelian.

Director of Sopassure.

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

Other positions held at December 31, 2011 with companies not controlled [2] by the La Poste Group

In France:

Director of CNP Assurances and Edenred.

Director of GDF Suez, representing the French State.

Former positions held in the past five years

In France:

Legal Manager of Financière Systra.

Director of Systar.

Permanent representative of La Poste as Chairman of SF 12.

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

- **Thomas J. Barrack – Director**

Chairman and Chief Executive Officer of Colony Capital, LLC.

Other positions held at December 31, 2011

Outside France:

United States:

Director of Colony Financial, Inc and First Republic Bank.

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

Former positions held in the past five years

Outside France:

Australia:

Director of Challenger Financial Services Group Limited.

United States:

Director of Continental Airlines, Inc.

- **Sébastien Bazin – Director**

Chief Executive Officer of Colony Capital Europe.

Other positions held at December 31, 2011

In France:

Chairman of Colfilm SAS, Bazeo Europe SAS, Colony Capital SAS and CollllIkirch France SAS.

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

Representative of Colony Capital SAS as Chairman of ColSpa SAS.

Legal Manager of CC Europe Invest (SARL).

Managing Partner of Nina (SCI).

Member of the Supervisory Board of ANF (Les Ateliers du Nord de la France).

Chief Executive Officer of ColSpa SAS and Toulouse Canceropole.

Director of Edenred and Carrefour.

Outside France:

United Kingdom:

Chairman of Colyzeo Investment Ltd.

Luxembourg:

Managing Director of Sisters Soparfi SA.

Switzerland:

Legal Manager of La Tour SARL.

Director of La Tour Réseau de Soins SA and Permanence de la Clinique de Carouge.

Former positions held in the past five years

In France:

Chairman and Chief Executive Officer of Lucia.

Chairman of the Supervisory Board of Paris Saint Germain Football.

Chairman of the Board of Directors of Château Lascombes.

Chairman of Colwine SAS, Colbison SAS, SAIP, SAS Spazio, Front de Seine Participations, Coladria SAS and Lucia Investissement SAS.

Vice-Chairman of the Supervisory Board of Buffalo Grill and member of the Supervisory Board of Groupe Lucien Barrière.

Director of Moonscoop IP.

Legal Manager of Colony Santa Maria EURL, Colony Pinta SNC, Immobilière Lucia et Compagnie, Lucia 92 et Compagnie, Colony Santa Maria SNC, Colony Le Châlet EURL, Immobiloisir Serre Chevalier and Colmassy SARL.

Outside France:

Belgium:

Chairman of RSI SA.

- **Yann Caillère – President and Chief Operating Officer**

Other positions held at December 31, 2011 with companies controlled [2] by Accor

In France:

Permanent representative of Sodetis on the Board of Directors of Devimco.

Director of Adagio SAS.

Outside France:

Austria:

Member of the Supervisory Board of Accor Austria and Accor Hotelbetriebsges mgH.

Belgium:

Director of Accor Hotels Belgium.

Egypt:

Director of El Gezirah.

Italy:

Director of Accor Hospitality Italia Srl, Accor Partecipazioni Italia Srl and Sofitel Italia Srl.

Luxembourg:

Chairman of the Board of Directors of Holpa.

Morocco:

Member of the Supervisory Board of Société Marocaine d'Hôtellerie Economique and Risma.

Netherlands:

Member of the Supervisory Board of Accor Hospitality Nederland BV.

Poland:

Member of the Supervisory Board of Orbis.

United Kingdom:

Director of Accor UK.

Switzerland:

Director of Accor Suisse.

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

Former positions held in the past five years

In France:

Legal Manager of SoLuxury HMC.

Chairman of Serena, Société de Construction d'Hôtels Suites and Société d'Exploitation d'Hôtels Suite.

Member of the Supervisory Board, then director of Groupe Lucien Barrière.

Representative of Société de Construction d'Hôtels Suites as Chairman of Société Hôtelière Vélizienne.

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

Outside France:

Germany:

Member of the Supervisory Board of Accor Hospitality Germany.

Italy:

Director of Sofitel Gestioni Alberthiere Italia Srl.

Morocco:

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

Portugal:

Director of Accor-Hoteis e Serviços SGPS, Portis, Goldtur and Portotel.

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

Other positions held at December 31, 2011 with companies not controlled [(2)] by Accor

In France:

Non-executive Chairman of Télécom & Management SudParis (educational and research institute).

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

Director of Edenred, Sopra Group and Rexecode (not-for-profit organization).

Member of the Supervisory Board of MK2.

Former positions held in the past five years

In France:

Chief Operating Officer of Société Générale.

Representative of Société Générale on the Supervisory Board of Fonds de Garantie des Dépôts.

Russia:

Director of Rosbank.

- **Mercedes Erra – Independent director [(1)]**

Managing Director of Havas and Executive President of Euro RSCG Worldwide.

Other positions held at December 31, 2011 with companies controlled [(2)] by Havas

In France:

Director of Havas and Euro RSCG C&O.

Chairman of the Board of Directors of Euro RSCG.

President of Euro RSCG France.

Member of the Management Board and Chief Executive Officer of BETC Euro RSCG.

Other positions held at December 31, 2011 with companies not controlled [(2)] by Havas

In France:

Chairman of the Board of Directors of Cité Nationale de l'Histoire de l'Immigration.

Director of Société de la Tour Eiffel.

Director of the France Télévision and Elle foundations.

Director of the Centre Pompidou-Metz Association.

Director of Forces Femmes.

Former positions held in the past five years

In France:

Director of Absolut Reality.

- **Sophie Gasperment – Independent director [(1)]**

Executive Chairman of The Body Shop International plc.

Former positions held in the past five years

Outside France:

Germany:

Director of Body Shop Beteiligungs GmbH and The Body Shop Germany GmhH.

United States:

Chairman and Chief Executive Officer of BSI USA Inc and Buth-NA-Bodhaige Inc.

Chairman of Skin & Hair Care Preparations.

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

United Kingdom:

Director of Anderbarn Ltd, Browndray Ltd, Cranvine Ltd, Creektime Ltd, Crestsold Ltd, Dishmax Ltd, Enfranchise Ninety One Ltd, Fillcare Ltd, Groundmesh Ltd, Islemend Ltd, Leasetime Ltd, Lordmark Ltd, Masonride Ltd, Modesite Ltd, Solitaire Fashion Shops Ltd, TBSI (Holdings 1) Ltd, TBSI (Holdings 2) Ltd, The Body Shop (Isle of Man), The Body Shop Card Services, The Body Shop Midlands Ltd, The Body Shop On-Line [1] Ltd, The Body Shop On-Line (II) Ltd, The Body Shop Queenslie Ltd, The Millennium Administration, The Body Shop Retail Properties, The Body Shop South-West Ltd, L'Oréal (UK) Ltd, L'Oréal Golden Ltd and Toteview Ltd.

- **Denis Hennequin – Chairman and Chief Executive Officer**

Other positions held at December 31, 2011 with companies controlled [2] by Accor

In France:

Chairman of Adagio SAS.

Outside France:

Italy:

Director of Accor Hospitality Srl, Accor Partecipazioni Italia Srl and Sofitel Italia Srl.

Other positions held at December 31, 2011 with companies not controlled [2] by Accor

In France:

Chairman of the Accor Foundation.

Former positions held in the past five years

In France:

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

Permanent representative of Accor on the Supervisory Board of Lenôtre.

Legal manager of MCD France, McDonald's Development Company Paris-Europe and McDonald's France Services SARL.

Outside France:

Germany:

Director of McDonald's Franchise GmbH.

Belgium:

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

Denmark:

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

Spain

Director of Restaurantes McDonald's SA.

United States:

Chairman of McDonald's Europe and McDonald's Deutschland, Inc.

Vice-Chairman of Golden Arches UK, LLC.

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

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

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

Finland:

Director of McDonald's Oy.

Hungary:

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

Ireland:

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

Poland:

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

Portugal:

Director of Sistemas McDonald's Portugal Limitada.

United Kingdom:

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

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

Serbia:

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

Sweden:

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

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

- **Bertrand Meheut – Independent director** [(1)]

Member of the Management Board of Vivendi and Chairman of the Groupe Canal+ Management Board.

Other positions held at December 31, 2011 with companies controlled [(2)] by Groupe Canal+

In France:

Chairman of the Management Board of Canal+ France.

Chairman of the Board of Directors of Société d'Edition de Canal+.

Chairman of the Supervisory Board of StudioCanal.

Chairman of Canal+ Régie.

Member of the Management Board of Canal+ Overseas.

Representative of Canal+ France as Managing Partner of Kiosque.

Representative of Groupe Canal+ as Co-Managing Partner of Canal+ Éditions.

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

Other positions held at December 31, 2011 with companies not controlled [(2)] by Groupe Canal+

In France:

Director of Edenred, Aquarelle and Cinémathèque.

Former positions held in the past five years

In France:

Chairman and Chief Executive Officer of Canal+.

Chairman of the Board of Directors of Canal+ Distribution, StudioCanal and Canal+ International Development.

Chairman of Kiosque Sport and Canal+ Active.

Chairman of the Management Board of Canal+ Régie.

Director of Canal+ Distribution (formerly CanalSatellite) and SFR.

Representative of Canal+ and Legal Manager of NPA Production.

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

- **Virginie Morgon – Director**

Member of the Executive Board of Eurazeo.

Other positions held at December 31, 2011 with companies controlled [(2)] by Eurazeo

In France:

Chairman of the Supervisory Board of Eurazeo PME and OFI Private Equity Capital.

Chief Executive Officer of LH APCOA.

Outside France:

Germany:

Chairman of the Supervisory Board of APCOA Parking AG.

Chairman of the Advisory Board of APCOA Parking Holdings GmbH.

Managing Director of APCOA Group GmbH.

Italy:

Chairman of the Board of Directors of Broletto 1 Srl.

Legal Manager of Euraleo Srl.

Vice-Chairman of the Board of Directors of Moncler Srl.

Other positions held at December 31, 2011 with companies not controlled [(2)] by Eurazeo

In France:

Director of Edenred.

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

Outside France:

Italy:

Legal Manager of Intercos SpA.

Former positions held in the past five years

In France:

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

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

Managing Partner of Lazard Frères et Cie.

Permanent representative of Eurazeo on the Board of Directors of LT Participations.

Outside France:

Germany:

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

- **Gilles Pélisson – Chairman of the Board of Directors until January 15, 2011**

Other positions held at December 31, 2011 with companies not controlled [(2)] by Accor

In France:

Director of BIC SA, TF1 and Groupe Lucien Barrière SAS.

Outside France:

United States:

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

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

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

Former positions held in the past five years

In France:

Chief Executive Officer and a director of Accor, and subsequently Chairman and Chief Executive Officer.

Chairman of Adagio SAS.

Chairman of the Accor Foundation.

Chairman of the Supervisory Board of ESSEC.

Vice-Chairman of the Supervisory Board of Groupe Lucien Barrière SAS.

Permanent representative of Accor on the Supervisory Board of Lenôtre.

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

Outside France:

Italy:

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

- **Franck Riboud – Independent director** [(1)]

Chairman and Chief Executive Officer and Chairman of the Executive Committee of Danone.

Other positions held at December 31, 2011 with companies controlled [(2)] **by Danone**

In France:

Chairman of the Steering Committee of the Danone Ecosystem Fund.

Chairman of the Board of Directors of danone.communities mutual fund (SICAV).

Outside France:

Spain:

Director of Bagley Latinoamerica SA and Danone SA.

Luxembourg:

Member of the Steering Committee of the Livelihoods Fund.

Other positions held at December 31, 2011 with companies not controlled [(2)] **by Danone**

In France:

Director of Renault SA.

Director of Lacoste SA and Renault SAS.

Member of the Supervisory Board of the ELA Foundation.

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

Outside France:

Switzerland:

Director of Rolex SA and Rolex Holding SA.

Member of the Board of Directors of the EPFL PLUS Foundation.

Former positions held in the past five years

In France:

Director of L'Oréal.

Groupe Danone representative on the Conseil National du Développement Durable (not-for-profit organization).

Outside France:

India:

Director of Wadia BSN India Ltd.

Morocco:

Director of Omnium Nord Africain (ONA).

Switzerland:

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

- **Patrick Sayer – Director**

Chairman of the Executive Board of Eurazeo

Other positions held at December 31, 2011 with companies controlled [(2)] **by Eurazeo**

In France:

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

Chairman of the Board of Directors of Europcar Group.

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

Chairman of the Supervisory Board of ANF Immobilier.

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

Director of Holdelis.

Outside France:

Germany:

Member of the Advisory Board of APCOA Parking Holdings GmbH.

Italy:

Director of Moncler Srl.

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

Other positions held at December 31, 2011 with companies not controlled [(2)] by Eurazeo

In France:

Vice-Chairman of the Supervisory Board of Rexel SA.

Director of Edenred.

Outside France:

Italy:

Director of Gruppo Banca Leonardo.

United Kingdom:

Director of Colyzeo Investment Advisors.

Former positions held in the past five years

In France:

Vice-Chairman of the Supervisory Board of ANF Immobilier.

Chief Executive Officer of Legendre Holding 11.

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

Chairman of the Board of Directors of Legendre Holding 18.

Chairman of the Supervisory Board of Fraikin Groupe.

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

Director then member of the Supervisory Board of SASP Paris-Saint Germain Football.

Member of the Supervisory Board of Presses Universitaires de France.

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

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

Managing Partner of Partena.

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

Outside France:

Germany:

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

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

Italy:

Legal Manager of Euraleo Srl.

Luxembourg:

Chairman of the Board of Directors of BlueBirds Participations SA.

Director of RedBirds Participations SA.

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

2.1.2. GOVERNANCE STRUCTURES

Corporate Governance Code

Accor complies with the AFEP/MEDEF Corporate Governance Code for listed companies (hereafter "AFEP/MEDEF Code"), with one exception. The Board of Directors considers that, contrary to the performance shares granted to corporate officers and employees, whose vesting is systematically tied to several performance conditions, there is no need to apply one or several performance conditions to all of the stock options granted to corporate officers, in as much as Accor's stock market performance in itself constitutes a condition for determining whether the options will be exercised. Nevertheless, to partially fulfill the AFEP/MEDEF Code's recommendation, the Board has decided to apply a performance condition to 25% of the stock options granted to corporate officers and members of the Executive Committee, as described on page 94.

In addition, the Board of Directors' rules of procedure are described in its Bylaws, as presented in appendix A, page 78. Lastly, each director has pledged to abide by the principles of conduct defined in the Board of Directors' Code of Conduct, as presented in appendix B, page 83.

Chairman and Chief Executive Officer and President and Chief Operating Officer

To make the Group's administrative and management processes more responsive, the Board of Directors has opted to combine the functions of Chairman of the Board and Chief Executive Officer.

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

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

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

Senior independent director

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

Assisted by the Corporate Secretary services for any related administrative tasks, the senior independent director performs the following tasks:

- he or she is the preferred contact for shareholders not represented on the Board. A specific email address has been created to enable any shareholder to contact him or her directly with comments or queries;
- he or she acts as the leader of the other independent directors. He or she takes the initiative of organizing meetings with only the independent directors, on a regular basis and at least several times a year, with all logistics and costs managed and paid by the Company. He or she sets the agenda for these meetings and acts as Chairman, ensuring that each independent director is allowed to raise any issue not included on the agenda. Following the meetings, the senior independent director takes the initiative of meeting with the Chairman and Chief Executive Officer to discuss all or part of the comments and requests expressed by the independent directors. If necessary, he or she may also decide to comment on the work of the independent directors during the full meetings of the Board;
- he or she oversees the formal assessments of the Board's procedures and validates the corresponding report;
- he or she has the possibility of requesting that the Chairman and Chief Executive Officer add items to Board meeting agendas. In any case, he or she approves the annual plan of the strategic issues that will be placed on the Board meeting agendas, as submitted by the Chairman and Chief Executive Officer;
- he or she is in charge of resolving any conflicts of interest that may arise among members of the Board of Directors.

Board of Directors

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

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

The Board of Directors assesses the independence of its members by applying the criteria of the AFEP/MEDEF Code, which state that a member of the Board of Directors of a corporation cannot be qualified as independent if he or she:

- is — or has been at any time in the last five years — an employee or an executive director of the corporation, or an employee or director of its parent or a company that it consolidates;
- is an executive director in a company in which the corporation directly or indirectly holds a directorship, or in which an employee appointed as such or an executive director of the corporation (current or in the past five years) holds a directorship;
- is a customer, supplier, investment banker or commercial banker:
  - that is material for the corporation or its group, or
  - for which the corporation or its group represents a material proportion of the entity's activity;
- has close family ties to an executive director;
- has been an auditor of the corporation in the last five years;
- has been a director of the corporation for more than twelve years.

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

On February 20, 2012, the Compensation, Appointments and Corporate Governance Committee reviewed the independent director status of the members of the Board of Directors. Based on its conclusions, on February 21, 2012, the Board affirmed its qualification of Mercedes Erra, Sophie Gasperment, Jean-Paul Bailly, Philippe Citerne, Bertrand Meheut and Franck Riboud as independent directors.

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

Board Committees

The Board of Directors relies on the preparatory work undertaken by the following three Board Committees and the recommendations they issue:

- **the Audit and Risks Committee**, comprising three members, including two independent members:

  Philippe Citerne (independent director and Committee Chairman), Virginie Morgon and Jean-Paul Bailly;
- **the Commitments Committee**, comprising five members, including three independent members:

  Sébastien Bazin (Committee Chairman), Sophie Gasperment, Mercedes Erra, Philippe Citerne and Patrick Sayer;
- **the Compensation, Appointments and Corporate Governance Committee**, comprising five members, including three independent members:

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

The organizational and procedural framework applicable to the Board of Directors and the Board Committees is described in the Company's Bylaws and in the Directors Bylaws, which are presented below.

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

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

Lastly, with a view to preventing any potential conflict of interests, members of the Board are required to complete a statement every year disclosing any and all direct or indirect ties they have with the Company. To date, none of these statements have disclosed any actual or potential conflicts of interest between a director and the Company. Whenever the Company or Group considers entering into a direct or indirect business relationship with a director or a Founding Co-Chairman, the procedure for related-party agreements described in article L.225-38 et seq. of the French Commercial Code is scrupulously applied.

Assessing the Board of Directors' operating procedures

In addition to regularly discussing its procedures during scheduled meetings, the Board of Directors also periodically performs a formal assessment of its operations. The latest such formal assessment was carried out in April and May 2011 by the Corporate Secretary under the supervision of the senior independent director, with interviews with each director based on a questionnaire approved by the Compensation, Appointments and Corporate Governance Committee. The findings of these interviews, as summarized in an assessment report prepared by the Corporate Secretary and approved by the senior independent director, were presented to a meeting of the independent directors, who confirmed and sometimes expanded on them, and then discussed in detail by the entire Board on May 30, 2011.

In substance, this assessment of the Board's procedures concluded that the membership structure was deemed to be satisfactory and noted that as 20% of the members were women, it complies with the French Law of January 27, 2011. It also concluded that the decision-making process was considered to be good and that the comparison of the Board's procedures with those of other companies in the CAC 40 stock index was generally positive. On the other hand, the assessment revealed that the directors wanted to have better visibility over the Company's organization and would like to see more Board time devoted to issues concerning management and human resources, as well as a review of the Group's geographic markets. Consequently, it was decided that the Chairman and Chief Executive Officer shall prepare an annual plan, approved by the senior independent director, of the major strategic issues to be placed on the agenda of the various Board meetings.

The procedures for organizing and preparing the work of the Board during 2011 are described in the report of the Chairman of the Board of Directors prepared pursuant to Article L.225-37 of the French Commercial Code, on page 110 below.

Appendix A: Board of Directors Bylaws (as modified on February 21, 2012)

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

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

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

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

1. Composition

At least half of the directors on the Board of Directors must be independent within the meaning of the criteria set forth in the AFEP/MEDEF Corporate Governance Code for listed companies.

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

2. Meetings

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

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

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

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

3. Provision of information to the Board of Directors

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

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

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

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

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

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

4. Powers of the Board of Directors

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

In addition, the Board of Directors shall:

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

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

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

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

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

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

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

5. Vice-Chairman of the Board of Directors

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

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

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

6. Board Committees

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

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

There are three standing Board Committees:

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

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

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

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

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

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

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

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

6.1 The Audit and Risks Committee

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

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

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

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

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

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

6.2. The Commitments Committee

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

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

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

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

6.3. The Compensation, Appointments and Corporate Governance Committee

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

To this end, it carries out the following tasks:

Appointments

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

Compensation

- it studies and prepares recommendations regarding both the salary and bonus portions of the executive directors' short-term compensation, the granting of medium and long-term incentives such as performance-based shares and stock options, all the provisions regarding their retirement plans and all other in-kind benefits;
- it defines and implements the rules for setting the bonus portion of the executive directors' compensation while ensuring that said rules are consistent with the annual appraisal of executive directors' performance and with the Group's medium-term strategy;
- it gives the Board an opinion regarding the general policy for granting stock options and the plans proposed by the Chairman and Chief Executive Officer;
- it is kept informed of and gives an opinion on the compensation policy for members of the Group Executive Committee and reviews the consistency of such policy;
- it issues a recommendation to the Board on the overall amount of directors' fees, which is submitted to shareholders for approval. It proposes to the Board the distribution of said directors' fees and the individual amounts of the payments to be made as fees to the directors based on their attendance at Board and Committee meetings pursuant to Article 7 of these Bylaws;
- it reviews the policy and the projects proposed by the Chairman and Chief Executive Officer regarding employee share issues;
- it reviews the insurance coverage taken out by the Company regarding the civil liability of executive directors;
- it approves the information provided to shareholders in the Annual Report regarding i) executive director compensation; ii) the principles and procedures used to set such compensation; and iii) the grant of stock options to executive directors and the exercise of such options.

Corporate Governance

- it is tasked, in liaison with the Chairman and Chief Executive Officer, with issuing recommendations on implementing best corporate governance practices and preparing the assessment of the Board's work;
- it periodically reviews whether the directors meet the independence criteria defined by the Board and makes recommendations if it appears necessary to review the independent status of directors;
- it continuously monitors changes in the Company's ownership structure and determines how the Company's awareness of such changes could be improved, particularly through legal procedures;
- it reviews all cases where there is a conflict of interest concerning one or more shareholders and (i) the interests of the Company or (ii) the interests of the shareholders as a whole;
- it reviews the measures implemented within the Group concerning business ethics as well as any cases of conflict of interest concerning directors or members of the Executive Committee;
- it reviews and issues recommendations on best corporate governance practices, particularly concerning the membership structure of the Board of Directors;
- it prepares all matters for discussion between the Company and its shareholders relating to (i) changes in their equity interests; (ii) their representation in the Company's corporate governance structures; and (iii) any contractual commitments between them and the Company.

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

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

7. Secretary to the Board of Directors

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

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

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

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

8. Directors' fees

The annual amount of directors' fees approved by shareholders shall be allocated by the Board based on a recommendation by the Compensation, Appointments and Corporate Governance Committee.

Board members shall be entitled to a fixed portion of fees for their duties as directors and, as the case may be, their role as a member or Chairman of one or more Board Committees, as well as a variable portion of fees determined according to their actual attendance at Board or Committee meetings.

Distribution is based on the following principles:

- the annual amount of directors' fees shall be divided into an amount set aside for the Board and an amount set aside for the Board Committees, as determined by the Board of Directors. The amount for the Board Committees shall subsequently be divided equally among the three Committees;
- half of the amount set aside for the Board and for each Committee shall be used to pay the fixed portion of directors' fees, based on a lump sum determined by the Board and in line with the number of directors or Committee members concerned;
- the other half of the amount set aside for the Board and each Committee shall be used to pay the variable portion of directors' fees based on a per-meeting amount set by the Board depending on the total number of meetings held during the year. Board and Committee members shall not receive any of this variable portion for meetings that they do not attend;
- the Vice Chairman of the Board of Directors shall receive the fixed portion of directors' fees payable to all directors as well as a fixed portion of a flat amount determined by the Board of Directors;
- Committee Chairmen shall receive a fixed portion of directors' fees equal to double the fixed portion payable to Committee members;
- Directors who also hold the position of Chairman of the Board of Directors, Chairman and Chief Executive Officer, Chief Executive Officer or Chief Operating Officer shall not receive any directors' fees;
- Directors' fees shall be paid no later than three months following the end of the previous fiscal year.

Appendix B: Board of Directors Code of Conduct

The Board of Directors collectively represents all the shareholders and acts in the Company's interest. Each director, regardless of the reasons for his appointment and his qualification by the Board of Directors as regards the independence criteria set forth in the AFEP/MEDEF Corporate Governance Code for listed companies, represents all the shareholders and as such adheres to the principles of conduct defined in this Code of Conduct.

The non-voting directors appointed by the Board of Directors and the Founding Co-Chairmen referred to in Article 21 of the Company's Bylaws shall be governed by all of the provisions of this Code of Conduct that are applicable to them.

Duty of due care

Directors shall carry out their duties as they see fit in the best interest of the Company. They shall strive at all times to improve their knowledge of the Group and its business lines and agree to be bound by a duty of vigilance and warning. They shall devote the necessary time and attention to their directorship in particular by attending the meetings of the Committees to which they belong, the meetings of the Board of Directors and the Shareholders' Meetings.

In addition to complying with the applicable statutes and regulations on the holding of several directorships, it is the responsibility of each director to ascertain whether his/her duties as a director of the Company are compatible with the directorships or positions that he/she holds in other companies in particular as regards the workload. Each director shall disclose periodically to the Company the directorships that he/she holds in any other company in order to enable the Company to comply with its statutory disclosure obligations in this regard.

Information

Directors have the duty to request the information that they deem necessary to carry out their duties from the Company's management via the Chairman and Chief Executive Officer or, where applicable, the Board Secretary. They shall have the right to meet with the Company's principal executives, whether or not in the presence of the Chairman and Chief Executive Officer, after having requested such a meeting from the Chairman and Chief Executive Officer.

When a new director takes up office, the Board Secretary shall provide him/her with an information package containing the Company's Bylaws, the Directors Bylaws, the Directors Code of Conduct as well as the principal statutes and regulations regarding directors' liability.

Directors may consult the Board Secretary at any time regarding the scope of said statutes and regulations and the rights and obligations incumbent on him/her.

Transparency and preventing conflicts of interests

Directors strive to remain independent in all circumstance as regards their analysis, judgment, decisions and actions.

Directors agree not to seek out or accept any benefit likely to call into question their independence.

Any director that is directly or indirectly in a position of a conflict of interests – even potentially – with respect to the interest of the company because of the positions that he/she holds, and/or any interests that he/she has elsewhere, shall inform the Chairman and Chief Executive Officer or any individual designated by the Chairman and Chief Executive Officer. He/she shall abstain from the debates and decision-making on the matters concerned and may have to leave a Board meeting during the debate, and, where applicable, the vote.

When he/she takes up office, and subsequently every year no later than January 31, each director shall fill in a statement according to the template attached to this Code of Conduct in which he/she discloses any relationships of any kind with Group companies, their managers, suppliers, customers, partners or competitors. He/she shall send this statement to the Chairman and Chief Executive Officer and a copy thereof to the Board Secretary.

Directors shall refrain from participating, directly or indirectly, in any transaction of any amount with a Group company involving the sale by said company of more or several hotel assets.

The Board of Directors shall deliberate on the rates granted to directors when staying in a non-official capacity in Group hotels.

Trading in Company securities by the directors

Directors have access to insider information. Such information, if made public, could impact the price of the Company's shares or any other securities issued by the Company.

Pursuant to the applicable statutes and regulations, they shall be required:

- to refrain from using insider information to trade such securities either directly or via an intermediary;
- not to knowingly allow a third party to carry out such trading;
- not to disclose such information to third parties even through carelessness.

In addition, without prejudice to the statutes and regulations on insider trading, periods known as "negative windows" shall be determined each year. During such periods, directors shall refrain from trading the Company's shares or any other securities issued by the Company (including exercising stock options), either directly or via an intermediary, even via the trading of derivatives. Such periods shall be comprised of (i) 30 calendar days prior to the date of publication of the annual and interim consolidated financial statements, as well as the day of these publications and the following day, and (ii) 15 calendar days prior to the date of publication of quarterly revenue figures, as well as the day of these publications and the following day.

The exact dates of the "negative windows" shall be disclosed each year to the directors by the Board Secretary. If specific "negative windows" are set up in connection with financial or strategic transactions, the directors shall be informed immediately thereof by the Board Secretary.

Directors may not hedge the risks of losses on the Company shares or stock options they own.

Each director shall be responsible for reporting to the French securities regulator (Autorité des Marchés Financiers) and to the Company (to the attention of the Board Secretary) any trading involving the Company's shares or any other securities issued by the Company and carried out by him/her or individuals that are closely related to him/her, pursuant to applicable statutes and regulations.

Directors may consult the Board Secretary at any time regarding the scope of the "negative windows" system and on the conditions of its application to any specific case.

Duty of discretion and confidentiality

Pursuant to Article 15 of the Company's Bylaws, directors shall be bound by a duty of discretion and confidentiality in the interest of the Company. To that end, they undertake that they shall be responsible for maintaining the professional secrecy of all the confidential information to which they have access, the resolutions and the operation of the Board of Directors and of any Committees to which they may belong, as well as the content of the opinions issued or votes cast during Board or Committee meetings.

When requested by the Chairman and Chief Executive Officer, each director agrees to return or destroy immediately any document in his/her possession containing confidential information.

In addition, directors shall be required to consult with the Chairman and Chief Executive Officer prior to any personal disclosure that they may make in the media on matters involving or likely to affect the Group, the Company and/or its governing bodies. This provision shall not apply to directors who concurrently hold the position of Chief Executive Officer or Deputy Executive and who may have to make disclosures in that capacity in the name of the Company.

Shares owned privately

Pursuant to the Company's Bylaws, directors must own 500 shares in the Company. Such shares and any shares acquired in excess of that number must be registered shares.

The permanent representatives of legal entities that are directors shall be subject to the same obligation.

The number of Company shares owned by each director (and each permanent representative of any legal entity that is a director) shall be publicly disclosed by the Company.

2.2. INTERESTS AND COMPENSATION

2.2.1. DIRECTORS' AND OFFICERS' COMPENSATION

Compensation policy for Executive Officers

Compensation payable to the Chairman and Chief Executive Officer and President and Chief Operating Officer

Accor's compensation policy for its executive officers complies with the AFEP/MEDEF Code.

The compensation paid to executive officers is determined by the Board of Directors based on recommendations put forward by the Compensation, Appointments and Corporate Governance Committee, and is benchmarked to compensation practices among large French companies.

Compensation paid to Gilles Pélisson

- The gross basic compensation paid to Gilles Pélisson in his capacity as Chairman of the Board of Directors from January 1 through January 15, 2011 totaled €39,683.
- In line with the principles established by the Board of Directors, Gilles Pélisson was not paid any directors' fees by Accor SA during 2011.

Compensation paid to Denis Hennequin

- Denis Hennequin's gross basic compensation for 2011 was set by the Board at €750,000.
- The principles applicable for determining Mr. Hennequin's incentive bonus for 2011 were established by the Board of Directors at its meetings on November 2, 2010, December 15, 2010 and February 22, 2011, based on recommendations put forward by the Compensation, Appointments and Corporate Governance Committee.

  It was decided that the amount of this incentive bonus would be based on the achievement of both qualitative and quantitative objectives. The qualitative objectives included (i) successfully taking up the duties of Chairman and Chief Executive Officer and (ii) preparing a Group business strategy that meets with the Board's approval. The quantitative objectives concerned business volume growth, EBIT performance compared with the budget, and carrying out the hotel property disposal plan. All of these objectives were set based on constant scope of consolidation and exchange rates. It was further decided that the total amount of Mr. Hennequin's incentive bonus could range from 0% to 150% of a gross reference amount of €1,250,000.

  Based on the above, on February 21, 2012, the Board of Directors approved the recommendation put forward by the Compensation, Appointments and Corporate Governance Committee and set the gross amount of Denis Hennequin's incentive bonus for 2011 at €1,512,500, representing 121% of the reference amount, given the extent to which the original objectives had been exceeded.

  When Mr. Hennequin was appointed in December 2010, the Board set his gross basic compensation at €750,000 for 2011, as stated above, but decided that it would be increased annually on a straight-line basis over a three-year period in order to reach the same level as his predecessor's basic compensation, i.e. €1 million. In line with this decision, on February 21, 2012, the Board placed on record that Denis Hennequin's gross basic compensation for 2012 will amount to €833,300.

  At the same meeting, the Board established the principles for determining Mr. Hennequin's incentive bonus for 2012. It was decided that the amount would once again be determined based on the achievement of both qualitative and quantitative objectives. The qualitative objectives include (i) expanding the hotel portfolio by opening 40,000 rooms and carrying out the hotel property disposal plan, (ii) reducing Accor's stock market undervaluation compared with its peers, and (iii) successfully carrying out his executive management duties. The quantitative objectives concern EBIT and EBIT margin performance compared with the budget. As in 2011, the total of his incentive bonus for 2012 could range from 0% to 150% of a gross reference amount of €1,250,000.
- In line with the principles established by the Board of Directors and inscribed in its Bylaws, Denis Hennequin is not entitled to receive directors' fees as he holds the position of Chairman and Chief Executive Officer.

Compensation paid to Yann Caillère

- Yann Caillère's gross basic compensation for 2011 was set by the Board at €600,000.
- The principles applicable for determining Mr. Caillère's incentive bonus for 2011 were established by the Board at its February 22, 2011 meeting, based on recommendations put forward by the Compensation, Appointments and Corporate Governance Committee. At this meeting the Board decided that the amount of Mr. Caillère's incentive bonus for 2011 would be based on the achievement of both qualitative and quantitative objectives. The qualitative objectives included reorganizing the Group's operations and supporting the new geographic regions under his responsibility. The quantitative objectives concerned business volume growth, a 50% flow-through ratio for the hotel operations, consolidated EBIT performance compared with the budget, and expanding the hotel portfolio by opening 30,000 rooms. It was further decided that the total amount of Mr. Caillère's incentive bonus could range from 0% to 150% of his annual basic compensation.

  Based on the above, on February 21, 2012, the Board of Directors approved the recommendation put forward by the Compensation, Appointments and Corporate Governance Committee and set the gross amount of Yann Caillère's incentive bonus for 2011 at €786,180, representing 131% of his annual basic compensation, given the extent to which the original objectives had been exceeded.

  At the same meeting, the Board set Mr. Caillère's gross basic compensation for 2012 at €600,000 (unchanged from 2011) and established the principles for determining his 2012 incentive bonus. It was decided that the amount of this incentive bonus would once again be determined based on the achievement of both qualitative and quantitative objectives. The qualitative objectives include (i) expanding the hotel portfolio by opening 40,000 rooms and carrying out the hotel property disposal plan, (ii) effectively managing and reorganizing the hotel brands, and (iii) reducing Accor's stock market undervaluation compared with its peers. The quantitative objectives concern EBIT and EBIT margin performance compared with the budget, a flow-through ratio of at least 50% for the hotel operations and a reactivity ratio of at least 40%. As in 2011, the total of his incentive bonus could range from 0% to 150% of a gross reference amount of €600,000.

Pension and termination benefits

Supplementary pension benefits

Like several dozen other senior executives, in 2011 the Chairman and Chief Executive Officer and the President and Chief Operating Officer participated in a top-hat pension plan comprising a defined contribution plan (Article 83 plan) and a defined benefit plan (Article 39 plan).

- Except in specific cases provided for by law, if a plan participant leaves the Group before the date of retirement, he or she retains only the rights accrued under the defined contribution plan (based on annual employer contributions of up to 5% of five times the annual cap on the basis for calculating social security contributions – «PASS») (1) and forfeits the rights accrued under the defined benefit plan.
- Pension benefits payable to executive officers under the defined benefit plan – provided that they remain with the Group until they retire – correspond to a percentage of their reference compensation (2) capped at 60 times the «PASS». The percentage is determined on a reverse graduated basis and averages 2% or less than 2% of compensation, depending on the year.

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

(1) For the defined contribution plan, annual contributions paid by Accor on behalf of executive officers (Denis Hennequin and Yann Caillère) amounted to €16,304 in 2011.

(2) The reference compensation is defined as the gross basic annual salary plus the incentive bonus and any exceptional bonus paid during the reference year.

Termination benefits

Compensation paid to Gilles Pélisson for loss of office as Chairman and Chief Executive Officer

At its meeting on December 16, 2008, in accordance with the recommendations of the AFEP/MEDEF Code, the Board of Directors decided that the Chairman and Chief Executive Officer's compensation for loss of office would be equal to 24 months' basic compensation and bonus, determined based on the amounts paid to him for the fiscal year preceding that of the loss of office, except in the event of gross or willful misconduct. Following the completion of the Demerger, at its meeting on October 13, 2010 the Board set the following new performance criteria to be applied when determining Mr. Pélisson's compensation for loss of office:

- consolidated return on capital employed for the previous three years must have exceeded the Group's cost of capital as published in the Registration Documents for those years;
- hotels operations must have reported positive operating free cash flow in at least two of the previous three years;
- like-for-like EBITDAR margin must have exceeded 25% in at least two of the previous three years.

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

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

Acting on an authorization granted by the Board of Directors, the Compensation, Appointments and Corporate Governance Committee placed on record that the three performance criteria had been met and even exceeded. Consequently, the Committee also placed on record the effective implementation of the decision taken by the Board on December 15, 2010, which was to pay to Gilles Pélisson compensation for loss of office as Chairman and Chief Executive Officer in an amount equal to 24 months of his total 2010 basic compensation and bonus provided the above-described performance criteria were met. The Compensation, Appointments and Corporate Governance Committee therefore approved the payment to Gilles Pélisson of a total gross amount of €5,000,000 as compensation for his loss of office as Chairman and Chief Executive Officer.

As authorized by the Board of Directors, the Company terminated the employment contract held by Gilles Pélisson that had been suspended since he was appointed Chief Executive Officer in 2006. After receiving the prior authorization of the Board, the Company then entered into a settlement agreement with Mr. Pélisson following Mr. Pélisson's claim that he had been unfairly dismissed. The gross compensation paid by the Company under this settlement agreement amounted to €1,000,000 plus an additional gross sum of €110,000 corresponding to Mr. Pélisson's contractual notice payment and accrued vacation pay. The total paid to Gilles Pélisson pursuant to this settlement agreement was then deducted from the above-described compensation for loss of office so that the total gross amount paid by the Company to Mr. Pélisson on his departure was €5,000,000.

Compensation payable to Denis Hennequin in the event of loss of office as Chairman and Chief Executive Officer

At its meetings on November 2 and December 15, 2010 the Board of Directors decided that the compensation payable to Denis Hennequin for loss of office would be equal to 24 months' basic compensation and bonus, determined based on the amounts paid to him for the fiscal year preceding that of the loss of office. This compensation would be payable if Mr. Hennequin's term of office as Chairman and Chief Executive Officer is either terminated or not renewed (except in the event of gross or willful misconduct) and would be subject to the following performance criteria being met:

- consolidated return on capital employed for the previous three years must have exceeded the Group's cost of capital as published in the Registration Documents for those years;
- hotels operations must have reported positive operating free cash flow in at least two of the previous three years;

- like-for-like EBITDAR margin must have exceeded 25% in at least two of the previous three years.

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

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

Termination benefit payable to Yann Caillère

At its meeting on October 13, 2010, the Board of Directors decided that the termination benefit that would be payable to Yann Caillère – equal to 24 months' basic compensation and bonus determined based on the amounts paid to him for the fiscal year preceding that in which his employment contract is terminated (except in the event of gross or willful misconduct) – would be subject to the following performance criteria:

- consolidated return on capital employed for the previous three years must have exceeded the Group's cost of capital as published in the Registration Documents for those years;
- hotels operations must have reported positive operating free cash flow in at least two of the previous three years;
- like-for-like EBITDAR margin must have exceeded 25% in at least two of the previous three years.

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

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

Yann Caillère would not be entitled to any termination benefit for loss of office.

The methods of determining the compensation for loss of office payable to Denis Hennequin and the termination benefit payable to Yann Caillère as described above were approved by shareholders at the Annual Meeting on May 30, 2011.

Unemployment insurance

A private insurance plan has been set up with Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise (GSC) to provide the Chairman and Chief Executive Officer with unemployment benefits should the need arise. This insurance coverage took effect after an unbroken 12 months of participation in the plan, i.e. as from December 1, 2011. Unemployment benefits would be payable for a period of 24 months as from the 31st unbroken day of unemployment. The benefits would be based on the Chairman and Chief Executive Officer's net taxable professional-source income for the previous year, capped at €232,780 per year for 2012.

Analysis of directors' and officers' compensation

Analysis of compensation paid to executive officers

The following tables provide a summary of the total gross compensation and benefits paid by Accor SA to the Chairman and Chief Executive Officer, the Chief Executive Officer and the Deputy Chief Executive Officers/President and Chief Operating Officer in 2010 and 2011 as well as the stock options and performance shares granted to these executive officers in those years.

Table 1: Compensation, stock options and performance shares granted to each executive officer in 2010 and 2011

Gilles Pélisson **Chairman and Chief Executive Officer until December 1, 2010, then non-executive Chairman of the Board of Directors until January 15, 2011**	**2010**	**2011**
Compensation for the year (see Table 2 for details)	2,546,101	41,658
Value of stock options granted during the year [(1)]	1,258,750	N/A
Value of performance shares granted during the year [(2)]	N/A	N/A
TOTAL	**3,804,851**	**41,658**

Denis Hennequin **Appointed Chief Executive Officer on December 1, 2010 then Chairman and Chief Executive Officer from January 15, 2011**	**2010**	**2011**
Compensation for the year (see Table 2 for details)	99,687	2,277,780
Value of stock options granted during the year (see Table 6 for details) [(1)]	N/A	927,250
Value of performance shares granted during the year (see Table 10 for details) [(2)]	N/A	873,361
TOTAL	**99,687**	**4,078,391**

Jacques Stern **Deputy Chief Executive Officer until June 29, 2010.**	**2010**	**2011**
Compensation for the year (see Table 2 for details)	614,100	N/A
Value of stock options granted during the year [(1)]	[(3)]	N/A
Value of performance shares granted during the year [(2)]	N/A	N/A
TOTAL	**614,100**	**N/A**

Yann Caillère **Appointed Deputy Chief Executive Officer on August 25, 2010 and then President and Chief Operating Officer in January 2011**	**2010**	**2011**
Compensation for the year (see Table 2 for details)	1,309,915	1,409,297
Value of stock options granted during the year (see Table 6 for details) [(1)]	604,200	301,356
Value of performance shares granted during the year (see Table 10 for details) [(2)]	N/A	248,788
TOTAL	**1,914,115**	**1,959,441**

(1) Stock options may be exercised only if the grantee is still a member of the Group on the exercise date and, in some cases, if the applicable performance conditions are met. In accordance with AFEP/MEDEF guidelines set out in the Corporate Governance Code for listed companies, stock options are measured at their theoretical value at the grant date, rather than at the value of the compensation received. This value was determined using the Black & Scholes option pricing model for the stock options granted under the April 2, 2010 and April 4, 2011 plans and the Monte-Carlo option pricing model for the performance stock options granted under the April 2, 2010 and April 4, 2011 plans.

(2) In accordance with the AFEP/MEDEF Code, performance shares are measured at their theoretical value – corresponding to Accor's opening share price on the grant date less the present value of unpaid dividends – rather than at the value of the compensation received. Performance shares are forfeited if the grantee leaves the Group before the shares vest or if the performance conditions are not met.

Further details on performance share plans and the applicable vesting dates are provided in Table 12, page 101.

(3) The options granted under the April 2, 2010 plan to Jacques Stern – Accor's Deputy Chief Executive Officer until June 29, 2010 when he left the Group – have been forfeited, as Mr. Stern no longer meets the applicable requirement of being a member of the Group.

Table 2: Compensation and benefits paid to each executive officer in 2010 and 2011

	Due for the year		Paid during the year	
	2010	2011	2010	2011
Gilles Pélisson **Chairman and Chief Executive Officer until December 1, 2010, then non-executive Chairman of the Board of Directors until January 15, 2011**				
Basic compensation (1)	1,000,000	39,683	1,000,000	39,683
Incentive bonus (2)	1,500,000	0	700,000	1,500,000
Exceptional bonus (3)	-	-	200,000	-
Directors' fees (4)	21,733	N/A	24,934	21,733
Benefits-in-kind (5)	24,368	1,975	24,368	1,975
Termination benefits	N/A	N/A	N/A	5,000,000 (6)
TOTAL	**2,546,101**	**41,658**	**1,949,302**	**6,563,391**
Denis Hennequin **Chief Executive Officer from December 1, 2010 then Chairman and Chief Executive Officer from January 15, 2011**				
Basic compensation (1)	62,500	750,000	62,500	750,000
Incentive bonus (2)	N/A	1,512,500	N/A	N/A
Directors' fees (4)	35,953	0	22,846	35,953
Benefits-in-kind (5)	1,234	15,280	1,234	15,280
TOTAL	**99,687**	**2,277,780**	**86,580**	**801,233**
Jacques Stern **Deputy Chief Executive Officer until June 29, 2010**				
Basic compensation (1)	300,000	N/A	300,000	N/A
Incentive bonus(2)	N/A	N/A	400,047	N/A
Exceptional bonus (3)	300,000	N/A	500,000	N/A
Directors' fees (4)	8,902	N/A	19,218	N/A
Benefits-in-kind (5)	3,588	N/A	3,588	N/A
Discretionary profit-sharing (7)	1,107	N/A	-	N/A
Statutory profit-sharing (8)	503	N/A	741	N/A
TOTAL	**614,100**	**N/A**	**1,223,594**	**N/A**
Yann Caillère **Appointed Deputy Chief Executive Officer on August 25, 2010 then President and Chief Operating Officer in January 2011**				
Basic compensation (1)	575,000	600,000	575,000	600,000
Incentive bonus (2)	700,000	786,180	300,005	700,000
Directors' fees (4)	24,492	15,941	25,369	24,412
Benefits-in-kind (5)	7,176	7,176	7,176	7,176
Discretionary profit-sharing (7)	2,232	N/D	-	2,232
Statutory profit-sharing (8)	1,015	N/D	741	1,015
TOTAL	**1,309,915**	**1,409,297**	**908,291**	**1,334,835**

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

(1) The basic compensation of the Chairman and Chief Executive Officer and the President and Chief Operating Officer is paid in the year in which it is earned.

(2) Incentive bonuses are set and paid at the beginning of the following year. The criteria applied to determine the 2011 bonuses of the Chairman and Chief Executive Officer and the President and Chief Operating Officer are presented on pages 85 and 86.

(3) On February 23, 2010, the Board of Directors awarded Gilles Pélisson and Jacques Stern an exceptional bonus of €200,000 each, in recognition of their work in assessing the potential benefits of demerging the Group's two businesses. In addition, the Board granted Jacques Stern an exceptional bonus of €300,000 on June 29, 2010 due to the successful completion of the Demerger.

(4) In 2010 Gilles Pélisson was paid fees for 2009 amounting to (i) €22,634 in his capacity as a member of the Supervisory Board of Groupe Lucien Barrière and (ii) €2,300 in his capacity as permanent representative of Accor on the Supervisory Board of Lenôtre.

In 2011 Gilles Pélisson was paid fees for 2010 amounting to (i) €19,433 in his capacity as a member of the Supervisory Board and subsequently a director of Groupe Lucien Barrière and (ii) €2,300 in his capacity as permanent representative of Accor on the Supervisory Board of Lenôtre.

In 2011 Denis Hennequin was paid €35,953 in directors' fees for 2010 in his capacity as a director of Accor. He has not been allocated any directors' fees since his appointment as Chief Executive Officer on December 1, 2010.

In 2010 Jacques Stern was paid fees for 2009 amounting to €19,218 in his capacity as a member of the Supervisory Board of Groupe Lucien Barrière.

In 2011 Jacques Stern was paid fees for 2010 amounting to €8,902 in his capacity as a member of the Supervisory Board and subsequently a director of Groupe Lucien Barrière.

In 2011 Yann Caillère was paid fees for 2010 amounting to €10,998 in his capacity as a member of the Supervisory Board and subsequently a director of Groupe Lucien Barrière.

In 2010 Yann Caillère was paid fees for 2010 amounting to €13,494 in his capacity as a member of the Supervisory Board of Orbis.

In 2011 Yann Caillère was paid fees for 2011 amounting to €5,969 in his capacity as a member of the Supervisory Board of Orbis.

In 2011 Yann Caillère was paid fees for 2011 amounting to €7,445 in his capacity as a director of El Gezirah Hotels & Tourism Company.

Yann Caillère will be paid directors' fees amounting to €2,527 in 2012 relating to the directorship he held in Groupe Lucien Barrière for the period in 2011 until Accor sold its interest in the company.

(5) Company cars for Gilles Pélisson, Denis Hennequin, Jacques Stern and Yann Caillère, and Company-financed unemployment insurance for Gilles Pélisson and Denis Hennequin (see page 88).

(6) Including 1,110,000 euros paid to Gilles Pélisson in December 2010 under the settlement agreement related to his employment contract, as explained in page 87.

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

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

Table 3: Commitments given to executive officers

Executive officer	Employment contract	Supplementary pension benefits (1)	Compensation or benefits payable in the case of appointment to a new position, termination/removal from office or transfer (2)	Non-compete indemnity
Gilles Pélisson Chairman and Chief Executive Officer (3)	Yes (suspended since January 2006)	Yes	Yes	No
Denis Hennequin Chief Executive Officer from December 1, 2010 then Chairman and Chief Executive Officer from January 15, 2011 (4)	No	Yes	Yes	No
Yann Caillère President and Chief Operating Officer (6)	Yes	Yes	Yes	No

(1) See page 86 for details of the supplementary pension plans of which the Chairman and Chief Executive Officer and the President and Chief Operating Officer are members.

(2) See page 87 for details concerning this type of compensation and benefits payable to the Chairman and Chief Executive Officer and the President and Chief Operating Officer.

(3) Gilles Pélisson was Chairman of the Board of Directors until January 15, 2011.

(4) Denis Hennequin was appointed Chief Executive Officer on December 1, 2010 and then Chairman and Chief Executive Officer on January 15, 2011.

The Company entered into an employment contract with Gilles Pélisson in October 2005, which was suspended when he was appointed as Chief Executive Officer and a member of the Board in January 2006. Mr. Pélisson was subsequently named Chairman and Chief Executive Officer and at its meeting on February 24, 2009, the Board of Directors decided that if Mr. Pélisson were re-elected to the Board and his appointment as Chairman and Chief Executive Officer renewed, his employment contract should remain in force in order to avoid the risk of him having to forfeit, for legal reasons, his rights under the «Article 39» defined benefit pension plan described on page 86. The contract was, however, amended to remove all clauses giving Mr. Pélisson rights above and beyond those granted by law and the relevant collective bargaining agreement. The amended contract stated, in particular, that if the employment contract were terminated within six months of Mr. Pélisson being removed from office, his statutory severance pay would be deducted from any compensation for loss of office. The amended contract was signed on March 9, 2009 by Jérôme Seydoux on behalf of the Board of Directors and was ratified by the shareholders at the Annual Meeting of May 13, 2009.

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

As explained on page 87, the above-described principles were applied when Gilles Pélisson left Accor as the amounts paid to him under a settlement agreement concerning the termination of his employment contract were deducted from the compensation paid for his loss of office as Chairman and Chief Executive Officer. Mr. Pélisson's potential entitlement under Accor's defined benefit pension plan was cancelled when he ceased his duties, as he left the Company before the age of fifty-five.

Compensation paid to other senior executives

The total gross compensation and benefits paid in 2011 by the Company and the various other Group entities to the members of the Executive Committee as at December 31, 2011 (except for the Chairman and Chief Executive Officer and the President and Chief Operating Officer, whose compensation is described above) amounted to €2.196 million, including aggregate gross incentive bonuses of €0.529 million.

Provisions set aside at December 31, 2011 for pensions and other post-employment benefits payable to senior executives are presented in note 33 to the consolidated financial statements, page 227.

Directors' fees

On February 21, 2012, the Board amended the provisions of its Bylaws concerning the individual allocation of directors' fees, notably by increasing the portion based on attendance at Board and Committee meetings. Consequently:

- the annual amount of directors' fees is divided into an amount set aside for the Board and an amount set aside for the Board Committees. The amount for the Board Committees is subsequently divided equally among the three Committees;
- half of the amount set aside for the Board and each Committee is used to pay the fixed portion of directors' fees and the other half is used to pay a variable portion based on a per-meeting amount set by the Board depending on the total number of meetings held during the year;
- the fixed portion received by the Committee Chairmen is double that of the other Committee members;
- the Vice-Chairman of the Board of Directors receives the fixed portion of directors' fees payable to all directors as well as a fixed portion of a flat amount determined by the Board;
- Directors who also hold the position of Chairman and Chief Executive Officer or Chief Operating Officer do not receive any directors' fees.

Based on the overall amount of €575,000 in directors' fees approved by shareholders at the Annual Meeting on May 30, 2011 the Board allocated €512,800 to its members in accordance with its amended Bylaws. The following table shows a breakdown of directors' fees paid to the Board's members in 2010 and 2011.

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

	Due for the year				Paid during the year			
	2010		2011		2010		2011	
Board of Directors (in euros)	Fixed portion	Variable portion	Fixed portion	Variable portion	Fixed portion	Variable portion	Fixed portion	Variable portion
Jean-Paul Bailly	30,000	22,723	30,000	27,500	12,559	12,951	30,000	22,723
Thomas J. Barrack	22,500	7,902	21,000	6,000	12,143	8,611	22,500	7,902
Sébastien Bazin	30,000	35,257	27,000	25,200	20,000	25,208	30,000	35,257
Isabelle Bouillot	N/A	N/A	N/A	N/A	2,361	2,153	N/A	N/A
Aldo Cardoso	N/A	N/A	N/A	N/A	8,254	2,153	N/A	N/A
Philippe Citerne	82,500	35,257	69,000	37,100	50,714	25,208	82,500	35,257
Mercedes Erra	N/A	N/A	20,000	18,400	N/A	N/A	N/A	N/A
Gabriele Galateri Di Genola	8,542	9,552	N/A	N/A	15,714	12,222	8,542	9,552
Sophie Gasperment	8,333	13,171	20,000	22,000	N/A	N/A	8,333	13,171
Denis Hennequin [(1)]	25,417	10,536	N/A	N/A	12,083	10,763	25,417	10,536
Sir Roderic Lyne	N/A	N/A	N/A	N/A	1,111	2,153	N/A	N/A
Bertrand Meheut	30,000	30,307	27,000	20,500	10,952	17,291	30,000	30,307
Virginie Morgon	22,500	35,257	24,000	27,900	10,416	18,749	22,500	35,257
Baudouin Prot	N/A	N/A	N/A	N/A	1,111	2,153	N/A	N/A
Alain Quinet	7,083	8,569	N/A	N/A	18,750	17,291	7,083	8,569
Franck Riboud	22,500	20,088	21,000	13,000	12,857	15,104	22,500	20,088
Augustin de Romanet	N/A	N/A	N/A	N/A	3,254	2,153	N/A	N/A
Patrick Sayer	30,000	27,006	27,000	29,200	17,917	20,138	30,000	27,006
Jérôme Seydoux	N/A	N/A	N/A	N/A	9,047	6,458	N/A	N/A

(1) Directors' fees paid to Denis Hennequin in his capacity as a non-Executive Director until December 1, 2010.

Directors' fees for 2011 were paid in March 2012 and represent the only form of compensation paid by the Group to its Board members in their capacity as directors.

2.2.2. DIRECTORS' AND EMPLOYEES' INTERESTS

Stock option plans

Accor regularly sets up stock option plans for executives, as well as for senior and middle managers. The terms and conditions of the plans are determined by the Board of Directors, which then gives the Chairman and Chief Executive Officer the necessary powers to carry out the grants. In accordance with the AFEP/MEDEF Code, such grants are always made at the same time of year, after the publication of the financial statements for the previous year.

Stock options are not systematically granted to a given category of employees, but are designed to reward personal performance, measured in terms of outcomes or the grantee's individual commitment.

The number of options granted to Denis Hennequin in his capacity as Chairman and Chief Executive Officer [1] and to Yann Caillère as President and Chief Operating Officer was decided by the Board of Directors based on the recommendation of the Compensation, Appointments and Corporate Governance Committee.

- Under the April 4, 2011 stock option plan, options were granted to 783 beneficiaries, ranging from executive officers to middle managers, in some fifty countries worldwide. The exercise price of €31.72 corresponded to the average opening Accor share price over the twenty trading days preceding the grant date, without any discount.
- The April 4, 2011 performance stock option plan was set up for the two executive officers and the other members of the Executive Committee. The performance condition is based on Accor's total shareholder return (TSR) compared with the TSR of eight other international hotel groups (Marriott, Starwood, Choice, Hyatt, Whitbread, Intercontinental Hotels, NH Hoteles and Sol Melia). This performance condition is described in further detail in note 25 to the consolidated financial statements, below. The exercise price of €31.72 corresponded to the average opening Accor share price over the twenty trading days preceding the grant date, without any discount.

As these two plans were authorized in the thirteenth resolution of the May 13, 2008 Shareholders' Meeting, they are not subject to the provisions of Article L.225-186-1 of the French Commercial Code [2].

The 2011 stock options have an eight-year life and are exercisable as from the fifth year.

(1) Denis Hennequin was appointed Chief Executive Officer on December 1, 2010 and then Chairman and Chief Executive Officer on January 15, 2011.

(2) This article, which corresponds to Article 22 of the Act of December 3, 2008 on job-related revenue, states that when a listed company decides to grant stock options or performance shares to executive officers («mandataires sociaux» as defined in Articles L.225-185 para. 4 and L.225-97-1 II, para 1), it must also grant stock options or performance shares to its employees and at least 90% of the employees of its direct subsidiaries headquartered in France, or set up a discretionary or statutory profit sharing plan for these employees. For companies that already have a discretionary or statutory profit-sharing plan, when the first stock option or performance share plan is authorized after the Act's effective date, each of these entities (the listed company and its direct subsidiaries headquartered in France) must adjust the calculation base of the plan (or one or other of the plans) or pay an additional discretionary or statutory share of profits.

Table 5: Stock options granted to employees and/or executive officers

		Total number of options										
	Grant date	Total number of options Granted [1]	Of which to executive officers	Of which to the top ten employee grantees [2]	Total number of grantees	Exercisable from	Expiry dat	Exercise price (in euros)	Options exercised in 2011	Total options exercised through December 31, 2011	Number of options cancelled [3]	Options outstanding at December 31, 2011
Stock option plans												
Plan 8	01/03/2003	176,549	30,000	118,759	67	01/04/2006	01/03/2011	21.11	-	171,875	4,674	-
Plan 9	01/07/2004	1,990,485 [4]	364,060	201,388	1,517	01/08/2007	01/07/2012	23.66	140,149	1,070,655	90,457	829,373
Plan 11	01/12/2005	1,750,528 [4]	310,720	194,532	903	01/13/2009	01/12/2012	21.50	198,860	846,613	92,631	811,284
Plan 12	01/09/2006	1,840,601	377,000	444,860	191	01/10/2010	01/09/2013	30.60	4,524	9,501	46,680	1,784,420
Plan 13	03/24/2006	963,293	-	91,930	818	03/25/2010	03/24/2013	32.56	-	3,110	112,714	847,469
Plan 14	03/22/2007 [5]	2,183,901	94,250	192,270	958	03/23/2011	03/22/2014	45.52	-	-	191,421	1,992,480
Plan 15	05/14/2007 [6]	129,694	42,662	87,032	11	05/15/2011	05/14/2014	47.56	-	-	44,615 [7]	85,079
Plan 17	03/28/2008 [8]	2,080,442	94,250	303,108	1,022	03/29/2012	03/28/2015	30.81	-	-	160,814	1,919,628
Plan 18	09/30/2008 [9]	110,052	-	110,052	6	10/01/2012	09/30/2015	28.32	-	-	7,508	102,544
Plan 19	03/31/2009 [10]	1,429,456	131,950	190,008	1,138	04/01/2013	03/31/2017	18.20	3,016	3,016 [11]	109,032	1,317,408
Plan 20	04/02/2010 [12]	2,618,770	190,125	317,434	1,020	04/03/2014	04/02/2018	26.66	-	-	321,445 [13]	2,297,325
Plan 21	04/02/2010 [6] [12]	153,478	63,375	90,103	10	04/03/2014	04/02/2018	26.66	-	-	16,250 [14]	137,228
Plan 22	11/22/2010 [15]	92,448	-	92,448	5	11/23/2014	11/22/2018	30.49	-	-	-	92,448
Plan 23	04/04/2011 [16]	621,754	99,375	107,439	783	04/05/2015	04/04/2019	31.72	-	-	2,150	619,604
Plan 24	04/04/2011 [6] [16]	53,125	33,125	20,000	8	04/05/2015	04/04/2019	31.72	-	-	-	53,125
TOTAL OPTIONS		**16,194,576**								**2,104,770**	**1,200,391**	**12,889,415**
Stock savings warrants [17]												
Plan 10	07/09/2004	131,619			3,390	07/09/2007	07/09/2012	22.51	2,925	21,970	3,821	105,828
Plan 16	09/13/2007	2,139			40	09/13/2010	09/13/2015	40.08	-	-	-	2,139
TOTAL STOCK SAVINGS WARRANTS		**133,758**							**2,925**	**21,970**	**2,774**	**107,967**
TOTAL		**16,328,334**								**2,126,740**	**1,203,165**	**12,997,382 [18]**

(1) After post-Demerger adjustments to all of the plans apart from Plans 22, 23 and 24.

(2) Excluding executive officers.

(3) Granted by the Chief Executive Officer pursuant to the Board authorization of March 6, 2007.

(4) The number of options granted under Plans 9 and 11 is higher than the figures disclosed in the 2010 Registration Document (143 more options for Plan 9 and 508 more for Plan 11). The difference was due to the rectification of an error that occurred during the post-demerger adjustments whereby the stock options of two grantees were incorrectly cancelled.

(5) Granted by the Chief Executive Officer pursuant to the Board authorization of March 6, 2007.

(6) Performance stock options.

(7) Options cancelled because performance conditions were only partly met in 2007, 2008, 2009 and 2010.

(8) Granted by the Chief Executive Officer pursuant to the Board authorization of February 26, 2008.

(9) Granted by the Chief Executive Officer pursuant to the Board authorization of August 27, 2008.

(10) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 24, 2009.

(11) Options exercised following the death of a grantee.

(12) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 23, 2010.

(13) The executives and other employees of Edenred may no longer exercise any options under Plan 20 as the plan contains a provision that options are forfeited if the grantee leaves the Group before the exercise date.

(14) Options cancelled due to grantees leaving the Group (the executives and other employees of Edenred may no longer exercise any options under Plan 21 as the plan contains a provision that options are forfeited if the grantee leaves the Group before the exercise date)..

(15) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of October 13, 2010.

(16) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 22, 2011.

(17) Granted in connection with Accor employee share issues.

(18) Representing 5.72% of the Company's share capital at December 31, 2011.

Denis Hennequin, Chairman and Chief Executive Officer, and Yann Caillère, President and Chief Operating Officer, were the two executive officers granted stock options under the 2011 plans.

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

The stock option plans were authorized by shareholders as follows:

- 1998 to 2001 plans: Shareholders' Meeting of January 7, 1997;
- 2002 and 2003 plans: Shareholders' Meeting of May 29, 2001;
- 2004 and 2005 plans: Shareholders' Meeting of May 20, 2003;
- 2006 and 2007 plans and March 28, 2008 plan: Shareholders' Meeting of January 9, 2006;
- September 30, 2008 plans and 2009, 2010 and 2011 plans: Shareholders' Meeting of May 13, 2008.

Under the terms of the authorization given in the thirteenth resolution of the May 13, 2008 Shareholders' Meeting, the options granted may not be exercisable for shares representing more than 2.5% of the Company's share capital as placed on record at that Meeting. This amount does not, however, include the additional options granted at the time of the July 2, 2010 demerger to protect the rights of existing grantees, in accordance with the applicable law and the provisions of the thirteenth resolution of the May 13, 2008 Shareholders' Meeting.

Table 6: Stock options granted to executive officers in 2011

	Grantee	Grant date	Type of options	Theoretical value based on the method used in the consolidated financial statements (in euros)	Number of options	Exercise price (in euros)	Exercise period
Options granted during the year to the Chairman and Chief Executive Officer	Denis Hennequin	04/04/2011	Options to purchase new shares	705,000 (1)	75,000	31.72	04/05/2015 to 04/04/2019
	Denis Hennequin	04/04/2011	Options to purchase new shares subject to performance conditions	222,250 (2)	25,000	31.72	04/05/2015 to 04/04/2019
Options granted during the year to the President and Chief Operating Officer	Yann Caillère	04/04/2011	Options to purchase new shares	229,125 (1)	24,375	31.72	04/05/2015 to 04/04/2019
	Yann Caillère	04/04/2011	Options to purchase new shares subject to performance conditions	72,231 (2)	8,125	31.72	04/05/2015 to 04/04/2019

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

(2) Performance stock options are measured at their theoretical value at the grant date using the Monte-Carlo option pricing model (model used for valuing options with vesting conditions that are not market conditions), in accordance with the AFEP/MEDEF Code, rather than at the value of the compensation received. These options are also forfeited if the grantee leaves the Group before the exercise date.

Acting on the recommendation of the Compensation, Appointments and Corporate Governance Committee, the Board of Directors decided not to apply the recommendations in the AFEP/MEDEF Code, and to apply a performance condition to only 25% of the total options granted to executive officers under the 2011 plans (see page 94 of this Registration Document). This decision was taken because the Board considers that Accor's stock market performance in itself constitutes a condition for determining whether the options will be exercised.

The 132,500 options granted to the above-mentioned executive officers in 2011 and which were still valid at the year-end represented 0.058% of the Company's share capital at December 31, 2011.

No options were exercised by Accor's executive officers in 2011.

Lock-up conditions

In accordance with the AFEP/MEDEF Code, when executive officers or other Executive Committee members purchase shares on exercise of stock options granted since March 22, 2007, a certain proportion of these shares, as set by the Board of Directors, may not be sold until the grantee either leaves the Accor Group or ceases to hold the position of executive officer or Executive Committee member. The lock-up conditions vary depending on the plan concerned, as shown in the table below.

Table 7: Lock-up conditions for shares purchased on exercise of stock options by executive officers and other members of the Executive Committee

Plan	Grant date	Lock-up conditions applicable to executive officers	Lock-up conditions applicable to other Executive Committee members
Plan 14 Plan 15 Plan 17 Plan 18	03/22/2007 05/14/2007 03/28/2008 09/30/2008	Shares corresponding to the equivalent of 40% of the net capital gain on the exercised options may not be sold until the grantee leaves the Accor Group.	Shares corresponding to the equivalent of 25% of the net capital gain on the exercised options may not be sold until the grantee leaves the Accor Group.
Plan 19 Plan 20 Plan 21 Plan 22	03/31/2009 04/02/2010 04/02/2010 11/22/2010	Shares corresponding to the equivalent of 40% of the net capital gain on the exercised options may not be sold until the grantee ceases to hold an executive officer's position.	Shares corresponding to the equivalent of 25% of the net capital gain on the exercised options may not be sold until the grantee ceases to be a member of the Executive Committee.
Plan 23 Plan 24	04/04/2011 04/04/2011	Shares corresponding to the equivalent of 40% of the net capital gain on the exercised options may not be sold until the grantee ceases to hold an executive officer's position. However, if the value of the shares exceeds two years of the grantee's basic compensation, the minimum number of shares locked up following the exercise of stock options is reduced to the equivalent of 10% of the net capital gain on the exercised options.	Shares corresponding to the equivalent of 40% of the net capital gain on the exercised options may not be sold until the grantee ceases to be a member of the Executive Committee. However, if the value of the shares exceeds two years of the grantee's basic compensation, none of the shares purchased on exercise of the stock options will be locked up.

Table 8: Stock options granted to and exercised in 2011 by the top ten employee grantees other than executive officers

	Number of options	Average exercise price *(in euros)*
Options granted in 2011 to the ten employees other than executive officers who received the largest number of options	127,064 (1)	31.72
Options exercised in 2011 by the ten employees other than executive officers who exercised the largest number of options	17,647 (2)	22.01

(1) Including 107,064 stock options and 20,000 performance stock options granted under the April 4, 2011 plans.

(2) Including 8,748 options granted under the January 7, 2004 plan, 5,883 under the January 12, 2005 plan, and 3,016 under the March 31, 2009 plan (options exercised following the death of a grantee).

Performance share plans

Two performance share plans were set up in 2011. The terms and conditions of these plans are determined by the Board of Directors, which then gives the Chairman and Chief Executive Officer the necessary powers to carry out the share grants. In accordance with the AFEP/MEDEF Code, performance share grants are always made at the same time of year, after the publication of the financial statements for the previous year.

Performance shares are not systematically granted to a given category of employees, but are designed to reward personal performance, measured in terms of outcomes or the grantee's individual commitment.

The number of performance shares granted to Denis Hennequin in his capacity as Chairman and Chief Executive Officer and to Yann Caillère as President and Chief Operating Officer was decided by the Board of Directors based on the recommendation of the Compensation, Appointments and Corporate Governance Committee.

Under the first plan set up on April 4, 2011, performance shares were granted to 783 beneficiaries, ranging from executive officers to middle managers, in some fifty countries worldwide. The applicable performance conditions are described in note 25 to the consolidated financial statements, below. The performance shares granted under this plan have a two-year vesting period followed by a two-year lock-up period or a four-year vesting period without any lock-up, depending on the country.

The second plan set up on April 4, 2011 was intended specifically for Denis Hennequin in his capacity as Chairman and Chief Executive Officer. The applicable performance conditions are described in note 25 to the consolidated financial statements, below. The performance shares granted under this plan have a three-year vesting period followed by a two-year lock-up period.

(1) See note on page 94.

As these two plans were authorized in the fifteenth resolution of the May 13, 2008 Shareholders' Meeting, they are not subject to the provisions of Article L.225-197-6 of the French Commercial Code [(1)].

Table 9: Performance shares granted to executive officers and/or employees

Grant date	Total number of unvested shares: Total number of shares granted	Of which to executive officers	Of which to the top ten employee grantees [(1)]	Number of shares cancelled [(2)]	Total number of grantees	Vesting date	End of lock-up period	Number of vested shares subject to lock-up	Number of vested shares no longer subject to lock-up	Performance conditions
Performance share plans										
05/14/2007	56,171	7,813	15,938	6,367	102	05/14/2009	05/14/2011	-	49,804	ROCE and recurring operating profit after tax [(3)]
03/28/2008 [(4)]	107,034	15,625	33,625	80,868 [(5)]	92	03/28/2010	03/28/2012	26,166	-	ROCE and recurring operating profit after tax [(3)]
03/31/2009 [(6)]	300,383 [(7)]	27,432	39,501	170,437 [(8)]	1,138	03/31/2011 or 03/31/2013 [(9)]	03/31/2013	107,587 [(10)]	436 [(11)]	Accor Hospitality ROCE, Accor Services revenue and consolidated recurring operating profit after tax [(3)]
04/04/2011 [(12)]	228,657	16,625	31,766	1,275	783	04/04/2013 or 04/04/2015 [(9)]	04/04/2015	-	-	Revenue growth based on constant scope of consolidation, budgeted performance for EBIT and operating cash flow (excluding disposals)
04/04/2011 [(12)]	20,450	20,450	-	-	1	04/04/2014	04/04/2016	-	-	Successfully taking up the duties of Chairman and Chief Executive Officer
TOTAL SHARES	**712,695**			**258,947**						

(1) Excluding executive officers.
(2) Shares canceled due to grantees leaving the Group or performance conditions not being met.
(3) Recurring operating profit after tax = profit before tax and non-recurring items, less tax on recurring items and minority interests.
(4) Granted by the Chief Executive Officer pursuant to the Board authorization of February 26, 2008.
(5) Of which 78,368 shares cancelled because the performance conditions were only partly met.
(6) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 24, 2009.
(7) After post-demerger adjustments.
(8) Of which 151,254 shares cancelled because the performance conditions were only partly met in 2009 and 2010.
(9) In some countries, the vesting period is four years.
(10) Shares acquired by grantees following a two-year vesting period but which are subject to a two-year lock-up period.
(11) Shares acquired following the death of two grantees.
(12) Granted by the Chairman and Chief Executive Officer pursuant to the Board authorization of February 22, 2011.

Table 10: Performance shares granted to executive officers in 2011

	Grantee	Grant date	Number of shares granted	Theoretical value based on the method used in the consolidated financial statements (in euros)	Vesting date	End of lock-up period	Performance conditions [1]
Performance shares granted during the year to the Chairman and Chief Executive Officer	Denis Hennequin	04/04/2011	8,500	260,270 [2]	04/04/2013	04/04/2015	Revenue growth based on constant scope of consolidation, budgeted performance for EBIT and operating cash flow (excluding disposals)
	Denis Hennequin	04/04/2011	20,450	613,091 [2]	04/04/2014	04/04/2016	Successfully taking up the duties of Chairman and Chief Executive Officer
Performance shares granted during the year to the President and Chief Operating Officer	Yann Caillère	04/04/2011	8,125	248,788 [2]	04/04/2013	04/04/2015	Revenue growth based on constant scope of consolidation, budgeted performance for EBIT and operating cash flow (excluding disposals)

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

(2) In accordance with AFEP/MEDEF Code, performance shares are measured at their theoretical value – corresponding to Accor's opening share price on the grant date less the present value of unpaid dividends – rather than at the value of the compensation received. These shares are forfeited if the grantee leaves the Group before the vesting date.

The 37,075 performance shares granted to the above-mentioned executive officers in 2011 and which were still valid at the year-end would represent 0.016% of the Company's share capital at December 31, 2011 if they fully vested.

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

The executive officer grantees under the first performance share plan set up on April 4, 2011 were Denis Hennequin, Chairman and Chief Executive Officer and Yann Caillère, President and Chief Operating Officer.

Denis Hennequin, Chairman and Chief Executive Officer, was the sole executive officer grantee under the second performance share plan set up on April 4, 2011.

Accor's performance share plans were approved by shareholders as follows:

- 2007 and 2008 plans: Shareholders' Meeting of January 9, 2006;
- 2009 and 2011 plans: Shareholders' Meeting of May 13, 2008.

Under the terms of the authorization given in the fifteenth resolution of the May 13, 2008 Shareholders' Meeting, the number of performance shares granted may not represent more than 0.5% of the Company's share capital as placed on record at that meeting. This amount does not, however, include the additional shares granted at the time of the demerger to protect the rights of existing grantees, in accordance with the applicable law and the provisions of the fifteenth resolution of the May 13, 2008 Shareholders' Meeting.

Lock-up conditions

In accordance with the AFEP/MEDEF Code, when executive officers or other Executive Committee members acquire shares under performance share plans set up since March 22, 2007, a certain proportion of these shares, as set by the Board of Directors, may not be sold until the grantee either leaves the Accor Group or ceases to hold the position of executive officer or Executive Committee member, as applicable. The lock-up conditions vary depending on the plan concerned, as shown in the table below.

Table 11: Lock-up conditions for vested performance shares owned by executive officers and other members of the Executive Committee

Grant date	Lock-up conditions applicable to executive officers	Lock-up conditions applicable to other members of the Executive Committee
05/14/2007	25% of the shares that vest upon fulfillment of the performance conditions may not be sold until the grantee leaves the Accor Group.	10% of the shares that vest upon fulfillment of the performance conditions may not be sold until the grantee leaves the Accor Group.
03/28/2008	25% of the shares that vest upon fulfillment of the performance conditions may not be sold until the grantee leaves the Accor Group.	25% of the shares that vest upon fulfillment of the performance conditions may not be sold until the grantee leaves the Accor Group.
03/31/2009	The following percentages of shares may not be sold until the grantee ceases to hold an executive officer's position: 20% of the shares that vest upon fulfillment of the performance conditions. In addition, the grantee must purchase Accor shares corresponding to 3% of the number of vested shares. OR 25% of the shares that vest upon fulfillment of the performance conditions.	25% of the shares that vest upon fulfillment of the performance conditions may not be sold until the grantee ceases to be a member of the Executive Committee.
04/04/2011	The following percentages of shares may not be sold until the grantee ceases to hold an executive officer's position: 20% of the shares that vest upon fulfillment of the performance conditions. In addition, the grantee must purchase Accor shares corresponding to 3% of the number of vested shares. OR 25% of the shares that vest upon fulfillment of the performance conditions. However, if the value of the shares exceeds two years of the grantee's basic compensation, the only lock-up condition is that the executive officer must purchase Accor shares corresponding to 3% of the number of vested shares.	The following percentages of shares may not be sold until the grantee ceases to be a member of the Executive Committee: 20% of the shares that vest upon fulfillment of the performance conditions. In addition, the grantee must purchase Accor shares corresponding to 3% of the number of vested shares. OR 25% of the shares that vest upon fulfillment of the performance conditions. However, if the value of the shares exceeds two years of the grantee's basic compensation, none of the vested shares will be subject to lock-up conditions.

Table 12: Changes in 2011 in the status of performance shares granted to executive officers

	Grantee	Grant date	Number of shares granted	Vesting date	End of lock-up period	Number of shares vested during the year subject to lock-up	Number of vested shares no longer subject to lock-up
Performance shares granted to the Chairman and Chief Executive Officer that vested during the year but are subject to lock-up, and shares for which the lock-up period ended in 2011	Denis Hennequin	04/04/2011	8,500	04/04/2013	04/04/2015	None	None
		04/04/2011	20,450	04/04/2014	04/04/2016	None	None
Performance shares granted to the President and Chief Operating Officer that vested during the year but are subject to lock-up, and shares for which the lock-up period ended in 2011	Yann Caillère	05/14/2007	2,500	05/14/2009	05/14/2011	None	2,344
		03/28/2008	6,250	03/28/2010	03/28/2012	None	None
		03/31/2009	8,621	03/31/2011	03/31/2013	4,017	None
		04/04/2011	8,125	04/04/2013	04/04/2015	None	None

Table 13: Performance shares granted in 2011 to the top ten employee grantees other than executive officers

	Number of shares
Performance shares granted in 2011 to the ten employee grantees other than executive officers who received the largest number of shares	31,766

Share equivalents

Stock options granted to employees and executive officers

At December 31, 2011, a total of 12,997,382 stock options were outstanding.

Exercise of all of these options would lead to the issuance of 12,997,382 shares representing 5.72% of the Company's capital at December 31, 2011.

At the time of the July 19, 2007 employee share issue, due to local tax reasons employees of Accor subsidiaries in Germany, Cameroon and Chad were granted stock savings warrants in place of the 18.9% discount offered to other Group employees. A total of 30,372 stock savings warrants were issued and allocated to Compartment 2 of the «Accor en Actions Levier International 2007» corporate mutual fund. The warrants are exercisable at any time until July 19, 2012 at a price of €45.50 per share and entitle all of their holders to an aggregate 45,801 Accor shares.

Discretionary and non-discretionary employee profit-sharing agreements

Non-discretionary profit-sharing

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

This agreement enables employees with more than three months' seniority to receive profit-shares based on the results of all of the subsidiaries covered by the program.

Sums are paid into a special profit-sharing reserve, calculated by applying a standard legal formula to the profits of each company that falls within the scope of application of the profit-sharing agreement, as follows:

Special profit-sharing reserve = 1/2 x (net profit - 5% of equity) x (salaries/value added)

Based on this formula, a gross amount of €7.5 million was allocated to the profit-sharing reserve for 2010 (paid in 2011).

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

- €6.3 million for 2009 (paid in 2010);
- €18.6 million for 2008 (paid in 2009).

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

In compliance with the French Act of December 3, 2008 on working income, since 2009 the lock-up period on amounts allocated to employee profit-shares has been optional rather than compulsory. Consequently, in 2011, just over 53% of beneficiaries requested the immediate payment of all or part of their profit-share. Where such a request is not made, in accordance with the law, the amounts in the profit-sharing reserve are invested in corporate mutual funds, with half allocated to the Group Retirement Savings Plan (PERCO) and the other half to the Corporate Savings Plan (PEEG). In order to qualify for tax and social security exemptions, the amounts allocated to the Group Retirement Savings Plan are locked up until the employee retires and amounts allocated to the Corporate Savings Plan are locked up for a period of five years.

In 2011, just over 34% of employees allocated all or part of their profit-share to the Accor Group Retirement Plan.

Discretionary profit-sharing

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

These profit-shares are determined based on whether the subsidiary or unit concerned meets or exceeds its profit targets. In the case of Accor SA, the amount is dependent partly on meeting objectives for reducing support costs and partly on achieving EBIT targets.

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

Discretionary profit-sharing agreements are negotiated with Works Councils or union representatives.

Transactions involving Accor SA shares

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

Person concerned	Transaction	Number of shares
Yann Caillère	Share purchase	7,496
Paul Dubrule	Share purchase	110,220
Gérard Pélisson	Share purchase	98,343

2.3. RISK MANAGEMENT

2.3.1. SECURITY AND RISK MANAGEMENT STRATEGY

Accor is exposed to various risks and uncertainties as a result of its international presence and may have to manage crisis situations such as health scares, environmental disasters or geopolitical disruption.

Our policies are guided by an assertive security and risk management strategy focused on protecting customers, employees and sub-contractors on every site.

The strategy deployed by the Safety, Security and Risk Management Departments, as overseen by the Corporate Secretary, is underpinned by a global network of correspondents, close working relationships with local authorities and the expertise of specialists.

It forms part of a continuously improved, pro-active process comprising four key components: **risk identification, tracking, analysis and audit, training and awareness building, and crisis management.**

Risk identification

The Risk Management Department has put in place a risk identification process covering every host country and the corporate head office.

An analysis is performed once a year in every country organization or subsidiary, with findings reported to the Risk Management Department, which confirms that the identified risks are covered. In addition, as part of their audit assignments within the Group's entities, the internal auditors check that the main risks identified in the risk map are being properly monitored.

The Group has a Risk Prevention Committee based at the head office and reporting to the Corporate Secretary. Its roles and responsibilities are described on page 114 in the Report of the Chairman of the Board of Directors on internal control and risk management procedures.

Tracking and analysis

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

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

In addition, a guide has been prepared for employees in French and English containing safety recommendations and advice for business travel.

Training and awareness building

Security, safety and crisis management training programs are regularly offered to senior management teams and other employees. As in previous years, several of these programs along with practical exercises were organized in 2011 for hotel managers and local head office employees, this time in the Netherlands, Hungary, Switzerland, Greece, Belgium and New Zealand.

Crisis management

Crisis management teams set up in every country organization and each unit provide effective liaison between local head offices and senior management.

Several crisis units were activated in 2011, in particular:

- in Thailand, following the severe flooding in Bangkok;
- in New Zealand, in the aftermath of the earthquake in Christchurch;
- in Egypt, as a result of the political unrest during the spring;
- in Japan, following the earthquake and the threat of a radioactive cloud;
- at corporate headquarters following (i) the kidnapping of the director and three customers of the Novotel in Abidjan, Ivory Coast and (ii) the Sofitel case in New York.

2.3.2. RISK FACTORS

Operational risks

Accor is not subject to any specific legislation that could have a major impact on its operations. In addition, it is not technically or commercially dependent on any suppliers, subcontractors, customers or other third parties.

However, the Group's operating presence in a large number of countries exposes it to geopolitical, terrorism, natural disaster, public health and other security risks, although the scale of any consequences arising from such risks is reduced by the fact that our business activities are by nature widely dispersed around the globe.

- **Risks relating to geopolitical factors, malicious damage and terrorist threats**: In order to effectively safeguard against the main threats identified against Accor establishments, a dedicated organization has been set up and technical documents prepared to define and implement a security strategy that is tailored to the severity of the estimated risks.
- **Public health risks**: Accor continuously monitors any public health risks that could adversely affect its business by causing a reduction in occupancy rates at its hotels. In response to the risk of pandemics, annual updated business continuity plans are in place to ensure the health and safety of customers and employees and the continuity of our hotel operations.
- **Risks relating to business continuity**: Other business continuity plans have been prepared at hotel, region, country or head office level for other types of potential risks, such as the risk of a major flood in the Paris area.
- **Risks of damage to our brand image**: Accor could be faced with a major media event capable of damaging its brand image. For example, a health and/or safety incident, a supplier's practices or accusations of abetting sexual tourism [1] could lead to a smear campaign against the Group. In response, tracking tools have been deployed to detect early warning signs and dedicated crisis management and communication procedures are ready to be activated should an event occur.
- **Risks relating to information systems**: Group information systems may be subject to attacks, such as viruses and denial-of-service attacks, as well as data theft and technical failures causing system shutdown. The Information Systems Security Department is tasked with securing all of our networks and systems and managing our business continuity applications. It also regularly performs intrusion tests on all of our applications assets. In addition, the Internal Audit Department has a team of auditors dedicated to information systems.
- **Competition risks**: Accor faces competition from other hotel groups in deploying its organic and external growth strategies. In particular, information on strategic, business and competition-related issues concerning organic growth and acquisitions is very senstive. In response, measures are in place to raise employee awareness about confidentiality and to enhance the security and access control of our intranet sites.
- **Employee-related risks**: Although management regularly holds constructive talks with employee representatives, both at head office and local level, certain strategies and/or financial decisions could give rise to local disputes or even large-scale strikes that could adversely affect the business.

Environmental risks

Potential environmental risks in the hotels business mainly concern the storage of gas and fuel oil in or near hotels, the malfunction of transformers containing PCBs (polychlorinated biphenyls), spillage of cleaning products and contamination from cooling towers.

Most of Accor's hotels are located in Europe and are subject to EU directives in the following main areas:

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

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

To mitigate the possibility of the above risks occurring, prevention policies have been deployed, based on:

- the proprietary SET software program, which measures compliance with Safety, Environmental and Technical regulations, as described in the environmental section, page 56, above;

(1) Employees in countries at risk are trained to detect and prevent cases of sexual tourism involving minors in hotels.

- three environmental certification programs – ISO 14001, EarthCheck and Green Key Eco-rating – as described in the environmental section, on page 45, above;
- specific procedures implemented by the country organizations.

As the overall risk of causing environmental damage remains low in the hotels business, no specific provisions have been set aside and no claims have ever been made under the environmental insurance policies described on page 109. However, in Europe environmental inspections are performed during on-site visits by specialists from our insurance companies.

Lastly, exogenous risks, which mainly arise when hotels are located near industrial sites or airports, are identified and taken into account during on-site visits by insurers.

Legal risks, litigation and arbitration proceedings

As Accor operates on a global scale, no specific regulations are applicable across all of its businesses. Accor SA and its subsidiaries are subject to local legislation and regulations,

in particular national regulations applicable to public access buildings.

Like all hotel operators, Accor is required to comply with the applicable disabled access regulations. This issue has long been addressed and most Accor hotels already have wheelchair-friendly rooms, but further expenditure may be required in the coming years to enhance hotel accessibility.

Information concerning claims, litigation and arbitration proceedings that could have – or in 2011 had – a material effect on the Group's financial position, business or results of operations is provided in note 39 to the consolidated financial statements. Management considers that apart from the cases described in said note, there are no governmental, legal or arbitration proceedings (including any threatened proceedings of which the Group is aware) that could have – or in 2011 had – a material effect on the Group's financial position, business or results of operations.

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

Provisions for claims and litigation are recorded on receipt of a summons, and are determined based on an assessment of the related risk carried out jointly with the Group's external advisers. Details of these provisions are presented in note 33 to the consolidated financial statements.

Lastly, to the best of the Group's knowledge, it has not given any material off-balance sheet commitments under shareholder agreements except as explained in note 40 to the consolidated financial statements.

Financial risks

In the frame of its current operations, the Group is exposed to different levels of financial risks, mainly liquidity, counterparty, exchange and interest rate risks. The policy followed by the Accor Group concerning the management of the financial risks meets the three objectives of security, liquidity and cost-effectiveness. The management of these risks is centralised at the level of the Corporate Treasury, Finance and Credit Management Department, with direct report to the Chief Finance Officer member of the Executive Committee.

Liquidity risk

The centralised cash management at Group level permits to offset cash needs and cash surpluses within the Group, before raising funds from the financial markets.

Financing policies are designed to ensure that Accor has immediate, timely access, at the lowest possible cost, to all the liquid resources it needs to meet short-term cash requirements, finance its strategy and fund expansion.

Short-term financing needs and liquidity resources are secured at all time by unused long term committed credit lines contracted with leading financial institutions (see note 29B to the consolidated financial statements, page 214). On December 31, 2011, unused long term committed lines are amounting to €1,680 million, of which €1,500 million expire in May 2016 and €180 million in July and August 2013.

In addition, Accor has €1,279 million in cash investments with an average maturity of 6.5 months, fully available at any time and subject to an insignificant risk of changes in value (see note 29E to the consolidated financial statements, page 216). These investments consist mainly of term deposits and short-term money market funds contracted with leading financial institutions.

On December 31, 2011, Accor had a total of €2,959 million in available liquidity resources.

The Group has also access to the financial markets and, depending on its needs, can secure diversified medium and long-term financial resources, which could include bank debt and issue of bond to finance its development.

There is no significant debt maturing in 2012 (see note 29B to the consolidated financial statements, page 214).

Accor is not subject to any restrictions on the use of its funds that could significantly impact its operations.

In light of the above, the Group is not exposed to any liquidity risk.

The maturities of the Group's financial assets and liabilities were as follows on December 31, 2011:

	Within one year	Between one and three years	Beyond three years	Total
Bonds		793	249	1,042
Bank and other borrowings	37	398	86	521
Finance lease liabilities	13	6	63	82
Derivatives	15			15
Bank overdrafts and other	53	4		57
FINANCIAL LIABILITIES	**118**	**1,201**	**398**	**1,717**
Marketable securities	(1,279)			1,279
Other current financial assets	(212)			212
CURRENT FINANCIAL ASSETS	**(1,491)**			**1,491**
NET DEBT	**(1,373)**	**1,201**	**398**	**226**

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 €1,564 million, a total of €1,042 million worth is subject to such clauses. In the case of bonds, the acceleration clause can be triggered only if the change of control leads to Accor's credit rating being downgraded to non-investment grade.

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

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

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

Rating agency	Long-term debt	Short-term debt	Most recent rating update	Outlook	Most recent update to the outlook
Standard & Poor's	BBB-	A-3	March, 9, 2012	Stable	March, 9, 2012
Fitch Ratings	BBB-	F3	May 25, 2011	Stable	May 25, 2011

Counterparty and country risk

Exposure to counterparty risk relating to trade receivables and payables is not material due to the large size and geographic diversity of the Group's customer and supplier portofolio.

Counterparty risk does, however, arise in relation to financial transactions.

This risk is limited by:

- carrying out transactions only with leading counterparties, depending of country risks;
- diversifying counterparties' portfolio;
- setting credit ceilings (amount and term) per counterparty; and
- using a monthly reporting procedure to track the different types of counterparties and their credit quality (based on credit ratings issued by rating agencies).

In view of the business base's broad geographic footprint, country risk is limited.

85% of cash investments are made in France with leading financial institutions.

Currency and interest rate risks

A variety of financial instruments, including swaps, caps and forwards, are used to manage and hedge interest rate and currency risks arising in the normal course of business. Financial instruments are used to support Group investment, financing and hedging policies, to help managing debt and to minimize the risks on business transactions. GTM software is used for monitoring the breakdown of debt between fixed and floating rate and by currency, as well as for generating appropriate reports, with integrated online access to Reuters and Bloomberg databases.

Management of currency risks

Long-term investment policy

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

Financing

An internationally recognized signature allows Accor to raise various forms of financing either through banks or directly through private placements and bond issues.

From time to time, the Group also takes advantage of market opportunities to raise financing in a given currency and at a given rate of interest and then using a swap to convert the facility into the currency and interest rate required to finance business needs (see note 29C to the consolidated financial statements, page 215).

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

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

Other currency hedges

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

The Group does not hedge currency translation risk.

On December 31, 2011, the volume of forward sales and purchases of foreign currencies represented €91 million and €229 million respectively. All of these futures expire in 2012.

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

Management of interest rate risks

A total of 83% of consolidated borrowings after currency hedges are denominated in euros, with 83% at fixed rates and 17% at floating rates. The average maturity of fixed-rate debt is 2.6 years. An analysis of the Group's exposure to interest rate risks before and after hedging is provided in note 29C to the consolidated financial statements on page 215. Target breakdowns between fixed and floating rate debt are determined separately for each currency, giving due regard to anticipated trends in interest rates and to changes in the composition of debt as a result of new borrowings and the repayment of existing borrowings.

In view of the average 6.5-month maturity, cash is invested at variable rates.

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

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

On December 31, 2011, the volume of interest rate hedges represented €356 million, of which €352 million for fixed-rate swaps where the Group is the euro borrower and which are maturing in 2013.

Accor does not conduct any trading transactions and has no plans to engage in this type of activity. Neither the parent company nor the Group has any open currency or interest rate positions that would be likely to expose the Group to significant risks.

Guarantees and collateral

Collateral for Accor SA borrowings is not material. It is not the Group's policy to give collateral to lenders, although under certain leases it may be required to grant a lien on the business (nantissements de fonds de commerce). Details of the pledged and mortgaged assets are provided in note 40 to the consolidated financial statements on page 244.

2.3.3. SENSITIVITY ANALYSIS

Based on reported 2011 data, sensitivity analyses have been performed to measure the impact on EBIT of any changes in (i) RevPAR (revenue per available room, as calculated by multiplying the occupancy rate by the average room rate) and (ii) the euro exchange rate against the main operating currencies.

A sensitivity analysis has also been conducted to assess the impact on operating profit before tax and non-recurring items of fluctuations in interest rates.

Sensitivity to RevPAR

A 1% change in RevPAR would impact EBIT [1] as follows:

Sensitivity to RevPAR

1% decline in RevPAR	Upscale & Midscale	Economy outside the US	US Economy	Total
Impact on EBIT	€(10.2) million	€(7.4) million	€(2.3) million	€(19.9) million

Sensitivity to RevPAR

1% increase in RevPAR	Upscale & Midscale	Economy outside the US	US Economy	Total
Impact on EBIT	€+6.9 million	€+5.2 million	€+1.9 million	€+14.0 million

In absolute value, a 1% decline in RevPAR has a larger impact on EBIT [1] than a 1% increase.

Any rebound in hotel demand initially results in an increase in occupancy rates. This feeds through to higher variable costs, which in turn weigh on growth in EBIT [1]. In a second phase, the stronger demand drives an increase in average room rates, which does not affect operating costs and therefore has a stronger impact on growth in EBIT [1]. The flow-through ratio [2] for a 1% increase in RevPAR resulting from higher average room rates is higher than the flow-through ratio [2] for a 1% increase in RevPAR resulting from higher occupancy rates.

Sensitivity to exchange rates

A 10% increase or decrease in exchange rates would have the following impact on EBIT1:

Sensitivity to exchange rates

Currency		EBIT1 impact of a 10% increase/decrease in exchange rates
GBP	United Kingdom	€4.2 million
AUD	Australia	€3.5 million
BRL	Brazil	€2.4 million
USD	United States	€1.8 million

Sensitivity to interest rates

A 50-basis point decrease in interest rates would feed through to a €1.1 million reduction in Net Financial Debt, and therefore a corresponding €1.1 million increase in consolidated operating profit before tax and non-recurring items.

(1) Earnings before interest and tax.

(2) When like-for-like revenue goes up, the ratio of the change in like-for-like EBITDAR/change in like-for-like revenue is known as the flow-through ratio.

2.3.4. INSURANCE – RISK COVERAGE

Accor's risks are spread across a very wide number of locations throughout the world, which protects it to a large degree against severe risks. Property and business interruption cover is determined based on the Group site with the maximum possible loss. In the case of liability insurance, maximum possible loss has been benchmarked industry practices, taking into account the fact that hotels are sometimes located in larger property complexes or near sensitive sites such as airports or train stations.

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

As part of the tender issued to renew the insurance programs effective January 1, 2011 coverage was aligned with the Group's new business model by giving the owners of franchised and managed hotels the opportunity to benefit from the Group program, while also improving the protection of Accor's own interests.

Consequently, effective January 1, 2011, the program offers:

- distinct property and casualty coverage for Accor and the hotel-owning subsidiaries on the one hand, and for franchised and managed hotel owners on the other;
- the possibility for owners of franchised and managed hotels to benefit from some of the Group's liability coverage, so as to enhance the compensation paid out to guests in settlement of their claims.

This decision to separate coverage for owned properties from that of the franchised and managed hotels led to a downward adjustment of the maximum possible loss, thereby enabling reductions in the maximum per claim coverage to €100 million for property claims and in the common excess policy to €150 million. In the case of liability claims, the maximum per claim coverage currently stands at €500 million.

Protection against natural disaster risk is a particular priority and special terms have been negotiated on a country-by-country basis wherever possible in the local insurance markets for owned hotels on the one hand and for franchised and managed hotels on the other with the same levels of cover for each category. Similarly, specific coverage has been taken out for terrorism risks and is renewed each year for countries where local insurance pools are not mandatory.

All frequent property and casualty and liability risks covered by the Group's global insurance program are self-insured through a captive reinsurance company, with all units sharing the related costs. The least frequent but more severe risks are reinsured in the market in order to limit the Group's commitments and avoid depleting the captive's funds.

Local insurance programs have been set up in certain countries, such as the United States and India. The US program was developed to take advantage of favorable local insurance market conditions for the types of risks involved, with cover encompassing business interruption, property and liability risks. In India, insurance legislation has made local programs mandatory.

As it has not suffered any major uninsured losses, Accor deems that its insurance coverage is adequate. The same is true for its self-insurance system, based on the loss experience.

The Group, its insurers and independent loss prevention experts perform regular surveys and appraisals of insurable risks, to reduce risk exposure to obtain cover on a cost-effective basis, taking into account conditions in the insurance and reinsurance markets. Changes in market insurance rates are closely tracked and, where appropriate, risks are self-insured in order to limit the insurance costs incurred by the various businesses and to avoid steep increases. The centralized risk management system rolled out in 2008 has enabled tighter tracking of the loss experience, allowing the Technical Department to take swift measures to reduce the related risk exposure.

Other forms of global insurance, such as for construction-related risks and IT fraud, are also set up centrally in order to optimize insurance costs and ensure the quality of purchased coverage.

2.4. REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

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

This report was approved by the Board of Directors at its meeting on February 21, 2012. It was prepared in accordance with the July 2010 revised version of the Reference Framework for Risk Management and Internal Control Systems issued by the Working Group set up by the French securities regulator, Autorité des Marchés Financiers. The following description of the Company's internal control and risk management procedures is based on the structure set out in said Reference Framework.

1. PREPARATION AND ORGANIZATION OF BOARD OF DIRECTORS' MEETINGS

Accor bases its practices on the Corporate Governance Code applicable to listed companies published by the AFEP and MEDEF. The recommendations of the Code that the Group does not apply as well as the reasons for these exceptions are described in the «Corporate Governance» section above.

The Corporate Governance Code is available from the AFEP/MEDEF or from the Company head office.

The preparation and organization of meetings of the Board of Directors are governed by the laws and regulations applicable to public limited companies (sociétés anonymes) and the Company's Bylaws, as well as by the Board of Directors Bylaws, presented above, which describe the procedures of the Board Committees.

Details concerning membership of the Board of Directors and the criteria used to establish directors' independence are set out in the «Directors and Corporate Officers» and «Corporate Governance» sections above.

Each Board member is required to comply with the Board of Directors Code of Conduct, which is also included in this Registration Document.

Between January 1 and January 15, 2011 Gilles Pélisson was non-Executive Chairman of the Board of Directors and Denis Hennequin held the position of Chief Executive Officer. On January 16, 2011, Denis Hennequin took up the position of Chairman and Chief Executive Officer. During the transition period, in addition to his duties as non-Executive Chairman of the Board, Gilles Pélisson oversaw the negotiations that led to the sale of the Company's interest in Groupe Lucien Barrière.

Effective February 22, 2011, the Board of Directors comprises three women and eight men. The proportion of women on the Board therefore corresponds to 27%, which complies with prevailing French legislation (the Act of January 27, 2011) and the recommendations of the AFEP/MEDEF Corporate Governance Code concerning gender parity.

The Board met nine times in 2011. The notices of meeting together with the agenda were sent to all the members by e-mail, generally one week before the meeting date. In the period between two meetings, members were kept regularly informed of significant events and transactions involving the Company and were sent copies of all press releases issued by the Company.

In addition, Accor's independent directors held four meetings during the year called by Philippe Citerne, Vice-Chairman of the Board and Senior Independent Director. The Chairman and Chief Executive Officer attended one of these meetings, during which the directors discussed the Board's operating procedures.

Each ordinary Board meeting lasted four hours on average and special meetings convened to discuss specific matters lasted an average of around two hours. The attendance rate was 81%.

During its meetings, the Board performed the duties required of it by law and the Company's Bylaws. It was also informed by the Chairman and Chief Executive Officer and the President and Chief Operating Officer – as well as in some cases by other senior executives concerned – of numerous significant achievements and projects relating to Accor's business.

A formal assessment of the Board's performance was carried out in April and May 2011 by the Corporate Secretary, under the supervision of the Senior Independent Director. The main findings of this assessment are presented in the «Corporate Governance» section above.

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

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

There are three standing Board Committees:

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

The Board of Directors may also set up one or more special Committees, which it did in 2009 and 2010 in connection with the demerger project carried out in July 2010.

Each Committee is chaired by one of its members, designated by the Board

The Committee Chairman appoints a person who may or may not be a Committee member to act as secretary.

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

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

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

The **Audit and Risks Committee** has three members – Virginie Morgon, Philippe Citerne and Jean-Paul Bailly – all of whom have the necessary technical knowledge to fulfill the Committee's duties. Two of these members are qualified by the Board as independent, including Philippe Citerne, who is the Committee Chairman and the Senior Independent Director. The Audit and Risks Committee met seven times in 2011, with an average attendance rate of 90%.

Meetings of the Audit and Risks Committee are also attended by the Chairman and Chief Executive Officer, the President and Chief Operating Officer, the Chief Financial Officer, the Corporate Secretary, the Statutory Auditors and, where appropriate, the Vice President, Internal Audit and the Vice President, Risk Management.

During its meetings held in 2011, the Committee prepared the Board's review and discussion of the annual financial statements, in accordance with its terms of reference as set out in the Board's Bylaws. It also (i) examined the principles applied for the publication of Accor's financial statements, financial communications and asset impairment, (ii) tracked developments in the Group's tax disputes, (iii) was given presentations on changes in accounting standards and regulations, and (iv) reviewed Internal Audit findings and the yearly update of the Group's risk map.

The **Compensation, Appointments and Corporate Governance Committee** has five members, the majority of whom are qualified by the Board as independent. It is chaired by Bertrand Meheut (who is an independent director), and its other members are Jean-Paul Bailly, Thomas J. Barrack, Franck Riboud and Patrick Sayer. The Compensation, Appointments and Corporate Governance Committee met five times in 2011, with an average attendance rate of 60%.

During these meetings, the Committee drafted proposals to the Board concerning the compensation packages of executive directors, in accordance with its terms of reference as set out in the Board's Bylaws. It also reviewed the terms of the April 4, 2011 stock option and performance share plans. In accordance with French Act no. 2006-1770 of December 30, 2006 on profit-sharing and employee stock ownership, the principles and rules applied by the Board of Directors for determining the compensation and benefits payable to executive directors are described in the «Directors' and Officers' Compensation» section above. As well as describing the policy for determining executive directors' compensation and directors' fees, this section provides details of transactions in the Company's shares and directors' and employees' interests in the Company's capital (through stock option plans, performance share plans and non-discretionary and discretionary profit-sharing programs).

In 2011, the Committee also gave recommendations to the Board concerning the allocation of directors' fees among the Board members. In addition, it recommended that the Board appoint Mercedes Erra as a director to replace Gilles Pélisson. As Ms. Erra holds a corporate officer position within the Havas/Euro RSCG group, this decision was taken after the Committee had verified that the business relations between Accor and that group were not material and therefore not liable to lead to any conflict of interest. The Compensation, Appointments and Corporate Governance Committee also recommended to the Board that Sophie Gasperment and Mercedes Erra be appointed as members of the Commitments Committee.

The **Commitments Committee** has five members, the majority of whom are qualified by the Board as independent. It is chaired by Sébastien Bazin and its other members are Mercedes Erra, Sophie Gasperment, Philippe Citerne and Patrick Sayer. Due to the nature of the responsibilities assigned to this Committee – which sometimes has to give its opinion on acquisitions or disposal projects within a short timeframe – Committee meetings may be called at any time, either in writing or verbally, by the Committee Chairman or by the Chairman and Chief Executive Officer.

The Commitments Committee met six times in 2011, with an average attendance rate of 90%. At these meetings, in accordance with its terms of reference as set out in the Board's Bylaws, the Committee examined a number of acquisition and disposal projects, including the sale of the Group's 49% stake in Groupe Lucien Barrière, the purchase of Mirvac's hotel operations in Australia and the sale of the Novotel hotel in New York under a management-back arrangement.

2. CONDITIONS AND PROCEDURES FOR ATTENDING SHAREHOLDERS' MEETINGS

In accordance with the law, the applicable conditions and procedures for attending Shareholders' Meetings are set out in the Company's Bylaws. They concern admittance conditions (Article 24 of the Bylaws), organization of the Meetings (Article 25), and disclosure thresholds relating to shareholders' interests in the Company's capital and voting rights (Article 9).

3. RESTRICTIONS ON THE POWERS OF THE CHIEF EXECUTIVE OFFICER

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

In addition, the Board of Directors is responsible for:

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

b) reviewing and approving the Group's overall strategy, at least once a year, in accordance with the Board's Bylaws;

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

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

- any transaction involving the Company's shares carried out in application of Article L.225-209 of the French Commercial Code which exceeds one million shares (with a cap of two million shares per year);

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

e) discussing and deciding on any proposed changes to the Group's management structure and reviewing information about the main organizational changes.

4. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

4.1. Internal control objectives

The Group applies the internationally recognized definition of internal control formulated by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). According to this definition, internal control is a process, effected by an unit's Board of Directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- effectiveness and efficiency of operations;
- reliability of financial reporting;
- compliance with applicable laws and regulations.

This definition complies with that set out in the Reference Framework for Risk Management and Internal Control Systems issued by the AMF, which states:

«Internal control is a company's system, defined and implemented under its responsibility, which aims to ensure that:

- *laws and regulations are complied with;*
- *the instructions and directional guidelines fixed by Executive Management or the Management Board are applied;*
- *the company's internal processes are functioning correctly, particularly those implicating the security of its assets;*
- *financial reporting is reliable;*

and generally, contributes to the control over its activities, to the efficiency of its operations and to the efficient utilization of its resources.

By helping to anticipate and control the risks involved in not meeting the objectives the company has set for itself, the internal control system plays a key role in conducting and monitoring its various activities.

However, internal control cannot provide an absolute guarantee that the company's objectives will be met».

One of the objectives of the internal control system is therefore to anticipate and control the risks arising in the course of the Company's business, as well as the risk of errors or fraud, particularly in the areas of accounting and finance. However, as stated in the AMF's Reference Framework, internal control procedures cannot provide an absolute guarantee that the Company's objectives will be achieved, no matter how well the system is designed or how well the procedures are applied.

The following description of the Company's internal control and risk management systems was prepared based on the aforementioned Reference Framework and its application guide.

4.2. Summary description of internal control and risk management procedures

The internal control and risk management procedures described below cover the parent company and all of its consolidated subsidiaries.

4.2.1. Overall organization of the internal control and risk management systems

4.2.1.1. Main participants

Internal control and risk management procedures are part of the policies defined by the Board of Directors and are implemented under the direct responsibility of the heads of the operating divisions and corporate functions. Internal control and risk management are everyone's responsibility, from corporate officers to front-line employees.

The main structures responsible for overseeing the internal control and risk management systems are as follows:

Executive Management

In accordance with the law and the Company's Bylaws, the Chairman and Chief Executive Officer represents the Company in its dealings with third parties and has the broadest powers to act on behalf of the Company in all circumstances. The situations where exercise of the Chairman and Chief Executive Officer's powers is subject to the prior approval of the Board of Directors are detailed in paragraph 3.

For the purpose of carrying out his duties, the Chairman and Chief Executive Officer has set up an **Executive Committee**, including representatives from all of the operating divisions and corporate functions. On January 25, 2011 the number of Executive Committee members was reduced from nine to seven. This leaner Executive Committee, which is more clearly focused on the Group's strategic objectives, will make for greater efficiency. The Committee now comprises the following members:

- the President and Chief Operating Officer;
- the Global Chief Marketing Officer, responsible for Brand Strategy, Design Strategy, Marketing and Distribution;
- the Global Chief Human Resources Officer, also responsible for Group Organization, Transformation and Sustainable Development;
- the Global Chief Operations Support Officer, in charge of Development, Franchising, Procurement, Technical Services and Design Management;
- the Corporate Secretary, in charge of Legal Affairs, Insurance, Risk Management and Internal Audit;
- the Global Chief Financial Officer, also responsible for Group Information Systems;
- the Global Executive Vice President Asset Management, responsible for Asset Management and Strategy and Mergers-Acquisitions.

The Communications and External Relations Department and the Corporate Relations Department both report to Accor's Chairman and Chief Executive Officer.

Group Finance

The Global Chief Financial Officer – who is also responsible for Group Information Systems – ensures that the Group's financial policies are properly implemented, in particular by circulating to the Divisions the accounting principles and standards used to prepare the consolidated financial statements.

The Group Finance function is organized around the following departments:

- the Senior Executive Office, which monitors the Group's equity interests and also oversees the Tax Department (tasked with implementing and/or coordinating Group tax planning measures, particularly relating to cross-border transactions), the Accounting Back Office Project Department and the Decision Support Systems Department;
- the Corporate Treasury, Financing and Credit Management Department, which is in charge of overseeing the Cash Management, Credit Management and Back Office and Treasury Systems units;
- the Financial Communications and Investor Relations Department, which is in charge of releasing details of the Group's strategy and results to the financial markets;
- the Consolidation Department, which is also responsible for overseeing the Group's financial reporting systems and accounting standards (IFRS);
- the Finance Senior Executive Office, which is in charge of Group financial control, financial and accounting standards, management control activities for Group operations worldwide, and the Finance Department's cross-business projects;
- the parent company's Accounting Department;
- the Global Financial Support Department;
- Group Information Systems and Telecoms.

Group Finance maintains regular contact with the Statutory Auditors, who audit the financial statements of the Company and the Group in accordance with the applicable laws and regulations.

The Risk Management Department

The Risk Management Department – in association with the Executive Committee – is responsible for implementing procedures that anticipate and appropriately address the Group's risk exposures. In this capacity, it is in charge of drafting crisis management plans, particularly for the head office, and coordinating the network of international risk management correspondents.

At end-2011 the Risk Management Department comprised four people and had an international network of 43 risk management officers and 33 crisis management officers.

Working in close cooperation with the operating divisions and corporate functions, the departments' duties include:

- developing and adapting tools to monitor risk trends and prioritize the Group's main risks;
- devising a risk prevention strategy aimed at reducing the frequency and seriousness of identified risks;

- rolling out a consistent crisis management strategy across the Group;
- setting up and adapting Group-wide crisis management systems.

A structured, aligned crisis management organization with specifically-designated teams has been set up for the head office and the operating units. It is responsible for quickly ensuring the safety of customers, local employees, expatriates and on-site service providers in the event of a crisis.

A number of local and regional crisis situations arose in 2011 (see the «Risk Factors» section above), which enabled the Group to confirm that the affected units were familiar with the relevant crisis management processes and systems.

The Group Safety and Security Department

The Group Safety and Security Department advises and assists Executive Management in defining Group-wide safety and security policies. It is also responsible for ensuring that these policies are properly implemented and applied, as well as for developing prevention programs. The Safety and Security and Risk Management Departments track the safety and security situation in each of the Group's host countries on a daily basis, reviewing the geopolitical context and public health and hygiene conditions, as well as risks relating to potential social unrest or extreme weather events. These departments are backed by (i) a network of locally-based internal and/or external health and safety officers, and (ii) correspondents within certain French and foreign government departments such as the Ministry of Health, the Ministry of Foreign Affairs, the Ministry of the Interior and the Ministry of Defense.

The Hotel Risk Prevention Department

This department defines, promotes and coordinates personal safety procedures in the Group's hotels, and organizes and oversees their application by the people concerned.

The Group Insurance Department

The Group Insurance Department ensures that Group risks are covered by appropriate insurance policies. It also helps to identify these risks and to deploy prevention procedures.

Group Internal Audit

Group Internal Audit reports directly to the Corporate Secretary and has a dotted-line reporting relationship with the Group Internal Control Committee. As the cornerstone of the internal control system, it is responsible for helping to develop internal control tools and standards, and for performing Internal Audits based on the annual audit program approved by the Group Internal Control Committee.

Group Internal Audit coordinates its audit plans with the Statutory Auditors' work plans. It is also responsible for coordinating the activities of the local Internal Audit Departments within the Divisions.

At December 31, 2011, Group Internal Audit had a staff of ten auditors. Group Information Systems Internal Audit, which reports to Group Internal Audit, had a team of three auditors at that date

The local Internal Audit Departments in the Divisions

The local Internal Audit Departments set up in the main Divisions report to their Division's Chief Financial Officer and have a dotted-line reporting relationship with Group Internal Audit. The sole exception to this rule is the local Internal Audit Department for the Europe, Middle East and Africa region, which reports directly to Group Internal Audit.

These local departments have direct ties with Group Internal Audit, thereby ensuring that they comply with the fundamental principles of conduct and independence and follow the standards required of the Internal Audit profession, as well as the methods recommended by the Group. These ties also guarantee that the local Internal Audit Departments are given adequate resources to fulfill their objectives.

At end-2011 the local Internal Audit Departments in the Divisions had a total of 28 auditors.

4.2.1.2. The accounting and financial information system

The Group's accounting and financial information system is designed to ensure the security, reliability, availability and traceability of information. It is based on an interfaced reporting and consolidation system that covers substantially all of the Group's operations with the aim of providing consistent accounting data at company and Group level.

A specifically designed user manual has been prepared and issued to the employees concerned, in order to guarantee that the systems are correctly used and that the information obtained is appropriate and relevant.

The Group has also set up processes to ensure the security of the accounting and financial information system, as well as the integrity of the data involved. These include regular back-ups and programmed controls that trigger warnings in the event of incorrect data entries.

The accounting and financial information system is regularly updated in line with the Group's specific needs.

4.2.2. Internal reporting

The Group ensures that relevant information is communicated in a timely manner to the appropriate persons so that they can exercise their duties in accordance with the Group's standards. To this end, a set of procedures defining best practices and reporting processes has been circulated internally.

Corporate values and principles

The Group's internal control system supports the corporate values expressed by the Board of Directors and Executive Management and communicated to all employees. Accor has prepared rules of conduct and integrity relating to employee behavior and relations with customers, shareholders, business partners and competitors, and has recently updated its Ethics Charter, which is widely circulated within the Group.

The Internal Audit Charter aims to provide a Group-level cross-functional view of Internal Audit resources and methodologies, as well as the methods used to communicate the results of Internal Audits. To this end, it defines the framework for Internal Audit activities within the Group, based on the professional standards issued by IFACI and other bodies, which set down strict codes of conduct for internal auditors. The Charter also formally describes the role, membership and procedural rules of the Group Internal Control Committee. Lastly, it describes the procedure to be followed by Group Internal Audit to coordinate the activities of the local Internal Audit Departments.

The Internal Audit Charter has been signed by the Group's Chairman and Chief Executive Officer; the President and Chief Operating Officer; the Global Chief Financial Officer, also responsible for Group Information Systems; the Corporate Secretary; the Vice President, Internal Audit; and the members of the Group Internal Control Committee, whose structure and roles are described in section 4.2.5 below.

Procedure manuals and accounting principles

The Finance Manual issued to all Group Finance Departments describes the closing process for the monthly management accounts and sets out the Group's charts of accounts, consolidation principles, accounting standards and policies. It also addresses specific issues related to the investment approval procedure and includes the Treasury Charter, which describes cash management procedures, the principles to be followed concerning the holding of payment instruments and the approval of expenditures, as well as the role and organization of cash pooling systems. The Manual is available on the Group Intranet.

In addition, a presentation of International Accounting Standards/International Financial Reporting Standards, providing details on how to apply the standards to the Group's specific circumstances, has been prepared by Group Finance and provided to the Group employees concerned.

Lastly, consolidation instructions detailing the financial reporting schedule and specific points concerning consolidation adjustments to individual financial statements are issued once every six months to the various Finance Directors and consolidation teams, and are archived on the Finance Intranet.

Internal procedure manuals

Internal procedure manuals have been produced for the main businesses. The purpose of these manuals is to structure and firmly establish Group procedural guidelines, based on an assessment of the specific internal control risks of each business.

Internal control procedures are implemented under the direct responsibility of the Heads of the operating divisions and corporate functions and form part of an ongoing process of identifying, assessing and managing risks.

Internal control self-assessments

In recent years, the Group has placed considerable emphasis on preparing, issuing and monitoring internal control self-assessment procedures, which have now been rolled out to the majority of hotel operating units and head offices. These procedures interconnect with the Group's existing internal control standards and processes and are based on analyzing the internal control risks inherent in each business and identifying key control issues.

Data obtained from the internal control self-assessment process are periodically centralized at Division level, with the assistance of the internal auditors when required.

Internal Audit programs for units where the self-assessment system has been deployed include a quantitative measurement, via a rating system, of the gap between the self-assessment and the internal auditors' assessment of the level of internal control. By analyzing these gaps, it is possible to evaluate the quality of the self-assessment procedures implemented by the unit manager.

Internal Audit reports

A draft report is prepared after each Internal Audit, setting out observations, identified risks and recommendations. This report is sent to the management of the audited unit, which prepares an action plan when required. A summarized version of this draft report may also be sent on request to the members of the Executive Committee.

The final report, which includes any corrective action plans prepared by the audited unit, is then sent to the managers in charge of overseeing operational and financial matters for the unit concerned.

The reports prepared by the local Internal Audit Departments are centralized by the Group Internal Audit Department and a summary of the work performed by these departments is presented to the Group Internal Control Committee.

The Audit and Risks Committee receives a quarterly summary of the Internal Audits carried out during the period, including a status report on the annual audit plan, an assessment of the quality of internal control in the audited units, the internal auditors' main observations, and action plans decided on by the parties concerned.

Reporting procedure

Group Financial Control is responsible for overseeing the reporting procedure specified in the Finance Manual. The procedure requires the Divisions to submit monthly reporting packages comprising an analysis of key business indicators and the main components of income, in the format prescribed by the Group. All reporting data submitted by the Divisions must be analyzable both by nature and by function.

The reporting procedure is designed to provide a detailed analysis of changes in financial and operating results, to support resource allocation decisions and measure the efficiency of the various organizational structures in place.

4.2.3. Identifying and analyzing risks

The Group identifies and analyzes the key risks that, if they occurred, would affect its ability to fulfill its objectives. It takes the appropriate measures to limit the probability of these risks occurring and the consequences if they do.

As part of these measures, the Group has set up a Risk Coordination Committee, which reports to the Corporate Secretary and meets on a monthly basis. The Committee's members comprise representatives from the following departments:

- the Risk Management Department;
- the Group Safety and Security Department;
- the Legal Affairs Department;
- the Group Insurance Department;
- the Hotel Risk Prevention Department;
- the Internal Audit Department.

Identifying risks

The Group is exposed to a number of risks in the normal course of business.

These risks, together with the related control procedures, are described in the «Risk Factors» section above. They mainly correspond to operational risks (geopolitical risks, health and safety risks, business continuity risks, reputational risks, IT risks, competitive risks and labor-related risks), as well as environmental risks, legal risks (including litigation and arbitration risks) and financial risks (liquidity risks, counterparty/sovereign risks, currency and interest rate risks). The «Risk Factors» section also includes a description of the Group's insurance strategy.

Risk mapping

Internal control risk maps are prepared based on the Internal Audit assignments and above-mentioned self-assessments. These maps, which highlight issues that require priority action, are included in the relevant Internal Audit reports and are periodically presented in summary form to the Internal Control Committee and the Audit and Risks Committee.

A global risk map covering all internal and external risk factors has also been developed in order to obtain data in a standard form concerning the Group's levels of risk exposure as perceived by Executive Management and by each unit, and to prepare the appropriate action plans when required. Each risk is assessed based on the level of potential damage it could cause, the probability of it occurring and how efficiently it is managed. The Risk Management Department subsequently helps the operating divisions to put in place corrective measures in order to mitigate the main identified risks.

In 2011, Accor continued to implement its coordinated risk management approach, with Executive Management and all of the Group's units updating their risk maps. As is the case every year, the results of these updates were presented to the Executive Committee and the Audit and Risks Committee in December.

4.2.4. Control activities

To improve control of identified risks, the Group has set up control procedures that comply with its standards and cover both operating and financial information processes.

Authorization process for expansion capital expenditure and disposals

A procedure has been set up for the prior authorization of capital expenditure projects, to ensure that they comply with Group strategy and return-on-investment-criteria. The procedure requires formal authorizations to be obtained from the appropriate line and staff managers, in a standard format. A similar authorization procedure has been established for disposals.

As part of this process, the Group has an Investments Committee which is tasked with reviewing projects representing amounts of between €5 million and €100 million (or €2.5 million for the acquisition of minority shareholdings). Based on its findings, the Committee decides whether or not to approve the project.

The Committee's members are the Group Chairman and Chief Executive Officer, the President and Chief Operating Officer, the Global Chief Operations Support Officer in charge of Development, and the Global Executive Vice President, Asset Management. The Senior Executive Vice President responsible for Hotel Development is also a member of the Investments Committee and leads any discussions on hotel development projects.

The Investments Committee meets around once a month.

Preparing and controlling the consolidated financial statements

The consolidated financial statements are prepared by Group Finance based on information reported by the subsidiaries' Chief Executive Officers and Finance Directors. The format of the consolidation packages is determined by the Group.

The subsidiaries are responsible for the information contained in their consolidation packages and are required to make formal representations to Group Finance about the fairness of reporting data and its conformity with Group accounting standards and policies.

The Consolidation Department carries out systematic controls of the consolidation packages submitted by the subsidiaries. A detailed schedule for reviewing the packages has been prepared and sent to the employees concerned.

In connection with their audit of the consolidated financial statements, the Statutory Auditors review the consolidation packages transmitted by the subsidiaries included in the scope of their audit. Group Internal Audit also reviews from time to time the proper application of Group accounting standards and policies by the subsidiaries, and reports to Group Finance any issues identified during the review.

The consolidated financial statements are examined by the Global Chief Financial Officer (also responsible for Group Information Systems) prior to their review by the Audit and Risks Committee in preparation for approval by the Board of Directors.

Group Internal Audit assignments

Group Internal Audit carries out its audit assignments based on an audit program validated by the Internal Control and Audit and Risks Committees. The main types of assignments, as described in the Internal Audit Charter, are as follows:

- **operations audits**, which are aimed at evaluating the reliability and effectiveness of the operating units' internal control systems, as well as ensuring that they comply with Group standards. These audits mainly include checking on a regular basis that the internal control self-assessments have been properly performed by the operating units;
- **head office audits (corporate functions)**, which are designed to optimize internal control procedures applied at the head office and ensure that the head office is able to fulfill its role of overseeing and supporting operating units as effectively as possible. When carrying out their assignments within the Group's units, the Internal Audit teams also verify that the main risks identified in the risk map are being monitored appropriately;
- **organizational and procedural audits**, which are aimed at helping the Divisions to optimize and adapt their procedures and operating processes, notably when rolling out cross-functional projects that lead to a change in organization structures;
- **specific audits**. Review assignments are referred to as specific audits when they comply with the professional standards applicable to internal auditors and fall within their remit. They can concern issues applicable to one or more operating units or to a particular country, function or process.

Assignments performed by the local Internal Audit Departments

These departments perform Internal Audits, either on a stand-alone basis or jointly with Group Internal Audit, in line with the program approved by their Division's Internal Control Committee. They also provide ongoing assistance to finance and operating departments in managing and monitoring internal control issues within their Division's operating units. They use methods, tools (including scoring) and work programs that have been approved by Group Internal Audit due to their direct ties with this department.

In accordance with ethical principles, the local internal auditors do not audit head office or cross-functional departments, due to possible conflicts of interest arising from the fact that the auditors work in the Divisions.

Assignments performed by Group Information Systems Internal Audit

Reporting to Group Internal Audit, the Information Systems Internal Audit Department carries out assignments throughout the Group. The main types of audit are as follows:

- **information systems audits**, which are performed to ensure that best practices are applied in relation to the organization and monitoring of the audited units' information systems;
- **audits of applications and processes**, which are aimed at ensuring that the manual and automated checks in place provide an appropriate level of internal control in view of the operations covered by the applications concerned;
- **project management audits**, which are designed to validate the implementation of best project management practices;
- **IT security audits**, which help to ensure the security of the Group's technological platforms. They are primarily performed by the Information Systems Security Department, which reports to Group Information Systems and Telecoms. In some cases they fall within the scope of assignments carried out by Information Systems Internal Audit.

Assignments performed by the Group Safety and Security Department and the Hotel Risk Prevention Department

The Group Safety and Security Department and the Hotel Risk Prevention Department also carry out audit assignments throughout the Group.

4.2.5. Monitoring internal control and risk management

Internal control and risk management procedures are regularly reviewed to ensure that they are appropriate and aligned with the Group's objectives, particularly in view of the risks specific to each business and the costs of performing the controls.

The main structures responsible for overseeing the internal control and risk management system are as follows:

The Audit and Risks Committee

The Board of Directors' Bylaws define the Audit and Risks Committee's membership, terms of reference and procedures. The Committee is responsible for ensuring that the accounting policies applied for the preparation of the financial statements of the Company and the Group are appropriate and applied consistently from one period to the next. Its terms of reference also include checking that internal reporting and control procedures provide adequate assurance concerning the reliability and completeness of financial information and the control of Group risk exposure. To this end, the Committee performs the following tasks:

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

The Audit and Risks Committee has three members, all of whom have the necessary technical knowledge to fulfill the Committee's duties. The majority of the Committee's members, including its Chairman, are independent directors.

The Committee meets at least three times a year. One meeting – attended by the Vice President, Internal Audit and the Vice President, Risk Management – is devoted to reviewing the effectiveness of the internal control system.

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

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

The Chairman and Chief Executive Officer, Global Chief Financial Officer and Statutory Auditors attend the Audit and Risks Committee meeting devoted to reviewing the financial statements and any other meetings where required. Group Internal Control Committee

The Group Internal Control Committee comprises the Chairman and Chief Executive Officer, the President and Chief Operating Officer and other members of the Executive Committee (see list in the «Directors and Corporate Officers» section above). It also includes the Vice President, Internal Audit and the Finance Directors of the Group's main subsidiaries. Members of the Divisional Internal Control Committees and the heads of the local Internal Audit Departments may also be invited to attend meetings of the Committee.

The Group Internal Control Committee guarantees the independence of the Internal Audit function. Its responsibilities are to:

- validate the annual Internal Audit program;
- review significant audit issues for the current year, in each of the audited areas, and approve the action plans for each audited unit;
- track changes in internal control levels within the Group;
- oversee the activities of the Internal Audit function, in terms of audit efficiency/optimization and the adequacy of the function's resources.

The Group Internal Control Committee met once in 2011.

Division Internal Control Committees

Local Internal Control Committees have been set up in the Group's main operating divisions. Each Committee is chaired by the Division's Chief Executive Officer and comprises members of the operating units and finance departments, as well as a representative from Group Internal Audit. The Committees meet at least once a year to prepare the work program for the local Internal Audit Departments (where appropriate, based on the instructions issued by the Group Internal Control Committee), review the reports on the Internal Audits performed during the period and assess the action taken to implement recommendations made following previous audits.

STATUTORY AUDITORS' REPORT

Auditors' Report prepared in accordance with Article L.225-235 of the French Commercial Code, on the Report of the Chairman of Accor's Board of Directors

Year ended December 31, 2011

This is a free translation into English of the original Auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Accor and in accordance with article L.225-235 of the French Commercial Code (Code de commerce), we hereby report to you on the report prepared by the Chairman of your Company in accordance with article L.225-37 of the French Commercial Code for the year ended December 31, 2011.

It is the Chairman's responsibility to prepare and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by article L.225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you our observations on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, and
- to attest that the report sets out the other information required by article L.225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with article L.225-37 of the French Commercial Code.

Other information

We attest that the Chairman's report sets out the other information required by article L.225-37 of the French Commercial Code.

Neuilly-sur-Seine and Paris-La Défense – March 29, 2012

The Statutory Auditors

Deloitte & Associés	Ernst & Young et Autres
Pascale Chastaing-Doblin	Bruno Bizet

3

FINANCIAL REVIEW

3.1. FINANCIAL REVIEW

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

EBIT amounted to €530 million in 2011, representing a year-on-year increase of 32.6% based on constant scope of consolidation and exchange rates (like-for-like) and 18.8% as reported. Performance in 2011 was driven by favorable hotel cycle dynamics, with increases in both occupancy rates and average room rates. EBITDAR margin came in at 31.5%, up 1.0 point on a reported basis (1.2 points like-for-like), reflecting solid operating performance and ongoing measures to contain support costs.

Sustained demand throughout the year enabled Accor to meet the objectives announced to the market. Fully focused on the hotels business, the Group is ready to pursue its expansion at a sustained pace, primarily through management contracts and franchise agreements. In 2011, it also stepped up implementation of its 2011-2015 asset management program, which is designed to refinance assets with a €2.2 billion impact on adjusted net debt over the period.

Revenue

Consolidated revenue totaled €6,100 million in 2011, up 5.2% like-for-like and 2.5% on a reported basis. Performance for the year was shaped by the following factors:

- expansion, with a record performance that significantly exceeded objectives, adding €108 million to revenue, or 1.8% of reported growth, thanks to the opening of **38,700 new rooms** (318 hotels);
- changes in the scope of consolidation arising from the ongoing deployment of the asset-right strategy, which reduced revenue by **€255 million** and reported growth by **4.3%**;
- the currency effect, which was a negative **€12.6 million** (**0.2%** of reported growth), with the appreciation of the Australian dollar offsetting the downturn in the US dollar against the euro.

Like-for-like, revenue rose by 5.2%, reflecting the upswing in the hotel cycle during the year.

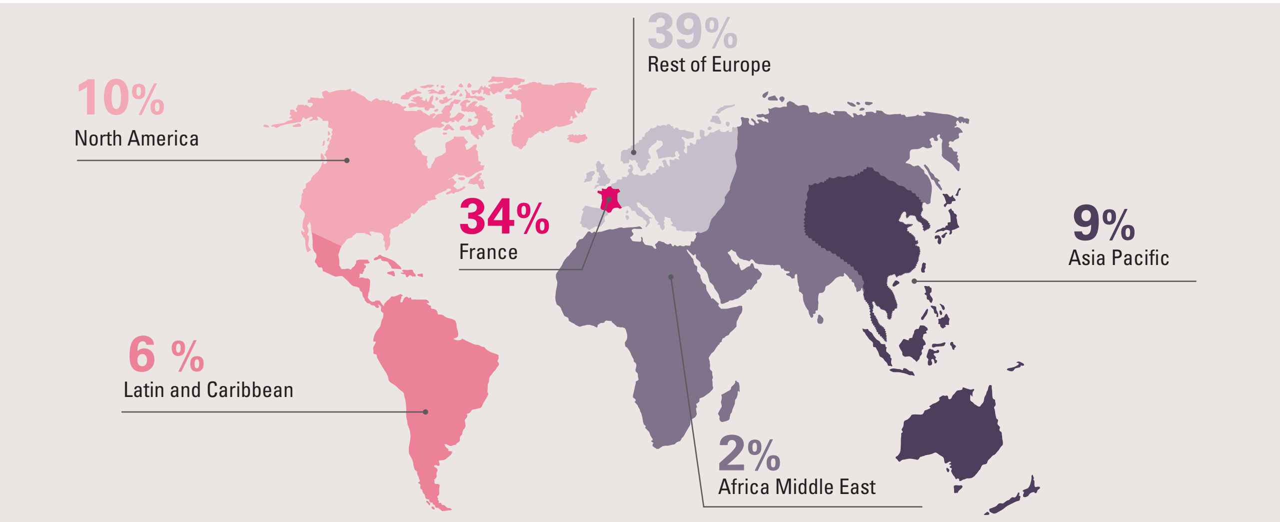
Revenue by business

(in million of euros)	2010 (1)	2011	% change 2011 vs. 2010 as reported	% change 2011 vs. 2010 like-for-like (2)
Hotels	**5,735**	**5,915**	**+3.1%**	**+5.4%**
Upscale and Midscale	3,374	3,488	+3.4%	+5.0%
Economy	1,806	1,896	+5.0%	+6.3%
Economy – United States	555	532	(4.2)%	+4.3%
Other businesses	**213**	**184**	**(13.3)%**	**+2.2%**
TOTAL	**5,948**	**6,100**	**+2.5%**	**+5.2%**

(1) Reclassification of €42 million related to Asia-Pacific loyalty programs in "Upscale and Midscale Hotels" instead of "Other businesses."

(2) At constant scope of consolidation and exchange rates.

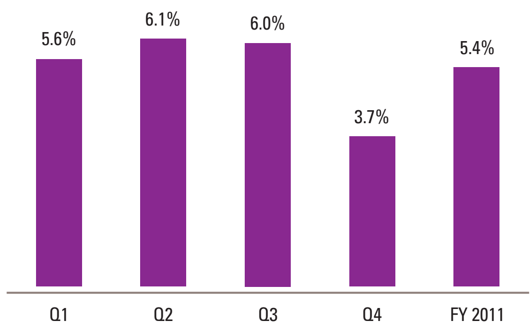
2011 revenue by region



Hotels

Hotels revenue rose 5.4% like-for-like and 3.1% on a reported basis, led by sustained demand all year long. Growth was robust in the main contributing countries of France, Germany and the United Kingdom, reflecting the combined rise in both occupancy rates and average room rates across every segment. Revenue was also lifted by the very strong growth in business throughout the year in emerging markets, especially in Asia and Latin America.

Quarterly change in 2011 Hotels revenue, like-for-like and year-on-year



Upscale and Midscale Hotels

In 2011, revenue in the Upscale and Midscale segment rose by 5.0% as reported and 3.4% like-for-like. In the fourth quarter, revenue increased by **3.1%** like-for-like, led by improved average room rates and despite an unfavorable basis of comparison in December in Europe.

The trends observed since the start of the year continued in the final quarter, with solid performance in the main markets and sustained business volumes in emerging economies, even as conditions remained difficult in Southern Europe.

In France, like-for-like revenue rose 3.3% in the fourth quarter and 6.1% for the full year. Growth in the segment was supported by improved occupancy and average room rates, despite high comparatives in the fourth quarter due to the severe weather in December 2010 that drove up demand at hotels located close to airports.

In Germany, revenue increased by 3.1% like-for-like thanks to stronger demand, which offset a less favorable tradeshow calendar during the year. Growth stood at 1.7% in the fourth quarter, led by record occupancy and more stable room rates.

In the United Kingdom, like-for-like revenue growth was 5.6% for the year but 1.5% in the fourth quarter alone, given the less favorable prior-year comparatives. London turned in another solid performance, while hotels in other regions benefited from a volume-driven marketing strategy.

As in the previous quarters, Upscale and Midscale hotels in emerging markets continued to enjoy sustained revenue growth. For the year, revenue increased by 12.2% in Latin America (including 14.6% in the fourth quarter) and by 8.6% in the Asia-Pacific region (8.0% in the fourth quarter).

Economy Hotels

In the Economy Hotels segment, revenue for the year was up 5.0% as reported and 6.3% like-for-like. In the fourth quarter, business volumes remained strong and revenue grew 4.8% like-for-like. Occupancy rates remained the highest in the Group, at an average 68% for the fourth quarter, helping to impel a rate-led increase in RevPAR.

In France, revenue expanded 5.6% like-for-like for the year, with 3.9% growth in the fourth quarter. Average room rates trended upwards across every brand, thanks to persistently high demand, and the unfavorable calendar effect represented by the Paris Auto Show, which takes place every two years in October, was offset by the Paris Batimat trade fair in November.

In Germany, revenue from the Economy Hotels segment was up 3.3% like-for-like, with demand remaining at record highs and average room rates stabilizing. Business also benefited from the renovation programs implemented by Ibis and Etap.

In the United Kingdom, like-for-like revenue rose 5.9% for the year and 3.4% in the fourth quarter, with deployment of the revenue management strategy having a positive impact on Etap and F1 indicators. The solid performance by hotels outside London reflected the volume-driven marketing strategy, while London continued to enjoy strong demand, with occupancy rates above 87% enabling an increase in average room rates.

Like-for-like revenue growth in emerging markets remained robust in 2011, with gains of 18.5% in Latin America (including 19.3% in the fourth quarter) and 9.4% in the Asia-Pacific region (6.6% in the fourth quarter).

Economy Hotels in the United States

On a like-for-like basis, revenue was up 4.3% for the year and 4.5% in the fourth quarter alone. The improvement in prices observed in the third quarter accelerated in the final months of the year, with average room rates rising 3.4% in the fourth quarter. Due primarily to an unfavorable currency effect, reported revenue for the year in the US Economy Hotels segment contracted by 4.2%.

At the same time, Motel 6 pursued its shift to a franchising model. With 55 new hotels (4,100 rooms) opened under franchise contracts in 2011, the franchise portfolio expanded by 10% over the year to 488 hotels (37,500 rooms), representing 35% of the room supply. Franchising fees rose 23% at constant exchanges rates over the year.

2011 RevPAR by segment

	Occupancy rate		Average room rate		RevPAR			
	Owned/leased (reported)		Owned/leased (reported)		Owned/leased (reported)		Owned/leased (like-for-like) [1]	Owned/leased and managed (reported)
	(in %)	(Change in points)		(% change)		(% change)	(% change)	(% change)
Upscale and Midscale – Europe (in euros)	65.4%	+1.9	94	+3.9%	62	+7.0%	+5.7%	+6.2%
Economy – Europe (in euros)	71.0%	+2.5	54	+1.8%	39	+5.5%	+4.3%	+5.7%
Economy – United States (in dollars)	62.7%	+1.7	43	+2.4%	27	+5.2%	+3.9%	+5.2%

(1) At constant scope of consolidation and exchange rates.

Upscale and Midscale Hotels: 2011 RevPAR by country

	Occupancy rate		Average room rate		RevPAR			
	Owned/leased (reported)		Owned/leased (reported)		Owned/leased (reported)		Owned/leased (like-for-like) [1]	Owned/leased and managed (reported)
(in local currency)	(in %)	(Change in points)		(% change)		(% change)	(% change)	(% change)
France	66.8%	+2.3	117	+5.8%	78	+9.6%	+7.5%	+5.6%
Germany	67.0%	+2.0	84	+1.9%	57	+5.1%	+3.1%	+5.3%
Netherlands	69.5%	+2.3	89	+3.3%	62	+6.9%	+6.9%	+11.2%
Belgium	70.7%	(2.4)	101	+5.2%	71	+1.8%	+2.0%	+2.7%
Spain	58.1%	+0.2	74	+1.6%	43	+2.0%	+1.7%	+2.6%
Italy	61.6%	+0.7	90	+0.0%	56	+1.1%	+2.7%	+1.1%
United Kingdom	79.8%	+2.4	81	+3.4%	65	+6.6%	+5.7%	+5.9%

(1) At constant scope of consolidation and exchange rates.

Economy Hotels: 2011 RevPAR by country

	Occupancy rate		Average room rate		RevPAR			
	Owned/leased (reported)		Owned/leased (reported)		Owned/leased (reported)		Owned/leased (like-for-like) [1]	Owned/leased and managed (reported)
(in local currency)	(in %)	(Change in points)		(% change)		(% change)	(% change)	(% change)
France	72.1%	+2.2	53	+3.1%	38	+6.4%	+4.3%	+6.4%
Germany	71.2%	+2.8	55	+0.6%	39	+4.7%	+3.8%	+4.6%
Netherlands	73.9%	+0.7	74	+6.3%	54	+7.3%	+7.1%	+7.3%
Belgium	73.8%	+1.2	65	+0.4%	48	+2.0%	+4.4%	+0.4%
Spain	57.3%	+2.7	49	(1.9)%	28	+2.9%	+2.9%	+2.9%
Italy	69.4%	+4.4	58	(2.3)%	40	+4.3%	+6.4%	+4.3%
United Kingdom	77.4%	+5.1	46	(0.5)%	36	+6.4%	+6.8%	+6.3%
United States	62.7%	+1.7	43	+2.4%	27	+5.2%	+3.9%	+5.2%

(1) At constant scope of consolidation and exchange rates.

Other businesses

Revenue from other businesses rose 2.2% like-for-like but contracted 13.3% as reported, primarily due to the sale of Lenôtre on September 22, 2011.

EBITDAR

EBITDAR (earnings before interest, taxes, depreciation, amortization and rental expense) represents a key financial performance indicator.

Consolidated EBITDAR amounted to €1,923 million in 2011, representing a 9.3% like-for-like gain for the year that can be analyzed as follows:

- Like-for-like growth: €168 million
- Business development: €13 million
- Currency effect: €(2) million
- Disposals: €(70) million

EBITDAR by business

(in million of euros)	2010 (1)	2011	% change 2011 vs. 2010 as reported	% change 2011 vs. 2010 like-for-like (2)
Hotels	**1,793**	**1,895**	**+5.7%**	**+8.6%**
Upscale and Midscale	960	1,008	+5.0%	+9.2%
Economy	668	723	+8.2%	+8.6%
Economy – United States	165	164	(0.6)%	+5.9%
Other businesses	**21**	**28**	**+33.3%**	**+63.5%**
TOTAL	**1,814**	**1,923**	**+6.0%**	**+9.3%**

(1) Reclassification of €11 million related to Asia-Pacific loyalty programs in "Upscale and Midscale Hotels" instead of "Other businesses."
(2) At constant scope of consolidation and exchange rates.

EBITDAR represented 31.5% of consolidated revenue in 2011, a year-on-year increase of 1.0 point as reported and 1.2 points like-for-like. The flow-through ratio [1] was a high 56%.

In the **Upscale and Midscale segment**, EBITDAR margin widened by 1.1 points like-for-like to 28.9%, while the flow-through ratio stood at 51.8%.

For **Economy Hotels**, EBITDAR margin rose by 0.8 point like-for-like to 38.1% and the flow-through ratio was 50.5%.

EBITDAR margin for **Economy Hotels in the United States** improved by 0.5 points like-for-like to 30.8%.

(1) The flow-through ratio including the impact of operations in Egypt and Ivory Coast was 54%.

EBIT

EBIT, corresponding to EBITDAR after depreciation, amortization, provisions and rental expense, rose 18.8% as reported to €530 million from €466 million in 2010. The increase can be analyzed as follows:

(in million of euros)	2010	2011	% change 2011 vs. 2010 as reported	% change 2011 vs. 2010 (like-for-like) [(1)]
EBITDAR	1,814	1,923	+6.0%	+9.3%
Rental expense	(934)	(995)	(6.5)%	(4.0)%
Depreciation, amortization and provision expense	(434)	(398)	+8.2%	+3.4%
EBIT	**446**	**530**	**+18.8%**	**+32.6%**

(1) At constant scope of consolidation and exchange rates.

Depreciation, amortization and provisions represented 11.0% of the carrying amount of property, plant and equipment and intangible assets.

Rental expense was up 6.5%, primarily as a result of the increase in business.

Operating profit before tax and non-recurring items

Operating profit before tax and non-recurring items – corresponding to EBIT less net financial expense plus share of profit of associates – represents the result of operations after the cost of financing Group businesses and before tax.

In 2011, operating profit before tax and non-recurring items came to €438 million, representing an increase of 31.4% as reported and 47.7% like-for-like.

(in million of euros)	2010	2011	% change 2011 vs. 2010 as reported	% change 2011 vs. 2010 (like-for-like) [(1)]
EBIT	446	530	+18.8%	+32.6%
Net financial expense	(134)	(97)	+27.9%	+12.8%
Share of profit of associates	22	5	(77.3)%	(16.6)%
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS	**334**	**438**	**+31.3%**	**+47.7%**

(1) At constant scope of consolidation and exchange rates.

Net financial expense amounted to €97 million, versus €134 million in 2010. Total fixed asset holding costs (rental expense plus depreciation, amortization, provision expense and interest) stood at €1,490 million, compared to €1,502 million in 2010, and represented 24.4% of revenue, versus 25.3% in 2010.

Share of profit of associates amounted to €5 million for the year, compared with €22 million in 2010, when it was lifted by earnings from the Hotels business in the United States following disposal of the Sofitel Washington (€7 million of the improvement) and the Sofitel Philadelphia (€6 million).

Net profit, Group share

(in million of euros)	2010	2011	% change 2011 vs. 2010
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS	**334**	**438**	**+31.3%**
Restructuring costs	(31)	(40)	+29.0%
Impairment losses	(284)	(113)	(60.2)%
Gains and losses on management of hotel properties	4	60	N/A
Gains and losses on management of other assets	(35)	(19)	N/A
OPERATING PROFIT/(LOSS) BEFORE TAX	**(12)**	**326**	**N/A**
Income tax expense	(392)	(274)	(30.1)%
Profit or loss from discontinued operations	4,014	(2)	N/A
NET PROFIT	**3,610**	**50**	**N/A**
NET PROFIT, GROUP SHARE	**3,600**	**27**	**N/A**
EARNINGS PER SHARE (IN EUROS)	**15.94**	**0.12**	**N/A**
NET PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	**10**	**23**	**N/A**

Restructuring costs totaled €40 million for the year, compared with €31 million in 2010. In both years, they primarily comprised costs related to the various reorganization programs.

Impairment losses, in an amount of €113 million in 2011 versus €284 million in 2010, mainly corresponded to €85 million in impairment of property, plant and equipment, including €35 million relating to such assets held for sale. In 2010, impairment losses mainly comprised a €100 million write-down of Motel 6 goodwill and €139 million in impairment of property, plant and equipment, chiefly in the United States and the Asia-Pacific region.

Gains and losses on the management of hotel properties, corresponding to capital gains and losses on disposals of hotel assets, represented a net gain of €60 million, versus €4 million in 2010. The 2011 figure primarily comprised (i) a €46 million gain on the outright sale of 38 hotels, mainly in Poland and France; (ii) a €31 million gain on the sale and management-back of the Pullman Paris Bercy; (iii) a €25 million gain on the sale and franchise-back of 36 hotels in France; (iv) a €7 million gain on the sale and management-back of the Sofitel Arc de Triomphe; (v) a €5 million loss on the sale and variable-leaseback of seven hotels in France; and (vi) a €35 million loss corresponding to asset write-offs arising from restructuring programs in the United States.

The net €19 million **loss on management of other assets** included a €23 million capital gain on the sale of Lenôtre, €3 million in costs related to the Ibis Megabrand project and €24 million in costs related to the exercise of call options on 56 hotels in the United States.

Income tax expense (excluding tax on the profits of associates and discontinued operations) came to €274 million versus €392 million in 2010, primarily reflecting the provision recorded in 2010 for CIWLT's dispute with the French tax authorities and a non-recurring deferred tax expense totaling €103 million in the United States in 2011. The effective tax rate (expressed as a percentage of operating profit before tax and non-recurring items taxable at the standard rate) was 25.3%, compared with 28.2% the year before.

After non-controlling interests amounting to €23 million, Accor ended the year with net profit, Group share of €27 million, versus €3,600 million in 2010. The 2010 figure included the €4,044 million non-cash capital gain (net of costs) arising on the demerger of the Services business.

As a result, **earnings per share**, based on the weighted average 227,106,906 shares outstanding in 2011, amounted to €0.12, compared with €15.94 for the previous year.

Dividend and payout ratio

	2010	2011	% change 2011 vs. 2010
Operating profit before non-recurring items, net of tax [1] (in million of euros)	**280**	**296**	**+5.7%**
Weighted average shares outstanding (in millions)	226	227	+0.6%
Operating profit before non-recurring items, net of tax per share (in euros)	1.24	1.30	+4.8%
Ordinary dividend per share (in euros)	**0.62**	**0.65** [2]	**+4.8%**
Ordinary dividend payout (in million of euros)	**141**	**148**	**+5.0%**
Payout ratio [3]	**50%**	**50%**	**-**
Special dividend per share (in euros)	**-**	**0.50** [2]	**N/A**

(1) Operating profit before tax and non-recurring items less operating tax, less non-controlling interests.
(2) Submitted for approval at the Combined Ordinary and Extraordinary Shareholders' Meeting on May 10, 2012.
(3) Based on operating profit before non-recurring items, net of tax.

At the Annual Meeting on May 10, 2012, shareholders will be asked to approve the payment of a dividend of €1.15 per share, compared with €0.62 the year before.

Cash flows

(in million of euros)	2010	2011
Funds from operations excluding non-recurring transactions	695	737
Renovation and maintenance expenditure	(281)	(303)
FREE CASH FLOW	**414**	**434**
Expansion expenditure	(340)	(213)
Restructuring costs – United States	-	(95)
Sofitel Rio deposit	-	(79)
Proceeds from disposals of hotel assets	541	394
Proceeds from disposals of other assets	15	106
Ordinary dividends paid	(249)	(155)
Proceeds from issue of share capital	44	11
Decrease/(increase) in working capital	198	5
Change in % interest in subsidiaries (buyout of non-controlling interests in Italy and Orbis)	-	(50)
Others	(170)	(120)
Cash flow from discontinued operations	441	266
DECREASE/(INCREASE) IN NET DEBT	**894**	**504**

Funds from operations excluding non-recurring transactions rose 6.0% to €737 million in 2011.

Renovation and maintenance expenditure amounted to €303 million, versus €281 million in 2010, and represented 5.0% of revenue, compared with 4.7% in 2010.

After renovation and maintenance expenditure, free cash flow stood at €434 million, up 4.8% year-on-year.

Expansion expenditure totaled €213 million versus €340 million in 2010. Outlays mainly comprised capital expenditure for organic expansion in the Upscale and Midscale segment and Economy Hotels outside the United States.

Proceeds from disposals of hotel assets came to €394 million, down from €541 million the year before, primarily reflecting the following: (i) €151 million from the sale and management-back of nine hotels, of which €86 million for the Pullman Paris Bercy; (ii) €91 million from the sale and variable-lease-back of 13 hotels; (iii) €74 million from the sale and franchise-back of 69 hotels; and (iv) €78 million from the outright sale of 38 hotels.

Working capital decreased by €5 million in 2011, versus €198 million in 2010.

The €120 million balance mainly includes €104 million in non-recurring gains and losses and a €14 million currency impact.

Altogether, these cash flows resulted in a €504 million decrease in consolidated net debt over the year, to €226 million at December 31, 2011.

Financial ratios

In general, the main financial ratios sharply improved in 2011, reflecting the improvement in business during the year.

Gearing

Consolidated net debt amounted to €226 million at December 31, 2011, compared with €730 million a year earlier, while gearing stood at 6% versus 18% at December 31, 2010.

Funds from operations excluding non-recurring transactions/Adjusted net debt

The ratio of funds from operations excluding non-recurring transactions to adjusted net debt is calculated according to a method used by the main rating agencies, with net debt adjusted for the 8% [1] discounting of future minimum lease payments.

The ratio stood at 25.7% at December 31, 2011, versus 20.1% a year earlier.

It is analyzed in the consolidated financial statements.

Return on capital employed

Return on capital employed (ROCE), corresponding to EBITDA expressed as a percentage of fixed assets at cost plus working capital, amounted to 12.3% in 2011, versus 11.3% in 2010. This ratio is also analyzed in the consolidated financial statements.

Value creation

Value created is calculated as follows:

$$\left(\text{ROCE after tax} - \text{Weighted average cost of capital} \right) \times \text{Capital employed}$$

Based on an ROCE after tax of 10.5%, a weighted average cost of capital of 9.12% and capital employed of €7.73 billion, the Economic Value Added (EVA) created by Accor totaled €108 million in 2011, versus €75 million in 2010.

P&L Performance reporting system

To support the shift in the business model to managed and franchised hotels, a new financial reporting system known as P&L Performance was introduced in 2010 to analyze Accor's performance as a network manager and hotel operator.

P&L Performance tracks income statement data based on the following profit or cost centers:

1) franchise operations, through which all of the hotels – whether owned, leased, managed or franchised – can leverage the Accor brands and their reputation in return for a management fee;

2) management operations, through which Accor transfers its hotel operating expertise and experience to the owned, leased or managed hotels in return for a trade mark fee;

3) sales and marketing operations, through which Accor provides all of the owned, leased, managed, and franchised hotels with services relating to distribution systems, the loyalty program, sales programs and marketing campaigns in return for sales and marketing fees;

(1) *Rate used by the Standard & Poor's rating agency.*

4) hotelier operations for owned and leased hotels, all of whose revenue and earnings accrue to Accor; 5) unallocated operations, which primarily include the corporate departments.

The system analyzes the following indicators:

(a) gross revenue;

(b) revenue;

(c) EBITDAR;

(d) EBIT.

Targets for margin, flow-through ratio and earnings have been set for some of these indicators.

Gross revenue in the hospitality operations corresponds to the aggregate of:

a) total revenue generated by owned and leased hotels;

b) total revenue generated by managed hotels;

c) total accommodation revenue generated by franchised hotels.

As Accor does not receive all of the above revenues, the gross revenue indicator cannot be reconciled with the indicators presented in the consolidated financial statements. However, it does provide a yardstick to measure growth in the Accor network, making it a key indicator for management.

P&L Performance for 2010 and 2011 was as follows:

	Management & franchise(1)		Sales & Marketing Fund(1)		Owned & Leased		Not allocated, platform & intercos		Total	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Gross Revenue	9,810	10,602	N/A	N/A	5,330	5,454	255	184	10,065	10,786
o/w Revenue (1)	593	646	258	308	5,330	5,454	(233)	(309)	5,948	6,100
EBITDAR	312	337	(18)	1	1,530	1,573	(10)	12	1,814	1,923
Contributive margin	*53%*	*52%*	*(7)%*	*0%*	*29%*	*29%*	N/A	N/A	*30.5%*	*31.5%*
EBIT	312	337	(18)	1	226	245	(74)	(53)	446	530
EBIT margin	*53%*	*52%*	*(7)%*	*0%*	*4%*	*4%*	*N/A*	*N/A*	*7.5%*	*8.7%*

(1) Including fees from owned and leased hotels.

3.2. REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

Activities of Accor SA

Accor SA owns the Pullman, Novotel, Suite Novotel, Mercure, all seasons/ibis Styles, ibis, Etap Hotel/hotelF1/ibis *budget* and Formule1 brands, and receives royalties from their licensing. It also owns hotel businesses in France and holds most of the hotel management contracts and franchise agreements in the country.

Accor SA provides other Group companies with hotel management, IT, purchasing, cash management and advertising services, as well as various advisory services, and assigns Accor SA staff to them as required. Billings for these services correspond either to a percentage of the hotel's revenue and/or profit, a flat fee or a fee per service. They are determined on an arm's length basis.

As the Group's holding company, Accor SA manages a substantial portfolio of equity interests, receives dividends from subsidiaries and leads the Group's expansion.

At December 31, 2011, the following hotels were managed by French subsidiaries under business leases: 52 Novotel, two Mercure, 12 Suite Novotel, one all seasons/ibis Styles, five Thalassa sea & spa institutes, two ibis and one Etap Hotel/ibis *budget*.

Review of 2011 results

Total revenue from all of the Company's operations, including hotel royalties, business lease revenue and service fees, amounted to €724.9 million in 2011, versus €721.1 million the year before. The 0.52% or €3.8 million increase reflected the sharp €45.7 million growth in revenue from hotel management operations, which more than offset the €41.9 million in lost business and rebillings following the demerger of Accor Services in 2010.

Distribution of Accor SA revenue

(in million of euros)	2010	2011	Repartition in %
Royalties from subsidiaries	225	235	32%
Other service fees	335	324	45%
Rent and business lease revenue	90	88	12%
Royalties from non-Group companies	57	64	9%
Guarantee fees	14	14	2%
TOTAL	**721**	**725**	**100%**

Other income, expense transfers and reversals of depreciation, amortization and provisions amounted to €37.1 million, compared with €48.1 million in 2010. The €11.0 million decrease corresponded primarily to the €8.2 million in reversals of depreciation and amortization reported in 2010 following the sale of the Pullman La Défense Grande Arche hotel and €2.2 million related to the demerger of Accor Services.

Operating expenses declined by €55.8 million to €682.7 million from €738.5 million in 2010, reflecting the combined impact of (i) a €31.1 million increase in general operating expenses and fees paid in 2011, offset by (ii) the non-recurrence of demerger-related costs, of which €50.0 million in fees and expenses and €36.9 million in general operating expenses and depreciation, amortization and provision expense.

At €79.3 million, **operating profit** was up €48.6 million on the €30.7 million reported in 2010.

Net financial income climbed €578.4 million to €649.4 million from €71.0 million.

Total provision movements included in net financial income, corresponding mainly to write-downs of investments in subsidiaries, represented a net charge of €221.8 million against a €520.2 million net charge in 2010. The main additions to these provisions in 2011 corresponded to write-downs of the shares held by the Company in ALNA (€137.9 million) and IBL (€86.8 million) while the principal reversal amounted to €76.3 million and related to shares in Accor Hospitality Germany.

Income from investments in subsidiaries and affiliates totaled €1,023.1 million, versus €795.4 million in 2010. The main dividend payments received during the year were from Accor Participazioni Italia (€788.3 million) and Accor UK (€80 million compared with €382.2 million in 2010).

Recurring income before tax came to €728.7 million, up from €101.6 million in 2010.

Non-recurring income represented net income of €17.6 million compared with €44.9 million in 2010. The 2011 total primarily included €27.1 million in capital gains arising on the sales of shares in hotel companies, two Novotel hotels and the Pullman Bercy, as well as a €10.9 million provision recorded for tax risks. The net non-recurring income figure for 2010 mainly comprised capital gains arising on the sale of 11 hotel properties and shares in Accor Services subsidiaries.

The Company recorded an **income tax benefit** of €21.2 million in 2011 versus €32.6 million in 2010, corresponding to the tax savings arising from group relief. At December 31, 2011 the French tax group headed by Accor SA comprised 87 companies compared with 95 one year earlier.

Accor SA ended the year with **net profit** of €770.7 million against €172.6 million in 2010.

Non-deductible provisions and accrued expenses carried in the balance sheet at December 31, 2011 amounted to €64.5 million, versus €65.6 million at the previous year-end.

During 2011 Accor paid an **ordinary dividend** of €0.62 per share, representing an aggregate payout of €140.7 million. The ordinary dividend paid in 2010 amounted to €1.05 per share.

Details of the other directorships and positions held by the Company's directors and officers, as well as their compensation, are provided in the Corporate Governance section, on page 65.

Information about supplier payment periods

Payment schedule for Accor SA's trade payables

(in million of euros)	Accrued payables	< 30 days	30-60 days	> 60 days
Trade payables	-	25.4	5.0	-
Accruals for goods and services received but not invoiced	122.4	-	-	-
TOTAL	**122.4**	**25.4**	**5.0**	**-**

2011 business review

In 2011, Accor disposed of its entire interests in **Groupe Lucien Barrière** for €268.0 million, **Lenôtre** for €41.3 million and **Golf du Médoc Pian** for €1.1 million. These disposals gave rise to capital losses of €203.3 million, €16.2 million and €8.0 million respectively, which were offset by provision reversals amounting to €204.3 million, €17.5 million and €6.2 million.

Also during the year, Accor:

(i) sold its stake in **La Quiberonnaise** for €1.3 million as well as its interest in **Société Foncière du Golf** for €0.4 million, resulting in capital gains of €1.1 million and €0.2 million respectively;

(ii) acquired €8.1 million worth of shares in **Risma**, through the conversion of ORA equity notes, which raised its interest in the company to 31.6% at December 31, 2011;

(iii) purchased an additional stake in **Orbis** for €6.2 million, raising its interest in the company to 46.5%;

(iv) restructured its subsidiaries in Italy by:

- acquiring, for €43.0 million, the remaining 5.4% interest it did not already own in Accor Participazioni Italia, thereby raising its stake in the company to 100%,
- selling its 30.7% interest in Accor Hospitality Italia in preparation for its merger with Sofitel Italia, which generated an €11.8 million capital loss that was fully offset by a provision reversal;

(v) took up all of the new shares issued by SH Porte de Sèvres, for €20.0 million, which gave Accor a 40.9% stake in the company;

(vi) recapitalized SH 61 Quai de Grenelle and SH 18 Suffren, two wholly-owned subsidiaries, in an amount of €10.0 million and €11.0 million respectively.

Lastly, SCI Darly, SCI Fervo, SCI Madi, SCI Suni, SCCP Porticcio, SH Egletons, SH Midi France and SERH were liquidated during the year, giving rise to an aggregate capital loss of €8.4 million which was mostly offset by €7.0 million in provision reversals.

Hotel transactions

During the year, the **Pullman Bercy, Novotel Avignon** and **Novotel Troyes** hotel properties were sold, giving rise to respective capital gains of €17.5 million (net of transaction costs), €2.7 million and €1.9 million.

Transactions in Accor SA shares

In June 2011, Accor paid a cash dividend for 2010 amounting to €0.62 per share, representing an aggregate payout of €140.7 million.

Also in 2011, the Company's equity was increased by the following share issues:

- 349,474 Accor shares issued on exercise of stock options and stock savings warrants;
- 108,023 shares issued under performance share plans.

All of these transactions, which are described in further detail on page 296, increased Accor's share capital by €1,372,491 and additional paid-in capital by €6,802,161.

The Company did not buy back any of its own shares during 2011.

The Company's ownership structure is described in the "Capital and Ownership Structure" section on page 298.

Financing and investing transactions

During the year, the €1.7 billion syndicated credit facility that was due to expire in June 2012 was replaced with a new five-year €1.5 billion syndicated facility.

The Company also carried out further bond buybacks in 2011 representing the following amounts:

- €55.7 million for the 6.5%-coupon bonds maturing in May 2013;
- €65.5 million for the 7.5%-coupon bonds maturing in February 2014.

At the year-end, Accor had €275.5 million worth of cash investments and €1,005.9 million in term deposits.

No debt issues were carried out in 2011 as the Company has €308 million in private placement financing maturing in 2013 as well as funds from three bond issues carried out in 2009 with maturities of four, five and eight years.

Information about subsidiaries

Accor SA holds 50% or more of the capital of 142 companies. The main equity interests – based on net value – are as follows:

- **Accor Hotels Belgium** – AHB (€1,002.3 million), a Belgian company that operates the Group's hotels in Belgium and also owns the entire capital of Accor Asia and Accor Hotels Luxembourg, as well as 81.9% of AAPC – the holding company for the Accor Group's Hotels business in Australia – 50% of the Portugal-based hotel operator AHS, 83.1% of Accor Hoteles España and 99.8% of Groen Brugge Hotel.

  AHB reported net profit of €21.4 million in 2011 versus €323.0 million in 2010. Of the €301.6 million decrease, €266.0 million was attributable to the gain generated in 2010 on AHB's sale of TRB shares to Accor Services as part of the demerger process;

- **IBL** (€612.7 million). IBL owns 37.9% of Accor Lodging North America, the holding company for the Hotels business in the United States. It does not have any other activities.

  IBL's profit varies depending on the interest received from Accor on current account advances, and on the amount of any dividends received from Accor Lodging North America.

  IBL received €0.1 million in dividends from Accor Lodging North America in 2011 and reported a net loss of €116.8 million versus net profit of €3.2 million in 2010. The 2011 net loss mainly reflected the €121.2 million addition to provisions recorded during the year to write down IBL's investment in

Accor Lodging North America. Consequently, IBL did not pay any dividends to Accor SA in 2011;

- **Accor Lodging North America** (€592.1 million), the holding company for the Hotels business in the United States. This company reported a net loss of €0.4 million in 2011 versus a net loss of €11.4 million in 2010;
- **Accor Hospitality Germany** (€507.4 million), a company based in Germany that operates 332 hotels in that country.

  Accor Hospitality Germany reported net profit of €38.1 million in 2011 and €30.0 million in 2010;
- **CIWLT** (€412.5 million). Belgium-based Compagnie Internationale des Wagons-Lits et Tourisme (CIWLT) provides on-board train services in Europe, through a joint venture that is owned 60% by Newrest and 40% by Accor.

  CIWLT reported 2011 revenue of €0.1 million compared with €17.8 million the previous year, and net profit of €49.7 million versus a net loss of €285.1 million.

The other interests held by Accor SA are listed in the table of subsidiaries and affiliates presented after the parent company financial statements on page 282.

3.3. MATERIAL CONTRACTS

During 2011, material contracts (other than contracts entered into in the ordinary course of business) corresponded to agreements signed in relation to disposals, expansion, business acquisitions and real estate transactions, as described in paragraphs A to B of note 2 and in note 40 to the consolidated financial statements, on pages 165 and 244.

3.4. SIGNIFICANT EVENTS OF EARLY 2012

The following significant events have occurred since the end of 2011.

Sale of Pullman Paris Rive Gauche for €77 million

As part of the asset management strategy, the Pullman Paris Rive Gauche (617 rooms) has been sold to Bouygues Immobilier for €77 million. The hotel, whose operating and technical performance failed to meet Group standards, will 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.

Disposal of the Novotel New York Times Square under a €160 million sale and management-back agreement

As part of the on-going asset management strategy, the Novotel Times Square in New York has been sold under a sale and management-back agreement, for a total value of €160 million (€335,000 per room). The selling price amounted to €71 million, given that the buyer has committed to complete a full renovation of the hotel between 2012 and 2013, at an estimated cost of €89 million based on a scope defined by Accor. The hotel will remain open throughout the renovation project. In addition, an earn-out of up to €12 million could be cashed in depending on the results of the hotel after refurbishment.

Opened in 1984 in the center of one of the world's most popular tourist and business destinations, the 480-room flagship 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 real estate asset management companies, Chartres Lodging Group, LLC and Apollo Global Management, LLC.

4

FINANCIAL STATEMENTS

4.1. CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2011

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes explanatory paragraphs discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. This report also includes information relating to the specific verification of information given in the Group's management report. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In accordance with our appointment as statutory auditors at your Annual General Meeting, we hereby report to you for the year ended December 31, 2011 on:

- The audit of the accompanying consolidated financial statements of Accor.
- The justification of our assessments.
- The specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements, based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall presentation of the financial statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2011 and of the results of its operations for the year then ended in accordance with the IFRSs as adopted by the European Union.

II. Justification of our assessments

In accordance with the requirements of Article L.823-9 of French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- Notes 1.E.6 and 1.E.4 to the consolidated financial statements describe the accounting policies and methods used to assess the recoverable amount of property, plant and equipment and intangible assets, as well as the policies and methods used to account for leases and sale-and-leaseback transactions. We verified the appropriateness of these accounting policies and methods and of the related information given in the notes to the consolidated financial statements. We also examined the consistency of the data and assumptions used, and the supporting documentation, and on these bases assessed the reasonableness of the estimates made.
- Notes 13.2.c, 14 and 16.3 to the consolidated financial statements describe the expenses recognized in 2011 in connection with the US Economy Hotels operations. These expenses include €49 million in impairment of property, plant and equipment, €35 million in asset write-offs and the cancelation of €103 million worth of deferred tax assets. Our work consisted of assessing the reasonableness of the elements on which these impairment losses and write-downs were based and verifying that the related accounting methods were correctly applied.
- Note 39 to the consolidated financial statements describes the disputes currently underway, regarding the tax audits of CIWLT and claims relating to the dividend withholding tax. This note describes management's positions concerning these disputes. Our work consisted of assessing the reasonableness of the elements on which these positions are based and verifying that the note to the consolidated financial statements provides appropriate disclosures.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole and therefore contributed to the formation of the opinion expressed in the first part of this report.

III. Specific verification

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense – March 29, 2012

The Statutory Auditors

DELOITTE & ASSOCIES	ERNST & YOUNG ET AUTRES
Pascale Chastaing-Doblin	Bruno Bizet

CONSOLIDATED INCOME STATEMENTS

(in million of euros)	Notes	2010	2011
CONSOLIDATED REVENUE	**3**	**5,948**	**6,100**
Operating expense	4	(4,134)	(4,177)
EBITDAR	**5**	**1,814**	**1,923**
Rental expense	6	(934)	(995)
EBITDA	**7**	**880**	**928**
Depreciation, amortization and provision expense	8	(434)	(398)
EBIT	**9**	**446**	**530**
Net financial expense	10	(134)	(97)
Share of profit of associates after tax	11	22	5
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS		**334**	**438**
Restructuring costs	12	(31)	(40)
Impairment losses	13	(284)	(113)
Gains and losses on management of hotel properties	14	4	60
Gains and losses on management of other assets	15	(35)	(19)
OPERATING PROFIT BEFORE TAX		**(12)**	**326**
Income tax expense	16	(392)	(274)
PROFIT OR LOSS FROM CONTINUING OPERATIONS		**(404)**	**52**
Net Profit from discontinued operations	17	4,014	(2)
NET PROFIT		**3,610**	**50**
Net Profit, Group Share from continuing operations		(411)	29
Net Profit, Group Share from discontinued operations		4,011	(2)
Net Profit, Group Share		**3,600**	**27**
Net Profit, Minority interests from continuing operations		7	23
Net Profit, Minority interests from discontinued operations		3	(0)
Net Profit, Minority interests		10	23
Weighted average number of shares outstanding (in thousands)	25	225,838	227,107
EARNINGS PER SHARE (in euros)		**15.94**	**0.12**
Diluted earnings per share (in euros)	25	15.87	0.12
Earnings per share from continuing operations (in euros)		(1.82)	0.13
Diluted earnings per share from continuing operations (in euros)		(1.82)	0.13
Earnings per share from discontinued operations (in euros)		17.76	(0.01)
Diluted earnings per share from discontinued operations (in euros)		17.68	(0.01)

Income statement indicators are explained in note 1.R.

STATEMENTS OF COMPREHENSIVE INCOME

(in million of euros)	Notes	2010	2011
NET PROFIT		**3,610**	**50**
Currency translation adjustment		230	(47)
Effective portion of gains and losses on hedging instruments in a cash flow hedge		2	3
Actuarial gains and losses on defined benefits plans		(2)	(2)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method		-	-
Other comprehensive income, net of tax	**28**	**230**	**(47)**
TOTAL COMPREHENSIVE INCOME		**3,840**	**3**
Comprehensive income, Group share		**3,817**	**8**
Comprehensive income, Minority interests		23	(4)

CONSOLIDATED BALANCE SHEETS

Assets

(in million of euros)	Notes	2010	2011
GOODWILL	**18**	**743**	**712**
INTANGIBLE ASSETS	**19**	**409**	**373**
PROPERTY, PLANT AND EQUIPMENT	**20**	**3,682**	**3,257**
Long-term loans	21	136	138
Investments in associates	22	216	210
Other financial investments	23	128	201
TOTAL NON-CURRENT FINANCIAL ASSETS		**480**	**549**
Deferred tax assets	16	241	147
TOTAL NON-CURRENT ASSETS		**5,555**	**5,038**
Inventories	24	41	41
Trade receivables	24	374	364
Other receivables and accruals	24	637	680
Receivables on disposals of assets	29 & 30	95	95
Short-term loans	29 & 30	20	26
Cash and cash equivalents	29 & 30	1,143	1,370
TOTAL CURRENT ASSETS		**2,310**	**2,576**
Assets held for sale	32	813	386
TOTAL ASSETS		**8,678**	**8,000**

Equity and Liabilities

(in million of euros)	Notes	2010	2011
Share capital	25	680	682
Additional paid-in capital and reserves		(630)	2,828
Net profit, Group share		3,600	27
SHAREHOLDERS' EQUITY, GROUP SHARE		**3,650**	**3,537**
Minority interests	27	299	231
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTERESTS		**3,949**	**3,768**
Other long-term financial debt	29 & 30	1,690	1,524
Long-term finance lease liabilities	29 & 30	93	69
Deferred tax liabilities	16	123	156
Non-current provisions	33	109	101
TOTAL NON-CURRENT LIABILITIES		**5,964**	**5,618**
Trade payables	24	634	642
Other payables and income tax payable	24	1,307	1,333
Current provisions	33	190	194
Short-term debt and finance lease liabilities	29 & 30	160	106
Bank overdrafts and liability derivatives	29 & 30	45	18
TOTAL CURRENT LIABILITIES		**2,336**	**2,293**
Liabilities of assets classified as held for sale	32	378	89
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**8,678**	**8,000**

CONSOLIDATED CASH FLOW STATEMENTS

	(in million of euros)	Notes	2010	2011
+	EBITDA	7	880	928
+	Net financial expense	10	(134)	(97)
+	Income tax expense		(129)	(163)
-	Non cash revenue and expense included in EBITDA		15	10
-	Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes		59	47
+	Dividends received from associates		4	12
+	Impact of discontinued operations		169	(9)
=	**FUNDS FROM OPERATIONS EXCLUDING NON-RECURRING TRANSACTIONS**	**34**	**864**	**728**
+	Decrease (increase) in operating working capital	35	198	5
+	Impact of discontinued operations		(212)	13
=	**NET CASH FROM OPERATING ACTIVITIES**		**850**	**746**
+	Cash received (paid) on non-recurring transactions (included restructuring costs and non-recurring taxes)		(120)	(104)
+	Impact of discontinued operations		(65)	(0)
=	**NET CASH FROM OPERATING ACTIVITIES INCLUDING NON-RECURRING TRANSACTIONS (A)**		**665**	**642**
-	Renovation and maintenance expenditure	36	(281)	(303)
-	Development expenditure	37	(340)	(387)
+	Proceeds from disposals of assets		556	500
+	Impact of discontinued operations		335	430
=	**NET CASH USED IN INVESTMENTS/DIVESTMENTS (B)**		**270**	**240**
+	Proceeds from issue of share capital		44	11
-	Dividends paid		(249)	(155)
-	Repayment of long-term debt		(304)	(157)
-	Payment of finance lease liabilities		(52)	(9)
+	New long term debt		75	20
=	**INCREASE (DECREASE) IN LONG-TERM DEBT**		**(281)**	**(146)**
+	Increase (decrease) in short-term debt		(1,253)	(118)
+	Change in percentage ownership of subsidiaries		-	(50)
+	Impact of discontinued operations		837	(199)
=	**NET CASH FROM FINANCING ACTIVITIES (C)**		**(902)**	**(657)**
+	Effect of changes in exchange rates (D)		(20)	(6)
+	Effect of changes in exchange rates on discontinued operations (D)		47	(2)
=	**NET CHANGE IN CASH AND CASH EQUIVALENTS (E)=(A)+(B)+(C)+(D)**		**60**	**217**
-	Cash and cash equivalents at beginning of period		1,076	1,098
-	Effect of changes in fair value of cash and cash equivalents		1	4
-	Cash and Cash equivalents reclassified at end of period in "Assets held for sale"		(39)	33
-	Net change in cash and cash equivalents for discontinued operations		-	-
+	Cash and cash equivalents at end of period	30	1,098	1,352
=	**NET CHANGE IN CASH AND CASH EQUIVALENTS**		**60**	**217**

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in million of euros)	Number of shares outstanding	Share capital	Additional paid-in capital	Currency translation reserve (1)	Hedging Instruments reserve	Reserve for actuarial gains/ losses	Reserve related to employee benefits	Retained earnings and profit for the period	Shareholders' equity	Minority interests	Consolidated shareholders' Equity
AT JANUARY 1, 2010	**225,458,199**	**676**	**2,379**	**(203)**	**(12)**	**(26)**	**102**	**81**	**2,997**	**257**	**3,254**
Issues of share capital											
◗ Performance share grants	26,166	0	-	-	-	-	-	(0)	-	-	-
◗ On exercise of stock options	1,344,222	4	31	-	-	-	-	-	35	9	44
◗ On mergers	(34,638)	-	-	-	-	-	-	-	-	-	-
Dividends paid in cash									-	(12)	(12)
◗ In cash (2)	-	-	-	-	-	-	-	(237)	(237)	-	(237)
◗ In connection with the demerger (3)	-	-	(1,099)	-	-	-	-	(1,838)	(2,937)		(2,937)
Change in reserve for employee benefits	-	-	-	-	-	-	19	-	19	-	19
Effect of scope changes	-	-	-	-	-	2	-	(46)	(44)	22	(22)
Other Comprehensive Income	**-**	**-**	**-**	**217**	**2**	**(2)**	**-**	**-**	**217**	**13**	**230**
Net Profit	-	-	-	-	-	-	-	3,600	3,600	10	3,610
Total Comprehensive Income	**-**	**-**	**-**	**217**	**2**	**(2)**	**-**	**3,600**	**3,817**	**23**	**3,840**
AT DECEMBER 31, 2010	**226,793,949**	**680**	**1,311**	**14**	**(10)**	**(26)**	**121**	**1,560**	**3,650**	**299**	**3,949**
Issues of share capital											
◗ Performance share grants	108,023	0	-	-	-	-	-	(0)	-	-	-
◗ On exercise of stock options	349,474	1	7	-	-	-	-	-	8	3	11
Dividends paid in cash (2)	-	-	-	-	-	-	-	(141)	(141)	(14)	(155)
Change in reserve for employee benefits	-	-	-	-	-	-	13	-	13	-	13
Effect of scope changes	-	-	-	-	-	(2)	-	2	(1)	(52)	(53)
Other Comprehensive Income	**-**	**-**	**-**	**(20)**	**3**	**(2)**	**-**	**-**	**(19)**	**(28)**	**(47)**
Net Profit	-	-	-	-	-	-	-	27	27	23	50
Total Comprehensive Income	**-**	**-**	**-**	**(20)**	**3**	**(2)**	**-**	**27**	**8**	**(4)**	**3**
AT DECEMBER 31, 2011	**227,251,446**	**682**	**1,318**	**(6)**	**(7)**	**(31)**	**134**	**1,448**	**3,537**	**231**	**3,768**

(1) Exchange differences on translating foreign operations between December 31, 2010 and December 31, 2011, representing a negative impact of €20 million, mainly concern changes in exchange rates against the euro of the Polish zloty (€29 million negative impact), the Brazilian real (€11 million negative impact) and the Australian $ (€13 million positive impact).

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

	USD	GBP	PLN	BRL	AUD
December 2010	*1.3362*	*0.8608*	*3.9750*	*2.2177*	*1.3136*
December 2011	*1.2939*	*0.8353*	*4.4580*	*2.4159*	*1.2723*

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

(in euros)	*2010*	*2011 **
Dividend per share	*0.62*	*0.65*
Special dividend per share	*N/A*	*0.50*

** Ordinary dividend per share and special dividend per share recommended by the Board of Directors to the Annual Shareholders' Meeting of May 10, 2012.*

(3) The value of the Edenred shares distributed as part of the company's initial public offering on July 2, 2010 stood at €2,937 million (see note 2.F).

Number of Accor's shares is detailed as follows:

Details on shares	**Dec. 2010**	**Dec. 2011**
Total number of shares authorized	226,793,949	227,251,446
Number of fully paid shares issued and outstanding	226,793,949	227,251,446
Number of shares issued and outstdanding not fully paid	-	-
Par value per share (in euros)	3	3
Treasury stock	-	-
Number of shares held for allocation on exercise of stock options and grants	-	-

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

Outstanding shares at January 1, 2011	**226,793,949**
Performance shares granted	108,023
Shares from conversion of stock option plans	349,474
Outstanding shares at December 31, 2011	**227,251,446**
Accor's share capital at December 31, 2011	**227,251,446**
Shares in treasury at December 31, 2011	-
Outstanding shares at December 31, 2011	**227,251,446**
Stock option plans (see note 25.3)	12,997,382
Performance shares plans (see note 25.3)	269,755
Potential number of shares	**240,518,583**

Full conversion would have the effect of reducing debt at December 31, 2011 as follows:

(in million of euros)	
Theoretical impact of exercising stock options *	392
Theoretical impact on net debt of exercising all equity instruments	**392**

* *assuming exercise of all options outstanding at December 31, 2011.*

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

Accor's share capital at December 31, 2011	**227,251,446**
Outstanding shares at December 31, 2011	**227,251,446**
Effect of share issues on the weighted average number of shares	(27,803)
Adjustment from stock option plans exercised during the period	(116,737)
Weighted average number of ordinary shares during the period (see note 25)	**227,106,906**
Impact of dilutive stock options plans at December 31, 2011	685,902
Impact of dilutive performance shares at December 31, 2011	135,614
Weighted average number of shares used to calculate diluted earning per share (see note 25)	**227,928,422**

KEY MANAGEMENT RATIOS

	Note	Dec. 2010 *	Dec. 2011 **
Gearing	(a)	18%	6%
Adjusted Funds from Ordinary Activities / Adjusted Net Debt	(b)	20.1%	25.7%
Return On Capital Employed	(c)	11.3%	12.3%
Economic Value Added (EVA) (in million of euros)	(d)	75	108

* *Based on continuing operations; i.e. excluding Edenred, which was deconsolidated during the period, and Groupe Lucien Barrière and the Onboard Train Services business, which in accordance with IFRS 5 were reclassified as discontinued operations as of December 31, 2010.*

** *Based on continuing operations; i.e. excluding Groupe Lucien Barrière, which was deconsolidated during the period, and the Onboard Train Services business, which in accordance with IFRS 5 was reclassified as discontinued operations as of December 31, 2011.*

Note (a): Gearing corresponds to the ratio of net debt to equity (including minority interests).

Note (b): Adjusted Funds from Ordinary Activities / Adjusted Net Debt is calculated as follows, corresponding to the method used by the main rating agencies:

	Dec. 2010 *	Dec. 2011 **
NET DEBT AT END OF THE PERIOD (SEE NOTE 30)	**730**	**226**
Debt restatement prorated over the period	319	207
AVERAGE NET DEBT	**1,049**	**433**
Rental commitments discounted at 8% (1)	3,742	3,495
TOTAL ADJUSTED NET DEBT	**4,791**	**3,928**
FUNDS FROM ORDINARY ACTIVITIES	**695**	**737**
Rental amortization	266	271
ADJUSTED FUNDS FROM ORDINARY ACTIVITIES	**961**	**1,008**
ADJUSTED FUNDS FROM ORDINARY ACTIVITIES / ADJUSTED NET DEBT	**20.1%**	**25.7%**

* *Based on continuing operations; i.e. excluding Edenred, which was deconsolidated during the period, and Groupe Lucien Barrière and the Onboard Train Services business, which in accordance with IFRS 5 were reclassified as discontinued operations as of December 31, 2010.*

** *Based on continuing operations; i.e. excluding Groupe Lucien Barrière, which was deconsolidated during the period, and the Onboard Train Services business, which in accordance with IFRS 5 was reclassified as discontinued operations as of December 31, 2011.*

(1) *Rental commitments correspond to the amounts presented in note 6 C. They do not include any variable or contingent rentals. The 8% rate is the rate used by Standard & Poor's.*

Adjusted net debt at December 31, 2010 is based on rental commitments discounted at 8% (€3,742 million).

Adjusted net debt at December 31, 2011 is based on rental commitments discounted at 8% (€3,495 million).

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

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

2010 and 2011 Economic Value Added (EVA) have been calculated as follows:

	Dec. 2010	Dec. 2011
WEIGHTED AVERAGE COST OF CAPITAL (WACC) (1)	8.67%	9.12%
ROCE AFTER TAX (2)	9.60%	10.51%
CAPITAL EMPLOYED (in million of euros)	8,123	7,734
ECONOMIC VALUE ADDED (3) (in million of euros)	75	108

1) 2010 WACC has been recalculated based on the post-demerger structure of the Accor Group.

2) ROCE after tax is determined as follows:

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

For example, at December 31, 2011 the data used in the formula were as follows:

EBITDA: €928 million (see ROCE hereafter)
Depreciation, amortization and provisions: €398 million
Effective tax rate: 25.3% (see note 16.2)
Capital employed: €7,734 million (see ROCE hereafter)

3) 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 €37 million impact on 2010 EVA and a €38 million impact on 2011 EVA.

RETURN ON CAPITAL EMPLOYED (ROCE) BY BUSINESS SEGMENT

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

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

- Adjusted EBITDA: for each business, EBITDA plus revenue from financial assets and investments in associates (dividends and interests).
- Capital Employed: for each business, the average cost of 2010 and 2011 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 2011, ROCE stood at 12.3% versus 11.3% in December 2010.

(in million of euros)	2010	2011
Capital employed	8,506	8,194
Adjustments on capital employed (1)	(501)	(323)
Effect of exchange rate on capital employed (2)	118	(137)
AVERAGE CAPITAL EMPLOYED	**8,123**	**7,734**
EBITDA (see note 7)	880	928
Interest income on external loans and dividends	12	19
Share of profit of associates before tax (see note 11)	24	7
PUBLISHED ADJUSTED EBITDA	**916**	**954**
ROCE (ADJUSTED EBITDA/CAPITAL EMPLOYED)	**11.3%**	**12.3%**

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

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

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

	Dec. 2010		Dec. 2011	
	Capital Employed	ROCE	Capital Employed	ROCE
Business	(in million of euros)	%	(in million of euros)	%
HOTELS	**7,873**	**11.1%**	**7,537**	**12.2%**
Upscale and Midscale Hotels	4,279	10.4%	4,138	11.1%
Economy Hotels	2,008	18.2%	1,987	19.5%
Economy Hotels United States	1,586	4.1%	1,412	5.2%
OTHER BUSINESSES	**250**	**15.5%**	**197**	**16.6%**
GROUP TOTAL EXCLUDING DISCONTINUED OPERATIONS	**8,123**	**11.3%**	**7,734**	**12.3%**

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, 2011, have been prepared in accordance with the International Financial Reporting Standards (IFRSs) adopted by the European Union as of that date. They include comparative annual 2010 financial information, prepared in accordance with the same standards.

At December 31, 2011, the accounting standards and interpretations adopted by the European Union were the same as International Financial Reporting Standards (including IFRSs, IASs and Interpretations) published by the International Accounting Standards Board ("IASB").

As a result, the Group's consolidated financial statements have been prepared in accordance with International Financing Reporting Standards as published by the IASB.

The following new standards and amendments to existing standards adopted by the European Union were applicable from January 1, 2011:

- amendment to IAS 32 "Classification of Rights Issues": The purpose of this amendment is to clarify the accounting treatment of rights, options and warrants issued in a currency other than the entity's functional currency. If the rights, options or warrants are issued to existing shareholders on the basis of the number of shares they already own and in exchange for a fixed amount of cash, they are classified as equity instruments even if their exercise price is denominated in a currency other than the entity's functional currency. The amendment had no impact on the consolidated financial statements for the periods presented;
- amendment to IFRIC 14 "Prepayments of a Minimum Funding Requirement": this amendment had no impact on the consolidated financial statements for the periods presented;
- amendment to IFRS 1 "Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters": this standard concerns companies adopting IFRS for the first time and the revision therefore had no impact on the consolidated financial statements for the periods presented;
- Iimprovements to IFRS (May 2010): application of the amendments to standards had no effect on the consolidated financial statements for the periods presented;
- IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments": this amendment clarifies the accounting treatment of equity instruments issued by an entity to extinguish all or part of a financial liability. The amendment had no impact on the consolidated financial statements for the periods presented;
- IAS 24 (revised) "Related Party Disclosures": this revised standard had no impact on the consolidated financial statements for the periods presented.

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

The Group has elected not to early adopt the following standards, amendments and interpretations adopted or in the process of being adopted by the European Union at December 31, 2011 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
Amendment to IFRS 1	"Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters"	July 1, 2011	
Amendment to IAS 12	"Deferred Tax: Recovery of Underlying Assets"	January 1, 2012	
Amendment to IFRS 7	"Disclosures—Transfers of Financial Assets"	July 1, 2011	
Amendment to IFRS 7	"Disclosures - Offsetting Financial Assets and Financial Liabilities"	January 1, 2013	
IFRS 9 and amendment	"Financial Instruments: Recognition and Measurement" "Mandatory Effective Date and Transition Disclosures"	January 1, 2015	
Additions to IFRS 9	"Financial Instruments: Recognition and Measurement"	January 1, 2015	
Amendment to IAS 32	"Offsetting Financial Assets and Financial Liabilities"	January 1, 2014	These standards, interpretations and amendments to existing standards are currently not expected to have a material impact on the consolidated financial statements.
IFRS 10	"Consolidated Financial Statements"	January 1, 2013	IFRS 10 establishes a single method of determining whether entities are controlled and should be fully consolidated. The three elements of control are: i) power, ii) exposure or rights to variable returns and iii) ability to use power to affect returns. The potential impact of this new standard is currently being analyzed. However, no major impact on Group's consolidated financial statements is expected at this stage.
IFRS 11	"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, 2013 these entities will be accounted for by the equity method if joint control is continuing or fully consolidated if exclusive control is demonstrated according to IFRS 10's new principles, with retrospective application of this method to 2012. The impact on the Group accounts of companies that are currently proportionately consolidated is limited (see note 42).
IFRS 12	"Disclosure of Interests in Other Entities"	January 1, 2013	
IFRS 13	"Fair Value Measurement"	January 1, 2013	
IAS 27 - Revised	"Separate Financial Statements"	January 1, 2013	
IAS 28 - Revised	"Investments in Associates and Joint Ventures"	January 1, 2013	
Amendment to IAS 1	"Presentation of Items of Other Comprehensive Income"	July 1, 2012	These standards, interpretations and amendments to existing standards are currently not expected to have a material impact on the consolidated financial statements.
IAS 19 (Revised)	"Employee Benefits"	January 1, 2013	The revised standard introduces fundamental changes to the recognition and presentation of defined benefit plans as well as to the required disclosures. The main change concerns the abolition of the option allowing actuarial gains and losses to be accounted for by the corridor method. The impact of the revised standard on the consolidated financial statements is not expected to be material as Accor does not apply the corridor method.
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	January 1, 2013	This interpretation to existing standards is currently not expected to have a material impact on the consolidated financial statements.

First-time adoption of IFRSs

The following options adopted by Accor in the opening IFRS balance sheet at the IFRS transition date (January 1, 2004) in accordance with IFRS 1, continue to have a material impact on the consolidated financial statements:

- business combinations recorded prior to January 1, 2004 were not restated;
- cumulative translation differences at the transition date were reclassified in retained earnings;
- property, plant and equipment and intangible assets were not measured at fair value at the transition date;
- IFRS 2 – Share-based Payment was applied to equity instruments granted after November 7, 2002 that had not vested as of January 1, 2005.

Basis for preparation of the financial standards

The financial statements of consolidated companies, prepared in accordance with local accounting principles, have been restated to conform to Group policies prior to consolidation. All consolidated companies have a December 31 year-end, except for Groupe Lucien Barrière SAS whose year-end is October 31. As a result, the later company's annual financial statements consolidated in the Group's financial statements for the periods ended December 31, 2010 correspond to the October 30, 2010 closing.

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 2011.

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.

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

Moreover, the Group has set a target at the end of December 2011 of maintaining the adjusted funds from ordinary activities/Adjusted net debt ratio at a level in line with investment grade status.

The main accounting methods applied are as follows:

A. Consolidation methods

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

Companies controlled and operated jointly by Accor and a limited number of partners under a contractual agreement are proportionally consolidated.

Companies over which the Group exercises significant influence are accounted for by the equity method. Significant influence is considered as being exercised when the Group owns between 20% and 50% of the voting rights.

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

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

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

B.1. Business combinations

Business combinations are accounted for applying the acquisition method:

- the acquisition cost is measured at the acquisition date at the fair value of the consideration transferred, including all contingent consideration. Subsequent changes in contingent consideration are accounted for either through profit or loss or through other comprehensive income;
- identifiable assets and liabilities acquired are measured at fair value. Fair value measurements must be completed within one year or as soon as the necessary information to identify and value the assets and liabilities has been obtained. They are performed in the currency of the acquiree. In subsequent years, these fair value adjustments follow the same accounting treatment as the items to which they relate;
- goodwill is the difference between the consideration transferred and the fair value of the identifiable assets and liabilities assumed at the acquisition date and is recognized as an asset in the balance sheet (see note C. Goodwill).

Costs related to business combinations are recognized directly as expenses.

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

B.2. Loss of control with residual equity interest

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

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

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

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

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

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

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

C. Goodwill

C.1. Positive goodwill

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

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

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

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

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

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

C.2. Negative goodwill

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

D. Foreign currency translation

The presentation currency is the euro.

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

For subsidiaries operating in hyperinflationary economies, non-monetary assets and liabilities are translated at the exchange rate at the transaction date (historical rate) and monetary assets and liabilities are translated at the closing rate.

In the income statement, income and expense related to non-monetary assets and liabilities are translated at the historical rate and other items are translated at the average rate for the month in which the transaction was recorded. Differences arising from the application of this method are recorded in the income statement under "Net financial expense".

E. Non-current assets

E.1. Intangible assets

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

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

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

The clientele of hotels outside France is generally amortized over the life of the underlying lease.

Identifiable intangible assets recognized in a business combination are initially recognized at amounts determined by independent valuations, performed using relevant criteria for the business concerned that can be applied for the subsequent measurement of the assets. Identifiable brands are measured based on multiple criteria, taking into account both brand equity and their contribution to profit.

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

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

E.2. Property, plant and equipment

Property, plant and equipment are measured at 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	7 to 25 years
Capitalized construction-related costs	50 years	35 years
Equipment	5 to 15 years	5 to 15 years

E.3. Borrowing costs

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

E.4. Leases and sale and leaseback transactions

Leases are analysed based on IAS 17 "Leases".

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

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

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

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

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

E.5. Other financial investments

Other financial investments, corresponding to investments in non-consolidated companies, are classified as "Available-for-sale financial assets" and are therefore measured at fair value. Unrealized gains and losses on an investment are recognized directly in equity (in the Fair value adjustments on Financial Instruments reserve) and are reclassified to profit when the investment is sold. A significant or prolonged decline in the value of the investment leads to the recognition of an irreversible impairment loss in profit.

Equity-accounted investments in associates are initially recognised at acquisition cost, including any goodwill. Their carrying amount is then increased or decreased to recognise the Group's share of the associate's profits or losses after the date of acquisition.

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

E.6. Recoverable value of assets

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

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

Criteria used for impairment tests

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

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

Cash-generating unit

Impairment tests are performed individually for each asset except when an asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In this case, it is included in a cash-generating unit (CGU) and impairment tests are performed at the level of the cash-generating unit (see note 13).

In the hotel business, each hotel is treated as a separate CGU comprising the hotel property and equipment.

Goodwill is tested for impairment at the level of the cash-generating unit (CGU) to which it belongs. CGUs correspond to specific businesses and countries; they include not only goodwill but also all the related property, plant and equipment and intangible assets.

Other assets, and in particular intangible assets, are tested individually.

Methods used to determine recoverable value

Impairment tests consist of comparing the carrying amount of the asset or the CGU with its recoverable value. The recoverable value of an asset or a CGU is the higher of its fair value less costs to sell and its value in use.

Property, plant and equipment and goodwill:

The recoverable value of all the assets or the CGUs is determined by comparing the results obtained by two methods, the EBITDA multiples method (fair value approach) and the after-tax discounted cash flows method (value in use approach).

1. Valuation by the EBITDA multiples method.

Accor operates in a capital-intensive industry (involving significant investment in real estate) and the EBITDA multiples method is therefore considered to be the best method of calculating the assets' fair value less costs to sell, representing the best estimate of the price at which the assets could be sold on the market on the valuation date.

For impairment tests performed by hotel, the multiples method consists of calculating each hotel's average EBITDA for the last two years and applying a multiple based on the hotel's location and category. The multiples applied by the Group correspond to the average prices observed on the market for transactions and are as follows:

Segment	Coefficient
Upscale and Midscale Hotels	7.5 < x < 10.5
Economy Hotels	6.5 < x < 8
Economy Hotels United States	6.5 < x < 8

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

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

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

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

Intangible assets except goodwill:

The recoverable value of an intangible asset is determined according the discounted cash flow method only (referred to above), due to the absence of an active market and comparable transactions.

Impairment loss measurement

If the recoverable amount is less than the carrying amount, an impairment loss is recognized in an amount corresponding to the lower of the losses calculated by the EBITDA multiples and discounted cash flows methods. Impairment losses are recognized in the income statement under "Impairment losses" (see note 1.R.7).

Reversal of an impairment loss

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

E.7. Assets or disposal groups held for sale

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

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

This item groups together:

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

F. Inventories

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

G. Prepaid expense

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

H. Employee benefits expense

Employee benefits expense includes all amounts paid or payable to employees, including profit-sharing and the cost of share-based payments.

I. Provisions

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognized when the Group has a present obligation (legal, contractual or implicit) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined based on the best estimate of the expenditure required to settle the obligation, in application of certain assumptions. Provisions are discounted when the effect of the time value of money is material, using a discount rate that reflects current market assessments of the time value of money. The most commonly applied rates are the prime long-term corporate bond rate or the government bond rate.

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

J. Pensions and other post-employment benefits

The Group offers various complementary pensions, length-of-service award and other post-employment benefit plans, in accordance with the laws and practices of the countries where it operates. These plans are either defined contribution or defined benefit plans.

Under defined contribution plans, the Group pays fixed contributions into a separate fund and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay benefits. Contributions under these plans are recognized immediately as an expense.

For defined benefit plans, including multi-employer plans when the manager is able to provide the necessary information, the Group's obligation is determined in accordance with IAS 19 "Employee Benefits".

The Group's obligation is determined by the projected unit credit method based on actuarial assumptions related to future salary levels, retirement age, mortality, staff turnover and the discount rate. These assumptions take into account the macro-economic environment and other specific conditions in the various host countries.

Pension and other retirement benefit obligations take into account the market value of plan assets. The amount recognized in the balance sheet corresponds to the discounted present value of the defined benefit obligation less the fair value of plan assets. Any surpluses, corresponding to the excess of the fair value of plan assets over the projected benefit obligation, are recognized only when they represent the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. For post-employment benefits, actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized immediately in equity.

The net defined benefit obligation is recognized in the balance sheet under "Non-current Provisions".

K. Translation of foreign currency transactions

Foreign currency transactions are recognized and measured in accordance with IAS 21 "Effects of Changes in Foreign Exchange Rates". As prescribed by this standard, each Group entity translates foreign currency transactions into its functional currency at the exchange rate on the transaction date.

Foreign currency receivables and payables are translated into euros at the closing exchange rate. Foreign currency financial liabilities measured at fair value are translated at the exchange rate on the valuation date. Gains and losses arising from translation are recognized in "Net financial expense", except for gains and losses on financial liabilities measured at fair value which are recognized in equity.

L. Income taxes

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

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

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

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

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

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

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

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

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

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

In France, the "taxe professionnelle" local business tax has been replaced in the 2010 Finance Act by the "Contribution Economique Territoriale" tax (CET). The CET comprises two separate taxes, as follows:

1) a tax assessed on the rental value of real estate ("CFE"). Similar to the "taxe professionnelle", it fulfills the criteria for recognition as an operating expense.
2) a tax assessed on the value added by the business ("CVAE"), which has some of the characteristics of a tax on income, as defined in IAS 12.

In a press release dated January 14, 2010, France's National Accounting Board stated that each business should exercise its own judgment to determine the accounting classification of the CVAE.

In its 2010 and 2011 financial statements, Accor decided therefore to classify CVAE as income tax.

M. Share-based payments

M.1. Share-based payments

Stock Option Plans

In accordance with the transitional provisions of IFRS 1 "First-time Adoption of International Financial Reporting Standards", employee benefits expense is recognized only for grants of shares, stock options or other equity instruments that were granted after November 7, 2002 and had not yet vested at January 1, 2005.

All of the plans in effect as of December 31, 2011 fall within the scope of IFRS 2 – Share-Based Payment. Among them:

- fourteen 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;
- two other plans are a performance option plan with vesting conditions based on performance in relation to the market. As for the other plans, grantees must still be employed by the Group at the starting date of the exercise period.

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

Under IFRS 2, vesting conditions, other than market conditions, are not taken into account when estimating the fair value of the options but are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount, so that, ultimately, the amount recognized for goods and services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

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

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

Employee Stock Ownership Plan

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

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

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

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

The employee benefit is measured as the difference between the fair value of the acquired shares and the price paid by employees at the subscription date, multiplied by the number of shares subscribed.

The fair value, determined as described above, is recognized in full in "Employee benefits expense" at the end of the subscription period, by adjusting equity.

Accor Group Subsidiaries' Share-Based Payment Plans

Stock option plans have also been set up by certain Group companies, mainly in the United States and France. As the subsidiaries concerned are not listed on the stock exchange, Accor has given a commitment to buy back the shares issued on exercise of the options at their fair value, generally corresponding to a multiple of EBITDA less net debt. Most of these plans are governed by IFRS 2. Since they represent cash-settled plans, the related cost is accrued over the vesting period and the accrual is adjusted at each period-end based on updated valuation assumptions.

Performance shares plans

Performance shares plans are also recognized and measured in accordance with IFRS 2. The recognition and the measurement principles are those used to recognize and measure the stock option plans excepted for the measurement of the cost of the performance share plans corresponding to the Accor opening share price on the grant date less the present value of dividends unpaid multiplied by the number of shares issued.

M.2. Treasury stock

Accor shares held by the Company and/or subsidiaries are recognized as a deduction from equity.

Gains and losses on sales of treasury stock (and the related tax effect) are recognized directly in equity without affecting profit. No impairment losses are recognized on treasury stock.

N. Financial instruments

Financial assets and liabilities are recognized and measured in accordance with IAS 39 "Financial Instruments, Recognition and Measurement", and its amendments.

Financial assets and liabilities are recognized in the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

N.1. Financial assets

Financial assets are classified between the three main categories defined in IAS 39, as follows:

- "loans and receivables" mainly comprise time deposits and loans to non-consolidated companies. They are initially recognized at fair value and are subsequently measured at amortized cost at each balance-sheet date. If there is an objective indication of impairment, an impairment loss is recognized at the balance-sheet date. The impairment loss corresponds to the difference between the carrying amount and the recoverable amount (i.e. the present value of the expected cash flows discounted using the original effective interest rate) and is recognized in profit or loss. This loss may be reversed if the recoverable amount increases in a subsequent period;
- "held to maturity investments" mainly comprise bonds and other marketable securities intended to be held to maturity. They are initially recognized at fair value and are subsequently measured at amortized cost at each balance-sheet date. If there is an objective indication of impairment, an impairment loss is recognized at the balance-sheet date. The impairment loss corresponds to the difference between the carrying amount and the recoverable amount (i.e. the present value of the expected cash flows discounted using the original effective interest rate) and is recognized in profit or loss. This loss may be reversed if the recoverable amount increases in a subsequent period.

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

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

N.2. Derivative financial Instruments

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

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

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

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

N.3. Financial liabilities hedged by derivative instruments

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

Financial liabilities hedged by fair value hedges are measured at fair value, taking into account the effect of changes in interest rates. Changes in fair value are recognized in profit and are offset by changes in the fair value of the hedging instrument.

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

N.4. Bank borrowings

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

N.5. Convertible bonds

Convertible bonds are qualified as hybrid instruments comprising a host contract, recognized in debt, and an embedded derivative, recognized in equity.

The carrying amount of the host contract or debt component is equal to the present value of future principal and interest payments, discounted at the rate that would be applicable to ordinary bonds issued at the same time as the convertible bonds, less the value of the conversion option calculated at the date of issue.

The embedded derivative or equity component is recognized in equity for an amount corresponding to the difference between the nominal amount of the issue and the value attributed to the debt component.

Costs are allocated to the two components based on the proportion of the total nominal amount represented by each component. The difference between interest expense recognized in accordance with IAS 39 and the interest paid is added to the carrying amount of the debt component at each period-end, so that the carrying amount at maturity of unconverted bonds corresponds to the redemption price.

N.6. Other financial liabilities

Other financial liabilities are measured at amortized cost. Amortized cost is determined by the effective interest method, taking into account the costs of the issue and any issue or redemption premiums.

O. Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, and short-term investments in money market instruments. These instruments are readily convertible into known amounts of cash; their exposure to changes in value is minimal.

P. Liabilities of assets classified as held for sale

In accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", this item includes all the liabilities (excluding equity) related to assets or a disposal group classified as held for sale (see note 1.E.7).

Q. Put Options granted by Accor

IAS 32 "Financial Instruments: disclosures and presentation" requires that the value of the financial commitment represented by put options granted by Accor to minority interests in subsidiaries, be recognized as a debt. The difference between the debt and the related minority interests in the balance sheet, corresponding to the portion of the subsidiary's net assets represented by the shares underlying the put, is recognized as goodwill. When the exercise price is equal to the fair value of the shares, the amount of the debt is determined based on a multiple of the EBITDA reflected in the 5-year business plan of the subsidiary concerned and is discounted.

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

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

R. Income statement and cash flow statement presentation

R.1. Revenue

In accordance with IAS 18 "Revenue", revenue corresponds to the value of goods and services sold in the ordinary course of business by fully and proportionally consolidated companies. It includes:

- for directly owned and leased hotels, all revenue received from clients for accommodation, catering and other services, and
- for managed and franchised hotels, all management and franchise fees.

In accordance with IAS 18 "Revenue", revenue is measured at the fair value of the consideration received or receivable, net of all discounts and rebates, VAT, other sales taxes and fair value of customer loyalty programs.

Revenue from product sales is recognized when the product is delivered and the significant risks and rewards of ownership are transferred to the buyer.

Revenue from sales of services is recognized when the service is rendered.

Revenue from sales of loyalty programs is recognised on a straight-line basis over the life of the cards in order to reflect the timing, nature and value of the benefits provided.

When sales of products or services are covered by a customer loyalty program, the revenue invoiced to the customer is allocated between the product or the service sold and the award credits given by the third party granting the loyalty points. The consideration allocated to the award credits, which is measured by reference to the fair value of the points granted, is deferred and recognized as revenue when the customer redeems the award credits – i.e. when an award is received in exchange for converting the loyalty points.

R.2. Other operating revenue

Other operating revenue consists of interest income on Prepaid Services voucher reserve funds related to Edenred activity. The interest corresponds to the Prepaid Services voucher business's operating revenue and is included in the determination of consolidated revenue (see note 17).

R.3. EBITDAR

Earnings before interest, tax, depreciation, amortization and rental expense and share of profit of associates after tax (EBITDAR) correspond to revenue less operating expense.

EBITDAR is used as a key management indicator.

It is also used to calculate the flow-through ratio and the response ratio. The flow-through ratio, which is used when revenue goes up, corresponds to change in like-for-like EBITDAR/change in like-for-like revenue. The reactivity ratio, used when revenue goes down, is defined as 1 – (change in like-for-like EBITDAR/change in like-for-like revenue).

R.4. Rental expense and Depreciation, amortization and provision expense

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

a) EBITDA corresponds to gross profit after the operating costs of holding leased assets;

b) EBIT corresponds to gross operating profit after the operating costs of holding both leased and owned assets.

These two indicators are used regularly by the Group to analyze the impact of the operating costs of holding assets on the consolidated financial statements.

R.5. Operating profit before tax and non recurring items

Operating profit before tax and non-recurring items corresponds to the results of operations of the Group's businesses less the related financing cost. Net financial expense and the share of profit of associates after tax represent an integral part of consolidated operating profit before tax and non-recurring items to the extent that they contribute to the performance indicator used by the Group in its communications to investors. This indicator is also used as the benchmark for determining senior management and other executive compensation, as it reflects the economic performance of each business, including the cost of financing the hotel businesses.

R.6. Restructuring costs

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

R.7. Impairment losses

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

R.8. Gains and losses on management of hotel properties

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

R.9. Gains and losses on management of other assets

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

R.10. Operating profit before tax

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

R.11. Profit or loss from discontinued operations

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

a) represents a separate major line of business or geographical area of operations;

b) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or;

c) is a subsidiary acquired exclusively with a view to resale.

Profit or loss from discontinued operations corresponds to:

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

R.12. Cash flow statement

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

Cash flows from operating activities include:

- funds from operations, before non-recurring items and after changes in deferred taxes and gains and losses on disposals of assets;
- cash received and paid on non-recurring transactions;
- changes in working capital.

Cash flows from investing activities comprise:

- renovation and maintenance expenditure to maintain in a good state of repair operating assets held at January 1 of each year;
- development expenditure, including the fixed assets and working capital of newly consolidated subsidiaries and additions to fixed assets of existing subsidiaries;
- development expenditure on non-current assets classified as held for sale;
- proceeds from disposals of assets.

Cash flows from financing activities include:

- changes in equity;
- changes in debt;
- dividends.

S. Earnings per share

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

T. Other information

Current assets and liabilities are assets and liabilities that the Group expects to recover or settle:

- in the normal course of business; or
- within twelve months of the period-end.

The consolidated financial statements for the year ended December 31, 2011 have been prepared under the responsibility of Accor's Chairman and Chief Executive Officer. They were approved by the Board of Directors on February 21, 2012 for submission to shareholders at the Annual Meeting of May 10, 2012.

NOTE 2 SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION

A. Divestments and returns to shareholders

A.1. Strategic refocusing on Hotels

As part of the Group strategy announced to the financial markets in 2006 and regularly reaffirmed since 2009, various non-strategic assets have been sold. Details of the main divestments carried out in 2006, 2007, 2008, 2009, 2010 and 2011 are presented below.

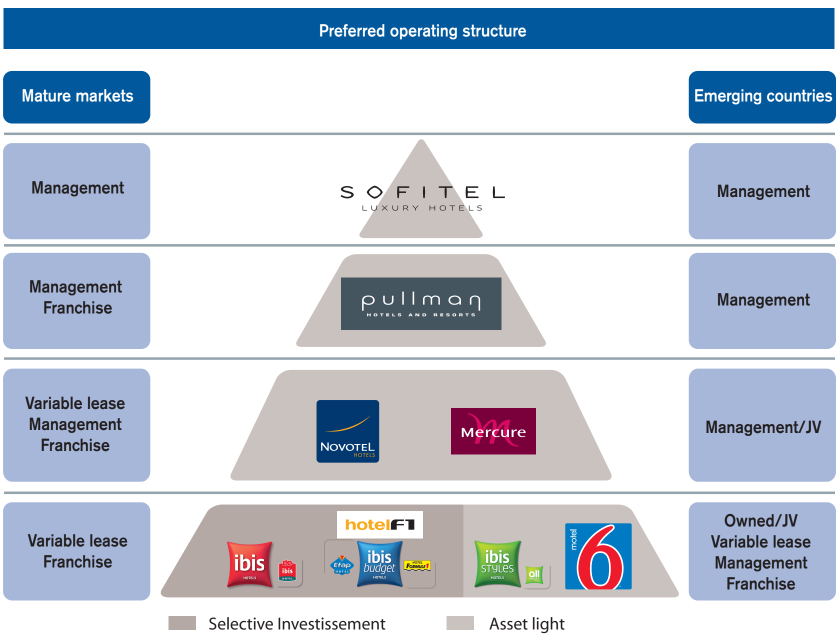
Date	Company	% shares sold	Sale price	Capital gain/(loss) *	% interest at period-end
2006	**COMPASS GROUPE**	30,706,882 shares or 1.42%	€95 million	€(4) million	-
	CARLSON WAGONLIT TRAVEL	Accor's total 50% interest	€334 million ($465 million)	€90 million	-
	CLUB MEDITERRANEE	17.50%	€152 million	€(6) million	11.43%
2007	**CLUB MEDITERRANEE**	1,049,719 shares or 5.43%	€45 million	€4 million	6%
	GO VOYAGES	Accor's total 100% interest	€281 million	€204 million	-
	ITALIAN FOOD SERVICES BUSINESS	Accor's total 94.64% interest	€135 million	€16 million	-
2008	**BRAZILIAN FOOD SERVICES BUSINESS**	Accor's total 50% interest	€114 million	€32 million	-
2009	**CLUB MEDITERRANEE**	1,162,630 shares or approximately 4%	€12 million	€(3) million	-
2010	**EDENRED (ex Services business)**	(See note 2.F)	€2,937 million **	€4,044 million	-
2011	**Groupe Lucien Barrière**	(See note 2.B.2)	€268 million	€5 million	-
	Lenôtre	(See note 2.B.4)	€41 million	€23 million	-

* *The capital gain or loss is calculated based on the carrying amount of the shares, net of any impairment losses.*

** *Corresponding to the fair value of the contributed shares (See note 2.F).*

A.2. Property Strategy

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



Real estate policy since january 1, 2005

Since January 1, 2005, the operating structures of 1,141 hotel units have been changed. The following table provides summary information about the various transactions, by type.

(in million of euros)	Number of hotels	Portfolio value	Debt impact	Discounted Rental Commitments impact *	Adjusted Debt impact **
Sales & Variable Lease Back	599	3,908	1,764	1,556	3,320
Sales & Lease Back	1	3	3	(5)	(2)
Sales & Management Back	35	813	552	340	892
Sales & Franchise Back	315	406	374	255	629
Outright sales	191	673	589	178	767
TOTAL	**1,141**	**5,803**	**3,282**	**2,324**	**5,606**

* *Rental commitments discounted with an 8% rate.*

** *Adjusted from the rental commitments discounted with an 8% rate.*

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

A.2.1. Sale and Variable Leaseback transactions

In the Midscale and Economy segments, the strategy consists of selling the hotel properties while continuing to manage the business, retaining variable-rent leases based on a percentage of revenue without any guaranteed minimum. In addition, negotiations are conducted with hotel owners to convert fixed-rent leases into variable-rent leases. One of the aims is to variabilize a proportion of fixed costs in order to reduce earnings volatility.

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

	Company	Country	Number of units	Main contract terms	Rents
2005	**Foncière des Murs**	**France**	128	12-year contract per hotel, renewable four times per hotel at Accor's discretion.	Average rents equal to 15.5% of revenue, without any guaranteed minimum, reduced to 14.5% at the second renewal date
2006	**Foncière des Murs**	**France & Belgium**	67	12-year contract per hotel, renewable four times per hotel at Accor's discretion.	Rent equal to 14% of revenue, without any guaranteed minimum, reduced to 13% at the second renewal date
2007	**Land Securities**	**United Kingdom**	29	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on annual revenues of 21% on average, with no guaranteed minimum.
2007	**Moor Park Real Estate**	**Germany and Netherlands**	86	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on annual revenues of 18% on average, with no guaranteed minimum.
2008	**Axa Reim and Caisse des Dépôts et Consignations**	**France and Switzerland**	55	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on an average of 16% of annual revenue with no guaranteed minimum
2009	**Consortium of leading French institutional investors through a property investment trust (OPCI)**	**France**	157	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on an average of 20% of annual revenue with no guaranteed minimum
2010	**Invesco Real Estate**	**France, Italy, Slovakia, Germany**	4	15-year contract per hotel, renewable per hotel at Accor's discretion.	Rents based on annual revenues of 22% on average, with no guaranteed minimum except for the first 3 years for € 18 million.
2010 - 2011	**A consortium of two investors: Predica and Foncière des Murs**	**France, Belgium, Germany**	45	12-year contract per hotel, per hotel at Accor's discretion.	Rents based on annual revenues of 19% on average, with no guaranteed minimum except for the first 2 years 2011 and 2012 for € 23 million.
2011	**OPCI managed by La Française REM and Atream**	**France**	7	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on an average of 23% of annual revenue with no guaranteed minimum
2005 - 2011	**Other**	**Germany & Mexico & France & Various**	21	NA	NA
TOTAL 2005-2011			**599**		

These transactions impacted the consolidated financial statements as follows:

(in million of euros)		Sale price	Capital gain/ (loss)	Debt impact	Adjusted debt impact
2005	**Foncière des Murs**	1,025	107	146	831
2006	**Foncière des Murs**	494	143	327	332
2007	**Land Securities**	632	168	157	526
2007	**Moor Park Real Estate**	688	142	181	536
2008	**Axa Reim and Caisse des Dépôts et Consignations**	361	87	267	323
2009	**Consortium of French institutional investors**	203	39	153	214
2010	**Invesco Real Estate**	83	(5)	76	98
2010 - 2011	**A consortium of two investors: Predica and Foncière des Murs**	228	45	253	254
2010	**OPCI managed by La Française REM and Atream**	63	(5)	68	68
2005 - 2011	**Other**	131	NA	136	138
TOTAL 2005 - 2011		**3,908**	**NA**	**1,764**	**3,320**

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

The sale and variable leaseback transaction carried out in 2010 with Invesco Real Estate concerned four hotels representing a total of 937 rooms (the Novotel Roma la Rustica, the Mercure Corso Trieste in Roma, the Pullman la Défense in Paris, the Novotel Muënchen City in Germany) and the Mercure Bratislava in Slovakia which was sold on an off-plan basis. Sold for €83 million, the hotels continue to be operated by Accor under 15-year variable-rent leases (based on an average 22% of annual revenue) that are renewable at Accor's initiative. Insurance, property taxes and structural maintenance costs are payable by the owner.

The sale and variable leaseback transaction carried out in 2010 with Predica and Foncière des Murs concerned 46 hotels in France, in Belgium and in Germany operated under the Novotel, Suite Novotel, Ibis and Etap Hotel brands. In 2010 and 2011, 45 of the properties were divested (29 hotels in France, 10 hotels in Belgium and 6 hotels in Germany). The sale price amounted to €228 million carried out, accumulated, at the end of December 2011. Accor will continue to manage the hotels through a 12-year variable lease agreement renewable six times at Accor's option, with the rent averaging approximately 19% of the hotels' annual revenue without any guaranteed minimum except during 2011 and 2012 for €23 million. Under the terms of the lease, structural maintenance costs, insurance and property taxes will be payable by the new owner. The transaction includes a €48 million renovation program, of which €33 million to be financed by the buyer. It will enable Accor to reduce adjusted net debt by €254 million accumulated at December 31, 2011.

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

A.2.2. Sale and Management-back transactions

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

The strategy for Upscale hotels consists of selling the hotel properties while continuing to manage the business, retaining a minority interest depending on the circumstances.

In the Midscale and Economy segments, the strategy consists of selling the hotel properties while continuing to manage the business without any minority interest.

The main sale and management-back transactions carried out since 2005 are as follows:

	Company	Main countries	Number of units	Description of the transaction
2006	**Joint venture comprised of GEM Realty, Whitehall Street Global Real Estate Limited Partnership and Accor**	**United States** (Sofitel hotels in United States located in Chicago, Los Angeles, Miami, Minneapolis, San Francisco Bay and Washington)	6	◗ Accor remains a 25% partner in the joint venture which is accounted for by the equity method Accor continues to manage the hotels under the ◗ Sofitel brand name under a 25-year management contract renewable three times for successive periods of ten years.
2007	**Joint venture comprised of GEM Realty Capital, Whitehall Street Global Real Estate Limited Partnership and Accor**	**United States** (Sofitel hotels located in New York and Philadelphia)	2	◗ Accor remains a 25% shareholder in the joint venture which is accounted for by the equity method ◗ Accor continues to manage the hotels under the Sofitel brand name under a 25-year management contract
2007	**Société Stratom**	**French West Indies** (2 Sofitel hotels and 2 Novotel hotels)	4	◗ Accor continues to manage the hotels under a management contract
2008	**Société Hotelière Paris Les Halles**	**Netherlands** (Sofitel The Grand)	1	◗ Accor retains a 40% interest in the company that owns the property which is accounted for by the equity method . ◗ Accor runs the hotel under a 25-year management contract.
2008	**Esnee**	**France** (Mgallery Baltimore)	1	◗ Accor continues to manage the hotel under a management contract
2011	**Host**	**New Zealand**	6	◗ Accor continues to manage the hotel under a management contract
2011	**Host's European joint venture with APG and an affiliate of GIC**	**France** (Pullman Paris Bercy)	1	◗ Accor continues to manage the hotel under a management contract
2011	**A consortium of French private investors**	**France** (Sofitel Arc de Triomphe in Paris)	1	◗ Accor continues to manage the hotel under a management contract
2005 - 2011	**Other**	**Australia / United States / France**	13	◗ Accor continues to manage the hotels under a management contract
TOTAL 2005 - 2011			**35**	

These transactions impacted the consolidated financial statements as follows:

(in million of euros)		Sale price	Capital gain/ (loss)	Debt impact	Adjusted debt impact
2006	**6 Sofitel hotels in United States**	295	(15)	184	285
2007	**2 Sofitel hotels in United States**	219	14	85	207
2007	**2 Sofitel hotels and 2 Novotel hotels in French West Indies**	13	(8)	6	6
2008	**Sofitel The Grand**	31	(1)	31	69
2008	**Mgallery Baltimore**	28	3	26	27
2011	**4 Novotel and 2 Ibis in New Zealand**	25	(0)	29	54
2011	**Pullman Paris Bercy**	90	31	86	86
2011	**Sofitel Arc de Triomphe in Paris**	41	7	34	34
2005 - 2011	**Other**	71	NA	71	124
TOTAL 2005 - 2011		**813**	**NA**	**552**	**892**

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

In 2011, Accor sold the Sofitel Arc de Triomphe in Paris, under a sale and management-back arrangement. The buyer has committed to financing renovation work for an additional €25 million. Accor will act as principal for the renovation work under a property development contract (see note 40).

Accor will continue to run the hotel under a 30-year management agreement, renewable by Accor for three successive 10-year periods.

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

Since 2005, Accor has sold outright or sold and franchised back a total of 506 hotels.

	Sale & Franchise Back	Outright sales	Main countries	Sale price	Debt impact	Adjusted debt impact
	(number of hotels)			(number of hotels)		
2005	25	17	Germany	43	43	164
2006	27	25	France, United States and Denmark	195	109	188
2007	34	39	France, United States, Germany	256	254	302
2008	49	12	France, United States, Germany	117	104	121
2009	26	30	France, United States, Germany, the Netherlands	120	106	110
2010	85	30	France, United States, China, Germany, Brazil, Portugal, Sweden	163	195	252
2011	69	38	France, Germany, Poland, Belgium, Hungary, China, United States	185	152	259
TOTAL	**315**	**191**		**1,079**	**963**	**1,396**

A.3. Return to shareholders of part of the cash proceeds from asset disposals

Accor has returned to shareholders part of the cash proceeds from disposals of investments and other assets carried out since 2005.

Since May 10, 2006, Accor has announced several successive share buyback programs, as follows:

- **on May 10, 2006, Accor announced a first program to buy back Accor SA shares for a total of €500 million.** This program was carried out pursuant to the authorization granted at the Shareholders Meeting held on January 9, 2006, which capped the buy-back price at €62 per share. During 2006, Accor bought back and cancelled 10,324,607 shares. These shares were acquired at a total cost of €481 million, representing an average price per share of €46.56. As of December 31, 2006, a further 332,581 shares had been bought back at a total cost of €19 million. These shares were cancelled at the beginning of January 2007;
- **on May 14, 2007, Accor announced a second program to buy back Accor SA shares for a total of €700 million.** This program was carried out pursuant to the authorization granted at the Shareholders Meeting held on May 14, 2007, which capped the buy-back price at €100 per share. During 2007, Accor bought back and cancelled 10,623,802 shares. These shares were acquired at a total cost of €700 million, representing an average price per share of €65.89;
- **on August 28, 2007, Accor announced a third program to buy back Accor SA shares for a total of €500 million.** This program was carried out pursuant to the authorization granted at the Shareholders Meeting held on May 14, 2007, which capped the buy-back price at €100 per share. During the second half of 2007, Accor bought back 8,507,150 shares at a total cost of €500 million, representing an average price per share of €58.78. As of December 31, 2007, 1,300,000 shares had been cancelled. The remaining 7,207,150 shares were cancelled during the second half of 2008;
- **on August 25, 2008, Accor announced a fourth program to buy back Accor SA shares.** This program was carried out pursuant to the authorization granted at the Shareholders Meeting held on May 13, 2008, which capped the buy-back price at €100 per share. During the second half of 2008, Accor bought back and cancelled 1,837,699 shares at a total cost of €62 million, representing an average price per share of €33.70;

In addition, in 2007, the Group paid a special dividend of €1.50 per share on the 224,233,558 shares outstanding, representing a total payout of €336 million and in 2008, the Group paid another special dividend of €1.50 per share on the 221,529,415 shares outstanding, representing a total payout of €332 million.

In all, nearly €2.4 billion has been returned to shareholders since 2006.

B. Organic growth and acquisitions

B.1. Hotel Division development strategy

A total of 168,759 rooms were opened in the period 2006-2011 in line with the Group's stated intention to pursue its development program as set out in the strategic plan.

B.1.1. Investments in hotels (acquisitions and organic growth)

During the 2011, the Group added 318 hotels (38,661 rooms) to its portfolio through acquisitions and organic growth. In addition, 121 hotels (14,328 rooms) were closed during the period.

Hotel portfolio by brand and type of management at December 31, 2011

In number of hotels	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
Sofitel	16	4	7	80	5	112*
Pullman	6	9	8	29	8	60
Novotel	49	54	125	109	57	394
Mercure	47	83	86	211	346	773
Adagio	2	7	1	77	1	88
Suite Novotel	1	8	9	4	7	29
ibis	114	123	239	111	346	933
all seasons/ibis Styles	3	12	5	15	114	149
Etap Hotel/ibis *budget*	30	63	105	9	230	437
hotelF1	28	-	158	-	57	243
Formule 1	35	13	9	11	17	85
Motel 6/Studio 6	318	288	-	-	488	1,094
Other	10	2	-	15	2	29
TOTAL	**659**	**666**	**752**	**671**	**1,678**	**4,426**
TOTAL (in %)	**14.9%**	**15.0%**	**17.0%**	**15.2%**	**37.9%**	**100.0%**

* *120 hotels marketed through the TARS reservation system.*

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
Sofitel	2,489	1,196	1,173	22,179	1,850	28,887
Pullman	1,622	2,540	2,495	9,058	1,970	17,685
Novotel	9,337	10,637	20,756	25,907	7,480	74,117
Mercure	5,931	13,379	12,645	31,629	31,229	94,813
Adagio	207	817	133	8,442	111	9,710
Suite Novotel	174	1,239	1,127	488	592	3,620
ibis	16,027	16,331	33,177	20,137	27,405	113,077
all seasons/ibis Styles	330	935	911	2,260	8,674	13,110
Etap Hotel/ibis *budget*	2,753	6,829	9,815	1,224	16,676	37,297
hotelF1	1,937	-	12,571	-	3,705	18,213
Formule 1	2,847	1,068	2,562	1,301	1,389	9,167
Motel 6/Studio 6	36,371	32,900	-	-	37,449	106,720
Other	1,892	154	-	3,086	166	5,298
TOTAL	**81,917**	**88,025**	**97,365**	**125,711**	**138,696**	**531,714**
TOTAL (in %)	**15.4%**	**16.6%**	**18.3%**	**23.6%**	**26.1%**	**100.0%**

Hotel portfolio by region and type of management at December 31, 2011

In number of hotels	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
France	101	46	432	104	806	1,489
Europe excluding France	141	280	250	88	242	1,001
North America	322	288	-	12	489	1,111
Latin America & Caribbean	24	6	48	88	28	194
Other Countries	71	46	22	379	113	631
TOTAL	**659**	**666**	**752**	**671**	**1,678**	**4,426**
TOTAL (in %)	**14.9%**	**15.0%**	**17.0%**	**15.2%**	**37.9%**	**100.0%**

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
France	10,326	5,564	48,722	12,211	59,564	136,387
Europe excluding France	20,319	41,773	35,247	13,149	24,926	135,414
North America	37,556	32,900	-	3,664	37,598	111,718
Latin America & Caribbean	3,351	936	9,227	13,139	3,529	30,182
Other Countries	10,365	6,852	4,169	83,548	13,079	118,013
TOTAL	**81,917**	**88,025**	**97,365**	**125,711**	**138,696**	**531,714**
TOTAL (in %)	**15.4%**	**16.6%**	**18.3%**	**23.6%**	**26.1%**	**100.0%**

Hotel portfolio by region and brand at December 31, 2011

In number of hotels	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Total
Sofitel	12	19	9	8	64	112*
Pullman	14	12	-	2	32	60
Novotel	117	139	8	17	113	394
Mercure	237	292	-	73	171	773
Adagio	80	8	-	-	-	88
Suite Novotel	19	8	-	-	2	29
ibis	381	329	-	81	142	933
all seasons/ibis Styles	79	27	-	-	43	149
Etap Hotel/ibis *budget*	306	130	-	-	1	437
hotelF1	243	-	-	-	-	243
Formule 1	-	25	-	12	48	85
Motel 6/Studio 6	-	-	1,094	-	-	1,094
Other	1	12	-	1	15	29
TOTAL	**1,489**	**1,001**	**1,111**	**194**	**631**	**4,426**
TOTAL (in %)	**33.6%**	**22.6%**	**25.1%**	**4.4%**	**14.3%**	**100.0%**

* *120 hotels marketed through the TARS reservation system.*

In number of rooms	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Total
Sofitel	1,593	4,599	2,893	1,542	18,260	28,887
Pullman	4,336	3,009	-	538	9,802	17,685
Novotel	15,799	26,630	2,105	2,861	26,722	74,117
Mercure	22,506	37,573	-	9,504	25,230	94,813
Adagio	8,846	864	-	-	-	9,710
Suite Novotel	2,197	1,131	-	-	292	3,620
ibis	33,581	41,902	-	12,139	25,455	113,077
all seasons/ibis Styles	5,698	2,278	-	-	5,134	13,110
Etap Hotel/ibis *budget*	23,567	13,609	-	-	121	37,297
hotelF1	18,213	-	-	-	-	18,213
Formule 1	-	1,794	-	3,213	4,160	9,167
Motel 6/Studio 6	-	-	106,720	-	-	106,720
Other	51	2,025	-	385	2,837	5,298
TOTAL	**136,387**	**135,414**	**111,718**	**30,182**	**118,013**	**531,714**
TOTAL (in %)	**25.7%**	**25.5%**	**21.0%**	**5.7%**	**22.2%**	**100.0%**

Hotel development projects in progress at December 31, 2011

The number of new rooms represented by hotel development projects in progress at December 31, 2011 is as follows:

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
2012	1,762	1,613	2,028	15,787	8,150	29,340
2013	2,160	960	4,723	28,602	5,572	42,017
2014	1,240	944	4,290	15,321	1,042	22,837
2015 and after	1,461	-	966	7,128	167	9,722
TOTAL	**6,623**	**3,517**	**12,007**	**66,838**	**14,931**	**103,916**

B.1.2. Acquisition of control of Orbis

2007: Acquisition of a 4.9% stake in Orbis

On August 22, 2007, Accor acquired an additional 4.9% stake in Orbis, raising its interest in the Polish company from 40.58% to 45.48%. A total of 2,257,773 shares were acquired at a price of PLN72 per share, representing a total investment of PLN163 million (approximately €42 million). The transaction had no impact on Orbis's classification as an associate, and the company therefore continued to be accounted for by the equity method in 2007 and at the end of June 2008.

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

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

The investment was recognized as fair value adjustments to 21 hotel properties. After purchase accounting adjustments, goodwill amounted to €12 million (see note 18).

2011: Acquisition of an additional 1.54% stake in Orbis

During the second half of 2011, Accor acquired a further 1.54% stake in the Orbis group, raising its interest to 51.55%. A total of 711,827 shares were acquired at a price of PLN39 per share, representing a total investment of PLN28 million (approximately €6.2 million). In accordance with IFRS 3 Revised, the transaction was treated as an exchange of shares between partners (see note 1.B.3).

B.1.3. Restructuring of Dorint AG

Accor has owned an equity interest in German hotel group Dorint AG since 2002. The interest, which ranged from 40.19% to 26% between 2002 and 2006 following various share issues, was accounted for by the equity method from 2003 to 2006. A strategic partnership with Accor was set up based on franchise and marketing agreements and all the Dorint hotels were co-branded Dorint Sofitel or Dorint Novotel or converted to the Mercure brand. The Dorint sales and marketing teams were integrated in the Accor network.

In light of Dorint's continued substantial operating losses in 2006, the company's Supervisory Board decided to split up the business into two separate entities in first-quarter 2007:

- by underwriting a €52 million share issue, Accor acquired a controlling interest in one of the new companies, which operates 52 hotels. Of these hotels, nine were previously operated under the Dorint Sofitel brand, 17 under the Dorint Novotel brand and 26 under the Dorint Mercure brand. In the first half of 2007, they were rebranded as Sofitel, Novotel and Mercure units, respectively. The company was named The NewGen Hotels AG;
- Ebertz & Partner acquired all the shares of the other company, Neue Dorint Gmbh, which operates 41 Dorint hotels under the Dorint brand.

At the same time, Accor underwrote a second €70.4 million capital increase and bought out the minority interests for €94.2 million, raising its interest in The NewGen Hotels AG to 97.64%. At December 31, 2007, the new entity was fully consolidated. The difference between the cost of the business combination and the net assets acquired was €143 million. This amount was recognized in full under "goodwill" due to the expected synergies with Accor's existing operating company in Germany.

Financially, the transaction enabled Accor to gain control of 52 hotels representing, in 2007, €336 million in revenues, €13 million in EBITDA and €8 million in operating profit. At the same time, Accor recognized a loss of €7 million corresponding to its share in Dorint AG's losses as accounted for by the equity method.

During the second half of 2008, Accor acquired a further 2% interest in The NewGen Hotels for €10.2 million, leading to the recognition of additional goodwill of €10.3 million. Following this transaction, the Group owned 99.46% of the company.

Lastly, in late 2008, the Group launched a squeeze-out procedure to purchase the remaining 0.54% interest held by minority shareholders, at a price of €39 per share. Following completion of the procedure on January 7, 2009, Accor now owns 100% of The NewGen Hotels AG.

Total goodwill recognized on these various transactions amounted to €180 million.

In 2010, the historical German hotel management company, Accor Hotellerie Deutschland GmbH, was merged into The NewGen Hotels AG, which was subsequently renamed Accor Hospitality Germany AG.

B.1.4. Acquisition of Citéa by Adagio

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

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

The price paid by Adagio for Citéa was €9.8 million and the fair value of the net assets acquired represented €1.1 million, generating provisional goodwill of €8.7 million in Adagio's accounts. The final accounting for the business combination is currently in progress and will not be completed until the first-half of 2012.

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

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

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

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

B.1.5. Accor signs major UK hotel deal

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

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

B.2. Groupe Lucien Barriere - sale of the Group's interest

B.2.1. Events in 2004-2009

In December 2004, Accor, the Barrière Desseigne family and Colony Capital set up Groupe Lucien Barrière SAS to hold the casino and hotel assets of Société Hôtelière de la Chaîne Lucien Barrière (SHCLB), Société des Hôtels et Casino de Deauville (SHCD), Accor Casinos and their respective subsidiaries. Under the terms of the agreements, Colony Capital had an option to sell Accor its 15% stake in Groupe Lucien Barrière SAS, at a price determined by five independent banks.

In November 2008, Colony Capital announced its intention to start the valuation process.

The resulting valuation of €153 million is the average of the valuations made by five independent experts, excluding the highest and the lowest valuations, in accordance with the agreements signed in 2004.

Following this valuation process, Colony Capital decided at the end of March 2009 to exercise the put option at a price of €153 million.

The impact on Accor's net debt was €260 million based on the proportional consolidation of 49% of Groupe Lucien Barrière debt. The difference between the cost of the business combination and the net assets acquired amounted to €103 million and was added to goodwill. The transaction had no impact on the consolidation method applied to Groupe Lucien Barrière, which continued to be proportionally consolidated at December 31, 2009.

B.2.2. Events in 2010

As part of its strategic refocusing on hotels, in June 2010 Accor decided to sell all of its 49% stake in Groupe Lucien Barrière and in January 2011, an agreement was signed with Fimalac and Groupe Lucien Barrière whereby Accor will sell a 34% interest in Groupe Lucien Barrière to Fimalac for €186 million and a 15% interest to Groupe Lucien Barrière for €82 million, representing a total transaction price of €268 million. The sale was expected to be completed during the first quarter of 2011, once the competition authorities' approval has been obtained.

Presented as a separate business segment in Accor's segment reporting, Groupe Lucien Barrière represents a core business for Accor and, as such, has been classified as a discontinued operation and treated in the financial statements in accordance with the principles of IFRS 5 "Non-current assets held for sale and discontinued operations", as follows:

- all of Groupe Lucien Barrière's current and non-current assets at December 31, 2010 have been reclassified as "Assets held for sale" (see note 32);
- all of Groupe Lucien Barrière's liabilities (excluding equity) at December 31, 2010 have been reclassified as "Liabilities related to assets held for sale" (see note 32);
- income from Groupe Lucien Barrière for the periods presented has been reclassified as "Net income from discontinued operations" (see note 17);
- the Groupe Lucien Barrière shares have been marked to market, leading to the recognition of a €79 million impairment loss (see note 17).

B.2.3. Events in 2011

The sale was completed on March 4, 2011 for an amount of €268 million plus €7.35 million in dividends. The company was entirely deconsolidated with effect from January 1, 2011. Accor no longer holds any interest in Groupe Lucien Barrière.

Details of the sold assets and liabilities are provided in note 32.

B.3. Sale of Accor's stake in onboard train services

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

Newrest and Compagnie des Wagons-Lits have pooled their expertise to grow their businesses by leveraging their strategically related capabilities in onboard rail catering and facilities management.

For Newrest, which is present in inflight catering, retail dining solutions and remote site management, the joint venture represents an outstanding opportunity to expand in the onboard rail catering market and to enter new countries, including Austria and Italy.

Accor's 40% stake in the joint venture and the Italian Onboard day Train Services business were marked to market and remained classified as "Assets held for sale"at that date.

B.4. Sale of Lenôtre

In April 2011, in line with Accor's strategic refocusing on its core Hotel business, and following expressions of interest from several potential buyers, Accor announced that it was considering the potential disposal of Lenôtre, ambassador of French gastronomy across the world, which operates 64 prestigious outlets across 13 countries.

In late July 2011, Accor entered into exclusive negotiations to sell the company to Sodexo, which led to the signature of a sales contract in early August. The sale was completed at the end of September once anti-trust approval had been obtained.

C. Colony Capital / Eurazeo

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

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

- €500 million 3-year 4.5% equity note issue. The notes were issued at a price of €3,900 and were based on a redemption ratio of one note for 100 Accor shares at €39. Conversion of all of the outstanding equity notes would result in the issue of 12,820,500 new shares. In accordance with the accounting policy described in note 1.N.5, the equity component of the notes was recognized in equity in the amount of €433 million and the balance of the issue was recognized in debt for €67 million:
- €500 million 5-year 3.25% convertible bond issue. The bonds were issued at a price of €4,300 and were based on a conversion ratio of one bond for 100 Accor shares at €43. Conversion of all of the outstanding bonds would result in the issue of 11,627,900 new shares. The entire €500 million face value of the convertible bonds was recognized in debt.

The equity notes were redeemed for Accor shares on April 2, 2007, at Colony Capital's request. In the consolidated financial statements, the equity component was written off from equity in the amount of €433 million (see Statement of Changes in Equity) and the debt component (originally €67 million), carried in the balance sheet at December 31, 2006 for €30 million, was reclassified in equity.

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

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

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

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

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

The commitment given in first-half 2010 by Colony Capital and Eurazeo in connection with the demerger (see note 2.F) to support the demerged entities 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.

D. Three Bond Issues

In 2009, Accor completed three bonds issue:

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

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

E. Signature of a syndicated line of credit

In May 2011, Accor closed a €1.5 billion syndicated line of credit that replaced the €2 billion syndicated credit facility signed in June 2007. The new line of credit, which was reduced to €1.7 billion in June 2010, is scheduled to expire in June 2012.

The five-year facility will lengthen the average maturity of Accor's financing.

F. Demerger of the Hospitality and Prepaid Services businesses

In 2009, Accor embarked on a major strategic project to demerge its two core businesses, Hotels and Services. The process involved various stages:

- on August 26, 2009, the Board of Directors approved the recommendation made by Gilles Pelisson, Chairman and Chief Executive Officer, to conduct a review of the potential benefits of demerging the two businesses into two self-managing companies, each with their own strategy and resources for growth;
- based on the reviews conducted by senior management, the Board of Directors approved the potential benefits of the demerger on December 15, 2009;
- on February 23, and May 11, 2010, the Board approved the process for demerging the businesses and creating two new listed companies, Accor Hospitality and "New Services Holding"(transitional name for Accor Services, renamed Edenred), without any capital ties between them. The transaction was carried out through a capital contribution and share distribution as follows:
  1) NewCo was set up to acquire some of the shares of Edenred subsidiaries, financed by debt;
  2) The remaining shares in Edenred subsidiaries were then contributed to NewCo;
  3) Lastly, NewCo shares were distributed to Accor SA shareholders.

The transaction was approved by shareholders on June 29, 2010 and the demerger was carried out on July 2, when the shares were distributed through a capital contribution remunerated by a distribution of Edenred shares to Accor SA shareholders, whereby each shareholder received one Edenred share for each Accor SA share held.

The Edenred shares were derecognized on July 2, 2010, the date of their delivery to Accor SA shareholders. The difference between the cost of the derecognized asset (€1,181 million) and the fair value of the stock dividend (€2,937 million, i.e. 225,897,396 Edenred shares valued at €13) was a gain of €4,118 million before deducting demerger costs of €74 million, which was recognized in 2010 profit in accordance with IFRIC 17.

Until the previous period-end, Edenred represented a core business for Accor and as such was presented as a separate business segment in Accor's segment reporting. Consequently, in 2010 Edenred has been classified as a discontinued operation and income from Edenred for the 2010 periods and the demerger gain have been reclassified as "Net income from discontinued operations" (see note 17) in accordance with the principles of IFRS 5 "Non-current assets held for sale and discontinued operations".

Excluding translation reserves, assets and liabilities transferred to Edenred are presented in the following table:

(in million of euros)	**July 2, 2010**
Discontinued operations	
Goodwill	593
Intangible assets	102
Property, Plant and equipment	40
Non-current financial assets	4
Deferred tax assets	(38)
Inventories	10
Trades receivables	933
Other receivables	248
Short-term loans	1
Current financial assets	1,807
Assets accruals	11
TOTAL ASSETS TRANSFERRED TO EDENRED	**3,710**
Long-term debt	903
Non-current provisions	17
Trade payables	71
Other payables	149
Current provisions	36
Financial debt	3,518
Bank overdrafts	17
Liabilities accruals	21
TOTAL LIABILITIES TRANSFERRED TO EDENRED	**4,732**

NOTE 3 CONSOLIDATED REVENUE BY BUSINESS AND BY REGION

(in million of euros)	France	Europe (excl. France)	North America	Latin America & Caribbean	Other Countries	Worldwide Structures [1]	2011	2010 [2]
HOTELS	**1,953**	**2,330**	**602**	**349**	**670**	**11**	**5,915**	**5,735**
Upscale and Midscale Hotels	1,245	1,526	70	162	473	11	3,488	3,374
Economy hotels	708	804	-	187	197	-	1,896	1,806
Economy hotels US	-	-	532	-	-	-	532	555
OTHER BUSINESSES	**118**	**29**	**-**	**-**	**36**	**2**	**184**	**213**
TOTAL 2011	**2,071**	**2,359**	**602**	**349**	**706**	**13**	**6,100**	
TOTAL 2010	**2,025**	**2,314**	**620**	**295**	**668**	**26**		**5,948**

(1) "Worldwide Structures" corresponds to revenue (royalties) that is not specific to a single geographic region.
(2) Reclassification of €42 million related to Asia-Pacific loyalty programs in "Upscale and Midscale Hotels" instead of "Other Businesses."

Consolidated revenue for December 31, 2011 totalled €6,100 million, compared with €5,948 million for 2010.

The year-on-year increase of €152 million or (+2.5%) breaks down as follows:

(in million of euros)		
◗ Like-for-like growth	+312	+5.2%
◗ Business expansion (owned and leased hotels only)	+108	+1.8%
◗ Currency effects	(13)	(0.2)%
◗ Disposals	(255)	(4.3)%
INCREASE 2011 REVENUE	**+152**	**+2.5%**

Change in 2011 consolidated revenue by business:

	Δ 2011/2010	Like-for-like change	
	(in million of euros)	(in million of euros)	(in %)
HOTELS	**+180**	**+307**	**+5.4%**
Upscale and Midscale Hotels	+113	+170	+5.0%
Economy Hotels	+90	+113	+6.3%
Economy Hotels US	(23)	+24	+4.3%
OTHER BUSINESSES	**(28)**	**+5**	**+2.2%**
GROUP TOTAL	**+152**	**+312**	**+5.2%**

Change in 2011 consolidated revenue by region:

	Δ 2011/2010	Like-for-like change	
	(in million of euros)	(in million of euros)	(in %)
France	+47	+119	+5.9%
Europe (excl. France)	+45	+87	+3.7%
North America	(18)	+31	+5.0%
Latin America & Caribbean	+54	+46	+15.4%
Other Countries	+37	+36	+5.5%
Worldwide Structures	(13)	(7)	(26.7)%
GROUP TOTAL	**+152**	**+312**	**+5.2%**

At December 31, 2011, revenue from managed and franchised hotels, included in the hotels' revenue presented above of €5,915 million, amounted to €267 million. This amount breaks down as follows:

(in million of euros)	Management fees	Franchise fees	2011	2010
HOTELS				
Upscale and Midscale Hotels	141	39	180	175
Economy Hotels	25	44	69	57
Economy Hotels US	–	18	18	16
TOTAL 2011	**166**	**101**	**267**	
TOTAL 2010	**164**	**84**		**248**

NOTE 4 OPERATING EXPENSE

(in million of euros)	2010	2011
Cost of goods sold (1)	(399)	(391)
Employee benefits expense (2)	(2,230)	(2,284)
Energy, maintenance and repairs	(372)	(365)
Taxes, insurance and service charges (co-owned properties)	(222)	(227)
Other operating expense (3)	(911)	(910)
TOTAL OPERATING EXPENSE	**(4,134)**	**(4,177)**

(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	2010	2011
Full-time equivalent *	65,170	62,589
Ratio employee benefits expense / FTE (€k)	(34)	(36)

** 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.*

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

Employee benefits expense includes €12.9 million related to stock option plans and to performance shares plan (see note 25).

NOTE 5 EBITDAR BY BUSINESS AND REGION

(in million of euros)	France	Europe (excl. France)	North America	Latin America & Caribbean	Other Countries	Worldwide Structures [1]	2011	2010 [2]
HOTELS	**600**	**777**	**180**	**109**	**177**	**52**	**1,895**	**1,793**
Upscale and Midscale Hotels	347	460	16	34	104	47	1,008	960
Economy Hotels	253	317	-	75	73	5	723	668
Economy Hotels US	-	-	164	-	-	-	164	165
OTHER BUSINESSES	**12**	**9**	**-**	**-**	**8**	**(1)**	**28**	**21**
TOTAL 2011	**612**	**786**	**180**	**109**	**185**	**51**	**1,923**	
TOTAL 2010	**593**	**750**	**176**	**86**	**180**	**29**		**1,814**

(1) "Worldwide Structures" corresponds to revenue (royalties) and costs that are not specific to a single geographic region.
(2) Reclassification of €11 million related to Asia-Pacific loyalty programs in "Upscale and Midscale Hotels" instead of "Other Businesses."

Consolidated EBITDAR for December 31, 2011 totalled €1,923 million compared with €1,814 million for 2010.

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

(in million of euros)		
◗ Like-for-like growth	+168	+9.3%
◗ Business expansion (owned and leased hotels only)	+13	+0.7%
◗ Currency effects	(2)	(0.1)%
◗ Disposals	(70)	(3.9)%
INCREASE IN 2011 EBITDAR	**+109**	**+6.0%**

Change in 2011 EBITDAR by business:

	Δ 2011/2010 (in million of euros)	Like-for-like change (in million of euros)	Like-for-like change (in %)
HOTELS	**+102**	**+155**	**+8.6%**
Upscale and Midscale Hotels	+48	+88	+9.2%
Economy	+55	+57	+8.6%
Economy US	(1)	+10	+5.9%
OTHER BUSINESSES	**+7**	**+13**	**+63.5%**
GROUP TOTAL	**+109**	**+168**	**+9.3%**

Change in 2011 EBITDAR by region:

	Δ 2011/2010 (in million of euros)	Like-for-like change (in million of euros)	Like-for-like change (in %)
France	+19	+49	+8.2%
Europe (excl. France)	+35	+45	+6.0%
North America	+3	+14	+8.1%
Latin America & Caribbean	+24	+21	+24.9%
Other Countries	+6	+6	+3.4%
Worldwide Structures	+22	+33	+112.6%
GROUP TOTAL	**+109**	**+168**	**+9.3%**

NOTE 6 RENTAL EXPENSE

Rental expense amounted to €995 million in December 31, 2011 compared with €934 million in December 31, 2010.

In accordance with the policy described in note 1.E.4, the expense reported on this line only concern operating leases. Finance leases are recognized in the balance sheet as an asset and a liability. The amount of the liability at December 31, 2011 was €82 million (see note 29.A).

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

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

The €995 million in rental expense corresponds to 1,418 hotel leases, including 20% with a purchase option. Where applicable, the option price corresponds to either a pre-agreed percentage of the owner's original investment or the property's market value when the option is exercised. The options are generally exercisable after 10 or 12 years. Certain contracts allow for the purchase of the property at the appraised value at the end of the lease.

A. Rental expense by business

Rental expense can be analyzed as follows by business:

(in million of euros)	2010	2011
HOTELS	**(939)**	**(999)**
Upscale and Midscale Hotels	(531)	(564)
Economy	(307)	(343)
Economy US	(101)	(92)
OTHER BUSINESSES	**5**	**4**
TOTAL	**(934)**	**(995)**

B. Rental expense by type of contract

Rental expense breaks down as follows by type of contract:

(in million of euros)	Number of hotel [1]	2011 rental expense	Fixed rental expense	Variable rental expense
Fixed rent with purchase option	287	(98)	(98)	-
Fixed rent without purchase option	312	(259)	(259)	-
Fixed rent with a variable portion [2]	67	(86)	(64)	(22)
Land rent	-	(15)	(12)	(3)
Office rental expenses (Hotels business)	-	(33)	(32)	(1)
Fees on intragroup rent guarantees on Hotels business	-	(16)	(15)	(1)
TOTAL HOTEL FIXED RENTAL EXPENSE	**666**	**(507)**	**(480)**	**(27)**
Variable rent with a minimum [3]	109	(88)	(74)	(14)
Variable rent with a minimum and cap [4]	10	(17)	(10)	(7)
Variable rent without a minimum [5]	633	(387)	-	(387)
TOTAL HOTEL VARIABLE RENTAL EXPENSE	**752**	**(492)**	**(84)**	**(408)**
TOTAL HOTEL RENTAL EXPENSE	**1,418**	**(999)**	**(564)**	**(435)**
Rental expense not related to hotels	-	(12)	(13)	1
Internal lease guarantee fees	-	16	15	1
TOTAL RENTAL EXPENSE	**1,418**	**(995)**	**(562)**	**(433)**

(1) Detail by brand and type of contract at December 31, 2011 is presented as follows:

Leased hotels at December 31, 2011	Fixed rent with purchase option	Fixed rent without purchase option	Fixed rent with a variable portion	Variable rent with a minimum	Variable rent with a minimum and cap	Variable rent without a minimum	Total
Sofitel	1	3	-	2	-	5	11
Pullman	-	6	3	4	-	4	17
Novotel	1	45	8	23	3	99	179
Mercure	5	58	20	11	3	72	169
Adagio	-	7	-	-	1	-	8
Suite Novotel	-	8	-	1	-	8	17
ibis	9	100	14	60	2	177	362
all seasons/ibis Styles	-	4	8	1	-	4	17
Etap Hotel/ibis *budget*	1	61	1	7	1	97	168
Formule 1 / hotelF1	-	1	12	-	-	167	180
Motel 6 / Studio 6	269	18	1	-	-	-	288
Other	1	1	-	-	-	-	2
TOTAL	**287**	**312**	**67**	**109**	**10**	**633**	**1,418**

(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 (598 hotels), or a percentage of EBITDAR (35 hotels). None of the leases contains any minimum rent clauses. Variable rents without a minimum based on a percentage of EBIDTAR amount to €52 million at December 31, 2011.

C. Minimum rental commitments (cash basis)

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

Undiscounted minimum lease payments in foreign currencies converted at the average exchange rate based on latest known rates, are as follows:

Years	(in million of euros)	Years	(in million of euros)
2012	(550)	2021	(277)
2013	(510)	2022	(253)
2014	(490)	2023	(227)
2015	(478)	2024	(190)
2016	(460)	2025	(165)
2017	(437)	2026	(145)
2018	(405)	2027	(90)
2019	(374)	2028	(74)
2020	(335)	> 2028	(390)
		TOTAL	**(5,850)**

At December 31, 2011, the present value of future minimum lease payments, considered as representing 8% of the minimum lease payments used to calculate the "Adjusted funds from ordinary activities/adjusted net debt" ratio, amounted to (€3,495) million.

Interest expense related to adjusted net debt, estimated at 8%, amounted to €279 million. The difference between the 2012 minimum rent (€550 million) and interest expense (€279 million) amounted to €271 million, corresponding to the implicit repayment of adjusted debt ("Standards & Poor's method").

NOTE 7 EBITDA BY BUSINESS AND REGION

(in million of euros)	France	Europe (excl. France)	North America	Latin America & Caribbean	Other Countries	Worldwide Structures [1]	2011	2010 [2]
HOTELS	**334**	**297**	**86**	**43**	**87**	**49**	**896**	**852**
Upscale and Midscale Hotels	189	139	14	13	45	44	444	427
Economy Hotels	145	158	-	30	42	5	380	361
Economy Hotels US	-	-	72	-	-	-	72	64
OTHER BUSINESSES	**7**	**9**	**(0)**	**-**	**8**	**8**	**32**	**28**
TOTAL 2011	**341**	**306**	**86**	**43**	**95**	**57**	**928**	
TOTAL 2010	**352**	**290**	**74**	**33**	**97**	**34**		**880**

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

(2) Reclassification of €9 million related to Asia-Pacific loyalty programs in "Upscale and Midscale Hotels" instead of "Other Businesses."

Consolidated EBITDA for December 31, 2011 totalled €928 million compared with €880 million for 2010.

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

(in million of euros)		
Like-for-like growth	+131	+14.9%
Business expansion (owned and leased hotels only)	(7)	(0.8)%
Currency effects	(1)	(0.1)%
Disposals	(75)	(8.5)%
INCREASE IN 2011 EBITDA	**+48**	**+5.5%**

Change in 2011 EBITDA by business

	Δ 2011/2010	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
HOTELS	**+44**	**+118**	**+13.8%**
Upscale and Midscale Hotels	+17	+68	+15.9%
Economy	+19	+40	+11.1%
Economy US	+8	+10	+14.6%
OTHER BUSINESSES	**+4**	**+13**	**+48.1%**
GROUPTOTAL	**+48**	**+131**	**+14.9%**

Change in 2011 EBITDA by region

	Δ 2011/2010	Like-for-like change	
	(in million of euros)	*(in million of euros)*	*(in %)*
France	(11)	+39	+11.0%
Europe (excl. France)	+16	+36	+12.4%
North America	+12	+14	+18.9%
Latin America & Caribbean	+10	+9	+27.2%
Other Countries	(2)	-	+0.3%
Worldwide Structures	+23	+33	+96.7%
GROUPTOTAL	**+48**	**+131**	**+14.9%**

NOTE 8 DEPRECIATION, AMORTIZATION AND PROVISION EXPENSE

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

(in million of euros)	2010	2011
Depreciation and amortization	(429)	(396)
Provision	(5)	(2)
TOTAL	**(434)**	**(398)**

NOTE 9 EBIT BY BUSINESS AND REGION

(in million of euros)	France	Europe (excl. France)	North America	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2011	2010 (2)
HOTELS	**232**	**146**	**23**	**30**	**43**	**41**	**515**	**438**
Upscale and Midscale Hotels	118	41	8	6	20	36	229	192
Economy Hotels	114	105	-	24	23	5	271	250
Economy Hotels US	-	-	15	-	-	-	15	(4)
OTHER BUSINESSES	**4**	**(0)**	**(0)**	**-**	**6**	**5**	**15**	**8**
TOTAL 2011	**236**	**146**	**23**	**30**	**49**	**46**	**530**	
TOTAL 2010	**230**	**123**	**(0)**	**20**	**49**	**24**		**446**

(1) "Worldwide Structures" corresponds to revenue (royalties) and costs that are not specific to a single geographic region.
(2) Reclassification of €9 million related to Asia-Pacific loyalty programs in "Upscale and Midscale Hotels" instead of "Other Businesses."

Consolidated EBIT for December 31, 2011 totalled €530 million compared with €446 million for December 31, 2010.

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

(in million of euros)		
◗ Like-for-like growth	+146	+32,6%
◗ Business expansion (owned and leased hotels only)	(19)	(4,1)%
◗ Currency effects	+3	+0,6%
◗ Disposals	(46)	(10,3)%
INCREASE IN 2011 EBIT	**+84**	**+18,8%**

Change in 2011 EBIT by business

	Δ 2011/2010 (in million of euros)	Like-for-like change (in million of euros)	Like-for-like change (in %)
HOTELS	**+77**	**+132**	**+30.0%**
Upscale and Midscale Hotels	+37	+77	+40.3%
Economy	+21	+37	+14.7%
Economy US	+19	+18	+435.0%
OTHER BUSINESSES	**+7**	**+14**	**+175.9%**
GROUP TOTAL	**+84**	**+146**	**+32.6%**

Change in 2011 EBIT by region

	Δ 2011/2010		Like-for-like change
	(in million of euros)	(in million of euros)	(in %)
France	+6	+44	+19.0%
Europe (excl. France)	+23	+33	+26.7%
North America	+23	+22	+21264.4%
Latin America & Caribbean	+10	+11	+53.0%
Other Countries	(1)	+3	+7.2%
Worldwide Structures	+23	+33	+141.7%
GROUP TOTAL	**+84**	**+146**	**+32.6%**

NOTE 10 NET FINANCIAL EXPENSE

(in million of euros)	2010	2011
Net financial expense [(1)]	(140)	(99)
Other financial income and expense [(2)]	6	2
NET FINANCIAL EXPENSE	**(134)**	**(97)**

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

(in million of euros)	2010	2011
Net financial expense - cash	(141)	(103)
Net financial expense - non-cash	1	4
TOTAL NET FINANCIAL EXPENSE	**(140)**	**(99)**

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

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

(in million of euros)	2010	2011
Dividend income from non-consolidated companies (*Available for sale financial assets*)	2	2
Exchange gains and losses (excl. financial instruments at fair value)	5	2
Movements in provisions	(1)	(2)
TOTAL OTHER FINANCIAL INCOME AND EXPENSE	6	2

NOTE 11 SHARE OF PROFIT (LOSS) OF ASSOCIATES AFTER TAX

(in million of euros)	2010	2011
Share of profit of associates before tax	24	7
Share of tax of associates	(2)	(2)
SHARE OF PROFIT OF ASSOCIATES AFTER TAX	**22**	**5**

The main contributions are as follows:

(in million of euros)	2010	2011
Sofitel Hotels US [1]	11	0
Asia/Australia Hotels	8	3
Egyptian investment funds (Macor)	1	0
Tunisian and Moroccan investment funds (STI and RISMA)	1	1
The Grand Real Estate	(3)	(2)
Other	4	3
SHARE OF PROFIT OF ASSOCIATES AFTER TAX	**22**	**5**

(1) In 2010, the profit of the Hotels business in the United States was boosted by the €7 million gain on the sale of the Washington Sofitel in March 2010 and by the €6 million gain on the sale of the Philadelphia Sofitel in July 2010.

NOTE 12 RESTRUCTURING COSTS

Restructuring costs can be analyzed as follows:

(in million of euros)	2010	2011
Movements in Restructuring provisions	18	(2)
Restructuring costs	(49)	(38)
TOTAL RESTRUCTURING COSTS	**(31)**	**(40)**

Restructuring costs in 2010 and 2011 correspond mainly to the costs linked to the reorganization of the Group.

NOTE 13 IMPAIRMENT LOSSES

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

A. Definition of cash-generating units

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

(in million of euros)	Goodwill	Intangible assets with indefinite useful life
HOTELS		
Australia	183	-
Germany	180	-
France (excluding Adagio)	169	-
Motel 6	-	156
Asia	45	-
NET GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE INCLUDED IN CASH-GENERATING UNITS	**577 ***	**156**

* *This amount represents 81% of goodwill recognized on December 31, 2011.*

At December 31, 2010, the main values (before any impairment losses recognized during the year) of goodwill and intangible assets with indefinite useful lives included in the carrying amounts of the CGUs tested for impairment at that date were as follows:

(in million of euros)	Goodwill	Intangible assets with indefinite useful life
HOTELS		
Australia	217	-
Germany	180	-
Upscale and Midscale Hotels in France	176	-
Motel 6	100	151
Asia	45	-
SUB-TOTAL HOTELS	**718**	**151**
OTHER BUSINESSES		
Lenôtre	22	-
SUB-TOTAL OTHER BUSINESS	**22**	**-**
NET GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE INCLUDED IN CASH-GENERATING UNITS	**740 ***	**151**

* *This amount represented 84% of goodwill recognized on December 31, 2010.*

B. Assumptions applied

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

At December 31, 2011, the average Group discount rate based on market values was 9.12%. The discount rate applied to the different business segment (see note 38) ranged from 8.8% to 10.8%.

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

	Hotels				
2011	**Germany**	**France (excluding Adagio)**	**Asia**	**Australia**	**Economy US**
Basis on which the recoverable amount has been determined	Discounted cash flow method	EBITDA multiples method	Discounted cash flow method	Discounted cash flow method	Discounted cash flow method
Multiple used	N/A	8.5	N/A	N/A	N/A
Period of projections (years)	5	N/A	5	5	7
Growth rate	2.00%	N/A	2.00%	2.60%	2.00%

At December 31, 2010, the average Group discount rate based on market values was 8.67%. The discount rate applied to the different business segment ranged from 8.4% to 11%.

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

	Hotels					Other business
2010	**Germany**	**France (excluding Adagio)**	**Asia**	**Australia**	**Economy US**	**Lenôtre**
Basis on which the recoverable amount has been determined	Discounted cash flow method	EBITDA multiples method	Discounted cash flow method	Discounted cash flow method	Discounted cash flow method	Discounted cash flow method
Multiple used	N/A	8.5	N/A	N/A	N/A	N/A
Period of projections (years)	5	N/A	5	5	7	5
Growth rate	2.00%	N/A	2.00%	2.60%	2.00%	2.00%

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

Impairment losses recognized in 2010 and 2011 can be analyzed as follows:

(in million of euros)	2010	2011
Goodwill	(141)	(21)
Intangible assets	(3)	(5)
Property, plant and equipment	(139)	(85)
Financial assets	(1)	(2)
IMPAIRMENT LOSSES	**(284)**	**(113)**

The main assets and cash generating units for which impairment losses were recognized in 2010 and 2011 were as follows:

A. Impairment of goodwill

(in million of euros)	2010	2011
HOTELS	**(139)**	**(17)**
Upscale and Midscale Hotels	(36)	(15)
Economy Hotels	(3)	(2)
Economy Hotels US	(100)	-
OTHER BUSINESSES	**(2)**	**(4)**
TOTAL	**(141)**	**(21)**

At December 31, 2010, impairment losses resulted mainly from revised estimates of the recoverable amount of goodwill related to the American economy hotel business – Motel 6 (€100 million impairment loss) and the Australian hotel business (€31 million impairment loss).

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

Sensitivity analysis

At December 31, 2010, a 25-basis point increase in the discount rate would have had the effect of increasing impairment losses recognized in 2010 by €9 million. A 50-basis point increase in the discount rate would have increased recognized impairment losses by approximately €17 million. A 100-basis point increase would have had a €34 million impact.

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

The CGU's value in use is estimated by the discounted cash flows method. The discount rate is the main key assumption used by the Group to determine the CGU's recoverable amount. In both 2010 and 2011, analyses showed that, in the case of CGUs for which no impairment was recorded during the year, only a substantial, improbable change in the discount rate in the next twelve months would have caused their net carrying amount to exceed their recoverable amount.

B. Impairment of intangible assets

Following the periodic review of the recoverable amount of intangible assets, a €3 million impairment loss was recognized in 2010.

Following the periodic review of the recoverable amount of intangible assets, a €5 million impairment loss was recognized in 2011.

C. Impairment of property, plant and equipment

(in million of euros)	2010	2011
HOTELS	**(138)**	**(83)**
Upscale and Midscale Hotels	(85)	(20)
Economy Hotels	(26)	(14)
Economy Hotels US	(27)	(49)
OTHER BUSINESSES	**(1)**	**(2)**
TOTAL	**(139)**	**(85)**

At December 31, 2010, impairment losses on property, plant and equipment amounted to €139 million, of which €21 million on tangible assets held for sale. Impairment losses recognized during the year concerned 172 hotels for €140 million and impairment losses reversed during the year concerned 4 hotels for €1 million.

At December 31, 2011, impairment losses on property, plant and equipment amounted to €85 million, of which €35 million on tangible assets held for sale.

Hotels' impairment losses recognized during the year concerned 128 hotels for €86 million and impairment losses reversed during the year concerned 2 hotels for €3 million.

NOTE 14 GAINS AND LOSSES ON MANAGEMENT OF HOTEL PROPERTIES

(in million of euros)	2010	2011
Disposal gains and losses	47	111
Provisions for losses on hotel properties (see note 1. D. 5.)	(43)	(51)
TOTAL	**4**	**60**

In 2010, the total included:

- a €36 million aggregate net gain on the sale of units under sale and variable lease-back arrangements in France, Belgium, Germany, Italy and Slovakia (53 hotels), including €37 million under Predica sale and variable lease-back arrangements (see note 2.A.2.1);
- a €28 million gain on the sale of a hotel in France under a sale and franchise-back arrangement (35 hotels);
- a €3 million loss on disposal of Motel 6 units under sale and franchise-back arrangements (17 hotels);

In 2011, the total included:

- a €46 million gain on the outright sale of units in Poland and France essentially (38 hotels) (See note 2.A.2.3);
- a €31 million gain on the sale of Pullman Paris Bercy under a sale and management-back arrangement (See note 2.A.2.2);
- a €25 million gain on the sale of units in France under sale and franchise-back arrangements (36 hotels) (See note 2.A.2.3);
- a €7 million gain on the sale of Sofitel Arc de Triomphe under a sale and management-back arrangement (See note 2.A.2.2);
- a €5 million loss on the sale of units in France under sale and variable lease-back arrangements (7 hotels) (see note 2.A.2.1);
- a €35 million loss corresponding to asset write-offs in the United States.

NOTE 15 GAINS AND LOSSES ON MANAGEMENT OF OTHER ASSETS

(in million of euros)	2010	2011
Disposal gains and losses	(5)	20
Provision movements	(5)	1
Gains and losses on non-recurring transactions	(25)	(40)
TOTAL	**(35)**	**(19)**

In 2010, the total mainly included:

- a €8 million loss on the sale of Orbis Travel in Poland;
- €5 million in fees paid in connection with the disposal of non-strategic assets.

In 2011, the total mainly included:

- a €23 million gain realized on the sale of Lenôtre (See note 2.B.4);
- €3 million in costs related to the Ibis Megabrand project.
- a €24 million loss arising from the exercise of call options on 56 hotels in the United States.

NOTE 16 INCOME TAX EXPENSE

Note 16.1. Income tax expense for the period

(in million of euros)	2010	2011
Current tax (excluding CIWLT claim)	(123)	(174)
CIWLT claim (see note 39)	(263)	-
SUB-TOTAL, CURRENT TAX	**(386)**	**(174)**
Deferred taxes (expense) income on new temporary differences and reversals of temporary differences arising in prior periods	(6)	(102)
Deferred taxes arising from changes in tax rates or tax laws	0	2
SUB-TOTAL, DEFERRED TAX	**(6)**	**(100)**
INCOME TAX EXPENSE (EXCLUDING TAX ON THE PROFITS OF ASSOCIATES AND DISCONTINUED OPERATIONS)	**(392)**	**(274)**
Tax on profits of associates	(3)	(2)
Tax on profits of discontinued operations	(68)	(1)
TAX OF THE PERIOD	**(463)**	**(277)**

Note 16.2. Effective tax rate

(in million of euros)	2010	2011
OPERATING PROFIT BEFORE TAX (A)	**(12)**	**326**
Non deductible impairment losses	155	15
Elimination of intercompany capital gains	1,255	28
Tax on share of profit (loss) of associates	3	2
Other	31	62
TOTAL PERMANENT DIFFERENCES (NON-DEDUCTIBLE EXPENSES) (B)	**1,444**	**107**
UNTAXED PROFIT AND PROFIT TAXED AT A REDUCED RATE (C)	**(1,231)**	**(104)**
PROFIT TAXED AT STANDARD RATE (D) = (A) + (B) + (C)	**201**	**329**
STANDARD TAX RATE IN FRANCE (E)	**34.43%**	**36.10%***
TAX AT STANDARD FRENCH TAX RATE (F) = (D) X (E)	**(69)**	**(119)**
Effects on tax at standard French tax rate of:		
differences in foreign tax rates	12	36
unrecognized tax losses for the period	(46)	(50)
unrecognized or canceled deferred taxes on timing differences	(36)	(132)
utilization of tax loss carryforwards	14	21
deferred tax assets recognized for tax loss carryforwards arising in prior years	24	15
share of profit (loss) of associates	3	2
CIWLT Claim (see note 39)	(263)	-
net charges to/reversals of provisions for tax risks	2	(11)
effect of new cet business tax in france in 2010 (replacing taxe professionnelle) (see note 1.I)	(15)	(26)
other items	(7)	(10)
TOTAL EFFECTS ON TAX AT STANDARD FRENCH TAX RATE (G)	**(312)**	**(155)**
TAX AT STANDARD RATE (H) = (F) + (G)	**(381)**	**(274)**
TAX AT REDUCED RATE ** (I)	**(11)**	**-**
INCOME TAX EXPENSE (J) = (H) + (I)	**(392)**	**(274)**
Pre-tax operating profit taxed at standard rate	201	329
Income tax expense	(57)	(83)
GROUP EFFECTIVE TAX RATE	**28.2%**	**25.3%**

* *In 2011, the Group took into account the 5% increase in corporate income tax introduced in France's amended Finance Bill for 2011.*

** *In 2010, related mainly to the sale of 28 hotel properties in France to Predica and Foncière des Murs (see. note 2.A.2.1).*

Operating profit before tax for 2010 includes a €57 million capital gain which was taxed at the reduced rate of 19% under the tax rules applicable to SIICs (the French equivalent of real-estate investment trusts). The corresponding tax amounted to €11 million.

Note 16.3. Details of deferred tax (Balance Sheet)

(in million of euros)	2010	2011
Timing differences between company profit and taxable profit	145	70
Timing differences between consolidated profit and company profit	31	23
Recognized tax losses	65	54
SUB-TOTAL, DEFERRED TAX ASSETS	**241**	**147**
Timing differences between company profit and taxable profit	35	66
Timing differences between consolidated profit and company profit	88	85
Recognized tax losses	-	5
SUB-TOTAL, DEFERRED TAX LIABILITIES	**123**	**156**
DEFERRED TAX ASSETS, NET (LIABILITIES)	**118**	**(9)**

At December 31, 2011, €103 million worth of deferred tax assets were cancelled in the accounts following a change in the expected timing of tax loss recoveries in the United States.

Note 16.4. Unrecognized deferred tax assets

Unrecognized deferred tax assets at December 31, 2011 amounted to €360 million (December 31, 2010: €203 million of which €0.8 million for Lenôtre).

Unrecognized deferred tax assets at December 30, 2011 will expire in the following periods if not utilized:

(in million of euros)	Deductible temporary differences	Tax loss carryforwards	Tax credits	Total
Y+1	0	12	-	12
Y+2	-	4	-	4
Y+3	-	5	-	5
Y+4	11	22	-	33
Y+5 and beyond	-	45	1	46
Evergreen	181	77	2	260 (1)
DEFERRED TAX, NET	**192**	**165**	**3**	**360**

(1) At December 31, 2011, unrecognized deferred taxes included €201 million worth of deferred tax assets corresponding to tax loss carryforwards and temporary differences in the United States.

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

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

- in 2010, the profit or loss of the period of discontinued operations in 2010:
  - Edenred (see note 2.F),
  - Groupe Lucien Barrière (see note 2.B.2),
  - Onboard Train Services business (see note 2.B.3);
- in 2011, the profit or loss from Onboard Train Services business, which has been maintained in discontinued operations;

- in 2010 and 2011, the realized gains or losses (or mark-to-market adjustments) recognized on the disposal or demerger of the assets constituting the discontinued operations:
  - In 2010:
    - the profit recognized on the demerger of Edenred and Accor (see note 2.F),
    - the loss recognized on the disposal of Onboard Train Services business;
    - The €79 million loss arising from the mark-to-market of Groupe Lucien Barrière goodwill;
  - In 2011:
    - The €5 million gain recognized on the disposal of Groupe Lucien Barrière.

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

(in million of euros)	2010	2011
Profit or loss from discontinued operations before tax	135	(7)
Tax on profit or loss from discontinued operations	(68)	(0)
PROFIT OR LOSS FROM DISCONTINUED OPERATIONS DURING THE PERIOD	**67**	**(7)**
Profit or loss recognized on disposal of the assets constituting the discontinued operations	3,947	5
Tax on profit or loss from discontinued operations	-	-
IMPACT OF REALIZED GAINS OR LOSSES AND MARK-TO-MARKET ADJUSTMENTS	**3,947**	**5**
PROFIT OR LOSS FROM DISCONTINUED OPERATIONS	**4,014**	**(2)**

Detail of discontinued operations' consolidated income statements (including the profit or loss recognized on the demerger or the disposal) classified in 2010 and 2011 in profit or loss from discontinued operations in Accor's consolidated financial statements is as follows:

A. At December 31, 2011

(in million of euros)	Groupe Lucien Barrière	Onboard Train Services	Total 2011
Revenue	-	54	54
Other operating revenue	-	-	-
CONSOLIDATED REVENUE	**-**	**54**	**54**
Operating expense	-	(63)	(63)
EBITDAR	**-**	**(9)**	**(9)**
Rental expense	-	(2)	(2)
EBITDA	**-**	**(11)**	**(11)**
Depreciation, amortization and provision expense	-	(1)	(1)
EBIT	**-**	**(12)**	**(12)**
Net financial expense	-	2	2
Share of profit of associates after tax	-	-	-
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS	**-**	**(10)**	**(10)**
Restructuring costs	-	(1)	(1)
Impairment losses	-	-	-
Gains and losses on management of hotel properties	-	-	-
Gains and losses on management of other assets	-	4	4
OPERATING PROFIT BEFORE TAX	**-**	**(7)**	**(7)**
Income tax expense	-	(0)	(0)
NET PROFIT	**-**	**(7)**	**(7)**
Impact of realized gains or losses and mark-to-market adjustments	5	0	5
NET PROFIT FROM DISCONTINUED OPERATIONS	**5**	**(7)**	**(2)**

B. At December 31, 2010

(in million of euros)	Edenred	Groupe Lucien Barrière	Onboard Train Services	Total 2010
Revenue	422	518	90	1,030
Other operating revenue	39	-	-	39
CONSOLIDATED REVENUE	**461**	**518**	**90**	**1,069**
Operating expense	(282)	(438)	(90)	(810)
EBITDAR	**179**	**80**	**-**	**259**
Rental expense	(9)	(13)	(0)	(22)
EBITDA	**170**	**67**	**(0)**	**237**
Depreciation, amortization and provision expense	(12)	(34)	(1)	(47)
EBIT	**158**	**33**	**(1)**	**190**
Net financial expense	1	(9)	1	(7)
Share of profit of associates after tax	-	(2)	(1)	(3)
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS	**159**	**22**	**(1)**	**180**
Restructuring costs	(2)	(1)	(6)	(9)
Impairment losses	(1)	(0)	-	(1)
Gains and losses on management of hotel properties	-	-	-	-
Gains and losses on management of other assets	(38)	7	(4)	(35)
OPERATING PROFIT BEFORE TAX	**118**	**28**	**(11)**	**135**
Income tax expense	(55)	(12)	(1)	(68)
NET PROFIT	**63**	**16**	**(12)**	**67**
Impact of realized gains or losses and mark-to-market adjustments	4,044	(79)	(18)	3,947
NET PROFIT FROM DISCONTINUED OPERATIONS	**4,107**	**(63)**	**(30)**	**4,014**

NOTE 18 GOODWILL

(in million of euros)	Dec.2010	Dec.2011
Goodwill (gross value)	1,046	1,017
Less impairment losses	(303)	(305)
GOODWILL, NET	**743**	**712**

(in million of euros)	Notes	Dec.2010	Dec.2011
HOTELS			
Australia		186	193
Upscale and Midscale France		158	157
Germany	2.B.1.3	180	180
Economy (excluding Motel 6)		86	71
Asia		44	46
Egypt	13.2.A	24	19
Poland	2.B.1.2	12	9
Switzerland		11	11
Portugal	13.2.A	8	-
The Netherlands		8	8
Other hotels (< €6 million)		5	18
SUB-TOTAL HOTELS		**722**	**712**
OTHER BUSINESSES		**21**	**-**
GOODWILL, NET		**743**	**712**

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

(in million of euros)	Notes	Dec. 2010	Dec. 2011
Carrying amount at beginning of period		1 777	743
Goodwill recognized on acquisitions for the period and other increases		10	17
HOTELS			
Hotels, South America		1	-
Hotels, France	*	-	4
Hotels, Africa	**	-	13
PREPAID SERVICES			
Other Prepaid Services acquisitions'		6	-
Prepaid Services, Czech Republic		1	-
Prepaid Services, Brazil		1	-
Prepaid Services, Hungary		1	-
Disposals	***	(607)	(27)
Impairment losses	13 ****	(221)	(21)
Translation adjustment		79	4
Reclassifications to Property, Plant and Equipment		(4)	-
Reclassifications to Assets held for sale	32	(287)	-
Other reclassifications and movements		(4)	(4)
Carrying amount at end of period		743	712

* *In 2011, acquisition of Citéa by Adagio , a company that is 50%-owned by Accor, generating goodwill of €4 million million in the Accor Group's accounts (see note 2.B.1.4).*

** *In 2011, acquisition of SCI Cocoma, owner of the land and buildings of the Abidjan Pullman, generating goodwill of €13 million.*

*** *In 2011, disposals mainly correspond to the write-off of Lenôtre goodwill for €21 million following the refocusing of the Group on Hotels (see note 2.B.4). In 2010, disposals mainly correspond to the write-off of Edenred goodwill for €593 million following the demerger of the Group's two core businesses (see note 2.F).*

**** *In 2010, impairment losses on goodwill correspond for €79 million to the loss arising from the mark-to-market of Groupe Lucien Barrière goodwill, reclassified as loss from discontinued operations (see note 17).*

NOTE 19 INTANGIBLE ASSETS

(in million of euros)	Dec. 2010	Dec. 2011
GROSS VALUE		
Motel 6 brand [1]	151	156
Other brands and rights [2]	78	59
Licenses, software	151	147
Other intangible assets [3]	227	226
TOTAL INTANGIBLE ASSETS AT COST	**607**	**588**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES		
Licenses, software	(120)	(121)
Other intangible assets [3]	(78)	(94)
TOTAL ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	**(198)**	**(215)**
INTANGIBLE ASSETS, NET	**409**	**373**

(1) The increase in value of the Motel 6 brand at December 31, 2011 was due to the change in the dollar/euro exchange rate (1.3362 at December 31, 2010 versus 1.2939 at December 31, 2011).

(2) Including €37 million corresponding to land use rights for Ibis and Novotel hotels in China.

(3) At December 31, 2011, the net book value of other intangible assets amounts to €132 million, including

- *€105 million in lease premiums, of which (i) €10 million concerning IBL and corresponding to the value attributed to hotel leases at the time of the Motel 6 acquisition (amortized over the estimated useful lives of the hotel properties) and (ii) €22 million corresponding to the value attributed to Orbis Novotel's land use rights.*
- *€28 million corresponding to the value attributed to management contracts (of which, in Australia, €9 million for Sofitel contracts and €8 million for initial fees and franchise contracts in the United Kingdom).*

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

(in million of euros)	Dec. 2010	Dec. 2011
CARRYING AMOUNT AT BEGINNING OF PERIOD	**488**	**409**
Acquisitions	14	5
Internally-generated assets [1]	22	21
Intangible assets of newly consolidated companies	0	-
Amortization for the period	(33)	(25)
Impairment losses for the period	(3)	(5)
Disposals [2]	(113)	(33)
Translation adjustment	30	(1)
Reclassification of Groupe Lucien Barrière to Assets held for sale	(11)	-
Reclassification of Onboard Train Services to Assets held for sale	(0)	1
Reclassifications of Assets held for sale (see note 32)	(11)	1
Other reclassifications	15	1
CARRYING AMOUNT AT END OF PERIOD	**409**	**373**

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

(2) In 2010, disposals mainly corresponded to the derecognition of Edenred intangible assets following the demerger of the Group's two core businesses (see. note 2.F). In 2011, disposals mainly corresponded to several hotels in China that were reclassified to "Assets held for sale" at the year-end.

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

(in million of euros)	Dec. 2010	Dec. 2011
Motel 6 brand	151	156
Other brands and rights	78	59
CARRYING AMOUNT AT END OF PERIOD	**229**	**215**

At December 31, 2011, there were no material contractual commitments related to the acquisition of intangible assets not reported in the balance sheet.

NOTE 20 PROPERTY, PLANT AND EQUIPMENT

Note 20.1. Property, plant and equipment by nature

(in million of euros)	Dec. 2010	Dec. 2011
Land	427	341
Buildings	2,343	2,126
Fixtures	1,916	1,821
Equipment and furniture	1,577	1,478
Constructions in progress	244	272
PROPERTY, PLANT AND EQUIPMENT, AT COST	**6,507**	**6,038**

(in million of euros)	Dec. 2010	Dec. 2011
Buildings	(704)	(659)
Fixtures	(928)	(909)
Equipment and furniture	(963)	(989)
Constructions in progress	(3)	(4)
TOTAL OF AMORTIZATION	**(2,598)**	**(2,561)**
Land	(6)	(9)
Buildings	(126)	(126)
Fixtures	(58)	(51)
Equipment and furniture	(30)	(28)
Constructions in progress	(7)	(6)
TOTAL OF IMPAIRMENT LOSSES	**(227)**	**(220)**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	**(2,825)**	**(2,781)**

(in million of euros)	Dec. 2010	Dec. 2011
Land	421	332
Buildings	1,513	1,341
Fixtures	930	861
Equipment and furniture	584	461
Constructions in progress	234	262
PROPERTY, PLANT AND EQUIPMENT, NET	**3,682**	**3,257**

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

(in million of euros)	Dec. 2010	Dec. 2011
NET CARRYING AMOUNT AT BEGINNING OF PERIOD	**4,306**	**3,682**
Property, plant and equipment of newly acquired companies	15	10
Capital expenditure	582	576
Disposals	(429)	(336)
Amortization for the period	(446)	(373)
Impairment losses for the period	(118)	(50)
Translation adjustment	164	(18)
Reclassifications of Groupe Lucien Barrière in "Assets held for sale"	(224)	-
Reclassifications of "Onboard Train Services" in "Assets held for sale"	(3)	(1)
Reclassification of assets held for sale (see note 32)	**(227)**	**(1)**
Other reclassifications of assets held for sale	(150)	(241)
Other reclassifications	(15)	8
NET CARRYING AMOUNT AT END OF PERIOD	**3,682**	**3,257**

At December 31, 2011, contracts totalling €103 million have been signed for the purchase of property, plant and equipment (see note 40). They are not recognized in the balance sheet. At December 31, 2010, contracts totalized €176 million (including €51 million of Groupe Lucien Barrière).

Note 20.2. Finance leases

At December 31, 2011, the carrying amount of finance leases recognized in the balance sheet in net value is €24 million (December 31, 2010: €44 million), as follows:

(in million of euros)	Dec. 2010	Dec. 2011
Land	10	6
Buildings	70	60
Fixtures	26	16
Equipment and furniture	9	5
PROPERTY, PLANT AND EQUIPMENT, AT COST	**115**	**87**
Buildings	(46)	(41)
Fixtures	(22)	(18)
Equipment and furniture	(3)	(4)
CUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	**(71)**	**(63)**
PROPERTY, PLANT AND EQUIPMENT, NET	**44**	**24**

Finance lease liabilities can be analyzed as follows by maturity:

	Debt (in million of euros)
	Non Discounted
2011	82
2012	69
2013	67
2014	63
2015	51
2016	50
2017	48
2018	42
2019	36
2020	35
2021	34
2022	33
2023	31
2024	31
> 2024	60

NOTE 21 LONG-TERM LOANS

(in million of euros)	Dec. 2010	Dec. 2011
Gross value	159	158
Accumulated impairment losses	(23)	(20)
LONG-TERM LOANS, NET	**136**	**138**

(in million of euros)	Dec. 2010	Dec. 2011
Hotels, Asia-Pacific (1)	90	90
Other	46	48
TOTAL	**136**	**138**

(1) Loans to hotels in the Asia-Pacific region mainly include loans to Tahl (an Australian property company) for €73 million at December 31, 2011, paying interest at an average rate of 7%.

NOTE 22 INVESTMENTS IN ASSOCIATES

(in million of euros)	Dec. 2010	Dec. 2011
Accor Asia-Pacific subsidiaries *	136	137
Moroccan investment fund (RISMA) (1)	31	41
Société Hôtelière Paris Les Halles (2)	12	6
Egyptian investment fund	10	6
The Grand Real Estate (Sofitel The Grand, Hotels, Netherlands) (note 2.A.2.2) (3)	8	6
Sofitel London St James (Hotels, United Kingdom)	5	5
Sofitel Hotels, USA (25%) (note 2.A.2.2) (4)	(9)	(19)
Other	23	28
TOTAL	**216**	**210**

* *The Asia-Pacific investments primarily include Interglobe Hotels Entreprises Limited for €34 million, Caddie Hotels (Novotel and Pullman Delhi) for €15 million, Blue Ridge Hotels (Sofitel and Novotel Mumbai) for €25 million, a joint-venture for development partnerships in India (Triguna) for €11 million, other companies for development partnerships in India for €5 million and Ambassador Inc, Ambasstel and Ambatel Inc (South Korea) for €23 million.*

The income statement contributions of India and Korea on a 100% basis were €(1) million (start-up losses) and €11 million.

(1) Key figures for the hotel investment fund in Morocco (Risma) are as follows:

Risma (Investment fund Morocco)

((in million of euros))	Dec. 2010	Dec. 2011
Revenue	102	109
Net profit (loss)	1	2
Net cash / (Net debt)	(216)	(209)
Equity	85	116
Market capitalization	151	143
Total assets	349	382
% interest held	34,92%	33,46%

(2) Key figures for Société Hôtelière Paris Les Halles are as follows:

Société Hôtelière Paris Les Halles

((in million of euros))	Dec. 2010	Dec. 2011
Revenue	111	86
Net profit (loss)	-	(1)
Net cash / (Net debt)	(108)	(106)
Equity	35	29
Market capitalization	N/A	N/A
Total assets	168	165
% interest held	31.19%	31.19%

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

The Grand Real Estate (Netherlands) Sofitel The Grand

((in million of euros))	Dec. 2010	Dec. 2011
Revenue	16	23
Net profit (loss)	(7)	(5)
Net cash/(Net debt)	(27)	(29)
Equity	15	9
Market capitalization	N/A	N/A
Total assets	49	46
% interest held	58,71 %	58,71 % *

** The percentage of control is 40 %*

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

Sofitel Hotels, USA

((in million of euros))	Dec. 2010	Dec. 2011
Revenue	142	128
Net profit (loss) (1)	45	-
Net cash/(Net debt)	(366)	(404)
Equity	(36)	(76)
Market capitalization	N/A	N/A
Total assets	409	381
% interest held	25.00%	25.00%

(1) In 2010, the Sofitel Washington disposal had a positive impact of €29 million on 2010 profit and the Sofitel Philadelphia disposal had a positive impact of €23 million on 2010 profit.

NOTE 23 OTHER FINANCIAL INVESTMENTS

(in million of euros)	Dec. 2010	Dec. 2011
Investments in non-consolidated companies (*Available for sale financial assets*)	128	119
Deposits (*Loans and Receivables*)	66	147
OTHER FINANCIAL INVESTMENTS, AT COST	**194**	**266**
Accumulated impairment losses	(66)	(65)
OTHER FINANCIAL INVESTMENTS, NET	**128**	**201**

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

Other financial investments break down as follows:

(in million of euros)	Dec. 2010	Dec. 2011
Deposit for the purchase of the Sofitel Rio de Janeiro *	-	73
Tahl (Australian property company)	25	24
Stone (French property company)	11	11
Deposit for phases 6 to 10 of the Motel 6 project in the United States	22	23
Deposit for hotels in France sold in 2008	10	10
Other investments and deposits	60	60
OTHER FINANCIAL INVESTMENTS, NET	**128**	**201**

* *Deposit paid following the confirmation by the Court of Rio de Janeiro of the right for Accor to exercise its pre-emptive right to purchase the building occupied by the Sofitel Rio de Janeiro Copacabana.*

At December 31, 2011 and 2010, the fair value reserve for assets classified as available-for-sale had a nil balance (see note 26).

NOTE 24 RECEIVABLES AND PAYABLES

Note 24.1. Trade receivables and related provision

(in million of euros)	Dec. 2010	Dec. 2011
Gross value	416	400
Provisions	(42)	(36)
NET	**374**	**364**

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

Note 24.2. Details of other receivables and accruals

(in million of euros)	Dec. 2010	Dec. 2011
Recoverable VAT	166	156
Prepaid wages and salaries and payroll taxes	5	3
Other prepaid and recoverable taxes *	277	301
Other receivables	287	309
Other prepaid expenses	171	198
OTHER RECEIVABLES AND ACCRUALS, AT COST	**906**	**967**
PROVISIONS *	**(269)**	**(287)**
OTHER RECEIVABLES AND ACCRUALS, NET	**637**	**680**

** Including €242 million paid by CIWLT in February 2009 in settlement of a tax reassessment. The asset was written down in full at December 31, 2010 following new developments in the dispute with the tax authorities (see note 39).*

Note 24.3. Details of other payables

(in million of euros)	Dec. 2010	Dec. 2011
VAT payable	96	110
Wages and salaries and payroll taxes payable	410	408
Other taxes payable (1)	302	276
Other payables	376	428
Deferred income	123	111
OTHER PAYABLES	**1,307**	**1,333**

(1) Including €156 million of "précompte" (see note 39).

Note 24.4. Analysis of other receivables / payables' periods

At December 31, 2011 (in million of euros)	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Dec. 2011	Dec. 2010
Inventories	41	-	-	41	41
Trade receivables	364	-	-	364	374
Recoverable VAT	151	5	-	156	166
Prepaid payroll taxes	3	-	-	3	5
Other prepaid and recoverable taxes	59	1	-	60	35
Other receivables	264	-	-	264	260
CURRENT ASSETS	**882**	**6**	**-**	**888**	**881**
Trade payables	642	-	-	642	634
VAT payable	110	-	-	110	96
Wages and salaries and payroll taxes payable	391	16	1	408	410
Other taxes payable	276	-	-	276	302
Other payables	428	-	-	428	376
CURRENT LIABILITIES	**1,847**	**16**	**1**	**1,864**	**1,818**

NOTE 25 POTENTIAL ORDINARY SHARES

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

Note 25.1. Number of potential shares

At December 31, 2011, the Company's share capital was made up of 227,251,446 ordinary shares. The average number of ordinary shares outstanding during the period was 227,106,906. **The number of outstanding shares at December 31, 2011 was 227,251,446.**

In addition, employee stock options exercisable for 12,997,382 ordinary shares, representing 5.72% of the capital, were outstanding at December 31, 2011 (see note 25.3).

Lastly, 269,755 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 240,518,583.

Note 25.2. Diluted earnings per share

Based on the above number of potential shares and the average Accor share price for 2011 of €27.42, the diluted weighted average number of shares outstanding in 2011 was 227,928,422. Diluted earnings per share were therefore calculated as follows:

(in million of euros)	Dec. 2010	Dec. 2011
NET PROFIT, GROUP SHARE *(CONTINUING OPERATIONS AND DISCONTINUED OPERATIONS)*	**3,600**	**27**
Weighted average number of ordinary shares (in thousands)	225,838	227,107
Number of shares resulting from the exercise of stock options (in thousands)	853	686
Number of shares resulting from performance shares grants (in thousands)	132	135
Fully diluted weighted average number of shares (in thousands)	226,822	227,928
DILUTED EARNINGS PER SHARE (IN EUROS)	**15.87**	**0.12**

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 first-half 2011 are all of the stock options outstanding under the plans 12, 13, 14, 15, 16, 17, 18, 20, 21, 22, 23 and 24 in force at December 31, 2011.

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, 2011, 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 8	January 3, 2003	8 years	176,549	from 01/04/06 until 01/03/11	67	21.11 €	Equity
Plan 9	January 7, 2004	8 years	1,990,485	from 01/08/07 until 01/07/12	1,517	23.66 €	Equity
Plan 10 *	July 9, 2004	8 years	131,619	from 07/09/07 until 07/09/12	3,390	22.51 €	Equity
Plan 11	January 12, 2005	7 years	1,750,528	from 01/13/09 until 01/12/12	903	21.50 €	Equity
Plan 12	January 9, 2006	7 years	1,840,601	from 01/10/10 until 01/09/13	191	30.60 €	Equity
Plan 13	March 24, 2006	7 years	963,293	from 03/25/10 until 03/24/13	818	32.56 €	Equity
Plan 14	March 22, 2007	7 years	2,183,901	from 03/23/11 until 03/22/14	958	45.52 €	Equity
Plan 15	May 14, 2007	7 years	129,694	from 05/15/11 until 05/14/14	11	47.56 €	Equity
Plan 16 *	September 13, 2007	8 years	2,139	from 09/13/10 until 09/13/15	40	40.08 €	Equity
Plan 17	March 28, 2008	7 years	2,080,442	from 03/29/12 until 03/28/15	1,022	30.81 €	Equity
Plan 18	September 30, 2008	7 years	110,052	from 10/01/12 until 09/30/15	6	28.32 €	Equity
Plan 19	March 31, 2009	8 years	1,429,456	from 04/01/13 until 03/31/17	1,138	18.20 €	Equity
Plan 20	April 2, 2010	8 years	2,618,770	from 04/03/14 until 04/02/18	1,020	26.66 €	Equity
Plan 21	April 2, 2010	8 years	153,478	from 04/03/14 until 04/02/18	10	26.66 €	Equity
Plan 22	November 22, 2010	8 years	92,448	from 11/23/14 until 11/22/18	5	30.49 €	Equity
Plan 23	April 4, 2011	8 years	621,754	from 04/05/15 until 04/04/19	783	31.72 €	Equity
Plan 24	April 4, 2011	8 years	53,125	from 04/05/15 until 04/04/19	8	31.72 €	Equity

* *Plans 10 and 16 are stock savings warrants.*

Stock options granted under Plan 15 are performance options. The stock options vest in four equal tranches in each of the years 2007 to 2010 based on the attainment of performance targets expressed in terms of growth in the Accor Group's return on capital employed (ROCE) and profit after tax and before non-recurring items.

If the performance targets are met at the end of each year, grantees will receive one quarter of the stock options included in the initial grant. If only one of the two targets is met, they will receive one eighth of the options.

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

The performance criteria were met in 2007. The performance criteria were only partially met in 2008, 2009 and 2010 leading to the cancellation of 44,615 options.

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

Stock options granted under Plan 24 are subject to an external performance measure. During each year of the vesting period (from 2011 to 2014) 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 performance criteria were not met.

Changes in outstanding stock options during 2010 and 2011 are as follows:

	June 30, 2010	
	Number of options	Weighted average exercise price
OPTIONS OUTSTANDING AT BEGINNING OF PERIOD	**9,485,318**	**43.72 €**
Options granted durnig first-half 2010	1,935,100	40.20 €
Options cancelled or expired durnig first-half 2010	(1,520,056)	39.21 €
Options exercised durnig first-half 2010	(429,169)	33.39 €
OPTIONS OUTSTANDING AT END OF JUNE 2010 BEFORE THE DEMERGER	**9,471,193**	**44.19 €**
OPTIONS EXERCISABLE AT END OF JUNE 2010 BEFORE THE DEMERGER	**3,806,868**	**40.18 €**

	December 31, 2010	
	Number of options	Weighted average exercise price
OPTIONS OUTSTANDING AT JULY 2, 2010 AFTER THE DEMERGER	**13,839,320**	**29.38 €**
Options granted during second-half 2010	92,448	30.49 €
Options cancelled or expired during second-half 2010	(67,022)	33.64 €
Options exercised during second-half 2010	(915,053)	22.76 €
OPTIONS OUTSTANDING AT THE END OF DECEMBER 2010	**12,949,693**	**29.84 €**
OPTIONS EXERCISABLE AT THE END OF DECEMBER 2010	**4,816,791**	**27.39 €**

	December 31, 2011	
	Number of options	Weighted average exercise price
OPTIONS OUTSTANDING AT BEGINNING OF PERIOD	**12,949,693**	**29.84 €**
Options granted during 2011	675,540	31.71 €
Options cancelled or expired during 2011	(278,377)	30.16 €
Options exercised during 2011	(349,474)	22.46 €
OPTIONS OUTSTANDING AT END OF DECEMBER 2011	**12,997,382**	**30.13 €**
OPTIONS EXERCISABLE AT END OF DECEMBER 2011	**6,458,072**	**33.52 €**

Outstanding options at December 31, 2011 are as follows:

	Exercise price	Number of outstanding options	Remaining life of the options
Plan 9	23.66 €	829,373	7 days
Plan 10	22.51 €	105,828	6 months
Plan 11	21.50 €	811,284	12 days
Plan 12	30.60 €	1,784,420	1 year
Plan 13	32.56 €	847,469	1.2 years
Plan 14	45.52 €	1,992,480	2.2 years
Plan 15	47.56 €	85,079	2.5 years
Plan 16	40.08 €	2,139	3.8 years
Plan 17	30.81 €	1,919,628	3.3 years
Plan 18	28.32 €	102,544	3.8 years
Plan 19	18.20 €	1,317,408	5.3 years
Plan 20	26.66 €	2,297,325	6.3 years
Plan 21	26.66 €	137,228	6.3 years
Plan 22	30.49 €	92,448	7 years
Plan 23	31.72 €	619,604	7.4 years
Plan 24	31.72 €	53,125	7.4 years

Fair value of options

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

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

	Plan 9	Plan 10	Plan 11	Plan 12	Plan 13	Plan 14	Plan 15	Plan 16
Accor share price at the option grant date	35.18 €	33.71 €	31.64 €	49.80 €	48.30 €	70.95 €	70.45 €	62.35 €
Option exercise price	35.68 €	33.94 €	32.42 €	46.15 €	49.10 €	68.65 €	71.72 €	60.44 €
Expected volatility *	39.68%	39.18%	37.64%	35.36%	34.60%	31.73%	31.60%	27.57%
Contractual life of the options	8 years	8 years	7 years	7 years	7 years	7 years	7 years	8 years
Expected share yield **	3.44%	3.55%	2.94%	3.13%	3.74%	3.94%	4.25%	4.15%
Fair value of options ***	10.52 €	10.07 €	8.48 €	14.11 €	12.57 €	20.38 €	19.36 €	16.66 €

	Plan 17	Plan 18	Plan 19	Plan 20	Plan 21	Plan 22	Plan 23	Plan 24
Accor share price at the option grant date	47.10 €	37.12 €	25.49 €	41.47 €	41.47 €	32.19 €	31.96 €	31.96 €
Option exercise price	46.46 €	42.70 €	27.45 €	40.20 €	40.20 €	30.49 €	31.72 €	31.72 €
Expected volatility *	27.87%	26.72%	31.91%	33.96%	33.96%	34.99%	35.74%	35.74%
Contractual life of the options	7 years	7 years	8 years	8 years	8 years	8 years	8 years	8 years
Expected share yield **	3.84%	4.03%	2.63%	2.29%	2.29%	1.98%	2.90%	2.60%
Fair value of options ***	11.55 €	7.00 €	5.78 €	10.28 €	9.44 €	9.25 €	9.40 €	8.89 €

** Weighted volatility based on exercise periods.*
*** Expected share yield based on exercise periods.*
**** Fair value of options based on exercise periods.*

The dividend rate used to measure the fair value of options is:

- 3.03% for plans 9 and 10;
- 3.22% for plans 11, 12 and 13;
- 2.29% for plans 14, 15 and 16;
- 2.53% for plans 17, 18 and 19;
- 3.24% for plans 20 and 21;
- 2.22% for plan 22; and
- 2.19% for plan 23 and 24.

For the major part of the plans, these rates correspond to the average payout rate for the previous two, three or four years.

Maturities of stock options

The Group has decided to base the exercise dates of stock options under these plans on observed exercise dates under previous plans. The same principle has been applied to all plans, as follows:

- 35% of options exercised after 4 years
- 20% of options exercised after 5 years
- 35% of options exercised after 6 years
- 5% of options exercised after 7 years – 10% for plans 11, 12, 13, 14, 15, 17 and 18
- 5% of options exercised after 8 years

Maturities stock options correspond to the options' expected lives.

Share price volatility

The Group has chosen to apply a volatility rate calculated by reference to historical data for the eight years preceding the grant date. Different volatility rates have been applied, calculated from granted date, to each maturity as presented above.

Cost of share-based payments recognized in the accounts

The total cost recognized in profit or loss by adjusting equity in respect of share-based payments amounted to €12.9 million at December 31, 2011 (December 31, 2010: €18.9 million).

In 2010, part of this cost was recognized in restructuring costs (for €1.7 million) and in net profit (loss) from discontinued operations for €3.9 million. This was due to the post-demerger application of IFRS 2, which required the Group to:

1) recognize at the demerger date the unrecognized cost relating to employees who left Accor to join Edenred, transferring with them the entitlement to future payment based on service conditions;
2) measure the fair value of the plans immediately before and immediately after the demerger. The resulting increases in fair value were recognized:
   a. in full in the 2010 accounts for the portion corresponding to the rights of employees for left Accor to join Edenred,
   b. in full in the 2010 accounts for rights that had vested as of the demerger date,
   c. on a straight-line basis over the remaining vesting period for rights that had not yet vested at the demerger date.

Employee Stock Ownership Plan

In April 2007, an employee rights issue was carried out under the Employee Stock Ownership Plan.

The issue was leveraged, meaning that for each share purchased between June 11 and 18, 2007 the bank that partnered Accor in the issue financed an additional nine shares on behalf of the employee. At the end of the 5-year lock-up period, employees will receive a cash payment equal to the average increase in value of the Accor shares purchased with their own funds and with the financing provided by the bank.

In addition, the employees' initial investment in the shares is guaranteed by the bank.

The plan's characteristics are as follows:

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

At the close of the subscription period, the Group issued 770,529 new shares purchased by employees under the plan, including 769,126 shares acquired through corporate mutual funds and 1,403 purchased directly.

The fair value of the employee benefit, totalling €9.7 million, was recognized in full in "Employee benefits expense" by adjusting equity, in first-half 2007. The cost represented by the lock-up clause, determined only for shares purchased by employees (not for any shares financed by a bank loan) was calculated by discounting the discount over 5 years at a 5.5% discount rate and amounted to €0.2 million. For 2007, the cost of the lock-up was measured at 5.5% of the discounted subscription price.

Performance share plans

2008 Plan

On March 28, 2008, Accor granted 107,034 performance shares to senior executives and certain employees.

The performance shares are subject to vesting conditions based on growth in Accor's return on capital employed (ROCE) and profit after tax and before non-recurring items for each of the years 2008 and 2009. Half of the shares will vest in each year if both performance targets are met. If only one of the performance targets is met, a quarter of the shares will vest.

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

The shares are subject to a two-year lock-up.

The cost of the performance share plan – corresponding to the fair value of the share grants – amounted to €5 million. The fair value of the share grants was measured as the average of the Accor share prices for the twenty trading days preceding the grant date multiplied by the number of shares granted under the plan.

At December 31, 2008

In 2008, only one of the two performance criteria was met, leading to a reduction in the fair value of the share grants to €1.2 million, reflecting the expectation that performance criteria would not be met in 2009.

At December 31, 2009

In 2009, the performance criteria were not met. As the related performance targets had been partially met, 26,166 shares were awarded to the grantees who were still part of the Group at that date.

The fair value of the share grants was unchanged at €1.2 million, of which €0.6 million was recognized in the 2009 financial statements.

2009 Plan

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

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

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

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

The fair value of these share-based payments – representing €5.8 million on March 31, 2009 – is recognized on a straight-line basis over the vesting period of the performance shares in employee benefits expense, with a corresponding adjustment to equity. This fair value is based on Accor's opening share price on the grant date less the present value of unpaid dividends multiplied by the number of shares issued.

At December 31, 2009

In 2009, the performance criteria were not met. This led to a reduction in the fair value of the share granted to €2.9 million. Plan costs recognized in 2009 amounted to €1 million.

At December 31, 2010

In 2010, only some of the performance criteria were met. This led to a reduction in the fair value of the share granted to Accor employees to €1.4 million. Plan costs recognized in 2010 amounted to €0.2 million.

In 2011

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

2011 Plan

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

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

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

The cost of the performance share plan – corresponding to the fair value of the share grants – amounted to €7.6 million at April 4, 2011 and was being recognized on a straight-line basis over the vesting period under "Employee benefits expense" with a corresponding adjustment to equity. The fair value of the share grants was measured as the average of the Accor share prices for the twenty trading days preceding the grant date multiplied by the number of shares granted under the plan.

At December 31, 2011

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

NOTE 26 CUMULATIVE UNREALIZED GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

(in million of euros)	Dec. 2010	Dec. 2011
Convertible bonds	-	-
Equity notes	-	-
Mutual fund units	-	-
Interest rate and currency swaps	(10)	(7)
Fair value adjustments to non-consolidated investments	-	-
Fair value adjustments to available-for-sale investments	-	-
IMPACT ON EQUITY	**(10)**	**(7)**

Fair value adjustments to financial instruments recognized in equity

(in million of euros)	Dec. 2010	Dec. 2011
Available for sale Financial Assets	-	-
Gains (losses) recognised in Equity during the period	-	-
Gains (losses) reclassified to profit or loss	-	-
Cash flow hedges	2	3
Gains (losses) recognised in Equity during the period	2	3
Gains (losses) reclassified to profit or loss	-	-
CHANGES IN RESERVE	**2**	**3**

NOTE 27 MINORITY INTERESTS

Changes in minority interests break down as follows:

(in million of euros)	
AT DECEMBER 31, 2009	**257**
Minority interests in net profit for the period	10
Dividends paid to minority interests	(12)
Translation adjustment	13
Changes in scope of consolidation	31
AT DECEMBER 31, 2010	**299**
Minority interests in net profit for the period	23
Dividends paid to minority interests	(14)
Capital increase	3
Translation adjustment	(28)
Changes in scope of consolidation	(52)
AT DECEMBER 31, 2011	**231**

NOTE 28 COMPREHENSIVE INCOME

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

			Dec. 2010			Dec. 2011
(in million of euros)	Before tax	Income tax expense	Net of tax	Before tax	Income tax expense	Net of tax
Currency translation adjustment	230	-	230	(47)	-	(47)
Change in fair value resulting from "Available-for-sale financial assets"	-	-	-	-	-	-
Effective portion of gains and losses on hedging instruments in a cash flow hedge	2	-	2	3	-	3
Actuarial gains and losses on defined benefits plans	(3)	1	(2)	(3)	1	(2)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	-	-	-	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME	**229**	**1**	**230**	**(48)**	**1**	**(47)**

NOTE 29 DEBT BY CURRENCY AND MATURITY

A. Long and short-term debt

Long and short-term debt at December 31, 2011 breaks down as follows by currency and interest rate after hedging transactions:

(in million of euros)	Dec. 2010	Effective rate Dec. 2010 %	Dec. 2011	Effective rate Dec. 2011 %
EUR	1,399	6.87	1,294	6.80
CNY	91	4.87	55	6.57
JPY	36	0.60	42	0.85
MUR	25	8.88	26	7.87
PLN	59	5.25	-	-
Other currencies (1)	168	4.62	147	5.33
LONG AND SHORT-TERM BORROWINGS	**1,778**	**6.40**	**1,564**	**6.51**
Long and short-term finance lease liabilities	100		82	
Purchase commitments	4		4	
Liability derivatives	23		15	
Other short-term financial liabilities and bank overdrafts	83		52	
LONG AND SHORT-TERM DEBT	**1,988**		**1,717**	

(1) Including about CZK €23 million and CHF €22 million as at December 31, 2011.

(in million of euros)	Dec. 2010	Dec. 2011
Long-term debt	1,783	1,593
Short-term debt	205	124
TOTAL LONG AND SHORT-TERM DEBT	**1,988**	**1,717**

B. Maturities of debt

At December 31, 2011, maturities of debt were as follows:

(in million of euros)	Dec. 2010	Dec. 2011
Year Y+1	205	122
Year Y+2	100	761
Year Y+3	796	435
Year Y+4	498	25
Year Y+5	26	20
Year Y+6	13	262
Beyond	350	92
TOTAL LONG AND SHORT-TERM DEBT	**1,988**	**1,717**

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

On December 31, 2011, unused long term committed lines are amounting to €1,680 million, expiring between July 2013 and May 2016 (see note 2.E).

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

2010 financial costs amounted to €140 million. Future financial costs were estimated at €323 million for the period from January 2011 to December 2014 and €55 million thereafter.

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

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

At December 31, 2011, long and short-term debt breaks down as follows before hedging transactions:

	Total debt		
(in million of euros)	**Amount**	**Rate**	**% of total debt**
EUR	1,384	6.00%	88%
CNY	55	6.57%	4%
MUR	26	7.87%	2%
Other currencies	99	6.89%	6%
TOTAL LONG AND SHORT-TERM DEBT	**1,564**	**6.11%**	**100%**

Long and short-term debt after currency and interest rate hedging breaks down as follows at December 31, 2011:

	Total debt		
(in million of euros)	**Amount**	**Rate**	**% of total debt**
EUR	1,294	6.80%	83%
CNY	55	6.57%	4%
JPY	42	0.85%	3%
MUR	26	7.87%	2%
Other currencies	147	5.33%	9%
TOTAL LONG AND SHORT-TERM DEBT	**1,564**	**6.51%**	**100%**

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

(in million of euros)	Total debt Amount	Total debt Rate
December 2010	1,778	6.40%
December 2011	1,564	6.51%

At December 31, 2011, 83% of long and short-term debt was fixed rate, with an average rate of 6.88%, and 17% was variable rate, with an average rate of 4.62%.

At December 31, 2011, fixed rate debt was denominated primarily in EUR (97%), while variable rate debt was denominated mainly in CNY (21%), JPY (16%) and EUR (12%).

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 €1,564 million, a total of €1,042 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.

E. Financial instruments

1. Currency hedges

The following tables analyze the nominal amount of currency hedges by maturity and the carrying amount of these instruments in the balance sheet, corresponding to their fair value, at December 31, 2011:

Forward sales and currency swaps (in million of euros)	Maturity 2012	Maturity 2013	December 31, 2011 Nominal amount	December 31, 2011 Fair value
JPY	42	-	42	1
CZK	23	-	23	-
HUF	7	-	7	-
CAD	6	-	6	-
USD	6	-	6	-
Other	7	-	7	-
FORWARD SALES	**91**	**-**	**91**	**1**

Forward purchases and currency swaps (in million of euros)	Maturity 2012	Maturity 2013	December 31, 2011 Nominal amount	December 31, 2011 Fair value
GBP	185	-	185	(7)
USD	32	-	32	-
MXN	3	-	3	-
Other	9	-	9	-
FORWARD PURCHASES	**229**	**-**	**229**	**(7)**
TOTAL CURRENCY HEDGING	**320**	**-**	**320**	**(6)**

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

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

At December 31, 2011, currency instruments had a positive fair value of €6 million.

2. Interest rate hedges

The following tables analyze the notional amount of interest rate hedges by maturity and the carrying amount of these instruments in the balance sheet, corresponding to their fair value, at December 31, 2011:

(in million of euros)	2012	2013	2014	Beyond	December 31, 2011 Notional amount	December 31, 2011 Fair value
EUR: Fixed-rate borrower swaps and caps	-	-	352	4	356	15
INTEREST RATE HEDGES	**-**	**-**	**352**	**4**	**356**	**15**

The "notional amount" corresponds to the amount covered by the interest rate hedge. "Fair value" corresponds to the amount that would be payable or receivable if the positions were unwound on the market.

All the interest rate instruments listed above are used for hedging purposes.

At December 31, 2011, interest rate instruments had a negative fair value of €15 million.

3. Fair value

3.1. Fair value of financial instruments

The carrying amount and fair value of financial instruments at December 31, 2011 are as follows:

(in million of euros)	December 31, 2011 Carrying amount	December 31, 2011 Fair value
FINANCIAL LIABILITIES	**1,717**	**1,877**
Bonds (1)	1,042	1,202
Bank borrowings	320	320
Finance lease liabilities	82	82
Other financial liabilities	258	258
Interest rate derivatives (Cash Flow Hedge) (2)	15	15
Currency derivatives (Fair Value Hedge) (2)	-	-
FINANCIAL ASSETS	**(1,491)**	**(1,491)**
Marketable securities	(1,279)	(1,279)
Cash	(85)	(85)
Other	(121)	(121)
Interest rate derivatives (Cash Flow Hedge) (2)	-	-
Currency derivatives (Fair Value Hedge) (2)	(6)	(6)
NET DEBT	**226**	**386**

(1) The fair value of listed bonds corresponds to their quoted market value on the Luxembourg Stock Exchange and on Bloomberg on the last day of the period.

(2) The fair value of derivative instruments (interest rate and currency swaps and forward contracts) is determined by reference to the market price that the Group would pay or receive to unwind the contracts (level 2 valuation technique).

3.2. Fair value of marketable securities

The carrying amount and fair value of marketable securities at December 31, 2011 are as follows:

(in million of euros)	December 31, 2011 Carrying amount	December 31, 2011 Fair value
Other negotiable debt securities [1]	-	-
Money market securities [2]	(1,252)	(1,252)
Mutual fund units convertible into cash in less than three months * [3]	(21)	(21)
Other (accrued interest)	(6)	(6)
TOTAL MARKETABLE SECURITIES	**(1,279)**	**(1,279)**

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

(1) *Held to maturity investments.*

(2) *Loans and receivables issued by the Group.*

(3) *Held for sale financial assets.*

F. Financial Risk Management

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

NOTE 30 NET DEBT AND NET CASH

Net debt breaks down as follows:

(in million of euros)	Dec. 2010	Dec. 2011
Other long-term financial debt (1)	1,690	1,524
Long-term finance lease liabilities	93	69
Short-term borrowings	160	106
Bank overdrafts	22	3
Liabilities derivatives	23	15
TOTAL DEBT	**1,988**	**1,717**
Short-term loans	(20)	(26)
Marketable securities (2)	(1,059)	(1,279)
Cash	(84)	(85)
Asset derivatives	-	(6)
Short-term receivables on disposals of assets	(95)	(95)
FINANCIAL ASSETS	**(1,258)**	**(1,491)**
NET DEBT	**730**	**226**

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

(in million of euros)	Dec. 2010	Dec. 2011
NET DEBT AT BEGINNING OF PERIOD	**1,624**	**730**
Change in long-term debt	(693)	(191)
Change in short-term financial liabilities	(167)	(81)
Cash and cash equivalents change	20	(220)
Changes in other current financial assets	(54)	(12)
CHANGES FOR THE PERIOD	**(894)**	**(504)**
NET DEBT AT END OF PERIOD	**730**	**226**

The following table reconciles cash and cash equivalents in the balance sheet to cash and cash equivalents in the cash flow statement:

(in million of euros)	Dec. 2010	Dec. 2011
BALANCE SHEET CASH AND CASH EQUIVALENTS	**1,143**	**1,370**
Bank overdrafts	(22)	(3)
Derivatives included in liabilities	(23)	(15)
CASH FLOW STATEMENT CASH AND CASH EQUIVALENTS	**1,098**	**1,352**

NOTE 31 ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES UNDER IFRS 7

At December 31, 2010, and December 31, 2011, financial assets and liabilities broke down as follows by category:

	Category in the balance-sheet						Fair value for financial instruments recognized at fair value			
(in million of euros)	Cash and cash 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						**100**				
Bonds and other negotiable debt securities	100					100				
LOANS AND RECEIVABLES						**1,640**				
Short-term loans		20				20				
Long-term loans		136				136				
Receivables on disposals of assets			95			95				
Deposits				66		66				
Trade receivables					374	374				
Money Market securities	947					947				
Other	2					2				
AVAILABLE FOR SALE FINANCIAL ASSETS						**72**				**72**
Investments in non-consolidated companies				62		62			62	62
Mutual fund units convertible into cash	10					10	10			10
Other										
FINANCIAL ASSETS AT FAIR VALUE										
Interest rate derivatives	-					-		-		-
Currency derivatives	-					-		-		-
CASH AT BANK	**84**					**84**				
FINANCIAL ASSETS AT DECEMBER 31, 2010	**1,143**	**156**	**95**	**128**	**374**	**1,896**	**10**	**-**	**62**	**72**

	Category in the balance-sheet						Fair value for financial instruments recognized at fair value			
(in million of euros)	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						**2,026**				
Short-term loans		26				26				
Long-term loans		138				138				
Receivables on disposals of assets			95			95				
Deposits				145		145				
Trade receivables					364	364				
Money Market securities	1,252					1,252				
Other	6					6				
AVAILABLE FOR SALE FINANCIAL ASSETS						**77**				**77**
Investments in non-consolidated companies				56		56			56	56
Mutual fund units convertible into cash	21					21	21			21
Other										
FINANCIAL ASSETS AT FAIR VALUE						**6**				**6**
Interest rate derivatives	-					-		-		-
Currency derivatives	6					6		6		6
CASH AT BANK	**85**					**85**				
FINANCIAL ASSETS AT DECEMBER 31, 2011	**1,370**	**164**	**95**	**201**	**364**	**2,194**	**21**	**6**	**56**	**83**

	Category in the balance-sheet						Fair value for financial instruments recognized at fair value			
(in million of euros)	Bank over-drafts	Other long-term financial debt	Short-term debt	Long-term finance lease liabilities	Trade payables	Carrying amount	Level 1*	Level 2*	Level 3*	Fair value of the class
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS						**23**				**23**
Currency derivatives	4					4		4		4
Interest rate derivatives	19					19		19		19
FINANCIAL LIABILITIES AT AMORTISED COST						**2,577**				
Convertible bonds / Equity Notes										
Other bonds		1,161				1,161				
Bank Borrowings		335	87			422				
Finance lease liabilities			7	93		100				
Other debts		194	66			260				
Trade payables					634	634				
CASH AT BANK	**22**					**22**				
FINANCIAL LIABILITIES AT DECEMBER 31, 2010	**45**	**1,690**	**160**	**93**	**634**	**2,622**	**-**	**23**	**-**	**23**

	Category in the balance-sheet						Fair value for financial instruments recognized at fair value			
(in million of euros)	Bank over-drafts	Other long-term financial debt	Short-term debt	Long-term finance lease liabilities	Trade payables	Carrying amount	Level 1*	Level 2*	Level 3*	Fair value of the class
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS						**15**				**15**
Currency derivatives										
Interest rate derivatives	15					15		15		15
FINANCIAL LIABILITIES AT AMORTISED COST						**2,341**				
Other bonds		1,042				1,042				
Bank Borrowings		286	34			320				
Finance lease liabilities			13	69		82				
Other debts		196	59			255				
Trade payables					642	642				
Cash at bank	3					3				
FINANCIAL LIABILITIES AT DECEMBER 31, 2011	**18**	**1,524**	**106**	**69**	**642**	**2,359**	**-**	**15**	**-**	**15**

* *The fair value hierarchies have the following levels:*

- *(a) Level 1: fair value measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities;*
- *(b) Level 2: fair value measured by reference to inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);*
- *(c) Level 3: fair value measured by reference to inputs for the asset or liability that are not based on observable data (unobservable inputs).*

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

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

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

NOTE 32 ASSETS AND LIABILITIES HELD FOR SALE

Assets and liabilities held for sale break down as follows:

(in million of euros)	Dec. 2010	Dec. 2011
Groupe lucien barrière	597	-
Onboard train services	45	28
Disposal groups classified as held for sale	40	151
Non-current assets classified as held for sale	131	207
TOTAL ASSETS CLASSIFIED AS ASSETS HELD FOR SALE	**813**	**386**
Groupe lucien barrière	326	-
Onboard train services	48	26
Liabilities related to Disposal Groups classified as held for sale	4	63
TOTAL LIABILITIES CLASSIFIED AS LIABILITIES OF ASSETS CLASSIFIED AS HELD FOR SALE	**378**	**89**

A. Groupe Lucien Barrière

As part of its strategic refocusing on hotels, in June 2010 Accor decided to sell all of its 49% stake in Groupe Lucien Barrière (see note 2.B.2). The disposal to Fimalac and Groupe Lucien Barrière occurred in the first quarter of 2011.

At December 31, 2010, in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", all of Groupe Lucien Barrière's assets and liabilities (excluding equity) were reclassified in the consolidated accounts as "Assets held for sale" and "Liabilities related to assets held for sale". Moreover, during second-half 2010, the net assets were marked to market upon reclassification, leading to the recognition of a €79 million impairment loss on Groupe Lucien Barrière goodwill.

The sale was completed on March 4, 2011 and the company was entirely deconsolidated with effect from January 1, 2011.

(in million of euros)	Dec. 2010	Dec. 2011
Goodwill	287	-
Intangible assets	11	-
Property, plant and equipment	224	-
Non-current financial assets	2	-
Deferred tax assets	(1)	-
Inventories	3	-
Trade receivables	10	-
Other receivables and accruals	13	-
Short-term loans	-	-
Current financial assets	36	-
Asset accruals	12	-
TOTAL ASSETS CLASSIFIED AS ASSETS HELD FOR SALE	**597**	**-**
Long-term debt	178	-
Non-current provisions	7	-
Trade payables	26	-
Other payables	84	-
Current provisions	2	-
Financial debt	25	-
Bank overdrafts	1	-
Liabilities accruals	3	-
TOTAL LIABILITIES CLASSIFIED AS LIABILITIES HELD FOR SALE	**326**	**-**

B. Onboard Train Services

On July 7, 2010, as part of its strategic refocusing on hotels, 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 is 60% owned by Newrest and 40% by Accor. The sale was completed in the second half of 2010.

At December 31, 2010, as Accor also intended to sell its 40% stake in the joint venture, the underlying assets and liabilities remained classified under "Assets held for sale" and "Liabilities related to assets held for sale" at that date. An active program to locate a buyer for the 40% stake had been initiated at December 31, 2011. Consequently, the Group considered that the continued classification of the underlying assets and liabilities under "Assets held for sale" and "Liabilities related to assets held for sale" at that date was justified based on IFRS 5 "Non-Current Assets Held For Sale and Discontinued Operations".

(in million of euros)	Dec. 2010	Dec. 2011
Intangible assets	0	0
Property, plant and equipment	3	5
Non-current financial assets	-	0
Deferred tax assets	(0)	(0)
Inventories	2	1
Trade receivables	26	14
Other receivables and accruals	7	3
Short-term loans	1	-
Current financial assets	5	5
Asset accruals	1	-
TOTAL ASSETS CLASSIFIED AS ASSETS HELD FOR SALE	**45**	**28**
Long-term debt	-	-
Non-current provisions	0	1
Trade payables	14	12
Other payables	8	5
Current provisions	20	8
Financial debt	4	-
Bank overdrafts	2	0
Liabilities accruals	0	-
TOTAL LIABILITIES CLASSIFIED AS LIABILITIES HELD FOR SALE	**48**	**26**

C. Other assets held for sale

(in million of euros)	Dec. 2010	Dec. 2011
Disposal group to be sold in China (1)	8	79
Disposal group to be sold in Germany (2)	32	31
Disposal group to be sold in South Africa (3)	-	34
Disposal group to be sold in Poland	-	7
DISPOSAL GROUPS CLASSIFIED AS "HELD FOR SALE"	**40**	**151**
Hotels to be sold in the United States (4)	48	113
Hotels to be sold in France (5)	32	83
Hotels to be sold in Poland	1	5
Hotels to be sold in China (1)	2	2
Land to be sold in Brazil	-	1
Hotels to be sold in the Netherlands	-	1
Hotels to be sold in Germany (2)	19	-
Hotels to be sold in New Zealand (6)	27	-
Other	2	2
NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	**131**	**207**

(1) At December 31, 2011, the Group planned to sell two Ibis units and one Novotel unit in China.

(2) At December 31, 2010, in line with the Asset Management policy, the Group planned to sell two Novotel units in transactions with Predica and Foncière des Murs in Germany. The carrying amount of these assets at that date was €46 million. In addition, the Group planned to sell two Mercure units and one Ibis unit. The carrying amount of these assets at that date was €5 million. All of these hotels except one were sold during 2011. The remaining one, which is carried in the balance sheet for €31 million, will be sold in the first-half of 2012.

(3) At December 31, 2011, the Group planned to sell 20 Formule 1 units in South Africa. The €34 million carrying amount of these hotels was reclassified under "Assets held for sale".

(4) At December 31, 2010, the Group planned to sell 42 Motel 6 units. The carrying amount of these assets at that date was €48 million.

In 2011, in line with the Asset Management policy, the Group planned to sell 53 Motel 6 units and one Novotel unit in the United States. In accordance with IFRS 5, the €113 million carrying amount of these hotels was reclassified under "Assets held for sale", of which €52 million concerned the Novotel New-York Times Square.

(5) At December 31, 2010, the Group planned to sell in France four Etap Hotel units in transactions with Predica and Foncière des Murs. The carrying amount of these assets at that date was €7 million. In addition, the Group planed to sell 16 other units in France. The carrying amount of these assets at that date was €25 million.

At December 31, 2011, 12 hotels had been reclassified as assets held for sale, for an aggregate carrying amount of €83 million of which €73 million concerned the Pullman Paris Rive Gauche.

(6) At December 31, 2010, the Group planned to sell four Novotel units and two Ibis units in New Zealand. The carrying amount of these assets at that date was €27 million. The hotels were sold in 2011.

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

NOTE 33 PROVISIONS

Movements in long-term provisions between December 31, 2010 and December 31, 2011 can be analyzed as follows:

(in million of euros)	December 31, 2010	Equity impact	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope	December 31, 2011
Provisions for pensions *	79	3	12	(5)	(8)	(0)	(7)	74
Provisions for loyalty bonuses *	20	-	4	(3)	(0)	(1)	(0)	20
Provisions for claims and litigation and others contingencies	10	-	(0)	(1)	(0)	(0)	(2)	7
TOTAL LONG-TERM PROVISIONS	**109**	**3**	**16**	**(9)**	**(8)**	**(1)**	**(9)**	**101**

* *See note 33.C.*

Movements in short-term provisions between December 31, 2010 and December 31, 2011 can be analyzed as follows:

(in million of euros)	December 31, 2010	Equity impact	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope	December 31, 2011
Tax provisions	35	-	15	(21)	-	-	1	30
Restructuring provisions	19	-	22	(14)	(4)	-	-	23
Provisions for claims and litigation and others contingencies	136	-	23	(16)	(8)	(2)	8	141
TOTAL SHORT-TERM PROVISIONS	**190**	**-**	**60**	**(51)**	**(12)**	**(2)**	**9**	**194**

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

- €34 million provisions for various claims ;
- €9 million provision for employee-related claims.

Net provision expense – corresponding to increase in provisions less reversals of utilized and unutilized provisions set up in prior periods – is recorded under the following income statement captions:

(in million of euros)	Dec. 2010	Dec. 2011
EBIT	(2)	0
Finance cost, net	-	(0)
Provision for losses on hotel properties	18	3
Provision on other assets and restructuring provisions	(40)	2
Provision for tax	15	(9)
TOTAL	**(9)**	**(4)**

Provisions for pensions and other post-employment benefits

A. Description of the plans

Group employees receive various short-term benefits (paid vacation, paid sick leave and profit-shares), long-term benefits (long-service awards, long-term disability benefits, loyalty bonuses and seniority bonuses), as well as various post-employment benefits provided under defined contribution and defined benefit plans (length-of-service awards payable on retirement, pension benefits).

Short-term benefit obligations are recognized in the balance sheets of the Group entities concerned.

Post-employment benefits are provided under either defined contribution or defined benefit plans.

Defined contribution plans

Obligations under these plans are funded by periodic contributions to external organizations that are responsible for the administrative and financial management of the plans. The external organization is responsible for all benefit payments and the Group has no liability beyond the payment of contributions. Examples of defined contribution plans include the government-sponsored basic pension and supplementary pension (ARRCO/AGIRC) schemes in France and defined contribution pension schemes in other countries.

Contributions to these plans are recognized in the period to which they relate.

Defined benefit plans

Benefits paid under the Group's defined benefit plans are determined based on employees' years of service with the Group. The benefit obligation is generally funded by plan assets, with any unfunded portion recognized as a liability in the balance sheet.

The defined benefit obligation (DBO) is determined by the projected unit credit method, based on actuarial assumptions concerning future salary levels, retirement age, mortality rates, staff turnover rates and the discount rate. These assumptions take into account the macro-economic situation and other specific circumstances in each host country.

Actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized immediately in equity, in accordance with Group accounting policy.

At Accor, the main post-employment defined benefit plans concern:

- length-of-service awards in France:
  - these are lump-sum payments made to employees on retirement. They are determined by reference to the employee's years of service and end-of-career salary. The calculation is based on parameters defined by Corporate Finance and Human Resources in November of each year. The related obligation is covered by a provision;
- length-of-service awards in Italy:
  - these are lump-sum payments made to employees on retirement. They are determined by reference to the employee's years of service, end-of-career salary, and whether they leave on their own initiative or on that of the Company. The related obligation is covered by a provision;
- pensions: the main defined benefit pension plans are for employees in France and in the Worldwide Structures (49% of the obligation), in the Netherlands (22% of the obligation), and in Switzerland (9% of the obligation). The plan in the Netherlands is closed to new participants and is fully funded, with the result that no provision has been recognized in the balance sheet for this plan. Pension benefit obligations are determined by reference to employees' years of service and end-of-career salary. They are funded by payments to external organizations that are legally separate from Accor Group.

B. Actuarial assumptions

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

		Europe excluding France								
2010	**France**	**Netherlands**	**Germany**	**Belgium**	**Poland**	**Switzerland**	**Italy**	**Worldwide Structures**	**Other countries**
Retirement age	65 years	65 years	65 years	65 years	60-65 years	64-65 years	60-65 years	65 years	55-65 years
Rate of future salary increases	3.0%	2.0%	1.5%	3.0%	3.0%	1.5%	N/A	3%-4%	2%-10%
Discount rate	4.5%	4.5%	4.5%	4.5%	5.0%	2.2%	4.5%	4.5%	4% - 8.7%
Expected Rates of return on 2010 plan assets	N/A	4%-5.5%	4.0%	4.5%	N/A	4.3%	N/A	4.5%	N/A
Expected Rates of return on 2011 plan assets	N/A	4%- 4.5%	4.0%	4.5%	N/A	3.25%	N/A	4.0%	N/A

		Europe excluding France							
2011	**France**	**Netherlands**	**Germany**	**Belgium**	**Poland**	**Switzerland**	**Italy**	**Worldwide Structures**	**Other countries**
Retirement age	65 years	65 years	65 years	65 years	60-65 years	64-65 years	60-65 years	65 years	55-65 years
Rate of future salary increases	3.0%	2.0%	1.5%	3.0%	3%	1.5%	N/A	3%-4%	2%-10%
Discount rate	4.6%	4.6%	4.6%	4.6%	5.5%	2.2%	4.6%	4.6%	4% - 8.7%
Expected Rates of return on 2011 plan assets	N/A	4%- 4.5%	4.0%	4.5%	N/A	3.25%	N/A	4.5%	N/A
Expected Rates of return on 2012 plan assets	N/A	4%- 4.5%	4.0%	4.5%	N/A	3.25%	N/A	4.5%	N/A

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

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

The French Social Security Financing Act for 2009 eliminated compulsory retirement bonuses, with all retirements being on a voluntary basis.

In 2010, following adoption of the French Pension Reform Act, certain parameters used to calculate pension and other post-employment benefit obligations were adjusted. The effect of these changes on the consolidated financial statements was not material as the retirement age assumptions used in prior years were still appropriate.

C. Funded status of post-employment defined benefit plans and long-term employee benefits

The method used by the Group is the "Projected Unit Credit" method.

At December 31, 2011 (in million of euros)	Pensions	Other post-employment benefits *	Total
Present value of funded obligation	118	-	118
Fair value of plan assets	(88)	-	(88)
EXCESS OF BENEFIT OBLIGATION / (PLAN ASSETS)	**30**	**-**	**30**
Present value of unfunded obligation	-	54	54
Unrecognized past service cost	-	10	10
LIABILITY RECOGNIZED IN THE BALANCE SHEET	**30**	**64**	**94**

* *Including length-of-service awards and loyalty bonus.*

At December 31, 2010 (in million of euros)	Pensions	Other post-employment benefits *	Total
Present value of funded obligation	120	-	120
Fair value of plan assets	(85)	-	(85)
EXCESS OF BENEFIT OBLIGATION / (PLAN ASSETS)	**35**	**-**	**35**
Present value of unfunded obligation	-	64	64
Unrecognized past service cost	-	-	-
LIABILITY RECOGNIZED IN THE BALANCE SHEET	**35**	**64**	**99**

* *Including length-of-service awards and loyalty bonus.*

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

Pensions

December 2011

(in million of euros)	France	Europe excluding France: Netherlands	Germany	Belgium	Poland	Switzerland	Italy
PROJECTED BENEFIT OBLIGATION AT THE BEGINNING OF THE PERIOD	**23**	**34**	**10**	**11**	**2**	**11**	**4**
Current service cost	3	0	0	0	0	1	0
Interest Cost	1	2	0	0	0	0	0
Employee contributions for the period	-	0	-	0	-	1	-
Past services costs not recognized	(3)	-	-	-	-	-	-
(Gains) losses on curtailments / settlements	(3)	-	(0)	-	(0)	-	-
Effect of changes in scope of consolidation	(4)	-	-	(0)	(0)	0	-
Benefits paid during the period	(0)	(1)	(0)	(0)	(0)	(1)	(1)
Actuarial (gains) / losses recognised during the period	1	(1)	(0)	0	(0)	1	1
Exchange differences	-	-	-	-	(0)	0	-
Transfers at beginning of period	-	-	-	-	-	-	0
Other	(0)	-	-	-	-	-	(0)
Reclassification of Groupe Lucien Barrière in "Assets held for sale"	-	-	-	-	-	-	-
Reclassification of Onboard Train Services in "Assets held for sale"	-	-	-	-	-	-	(0)
PROJECTED BENEFIT OBLIGATION AT THE END OF THE PERIOD	**18**	**34**	**10**	**12**	**1**	**13**	**4**

(in million of euros)	France	Europe excluding France: Netherlands	Germany	Belgium	Poland	Switzerland	Italy
FAIR VALUE OF PLAN ASSETS AT THE BEGINNING OF THE PERIOD	**-**	**34**	**2**	**8**	**-**	**9**	**-**
Actual return on plan assets	-	1	0	(0)	-	(0)	-
Employers contributions for the period	-	0	1	1	-	1	-
Employee contributions for the period	-	0	-	0	-	1	-
Benefits paid during the period	-	(1)	(0)	(0)	-	(1)	-
Liquidation of plan	-	-	-	-	-	-	-
Effect of changes in scope of consolidation	-	-	-	(0)	-	0	-
Exchange differences	-	-	-	-	-	0	-
Transfers at beginning of period	-	-	2	-	-	-	-
Other	-	-	-	-	-	-	-
Reclassification of Groupe Lucien Barrière in "Assets held for sale"	-	-	-	-	-	-	-
FAIR VALUE OF PLAN ASSETS AT THE END OF THE PERIOD	**-**	**34**	**5**	**9**	**-**	**9**	**-**

				Other benefits		
				Dec. 2011	Dec. 2011	Dec. 2010
	Worldwide structures	Other	Total	Other benefits	Total Dec. 2011	Total Dec. 2010
	64	**5**	**164**	**20**	**184**	**220**
	3	1	8	3	11	12
	3	0	7	1	8	10
	-	-	1	-	1	1
	(7)	-	(10)	-	(10)	-
	(4)	(0)	(7)	(1)	(8)	(12)
	-	-	(5)	-	(5)	(31)
	(3)	(0)	(7)	(3)	(10)	(13)
	(1)	0	1	-	1	9
	-	(0)	0	(1)	(1)	3
	0	-	0	-	0	(1)
	-	-	(0)	-	(0)	(1)
	-	-	-	-	-	(11)
	-	-	(0)	-	(0)	(1)
	56	**5**	**152**	**20**	**172**	**184**

	Worldwide structures	Other	Total	Other benefits	Total Dec. 2011	Total Dec. 2010
	33	**-**	**85**	**-**	**85**	**220**
	1	-	1	-	1	11
	0	-	3	-	3	3
	-	-	1	-	1	1
	(2)	-	(5)	-	(5)	(7)
	-	-	-	-	-	-
	-	-	(0)	-	(0)	(7)
	-	-	0	-	0	2
	-	-	2	-	2	(1)
	-	-	-	-	-	(1)
	-	-	-	-	-	(4)
	32	**-**	**88**	**-**	**88**	**85**

(in million of euros)	France	Europe excluding France					
		Nether-lands	Germany	Belgium	Poland	Switzerland	Italy
UNFUNDED OBLIGATION AT THE BEGINNING OF THE PERIOD	**23**	**(0)**	**7**	**3**	**2**	**2**	**4**
Reclassification of Groupe Lucien Barrière in "Assets held for sale"	-	-	-	-	-	-	-
Reclassification of Onboard Train Services in "Assets held for sale"	-	-	-	-	-	-	(0)
Past services cost not recognized	(3)	-	-	-	-	-	-
UNFUNDED OBLIGATION AT THE END OF THE PERIOD	**21**	**-**	**5**	**3**	**1**	**3**	**4**

(in million of euros)	France	Europe excluding France					
		Netherlands	Germany	Belgium	Poland	Switzerland	Italy
Current service cost	3	0	0	0	0	1	0
Interest cost	1	2	0	0	0	0	0
Expected return on plan assets	-	(2)	(0)	(0)	-	(0)	-
Past service cost recognized during the period	-	-	-	-	-	-	-
(Gains) losses on curtailments/settlements	(3)	-	(0)	-	(0)	-	-
Actuarial (gains)/losses recognised during the period for long-term employee benefits	-	-	-	-	-	-	-
EXPENSE FOR THE PERIOD	**2**	**0**	**1**	**0**	**0**	**1**	**0**

(in million of euros)	France	Europe excluding France					
		Netherlands	Germany	Belgium	Poland	Switzerland	Italy
ACTUARIAL (GAINS) LOSSES RECOGNIZED IN EQUITY	**1**	**0**	**(0)**	**1**	**(0)**	**1**	**1**

Worldwide structures	Other	Total	Other benefits	Total Dec. 2011	Total Dec. 2010
32	**5**	**78**	**20**	**99**	**132**
-	-	-	-	-	(7)
-	-	(0)	-	(0)	(1)
(7)	-	(10)	-	(10)	-
31	**6**	**74**	**20**	**94**	**99**

Worldwide structures	Other	Total	Other benefits	Total Dec. 2011	Total Dec. 2010
3	1	8	3	11	12
3	0	7	1	8	10
(1)	-	(4)	-	(4)	(4)
-	-	-	-	-	0
(4)	(0)	(7)	(1)	(9)	(12)
-	-	-	-	-	(1)
1	**0**	**4**	**3**	**7**	**5**

Worldwide structures	Other	Total	Other benefits	Total Dec. 2011	Total Dec. 2010
(0)	**0**	**3**	**-**	**3**	**2**

Reconciliation of provisions for pensions between January 1, 2010 and December 31, 2011

(in million of euros)	Amount
PROVISION AT JANUARY 1, 2010	**132**
Charge for the year	5
Benefits paid	(9)
Actuarial gains and losses recognized in equity	2
Changes in scope of consolidation [(1)]	(24)
Translation adjustement	1
Reclassification of Groupe Lucien Barrière in Assets held for sale	(7)
Reclassification of Onboard Train Services in Assets held for sale	(1)
PROVISION AT DECEMBER 31, 2010	**99**
Charge for the year	7
Benefits paid	(8)
Actuarial gains and losses recognized in equity	3
Changes in exchange rates	(1)
Other	(2)
Sale of Lenôtre	(4)
PROVISION AT DECEMBER 31, 2011	**94**

(1) €(17) million related to the Accor/Edenred demerger on July 2, 2010.

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

(in million of euros)	Dec. 2010	Dec. 2011
ACTUARIAL DEBT		
Actuarial gains and losses related to experience adjustment	(3)	11
Actuarial gains and losses related to changes in assumptions	13	(8)
FAIR VALUE ON ASSETS		
Actuarial gains and losses related to experience adjustment	(7)	(2)

Detail of plan assets

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

Sensitivity analysis

At December 31, 2010, the sensitivity of provisions for pensions and other post-employment benefits to a change in discount rate is as follows: a 0.5-point increase in the discount rate would lead to a €6.2 million reduction in the projected benefit obligation, a 0.5-point decrease in the discount rate would lead to a €6.2 million increase in the projected benefit obligation. The impact on the cost for the year would not be material.

At December 31, 2011, the sensitivity of provisions for pensions and other post-employment benefits to a change in discount rate is as follows: a 0.5-point increase in the discount rate would lead to a €8.3 million reduction in the projected benefit obligation, a 0.5-point decrease in the discount rate would lead to a €9.1 million increase in the projected benefit obligation. The impact on the cost for the year would not be material.

NOTE 34 RECONCILIATION OF FUNDS FROM OPERATIONS

(in million of euros)	Dec. 2010	Dec. 2011
Net Profit, Group share	(411)	29
Minority interests	7	23
Depreciation, amortization and provision expense	432	391
Share of profit of associates, net of dividends received	(17)	7
Deferred tax	6	100
Change in financial provisions and provisions for losses on asset disposals	594	194
Funds from operations from discontinued operations	94	(14)
FUNDS FROM OPERATIONS INCLUDING NON-RECURRING TRANSACTIONS	**705**	**730**
(Gains) losses on disposals of assets, net	(42)	(131)
(Gains) losses on non-recurring transactions (included restructuring costs and exceptional taxes)	126	124
Non-recurring items from discontinued activities	75	5
FUNDS FROM OPERATIONS EXCLUDING NON-RECURRING TRANSACTIONS	**864**	**728**

NOTE 35 CHANGE IN WORKING CAPITAL

The change in working capital can be analyzed as follows:

(in million of euros)	Dec. 2010	Dec. 2011	Change
Inventories	41	41	-
Trade receivables	374	364	(10)
Other receivables and accruals	637	680	43
WORKING CAPITAL ITEMS - ASSETS	**1,052**	**1,085**	**33**
Trade payables	634	642	8
Other payables	1,307	1,333	26
WORKING CAPITAL ITEMS - LIABILITIES	**1,941**	**1,975**	**34**
WORKING CAPITAL	**889**	**890**	**1**

DECEMBER 31, 2010 WORKING CAPITAL	**889**
Change in operating working capital	5
Development Expenditure	-
Disposals	(10)
Translation adjustment	-
Provisions	16
Reclassifications	(10)
NET CHANGE IN WORKING CAPITAL	**1**
DECEMBER 31, 2011 WORKING CAPITAL	**890**

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 1st) as a condition of their continuing operation. This caption does not include development expenditure corresponding to the property, plant and equipment and working capital of newly consolidated companies and the purchase or construction of new assets.

Renovation and maintenance expenditure breaks down as follows:

(in million of euros)	2010	2011
HOTELS	**275**	**296**
- Upscale and Midscale Hotels	131	148
- Economy	109	113
- Economy US	35	35
OTHER BUSINESSES	**6**	**7**
RENOVATION AND MAINTENANCE EXPENDITURE	**281**	**303**

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 "Cash flow statements") and includes the purchase or construction of new assets and the exercise of call options under sale-and-leaseback transactions, as follows:

Development expenditure excluding discontinued operations

(in million of euros)	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Worldwide Structures *	Dec. 2011	Dec. 2010
HOTELS	**54**	**54**	**96**	**97**	**70**	**-**	**371**	**321**
Upscale and Midscale Hotels (1)	51	19	-	80	55	-	205	181
Economy Hotels	3	35	-	17	15	-	70	140
Economy Hotels US	-	-	96	-	-	-	96	-
OTHER BUSINESSES (2)	**-**	**16**	**-**	**-**	**-**	**-**	**16**	**19**
TOTAL DECEMBER 31, 2011	**54**	**70**	**96**	**97**	**70**	**-**	**387**	
TOTAL DECEMBER 31, 2010	**70**	**142**	**7**	**33**	**85**	**3**		**340**

** "Worldwide Structures" corresponds to development expenditure that is not specific to a single geographic region.*
Development expenditure in 2011 amounts to €387 million:

(1) Including:
- *a. €79 million deposit related to Sofitel Rio de Janeiro.*
- *b. €23 million for renovation expenditure at Sofitel Quiberon.*
- *c. €10 million increase in capital for the opening of the Sofitel Mumbaï in India.*

(2) Including €15 million for vehicle purchases in Poland.

Development expenditure related to discontinued operations

In accordance with IFRS 5, Onboard Train Services development expenditure is not presented in this note.

At December 31, 2011, development expenditure amounts to €2 million for Onboard Train Services.

NOTE 38 SEGMENT INFORMATION

A. Chief operating decision maker

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

B. Operating segments

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

- prepaid services, which has been managed independently by Edenred since July 2, 2010 (see note 2.F);
- casinos. This business segment was organized around casino management company Groupe Lucien Barrière. Accor sold its 49% interest in Groupe Lucien Barrière in the first quarter of 2011 (see note 2.B.2);
- onboard Train Services. This business, specialized in onboard food and hotel services, was sold on July 7, 2010 to a joint venture owned 60% by Newrest and 40% by Accor (see note 2.B.3). Accor's 40% interest in the joint venture is also intended to be sold;
- food services, consisting mainly of Lenôtre. Accor sold Lenôtre in September 2011 (see note 2.B.4).

In light of these developments, the Group reanalyzed its operating segments in the second half of 2011 based on IFRS 8 – 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. North America, Latin America & Caribbean, and Asia-Pacific);

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. North America, Latin America & Caribbean, and Asia-Pacific);

c. the Group is organized and managed (by country in Europe, by region in the rest of the world, i.e. North America, Latin America & Caribbean, and Asia-Pacific);

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
- Region 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:

- North America;
- Latin America & Caribbean;

- other Countries, corresponding to the Asia-Pacific region.

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

- Upscale and Midscale hotels, comprising the Sofitel, Pullman, Novotel, Mercure, Adagio and Suite Novotel brands.
- Economy Hotels, comprising the Formule 1, HotelF1, Etap Hôtel/ibis *budget*, all seasons/ibis Styles and ibis brands.
- Economy Hotels in the United States, comprising the Motel 6 and Studio 6 brands.

2. Other businesses

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

C. Segment information

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

- revenue;
- EBITDAR;
- rents;
- EBIT.

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

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

- note 3 for revenue;
- note 5 for EBITDAR;
- note 6 for rents;
- note 9 for EBIT.

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

Total assets break down as follows:

At December 31, 2011 (in million of euros)	**Hotels**	**Other businesses**	**Total consolidated**
Goodwill	712	-	712
Intangible assets	363	10	373
Property, plant and equipment	3,210	47	3,257
Total non-current financial assets	534	15	549
Deferred tax assets	130	17	147
TOTAL NON-CURRENT ASSETS	**4,949**	**89**	**5,038**
TOTAL CURRENT ASSETS	**1,434**	**1,142**	**2,576**
Assets held for sale	348	38	386
TOTAL ASSETS	**6,731**	**1,269**	**8,000**
SHAREHOLDERS' EQUITY & MINORITY INTERESTS	**5,373**	**(1,605)**	**3,768**
TOTAL NON-CURRENT LIABILITIES	**474**	**1,376**	**1,850**
TOTAL CURRENT LIABILITIES	**825**	**1,468**	**2,293**
Liabilities related to assets classified as held for sale	59	30	89
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**6,731**	**1,269**	**8,000**

At December 31, 2010 (in million of euros)	Hotels	Other businesses	Total consolidated
TOTAL ASSETS	**6,992**	**1,686**	**8,678**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**6,992**	**1,686**	**8,678**

At December 31, 2011 (in million of euros)	France	Europe (excl. France)	North America	Latin America & Caribbean	Worldwilde Structures	Other countries	Total
Goodwill	169	217	-	-	54	272	712
Intangible assets	8	107	167	4	31	56	373
Property, plant and equipment	744	1,182	703	174	36	418	3,257
Non-current financial assets	53	60	6	94	292	44	549
TOTAL NON-CURRENT ASSETS EXCLUDING DEFERRED TAX ASSETS	**974**	**1,566**	**876**	**272**	**413**	**790**	**4,891**
OTHER ASSETS	**593**	**541**	**287**	**98**	**1,422**	**168**	**3,109**
TOTAL ASSETS	**1,567**	**2,106**	**1,163**	**370**	**1,835**	**959**	**8,000**

At December 31, 2010 (in million of euros)	France	Europe (excl. France)	North America	Latin America & Caribbean	Worldwilde Structures	Other countries	Total
Goodwill	199	228	-	-	59	257	743
Intangible assets	12	125	165	4	28	75	409
Property, plant and equipment	977	1,304	764	170	30	437	3,682
Non-current financial assets	60	59	15	15	330	1	480
TOTAL NON-CURRENT ASSETS EXCLUDING DEFERRED TAX ASSETS	**1,248**	**1,716**	**944**	**189**	**645**	**572**	**5,314**
OTHER ASSETS	**1,153**	**501**	**290**	**137**	**1,217**	**66**	**3,364**
TOTAL ASSETS	**2,401**	**2,217**	**1,234**	**325**	**1,849**	**650**	**8,678**

At December 31, 2011 (in million of euros)	Up and Midscale Hotels	Economy Hotels	Economy Hotels United States	Total Hotels
Goodwill	641	71	-	712
Intangible assets	142	54	167	363
Property, plant and equipment	1,491	1,052	667	3,210
Total non-current financial assets	469	40	25	534
Deferred tax assets	114	16	-	130
TOTAL NON-CURRENT ASSETS	**2,857**	**1,233**	**859**	**4,949**
TOTAL CURRENT ASSETS	**935**	**327**	**172**	**1,434**
Assets held for sale	227	60	61	348
TOTAL ASSETS	**4,019**	**1,620**	**1,092**	**6,731**
SHAREHOLDERS' EQUITY & MINORITY INTERESTS	**3,696**	**964**	**713**	**5,373**
TOTAL NON-CURRENT LIABILITIES	**278**	**136**	**60**	**474**
TOTAL CURRENT LIABILITIES	**13**	**493**	**319**	**825**
Liabilities related to assets classified as held for sale	32	27	-	59
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4,019**	**1,620**	**1,092**	**6,731**

At December 31, 2010 (in million of euros)	Up and Midscale Hotels	Economy Hotels	Economique United States	Total Hotels
TOTAL ASSETS	**4,176**	**1,687**	**1,129**	**6,992**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4,176**	**1,687**	**1,129**	**6,992**

NOTE 39 CLAIMS AND LITIGATION

CIWLT tax audit

A tax audit was carried out on the permanent branch in France of Compagnie Internationale des Wagons Lits et du Tourisme (CIWLT), a Belgian company that is 99.65%-owned by Accor SA. Following the audit, the French tax authorities concluded that CIWLT's seat of management was located in France not in Belgium.

Accordingly, the French tax authorities added back CIWLT's profits in Belgium for the purpose of calculating income tax payable in France. At the end of 2003, the resulting reassessments, for a total of €217 million including late interest, were contested by CIWLT, on the basis of the notice received from the Belgian tax authorities confirming that its seat of management was in Belgium. The French tax authorities issued a notice ordering CIWLT to settle the €217 million in tax deficiencies for the years 1998 to 2003 for which a stay of payment had been requested. In conjunction with the request, CIWLT obtained a tax bond from its bank guaranteeing the payment of this amount.

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

Under French law, collection of the tax deficiencies is not suspended while the appeal is being heard and the tax deficiencies for the years 1998 to 2002 were therefore payable, representing a total of €242.5 million including late interest. The same is true as concerns 2003, in an amount of around €20 million.

For the years 1998 to 2002, this amount was paid at the end of February 2009. It was recognized as an asset in the balance sheet (see note 24.2). 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.

No provision was set aside at December 31, 2009 because, based on the advice of its legal and tax advisors, the Company considered that it had serious arguments to support a favorable outcome, considering in particular that CIWLT is taxable in Belgium.

For the years 1998 to 2002, in January 2011, CIWLT received a notice to appear at a hearing before the Versailles Administrative Court of Appeal on February 1, 2011. At this hearing, the reporting judge read out his conclusions and stated that he did not support CIWLT's case, primarily because he considered that CIWLT operated as a holding company in France. He further stated that the court should determine where the Company should be taxed based on the jurisdiction in which meetings of its Board of Directors are held. After reviewing the documents submitted for the purpose of the case, he concluded that the court should consider that most of CIWLT's Board meetings were held in France.

On February 4, 2011, CIWLT submitted a note to the Versailles Administrative Court of Appeal for consideration by the judges in their consultation process, stating that in fact most Board meetings were not held in France.

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

In light of these recent unfavorable developments, the tax receivable recognized as an asset in the balance sheet at December 31, 2009 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 that had not yet been paid to the tax authorities. Following payment of the tax deficiency in July and August 2011, a tax receivable was recognized as an asset in the balance sheet in an amount of €20.2 million. The asset was immediately written down in full by transferring the same amount from the existing €20.6 million provision, of which the remainder, i.e. €0.4 million, was reversed.

Dividend withholding tax (*précompte*)

In 2002, Accor mounted a legal challenge to its obligation to pay withholding tax (précompte) on the redistribution of European source dividends.

Until 2004, French parent companies were entitled to a 50% tax credit on dividends received from French subsidiaries, which could be set off against the précompte withholding tax. However, no tax credit was attached to European source dividends. Accor contested this rule, on the grounds that it breached European Union rules.

In the dispute between Accor and the French State, on December 21, 2006 the Versailles Administrative Court ruled that Accor was entitled to a refund of the précompte dividend withholding tax paid in the period 1999 to 2001, in the amount of €156 million.

The amount of €156 million was refunded to Accor during the first half of 2007, together with €36.4 million in late interest due by the French State.

However, on March 8, 2007, the French State appealed the ruling before the Versailles Administrative Court of Appeal. The French State's appeal was rejected on May 20, 2008.

As the State has not yet exhausted all avenues of appeal, a liability has been recognized for the amounts received and the financial impact of the rulings by the Versailles Administrative Court and Court of Appeal has not been recognized in the financial statements.

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. The French Supreme Court of Appeal asked for the application to be fast-tracked. This request was rejected by the President of the ECJ on October 19, 2009.

In parallel, Accor was notified of the ECJ's preliminary ruling on September 14, 2009, and filed its observations on November 23.

In February 2010, the ECJ informed Accor of the observations made by the other member states concerned and of the European Commission's observations.

The hearing before the ECJ took place on October 27, 2010 and the Advocate General's opinion was issued on December 22, 2010. ECJ's final ruling is expected to be 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 as it treats foreign-sourced dividends differently from nationally-sourced dividends. The Court also ruled that under EU law the French government cannot refuse to reimburse the amount of précompte dividend withholding tax paid by a parent company on the grounds either that (i) such reimbursement would lead to the unjust enrichment of the parent company, or (ii) the sum paid by the parent company does not constitute an accounting or tax charge. The Court further held that the principles of equivalence and effectiveness do not preclude the French government from requiring that any reimbursement of the précompte be subject to the taxpayer furnishing evidence which is in its sole possession, and particularly information relating to the rate of taxation actually applied and the amount of tax actually paid on profits made by subsidiaries and distributed to the parent company. However, the ruling goes on to state that the requirement to produce such information may only apply if it does not prove virtually impossible or excessively difficult to furnish evidence of the payment of the tax and the tax rate applied. No excessive formalities may be imposed in relation to the documents to be supplied. In addition, the Court held that any request for production of such information should be made within the statutory period applicable for holding administrative documents or accounts, as laid down by the law of the Member State in which the subsidiary is established.

On October 26, 2011, Accor filed a statement of case with the French Supreme Court of Appeal to set out its position following the decision of the ECJ. The French State then filed its statement of case on December 8, 2011.

On February 7, 2007, Accor filed an application originating proceedings before the Cergy Pontoise Adminstrative Court on the same grounds, to obtain a refund of the €187 million in précompte withholding tax paid in the period 2002 to 2004.

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 statement.

Other claims and litigation

In the normal course of its business, the Group is exposed to claims, litigations and proceedings that may be in progress, pending or threatened. The Company believes that these claims, litigations and proceedings have not and will not give rise to any material costs and have not and will not have a material adverse effect on the Group's financial position, business and/or results of operations.

NOTE 40 OFF-BALANCE SHEET COMMITMENTS AT DECEMBER 31, 2011

Note 40.1. Off-balance sheet commitments given

Off-balance sheet commitments (not discounted) given at December 31, 2011 break down as follows:

(in million of euros)	Less than 1 year	1 to 5 years	Beyond 5 years	Dec. 2011 *	Dec. 2010
SECURITY INTERESTS GIVEN ON ASSETS (1)	**6**	**54**	**91**	**151**	**125**
PURCHASE COMMITMENTS (2)	**24**	**7**	**-**	**31**	**13**
◗ Renovation commitment Netherlands (3)	8	8	-	16	25
◗ Property development projects in Spain (4)	9	-	-	9	9
◗ Construction performance bonds for Ibis and Etap properties in Poland (5)	15	2	-	17	-
◗ Renovation commitments under the Predica and Foncière des Murs transaction in France and Belgium (6)	4	3	-	7	14
◗ Renovation commitment Axa Reim (France) (7)	-	3	-	3	6
◗ Construction commitments Ibis (Chili) (8)	0	-	-	0	5
◗ Construction commitments Novotel and Ibis (China) (9)	1	1	-	2	2
◗ Construction commitments Novotel and Ibis (Algeria) (10)	1	-	-	1	4
◗ Renovation commitment Foncière des Murs transaction 1 (France) (11)	0	-	-	0	1
◗ Renovation commitment Foncière des Murs transaction 2 (France) (11)	1	-	-	1	2
◗ Other renovation commitments (12)	20	12	15	47	57
CAPEX COMMITMENTS	**59**	**29**	**15**	**103**	**125**
LOAN GUARANTEES GIVEN	**3**	**5**	**26**	**34**	**37**
COMMITMENTS GIVEN IN THE NORMAL COURSE OF BUSINESS	**25**	**40**	**13**	**78**	**76**
CONTINGENT LIABILITIES	**4**	**4**	**-**	**8**	**10**
TOTAL DECEMBER 31, 2011	**121**	**139**	**145**	**405**	
TOTAL DECEMBER 31, 2010	**80**	**151**	**155**		**386**

** In line with IFRS 5, off-balance sheet commitments given by the Onboard Train Services business are not presented in this note. At December 31, 2011, off-balance sheet commitments given by the Onboard Train Services business amounted to €6 million.*

(1) Security interests given on assets correspond to pledges and mortgages valued at the net book value of the underlying assets. In 2010, the Sofitel Bel Ombre hotel assets (€51 million at December 31, 2011) were given as collateral for a loan used to finance 50% of the hotel's construction cost.

(2) In connection with property development projects, 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, 2011, the remaining work amounted to €24 million.

(3) In connection with property development projects, Accor is committed to financing renovation of the Novotel Den Haag Forum for €2 million, construction of the Suite Novotel Den Haag for €13 million and renovation of the Pullman Eindhoven Cocagne for €16 million. As of December 31, 2011, the remaining work amounted to €16 million.

(4) In connection with property development projects in Spain, Accor issued performance bonds to the developers of the Ibis Santa Coloma Gramamet. The related commitments at December 31, 2011 amounted to €9 million.

(5) In connection with development plans in Poland, Accor is committed to financing construction of two Ibis budget hotels (Warzawa Reduta and Krakow Stare Miasto) for €5 million, of two Ibis hotels (Warzawa Reduta and Krakow Stare Miasto) for €7 million and of Novotel Lodz for €9 million. The related commitments at December 31, 2011 amounted to €17 million.

(6) In connection with the Predica and Foncière des Murs sale-and-variable leaseback transactions in 2010 (see note 2.A.2.1), Accor is committed to financing €10 million and €4 million worth of renovation work respectively in France and Belgium. Commitments for work in progress at December 31, 2011 amounted to €7 million.

(7) In connection with the Axa REIM sale-and-variable leaseback transactions in 2008 (see note 2.A.2.1), Accor was initially committed to financing €27 million worth of renovation work in France and Switzerland. Addenda to the corresponding agreements were subsequently signed, raising Accor's financing commitment to €28 million. The transactions concern 45 hotels in France and 10 in Switzerland. Commitments for work in progress at December 31, 2011 amounted to €3 million.

(8) In connection with property development projects in Chili, Accor is committed to financing construction of the Ibis Santiago Providencia for €5 million. Commitments for work in progress at December 31, 2011 amounted to €0.3 million.

(9) In connection with development plans in China, Accor issued performance bonds to the developers of 28 Ibis hotels and one Novotel hotel. The related commitments at December 31, 2011 amounted to €2 million.

(10) In connection with development plans in Algeria, Accor is committed to financing four hotel projects (Tlemcen, Oran, Bab Ezzouar and Constantine) representing a total of €15 million. As of December 31, 2011, the remaining work amounted to €1 million.

(11) In connection with the Foncière des Murs sale-and-variable leaseback transactions in 2005 and 2006 (see note 2.A.2.1), Accor was initially committed to financing €98 million worth of renovation work. Addenda to the corresponding agreements were subsequently signed, raising Accor's financing commitment to €106 million. As of December 31, 2011, the remaining work represented €1 million.

(12) Other commitments mainly include €32 million in committed capital expenditure on Australian hotels.

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, 2011 break down as follows:

(in million of euros)	Less than 1 year	1 to 5 years	Beyond 5 years	Dec. 2011 *	Dec. 2010
Irrevocable commitments received for the purchase of intangible assets and property, plant and equipment	11	-	-	11	-
Irrevocable commitments received for the purchase of financial assets (1)	-	-	8	8	8
PURCHASE COMMITMENTS RECEIVED	**11**	**-**	**8**	**19**	**8**
Sellers' warranties received	0	1	-	1	1
Other guarantees received in the normal course of business (2) + (3) + (4) + (5) + (6)	43	43	0	87	95
OTHER COMMITMENTS AND GUARANTEES RECEIVED	**43**	**44**	**0**	**87**	**96**
TOTAL DECEMBER 31, 2011	**54**	**44**	**8**	**106**	
TOTAL DECEMBER 31, 2010	**31**	**65**	**8**		**104**

* *In line with IFRS 5, off-balance sheet commitments received by the Onboard Train Services business are not presented in this note. At December 31, 2011, off-balance sheet commitments received by the Onboard Train Services business amounted to €1 million.*

(1) *Under the sale-and-management-back transaction concerning the Sofitel The Grand in Amsterdam, Accor has an option to sell its 40% interest in this hotel to SHPH in the event that SHPH decides not to renew the 25-year management agreement.*

(2) *a. Under the first transaction with Accor in 2005 (see note 2.A.2.1), Foncière des Murs initially agreed to finance €112 million worth of renovation work. Addenda to the corresponding agreements were subsequently signed, reducing Foncière des Murs' financing commitment to €109 million. As of December 31, 2011, the remaining work amounted to €1 million.*

b. Under the second transaction with Accor in 2006 (see note 2.A.2.1), Foncière des Murs agreed to finance €39 million worth of work. As of December 31, 2011, the remaining work amounted to €0.5 million.

c. In an addendum signed in 2010, Foncière des Murs agreed to finance an additional €39 million work program over the period to end-2014. At the end of December 2011, the related budget was increased by €10 million, raising the total work program to €49 million. As of December 31, 2011, the remaining work amounted to €33 million.

(3) *In connection with the sale-and-variable-leaseback transaction with Accor in 2008 (see note 2.A.2.1), Axa REIM agreed to finance €50 million worth of renovation work. As of December 31, 2011, the remaining work in the two countries amounted to €1.4 million.*

(4) *In connection with the Formule 1 France sale-and-variable leaseback transaction (involving the refinancing of 157 F1 hotels in 2009 – see note 2.A.2.1), Accor and the investor agreed to complete the renovation of 19 hotels, with Accor paying €4 million and the investor €9 million. As of December 31, 2011, the remaining work to be financed by the investor amounted to €1.6 million.*

(5) *In connection with the 2010 sale and management-back transaction (see note 2.A.2.1), Invesco Real Estate agreed to finance the renovation of the Pullman Paris La Défense. As of December 31, 2011, the remaining work amounted to €9 million.*

(6) *In connection with the 2010 sale-and-variable leaseback transactions in France, Germany and Belgium in 2010-2011 (see note 2.A.2.1), Predica and Foncière des Murs agreed to finance €31 million worth of renovation work in the period to end-2012. As of December 31, 2011, the remaining work amounted to €12 million.*

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

NOTE 41 MAIN CONSOLIDATED COMPANIES AT DECEMBER 31, 2011

The main subsidiaries and associates represent 95% of consolidated revenue, 95% of EBITDAR and 89% of EBIT. The many other subsidiaries and associates represent individually less than 0.6% 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.

HOSPITALITY			
France			
Académie France	France	IG	100.00%
Accor centre de contacts clients	France	IG	100.00%
Adagio	France	IP	50.00%
All seasons Hotels	France	IG	100.00%
Devimco	France	IG	99.99%
Ecotel	France	IG	99.45%
Etap Hotels	France	IG	96.00%
Exhotel	France	IG	100.00%
Hotexco	France	IG	100.00%
Mer & Montagne	France	IG	100.00%
Mercure International hotels	France	IG	100.00%
Paris Berthier	France	IG	100.00%
Paris Porte de Saint Cloud	France	IG	100.00%
Pradotel	France	IG	100.00%
Profid	France	IG	100.00%
SNC Exploitation Hôtels Suitehotels	France	IG	100.00%
SNC NMP France	France	IG	100.00%
So Luxury HMC SARL	France	IG	100.00%
Société Commerciale des Hôtels Économiques	France	IG	99.96%
Société de Construction d'Hôtels Suite	France	IG	100.00%
Société de Management Intermarques	France	IG	100.00%
Société d'Étude et de Promotion Hôtelière Internationale	France	IG	100.00%
Société d'exploitation Hôtel Monegasque	Monaco	IG	100.00%
Société Hôtelière 18 Suffren	France	IG	100.00%
Société Hôtelière 61 quai de Grenelle	France	IG	100.00%
Société Hôtelière Danton Michelet	France	IG	100.00%
Société Hôtelière de la Porte de Sèvres	France	IG	100.00%
Société Hôtelière Défense Grande Arche	France	IG	100.00%
Société Hôtelière d'Exploitation Marseille	France	IG	100.00%
Société Hôtelière Paris Eiffel Suffren	France	IG	75.00%
Société Hôtelière Toulouse	France	IG	51.44%
Société Parisienne des Hôtels Économiques	France	IG	100.00%
Sofitel Luxury Hotels France	France	IG	100.00%
SOGECA	France	IG	100.00%
Thalamer	France	IG	99.91%
WBA	France	IG	75.01%

ACCOR SA

HOSPITALITY

Europe (Excl France)			
Accor Hotelbetriebs GMBH	Austria	IG	100.00%
Pannonia Hotelbetriebs	Austria	IG	99.94%
Accor Hotels Belgium	Belgium	IG	100.00%
Katerinska Hotels	Czech Republic	IG	100.00%
Accor Hospitality Germany GMBH	Germany	IG	100.00%
Pannonia Hotels ZRT	Hongria	IG	99.94%
Accor Hospitality Italia	Italy	IG	100.00%
Hekon-Hotele Ekonomiczne	Poland	IG	51.55%
Orbis	Poland	IG	51.55%
Portis	Portugal	IG	100.00%
Accor Hoteles Espana	Spain	IG	100.00%
Société d'exploitation Hôtelière	Switzerland	IG	99.77%
Accor Hospitality Nederland	The Netherland	IG	100.00%
The Grand Real Estate	The Netherland	MEE	40.00%
Berne Messe	Switzerland	IG	60.00%
Tamaris Turism TRY	Turkey	IG	100.00%
Accor UK Business & Leisure	United Kingdom	IG	100.00%
Accor UK Economy Hotels	United Kingdom	IG	100.00%
North America			
Accor Canada	Canada	IG	100.00%
Hotelaria de Mexico	Mexico	IG	100.00%
Accor Business And Leisure North America	USA	IG	100.00%
IBL Limited LLC	USA	IG	100.00%
Universal Commercial Credit 5	USA	IG	100.00%
Latin America and Caribe			
Accor Hospitality Arg	Argentina	IG	100.00%
Accor Chile	Chile	IG	100.00%
Hotelaria Accor Brasil	Brazil	IG	100.00%
Other countries			
Accor Hotel SAE	Egypt	IG	99.76%
Accor Asia Pacific Corp	Asia / Australia	IG	100.00%
Accor Gestion Maroc	Marocco	IG	83.35%
RISMA	Marocco	MEE	33.46%
Société immobilière d'exploitation algérienne	Algeria	IP	50.00%
Safari club	French Polynesia	IG	100.00%
Hotel Formula 1 PTY	South Africa	IG	52.60%
Belle Rivière Hotel	Mauritius	IG	100.00%

OTHER SERVICES

Lenôtre *	France	IG	99.98%
Soc. d'Exploitation des Résidences Hôtelières Rail	France	IP	50.00%

Compagnie Internationale des Wagons Lits & du Tourisme (**)	Belgium		
Rail Restauration **	France	Operations held for sale	99.77%
Treno **	Italy	Operations held for sale	99.77%

* *Lenôtre was sold to Sodexo on September, 22, 2011.*

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

NOTE 42 ADDITIONAL INFORMATION ABOUT JOINTLY-CONTROLLED ENTITIES

(in million of euros)	Current assets	Non-current assets	Current liabilities	Non-current liabilities (excluding shareholders' equity and minority interests)	Revenue for the Group	Costs for the Group
Reef Casinos	6	31	(7)	4	20	(17)
Adagio	15	11	28	0	17	(17)
Société d'Exploitation des Résidences Hôtelières Rail	10	0	6	0	38	(34)
Société Immobilière d'Exploitation Hôtelière Algérienne	6	17	5	17	6	(6)
ibis Colombie	0	5	0	5	1	(1)

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 2011.

- Members of the Executive Committee and the Board of Directors

Transactions with members of the Executive Committee and Board of Directors are disclosed in full in note 44.

- Companies in which a member of the Executive Committee or the Board of Directors holds material voting rights.

All transactions with companies in which a member of the Executive Committee or the Board of Directors holds material voting rights are conducted in the course of business on arm's length terms and are not material.

- Companies that exercises significant influence over Accor

The only company that exercises significant influence over Accor is Colony Capital. Transactions between the parent company and Colony Capital were not material in 2010 and 2011.

NOTE 44 CORPORATE OFFICERS' COMPENSATION

	2010		2011	
(in million of euros)	Expenses	Balance sheet amount	Expenses	Balance sheet amount
Short-term benefits received	11	5	10	6
Post-employment benefits	(1)	2	2	4
Other long-term benefits	-	-	-	-
Compensation for loss of office	6	5	3	0
Share-based payments	5	-	2	-
TOTAL COMPENSATION	**21**	**12**	**17**	**10**

Corporate officers are defined as members of the Executive Committee and the Board of Directors.

Compensation only concerned the members of the Executive Committee, which currently has eight members at December 31, 2011.

Members of the Board of Directors do not receive any compensation and receive only fees. Directors' fees paid in 2010 by the Group to the members of the Supervisory Board for year 2010 amounted to €575,000.

NOTE 45 FEES PAID TO THE AUDITORS

The table below shows the total fees billed by the Auditors recognized in the income statement in 2011 and prior year.

(in million of euros)	2010 *	2011 *
Statutory and contractual audit fees	(9)	(9)
Fees for audit-related services	(1)	(0)
TOTAL FEES BILLED BY THE AUDITORS	**(10)**	**(9)**

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

NOTE 46 SUBSEQUENT EVENTS

Continuation of the Asset Right and Asset Light strategy

In January 2012, Accor disposed the Pullman Paris Rive Gauche to Bouygues Immobilier for €77 million. The contract also includes an earn-out mechanism, whose amount will depend on the terms and conditions of the reconstruction project. The hotel should shut down in 2012.

At the beginning of February, Accor disposed the Novotel Times Square in New York under a sale and management-back agreement, for a total value of €160 million (€335,000 per room). The selling price amounts to €71 million. The buyer has 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. In addition, an earn-out amounting up to €12 million could be cashed in depending on the results of the hotel after the refurbishment. The buyer is a joint-venture formed by two key players in the hotel real-estate asset management business: Chartres (Chartres Lodging Group, LLC) and Apollo (Apollo Global Management, LLC.

4.2. PARENT COMPANY FINANCIAL STATEMENTS AND NOTES

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Year ended December 31, 2011

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements. This report also includes information relating to the specific verification of information given in the management report. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In accordance with our appointment as statutory auditors at your Annual General Meeting, we hereby report to you for the year ended December 31, 2011 on:

- The audit of the accompanying financial statements of Accor.
- The justification of our assessments.
- The specific verifications and disclosures required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall presentation of the financial statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position and the assets and liabilities of the Company as of December 31, 2011 and the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

II. Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matter: note 1.c to the financial statements sets forth the accounting policies and methods used to value shares in subsidiaries and affiliates and other long-term investments. We have verified the appropriateness of the accounting methods used and the related disclosures provided in the notes.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion expressed in the first part of this report.

III. Specific verifications and disclosures

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L.225-102 of the French Commercial Code relating to remuneration and benefits received by executive directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

Pursuant to the law, we have verified that the management report contains the appropriate disclosures as to the acquisition of equity and controlling interests, and the identity of shareholders and holders of the voting rights.

Neuilly-sur-Seine and Paris-La Défense – March 29, 2012

The Statutory Auditors

DELOITTE & ASSOCIES	ERNST & YOUNG ET AUTRES
Pascale Chastaing-Doblin	Bruno Bizet

BALANCE SHEETS

Assets

(in million of euros)	Notes	Dec. 31, 2010 net	Dec. 31, 2011 net
FIXED ASSETS			
Intangible assets			
Licenses, trademarks and rights of use	(2-3-4)	57	62
Networks	(2-3-4-7)	33	25
Other intangible assets	(2)	7	6
TOTAL INTANGIBLE ASSETS		**97**	**93**
Property and equipment			
Land	(2-4)	23	4
Buildings	(2-3-4)	55	42
Machinery and equipment	(2-4)	7	9
Other	(2-4)	27	25
Assets under construction	(2)	8	10
Prepayments to suppliers of property and equipment	(2)	3	2
TOTAL PROPERTY AND EQUIPMENT		**123**	**92**
Investments			
Shares in subsidiaries and affiliates	(2-6-7-18)	5,101	4,665
Loans and advances to subsidiaries and affiliates	(2-7-11-17-18)	314	276
Other investment securities	(2-6-7-18)	8	-
Other loans	(2-7-11-17-18)	5	2
Other investments	(2-7-17)	31	31
TOTAL INVESTMENTS		**5,459**	**4,974**
TOTAL FIXED ASSETS		**5,679**	**5,159**
CURRENT ASSETS			
Inventories and work-in-progress	(7)	-	-
Prepayments to suppliers	(5)	5	7
Receivables			
Trade receivables	(5-7-11-17-18)	228	248
Other receivables	(5-7-11-17-18)	491	532
Other			
Marketable securities	(8-11)	861	1,006
Cash and cash equivalents	(11)	132	276
TOTAL CURRENT ASSETS		**1,717**	**2,069**
ACCRUALS AND OTHER ASSETS			
Prepaid expenses	(9-17)	7	5
Deferred charges	(9)	7	11
Unrealized foreign exchange losses	(10)	5	11
TOTAL ACCRUALS AND OTHER ASSETS		**19**	**27**
TOTAL ASSETS	**(1)**	**7,415**	**7,255**

BALANCE SHEETS

Liabilities and shareholders' equity

(in million of euros)	Notes	Dec. 31, 2010 net	Dec. 31, 2011 net
SHAREHOLDERS' EQUITY			
Share capital	(13-14)	680	682
Additional paid-in capital	(13-14)	1,161	1,167
Legal reserve	(13)	69	69
Untaxed reserves	(13)	9	9
Other reserves	(13-14)	15	15
Retained earnings	(13)	-	32
Net profit for the year	(13)	173	771
Untaxed provisions	(7-13)	5	4
TOTAL SHAREHOLDERS' EQUITY		**2,112**	**2,749**
PROVISIONS FOR CONTINGENCIES AND CHARGES			
Provisions for contingencies	(7)	31	21
Provisions for charges	(7)	47	51
TOTAL PROVISIONS FOR CONTINGENCIES AND CHARGES		**78**	**72**
LIABILITIES			
Bonds	(12-15-16)	1,220	1,092
Bank borrowings	(12-16)	283	335
Other borrowings	(12-16)	3,313	2,570
Trade payables	(12-16)	128	143
Accrued taxes and payroll costs	(12)	222	226
Due to suppliers of fixed assets	(16)	7	10
Other payables	(12-16)	46	48
TOTAL LIABILITIES		**5,219**	**4,424**
ACCRUALS AND OTHER LIABILITIES			
Deferred income	(9-16)	1	-
Unrealized foreign exchange gains	(10)	5	10
TOTAL ACCRUALS AND OTHER LIABILITIES		**6**	**10**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**(1)**	**7,415**	**7,225**

INCOME STATEMENTS

(in million of euros)	Notes	Dec. 31, 2010	Dec. 31, 2011
OPERATING REVENUES			
Sales of goods and services		721	725
NET REVENUE	**(20)**	**721**	**725**
Own work capitalized		5	6
Reversals of depreciation, amortization and provisions and expense transfers		42	31
Other income		1	-
TOTAL OPERATING INCOME		**769**	**762**
OPERATING EXPENSES			
Purchases of goods for resale		-	-
Purchases of raw materials and supplies		-	-
Other purchases and external charges	(19)	519	489
Taxes other than on income		15	14
Wages and salaries		105	95
Payroll taxes		41	40
Depreciation, amortization and provision expense:			
◗ Depreciation and amortization of fixed assets	(4)	22	21
◗ Additions to provisions for fixed assets		-	6
◗ Additions to provisions for current assets		13	2
◗ Additions to provisions for contingencies and charges		19	11
Other expenses	(21)	4	4
TOTAL OPERATING EXPENSES		**738**	**682**
OPERATING PROFIT		**31**	**80**
JOINT VENTURES			
Share of profits from non-managed joint ventures or transferred losses of managed joint ventures		-	-
Share of losses of non-managed joint ventures and transferred profits from managed joint ventures		-	-
FINANCIAL INCOME			
Income from investments in subsidiaries and affiliates	(18)	795	1,023
Income from investment securities and long-term loans		1	1
Other interest income	(18)	24	33
Provision reversals and expense transfers		55	126
Foreign exchange gains		25	18
TOTAL FINANCIAL INCOME		**900**	**1,201**
FINANCIAL EXPENSES			
Amortization and provisions – financial assets		575	348
Interest expense	(18)	231	186
Foreign exchange losses		23	18
TOTAL FINANCIAL EXPENSES		**829**	**552**
NET FINANCIAL INCOME	**(22)**	**71**	**649**
RECURRING INCOME BEFORE TAX		**102**	**729**

(in million of euros)	Notes	Dec. 31, 2010	Dec. 31, 2011
NON-RECURRING INCOME			
Non-recurring income from revenue transactions		2	1
Non-recurring income from capital transactions		169	401
Exceptional provision reversals and expense transfers		32	250
TOTAL NON-RECURRING INCOME		**203**	**652**
NON-RECURRING EXPENSES			
Non-recurring expenses on revenue transactions		6	1
Non-recurring expenses on capital transactions		151	620
Exceptional additions to depreciation, amortization and provisions		1	13
TOTAL NON-RECURRING EXPENSES		**158**	**634**
NET NON-RECURRING INCOME	**(23)**	**45**	**18**
Income tax expense	(24)	(26)	(24)
TOTAL INCOME		**1,872**	**2,615**
TOTAL EXPENSES		**1,699**	**1,844**
NET PROFIT		**173**	**771**

The financial statements of Accor SA have been prepared in accordance with French generally accepted accounting principles. All amounts are stated in millions of euros unless otherwise specified.

The notes below relate to the balance sheet at December 31, 2011 before appropriation of profit for the year, which shows total assets of €7,255 million, and to the income statement for the year then ended, which shows net profit for the year of €771 million.

The financial statements cover the 12-month period from January 1 to December 31, 2011.

Accor SA's individual financial statements are included in the consolidated financial statements of the Accor Group.

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

The main estimates and judgments made by management in the preparation of these financial statements concern the valuation and useful lives of intangible assets, property and equipment, and financial assets, as well as the amount of provisions for claims, litigation and contingencies and the assumptions underlying the calculation of pension obligations.

The main assumptions applied by the Company are presented in the relevant notes to the financial statements.

Accor experienced sustained growth in business in 2011. Consequently, the 2011 financial statements have been prepared based on this environment, particularly for the purpose of estimating the value of fixed assets (mainly shares in subsidiaries and affiliates) as explained below.

Notes 1 to 28 set out below form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Accor SA have been prepared in accordance with French generally accepted accounting principles, including the principles of prudence, materiality and segregation of accounting periods, for the purpose of giving a true and fair view of the assets, liabilities and financial position of the Company and the results of its operations. They are presented on a going concern basis and accounting methods have been applied consistently from one year to the next.

Assets recorded in the balance sheet are stated at historical cost or contributed value, as applicable.

There were no changes in presentation or measurement methods in 2011.

The significant accounting policies used are as follows:

Referring to notes a) and b), since January 1, 2005, the Company has applied standards CRC 2004-06 relating to the definition, recognition and measurement of property, plant and equipment and intangible assets, and CRC 2002-10 concerning depreciation, amortization and impairment of these assets.

Property and equipment and intangible assets are recognized when the following two conditions are met:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company;
- the cost or value of the asset can be measured reliably.

a) Intangible assets

Purchased intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives, corresponding to between two and five years for software and between three and five years for licenses.

Leasehold rights, networks and trademarks with indefinite useful lives are not amortized. Their value is assessed whenever events or circumstances indicate that they may be impaired. If an assessment of fair value based on the same criteria as at the time of acquisition indicates the existence of a prolonged impairment in value, a provision is recorded.

b) Property and equipment

Property and equipment are stated at cost, corresponding to (i) the asset's purchase price, (ii) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and (iii) borrowing costs directly attributable to the construction or production of the asset.

Property and equipment are depreciated on a straight-line basis over their estimated useful lives, as follows:

- buildings: 35 to 50 years;
- fixtures and fittings: 7 to 25 years;
- other assets: 5 to 15 years.

a) and b bis) Fair values of intangible assets and property and equipment

At each year-end, the Company determines whether there are any indicators of impairment in value of intangible assets or property and equipment. Impairment indicators include obsolescence, physical damage, significant changes in the manner in which the asset is used, lower-than-expected economic performance, a steep fall in revenues, or other external indicators. Where there is an indication that the value of an asset may be impaired, its present value is assessed for the purpose of calculating the potential impairment charge. The present value of an asset is deemed to be the higher of its fair value or value in use.

c) Investments

Shares in subsidiaries and affiliates are stated at cost. Transaction costs on these assets are recorded in the income statement.

At each year-end, the Company determines whether there are any indicators of impairment in value of its investments. Impairment indicators include lower-than-expected economic performance, a drop in share price, rating downgrades and steep falls in revenue or earnings.

Where there is an indication that the value of an investment may be impaired, its present value is assessed for the purpose of calculating the potential impairment charge. The present value of an investment is deemed to be the higher of its fair value or value in use.

Accor considers that the most appropriate method for measuring the fair value of its investments is to calculate its equity in the underlying net assets of the subsidiaries and affiliates concerned. Another method used for investments in hotel companies is to calculate their average EBITDA for the last two years and apply a multiple based on the type of hotels owned by the company concerned and their financial position. Accor also uses comparable recent transactions for the purpose of calculating fair values.

If the fair value of an investment in a subsidiary or affiliate calculated as described above is lower than the asset's carrying amount, the Company then also determines the investment's value in use, which corresponds to the present value of the future cash flows expected to be derived from the investment.

The value in use of investments in subsidiaries and affiliates is assessed using a range of indicators, including:

- the historical data used to value the investment at the time of acquisition;
- current profitability data and the current value of the underlying net assets;
- projections of future profitability, realizable values and economic trends.

If shares in subsidiaries and affiliates or other investment securities are deemed to be impaired they are written down to the lower of their fair value or value in use, based on the impairment tests performed and taking into account their financial position. Where the company concerned is not certain of achieving operating profitability in the future, the investment is written down to an amount corresponding to the Company's equity in the underlying net assets. The measurement process also takes into account i) the maturity of the business (for example no provision is recorded for investments in companies that are in the start-up phase and whose future profitability is assured) and ii) the fair value of certain of the subsidiary's assets that are not included in the balance sheet (e.g. trademarks). Provisions for impairment recognized on these investments are not permanent and may be reversed if the financial position of the company concerned improves. However, any reversals of impairment provisions may not result in the investment's carrying amount being increased to above its historical cost. Additional provisions may be recorded to write down loans and advances to the company concerned and, where necessary, a provision for contingencies is also recorded.

d) Inventories

Inventories are measured at the lower of cost or probable realizable value. Cost is determined by the weighted average cost method.

e) Deferred charges

Following adoption of the new accounting standard relating to assets, as from January 1, 2005 deferred charges consist solely of debt issuance costs which are amortized over the life of the related debt.

f) Receivables

Receivables are recognized at nominal value and provisions for impairment are subsequently recorded if their fair value is lower than their carrying amount.

g) Marketable securities

Marketable securities are stated at the lower of cost or market value.

h) Revenue

Revenue corresponds to the amount of services and contractual fees (i.e. management and franchise fees) billed to managed and franchised hotels, subsidiaries and non-related parties. It also includes amounts billed under real estate and business lease contracts as well as fees received in return for rent and debt guarantees issued by the Company.

Revenue from product sales is recognized when the product is delivered and ownership is transferred to the buyer. Revenue from sales of services is recognized when the service is rendered.

Consequently:

- lease revenues and fees billed to subsidiaries and non-related parties are recognized on a straight-line basis over the life of the contract;
- fees for guarantees are recognized on a straight-line basis over the term of the guarantee concerned;
- revenue from other services is recognized when the service is rendered.

i) Untaxed provisions

Hotel fixed assets are depreciated by the reducing balance method for tax purposes. The difference between straight-line depreciation recorded in the accounts and reducing balance depreciation calculated for tax purposes is recorded as excess tax depreciation in shareholders' equity.

j) Provisions for contingencies and charges

Provisions for contingencies and charges are determined in accordance with standard CRC 2000-06 relating to liabilities.

A provision is recorded when the Company has an obligation towards a third party, which is probable or certain of giving rise to an outflow of economic resources without any inflow of economic resources of at least an equivalent value being expected.

k) Provisions for pensions and other post-retirement benefit obligations

In accordance with CNC recommendation 2003-R01 dated April 1, 2003, the Company's total obligation for the payment of pensions and other post-retirement benefits is provided for in the balance sheet. These obligations concern statutory length-of-service awards payable in France and other defined benefit plans. The projected benefit obligation is recognized on a straight-line basis over the vesting period, taking into account the probability of employees leaving the Company before retirement age. The provision recorded in the balance sheet is equal to the discounted value of the defined benefit obligation, plus or minus any actuarial differences, which are taken to the income statement in the year in which they arise.

In addition to these statutory benefit schemes, certain employees are members of:

- A defined contribution supplementary pension plan funded by periodic contributions to external organizations that are responsible for the administrative and financial management of the plan as well as for payment of the related annuities. The contributions made by Accor under these plans are expensed as incurred.
- A defined benefit supplementary pension plan under which beneficiaries are entitled to pension benefits calculated based on their salary and the duration of their participation in the plan. The provision recorded for the Company's obligation under this plan takes into account any amounts funded through external organizations (plan assets).

l) Plain vanilla bonds

For plain vanilla bonds issued at a discount to face value, the difference between the issue proceeds and the face value of the bonds is amortized on a straight-line basis over the life of the bonds.

m) Foreign currency transactions

Income and expenses in foreign currencies are converted into euros at the exchange rate prevailing on the transaction date.

Payables, receivables and cash balances in foreign currencies are converted at the year-end exchange rate.

Translation differences are recorded in the balance sheet.

No provision for exchange losses is recorded for loans and borrowings denominated in the same currency with broadly equivalent maturities.

n) Currency risks

Currency risks arising on the conversion of euro cash reserves into foreign currencies to meet part of the financing needs of foreign subsidiaries are hedged by swaps with the same maturities as the loans to subsidiaries.

o) Corporate income tax

Accor has elected for group relief in application of the French Act of December 31, 1987. Under the Group relief system, tax losses of companies in the tax group can be netted off against the profits of other companies in the Group, provided that certain conditions are met. The applicable tax rules are set down in Articles 223 A et seq. of the French General Tax Code.

Each company in the tax group records in its accounts the tax charge it would have incurred if it had been taxed on a stand-alone basis. The Group relief benefit or charge is recorded in the balance sheet of Accor SA as head of the tax group.

Further to changes in tax regulations applicable since January 1, 2005, provisions for unrealized long-term losses on securities may no longer be offset against capital gains realized on the same class of investments.

p) Stock options and performance shares

In accordance with the "Fillon 3 Act", the Company uses the fair values of stock options and performance shares measured in accordance with IFRS 2 as the basis for calculating the related contribution sociale surtax.

Since 2008, Accor has accounted for performance shares in accordance with standard CRC 2008-15. In March 2008, March 2009, February 2010 and April 2011 Accor SA set up performance share plans for certain Group employees with a two-year vesting period, and will therefore issue new shares when the rights vest. Consequently, no provision has been recorded for the cost of these plans in the financial statements at December 31, 2011.

NOTE 2 MOVEMENTS IN FIXED ASSETS

(in million of euros)	Gross value at Jan. 1, 2011	Acquisitions and inter-item transfers	Retirements and disposals and inter-item transfers	Other	Gross value at Dec. 31, 2011
Intangible assets					
Trademarks and rights of use	49	-	-	-	49
Licenses and software	93	10	-	-	103
Networks	79	-	(3)	-	76
Other intangible assets	7	4	(5)	-	6
Prepayments to suppliers of intangible assets	-	-	-	-	-
TOTAL INTANGIBLE ASSETS	**228**	**14**	**(8)**	**-**	**234**
Property and equipment					
Land (1)	23	1	(19)	-	5
Buildings (2) (3)	113	28	(48)	-	93
Machinery and equipment	38	4	(2)	-	40
Other property and equipment	65	6	(6)	-	65
Assets under construction	8	7	(5)	-	10
Prepayments to suppliers of property and equipment	3	1	(2)	-	2
TOTAL PROPERTY AND EQUIPMENT	**250**	**47**	**(82)**	**-**	**215**
Investments					
Shares in subsidiaries and affiliates (4)	7,518	111	(560)	-	7,069
Loans and advances to subsidiaries and affiliates (5)	362	115	(157)	-	320
Other investment securities (4)	9	-	(8)	-	1
Other loans	20	1	(3)	-	18
Other investments	31	1	(1)	-	31
TOTAL INVESTMENTS	**7,940**	**228**	**(729)**	**-**	**7,439**
TOTAL FIXED ASSETS	**8,418**	**289**	**(819)**	**-**	**7,888**

(1) Disposals of land in 2011 included the sale of the Pullman Paris Bercy plot.
(2) Acquisitions recorded under this item in 2011 included the renovation of the Sofitel Quiberon.
(3) Disposals recorded under this item in 2011 included the sale of the Pullman Paris Bercy building.
(4) A breakdown of the aggregate €456 million decrease in these items is provided in note 6.
(5) The overall decrease in this item reflects the combined effect of new loan originations and loans maturing during the year.

NOTE 3 PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

- Trademarks and rights of use

This item mainly relates to the valuation of the Novotel trademark and rights granted to subsidiaries to use the Accor Group's trademarks.

- Licenses and software

These correspond to IT licenses and software used by the Company in its operating activities.

- Networks

Networks primarily correspond to the hotel networks of Novotel and Suitenovotel.

- Buildings and fixtures and fittings

These items mainly correspond to buildings and fixtures and fittings related to hotels, headquarters premises and the Group's training center.

NOTE 4 MOVEMENTS IN AMORTIZATION

(in million of euros)	At Jan. 1 2011	Increase	Decrease	At Dec. 31, 2011»
Intangible assets				
Trademarks and rights of use	-	-	-	-
Licenses and software	86	4	-	90
Networks	34	1	(1)	34
Other intangible assets	-	1	-	1
TOTAL INTANGIBLE ASSETS	**120**	**6**	**(1)**	**125**
Property and equipment				
Land	-	1	-	1
Buildings	59	4	(12)	51
Machinery and equipment	31	2	(2)	31
Other property and equipment	38	5	(3)	40
TOTAL PROPERTY AND EQUIPMENT	**128**	**12**	**(17)**	**123**
TOTAL	**248**	**18**	**(18)**	**248**

NOTE 5 RECEIVABLES (1)

(in million of euros)	Dec. 31, 2010 Gross amount	Dec. 31, 2011 Gross amount
Prepayments to suppliers	**5**	**7**
Trade receivables	**242**	**261**
Other receivables	**539**	**579**
Supplier-related receivables	*2*	*1*
Recoverable VAT and other taxes	*80*	*91*
Current accounts with subsidiaries	*440*	*469*
Other	*17*	*18*
TOTAL	**786**	**847**

(1) Including prepayments to suppliers.

NOTE 6 MOVEMENTS IN SHARES IN SUBSIDIARIES AND AFFILIATES AND OTHER INVESTMENT SECURITIES

Business acquisitions and purchases of newly-issued shares	Number of shares acquired	Amount (in million of euros)	% interest at Dec. 31, 2011
SH DE LA PORTE DE SEVRES	1,250,000	20	40.89% (b) (2)
FIRST CONTINENT SAS	80	-	100.00% (a)
RAVENNA (Poland)	100	-	100.00% (a)
TOTAL		**20**	

Additional investments	Number of shares acquired	% acquired	Amount (in million of euros)	% interest at Dec. 31, 2011
LENÔTRE	6,515	0.75%	8	99.98% (1)
SH 61 QUAI DE GRENELLE	657,900	0.04%	10	100.00%
SH 18 SUFFREN	7,350,000	0.98%	11	99.99%
SCI DES HOTELS DE ROISSY ET ORLEANS	37,500	25.00%	1	97.00%
SUNCARIBE (Portugal)	-	-	1	49.99% (3)
ACCOR PARTICIPAZIONI Italia SRL	66,000	5.36%	43	100.00%
SOGECOL (Colombia)	650,723	1.46%	2	91.20% (2)
ACCOR CHILE	551,845	-	1	100.00% (2)
ORBIS (Poland)	711,827	1.54%	6	46.55%
RISMA (Morocco)	441,187	-0.98%	8	31.56% (2)
Other				
TOTAL			**91**	

(1) Percent interest held following a purchase of new shares and before a sale, capital reduction or merger - see next section.

(2) Partial or full take-up of shares in connection with a share issue.

(3) Participation in a capital increase not entailing the issue of shares.

(a) Acquisition raising the Company's interest to more than 50%.

(b) Acquisition raising the Company's interest to more than 33.33%.

Disposals	Number of shares sold	% sold	Carrying amount of sold shares (in million of euros)	% interest at Dec. 31, 2011
SALES				
LENÔTRE	868,520	99.98%	(56)	-
GROUPE LUCIEN BARRIÈRE	17,511,725	49.00%	(471)	-
GOLF MEDOC PIAN	41,791	49.94%	(9)	-
ACCOR HOSPITALITY Italia SRL	3,985,020	30.65%	(12)	-
RISMA (Morocco) – conversion of ORA equity notes	842,050	24.33%	(7)	-
OTHER TRANSACTIONS				
LIQUIDATIONS				
SH MIDI France	6,996		(1)	-
SCI DARLY	24,298		(2)	-
SCI FERVO	17,298		(1)	-
SCI SUNI	23,148		(2)	-
SCI MADI	4,706		(1)	-
SH EGLETONS	6,714		(1)	-
SOCIÉTÉ D'ÉTUDE ET RÉALISATIONS HÔTELIÈRES	1,201		(2)	-
Other			(2)	-
TOTAL SALES, LIQUIDATIONS AND OTHER			**(567)**	

Other movements	Number of shares cancelled or exchanged	Amount (in million of euros)	% interest at Dec. 31, 2011
SALES OF ASSETS IN EXCHANGE FOR SHARES		-	-
MERGERS/DEMERGERS		-	-
TOTAL CONTRIBUTIONS, MERGERS/DEMERGERS		**-**	**-**
SUMMARY			
Total acquisitions		111	
Total disposals and liquidations		(567)	-
Total other movements		-	-
Total movements		(456)	-

NOTE 7 MOVEMENTS IN PROVISIONS

(in million of euros)	At Jan. 1, 2011	Increase	Decrease		At Dec. 31, 2011
			Surplus provisions	Utilized provisions	
Untaxed provisions					
- Excess tax depreciation	5	1	(2)	-	4
TOTAL UNTAXED PROVISIONS	**5**	**1**	**(2)**	**-**	**4**
Provisions for contingencies					
- Claims and litigation	3	-	-	(1)	2
- Foreign exchange losses	-	1	-	-	1
- Other [(a)]	28	4	(14)	-	18
OTAL PROVISIONS FOR CONTINGENCIES	**31**	**5**	**(14)**	**(1)**	**21**
Provisions for charges [(b)]					
- Pensions and other post-retirement benefit obligations	27	7	(4)	-	30
- Taxes	-	11	-	-	11
- Other	20	3	(3)	(10)	10
TOTAL PROVISIONS FOR CHARGES	**47**	**21**	**(7)**	**(10)**	**51**
TOTAL PROVISIONS	**83**	**27**	**(23)**	**(11)**	**76**
Provisions for impairment in value [(c)]					
- Intangible assets	11	6	-	-	17
- Property and equipment	-	1	-	-	1
- Investments *	2,480	334	(350)	-	2,464
- Trade receivables	14	2	(4)	-	12
- Other receivables *	48	9	(10)	-	47
TOTAL PROVISIONS FOR IMPAIRMENT IN VALUE	**2,553**	**352**	**(364)**	**-**	**2,541**
TOTAL	**2,636**	**379**	**(387)**	**(11)**	**2,617**

Income statement impact of movements in provisions	Increase	Decrease
Operating income and expenses	20	(22)
Financial income and expenses	346	(126)
Non-recurring income and expenses	13	(250)
Movements with no income-statement impact	-	
TOTAL	**379**	**(398)**

* *Recorded in accordance with the accounting policy described in note 1c.*

(a) *Other provisions for contingencies mainly comprised €14 million in provisions for risks related to subsidiaries. These provisions are set aside after taking into account provisions for shares in and loans and advances to subsidiaries and affiliates.*

Movements in this item primarily reflect i) additions to provisions for subsidiaries in an amount of €4 million and ii) reversals of provisions for subsidiaries amounting to €14 million.

(b) *At the year-end, total provisions for charges included €30 million in provisions for pensions and other post-retirement benefit obligations, €11 million in provisions for taxes, and €6 million in provisions for future rental payments and charges.*

Additions to and reversals of provisions for pensions and other post-retirement benefit obligations amounted to €7 million and €4 million respectively.
A total of €11 million was added to provisions for taxes, including €9 million following a tax audit relating to the years 2007 to 2009.
Movements in other provisions for charges corresponded to i) €3 million in additions (primarily for restructuring provisions) and ii) €13 million in reversals (of which €11 million from restructuring provisions and €2 million from provisions for future rental payments and charges).

Pension benefit obligations and underlying actuarial assumptions

	Dec. 31, 2010	Dec. 31, 2011
Discount rate	4.5%	4.6%
Mortality tables	Insee	TG05 Generationnelle Insee
Rate of future salary increases	3%	3%
Retirement age	65 years	65 years
Voluntary or compulsory retirement	Voluntary	Voluntary
Payroll tax rate	46%	46%

	Dec. 31, 2010	Dec. 31, 2011
Provisions for pensions and other post-retirement benefit obligations at Jan. 1	34	27
Service cost	4	3
Interest cost	3	3
Actuarial (gains)/losses	-	2
Other movements	(14)	(5)
Provisions for pensions and other post-retirement benefit obligations at Dec. 31	27	30

Staff turnover assumptions for employees aged 16 to 68 ranged between 0% and 9.74% for non-managerial employees and between 0% and 6.59% for managerial employees.

(c) These provisions mainly concern impairment in value of shares in subsidiaries and affiliates, with the 2011 year-end balance primarily corresponding to write-downs of CIWLT (€738 million), ALNA (€510 million), IBL (€439 million), SIET (€116 million), Accor.com (€69 million), Accor Participazioni Italia (€48 million), Newgen France (€40 million), Frantour SA (€37 million), Accor Afrique (€33 million), Accor Hospitality Germany (€31 million), Accor Hoteles España (€30 million) and SPFH (€29 million).

Movements in 2011 in provisions for impairment in value of shares in subsidiaries and affiliates broke down as €326 million in additions and €338 million in reversals. Additions included €138 million for ALNA and €87 million for IBL and reversals included €76 million for Accor Hospitality Germany and €204 million for Groupe Lucien Barrière following its disposal.

NOTE 8 MARKETABLE SECURITIES PORTFOLIO

(in million of euros)	Dec. 31, 2010 Gross value	Dec. 31, 2011 Gross value
Certificates of deposit	100	-
Retail certificates of deposit	59	-
Term deposits	702	1,006
TOTAL	**861**	**1,006**

No provisions for impairment in value were set aside in 2011 for marketable securities as their fair value exceeded or was equal to their carrying amount.

NOTE 9 ACCRUALS AND OTHER ASSETS/LIABILITIES

(in million of euros)	Net at Jan. 1, 2011	Increase	Decrease	Net at Dec. 31, 2011
DEFERRED CHARGES				
Debt issuance costs	5	9	(4)	10
TOTAL	**5**	**9**	**(4)**	**10**
BOND ISSUE PREMIUMS				
Issue premiums	2	-	(1)	1
TOTAL	**2**	**-**	**(1)**	**1**
PREPAID EXPENSES				
Prepaid IT rental and maintenance costs	4	-	(3)	1
Prepaid property rents	2	2	(1)	3
Other	1	-	-	1
TOTAL	**7**	**2**	**(4)**	**5**
DEFERRED INCOME				
Sales and marketing partnership	1	-	(1)	-
TOTAL	**1**	**-**	**(1)**	**-**

NOTE 10 UNREALIZED FOREIGN EXCHANGE GAINS AND LOSSES

UNREALIZED FOREIGN EXCHANGE LOSSES

(in million of euros)	Dec. 31, 2010	Dec. 31, 2011
Decrease in receivables	2	1
Increase in payables	3	10
TOTAL	**5**	**11**

UNREALIZED FOREIGN EXCHANGE GAINS

(in million of euros)	Dec. 31, 2010	Dec. 31, 2011
Increase in receivables	3	9
Decrease in payables	2	1
TOTAL	**5**	**10**

NOTE 11 ACCRUED INCOME

Accrued income is included in the following balance sheet items (in million of euros)	Dec. 31, 2010	Dec. 31, 2011
Loans and advances to subsidiaries and affiliates	1	1
Trade receivables	183	200
Other loans	1	1
Current accounts with subsidiaries	2	2
Marketable securities	2	6
Cash and cash equivalents	-	-
TOTAL	**189**	**210**

NOTE 12 ACCRUED EXPENSES

Accrued expenses are included in the following balance sheet items (in million of euros)	Dec. 31, 2010	Dec. 31, 2011
Bonds	53	46
Bank borrowings	5	6
Other borrowings	13	20
Trade payables	113	115
Accrued taxes and payroll costs	41	43
Other payables	1	1
TOTAL	**226**	**231**

NOTE 13 CHANGES IN SHAREHOLDERS' EQUITY

(in million of euros)	At Dec. 31 2010	Appropriation of 2010 net profit	Capital increase/ reduction	Other	2011 net profit	At Dec. 31, 2011
Number of shares making up the Company's capital[(1)]	226,793,949	-	457,497	-	-	227,251,446
Share capital	680	-	2	-	-	682
Additional paid-in capital	1,161	-	6	-	-	1,167
Legal reserve	69	-	-	-	-	69
Untaxed reserves	9	-	-	-	-	9
Other reserves	15	-	-	-	-	15
Retained earnings/(deficit)	-	32	-	-	-	(32)
Net profit for the year	173	(173)	-	-	771	771
Untaxed provisions	5	-	-	(1)	-	4
TOTAL SHAREHOLDERS' EQUITY	**2,112**	**(141)** [(2)]	**8** [(3)]	**(1)**	**771**	**2,749**

(1) With a par value of €3 per share.

(2) €141 million in dividends paid on June 6, 2011.

(3) Shares issued on the exercise of stock options.

POTENTIAL SHARES: if all employee stock options had been exercised at December 31, 2011, the number of issued shares would have been increased by 13,267,137, raising the Company's share capital by €392 million.

NOTE 14 STOCK OPTION AND PERFORMANCE SHARE PLANS

Stock option plans	Plan 6	Plan 8	Plan 9	Plan 11	Plan 12	Plan 13	Plan 14
Grant date	01/08/02	01/03/03	01/07/04	01/12/05	01/09/06	03/24/06	03/22/07
Expiry date	01/08/10	01/03/11	01/07/12	01/12/12	01/09/13	03/24/13	03/22/14
Pre-demerger exercise price (in euros)	37.77	31.83	35.68	32.42	46.15	49.10	68.65
Post-demerger exercise price (in euros)	25.05	21.11	23.66	21.50	30.60	32.56	45.52
Value used for calculating the 10% contribution sociale surtax (in euros)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vesting conditions	3 years of seniority	3 years of seniority	3 years of seniority	4 years of seniority	4 years of seniority	4 years of seniority	4 years of seniority
Number of options granted at the plan launch (1)	3,438,840	176,549	1,990,485	1,750,528	1,840,601	963,293	2,183,901
Number of options outstanding at Dec. 31, 2009	1,239,636	55,650	1,147,361	1,245,116	1,211,400	639,050	1,417,805
Adjustment to number of options following the demerger	N/A	27,649	507,585	451,578	609,401	296,343	691,056
Number of options granted in 2010	-	-	-	-	-	-	-
Number of options exercised in 2010 before the demerger	13,950	650	103,915	308,750	-	-	-
Number of options exercised in 2010 after the demerger	-	78,275	510,052	307,419	4,977	1,810	-
Number of options cancelled in 2010	1,225,686	600	48,203	50,107	11,800	58,062	67,141
Number of options outstanding at Dec. 31, 2010	**-**	**3,774**	**992,776**	**1,030,418**	**1,804,024**	**875,521**	**2,041,720**
Number of options granted in 2011	-	-	-	-	-	-	-
Number of options exercised in 2011	-	-	140,149	198,860	4,524	-	-
Number of options cancelled in 2011	-	3,774	23,254	20,274	15,080	28,052	49,240
Number of options outstanding at Dec. 31, 2011	**-**	**-**	**829,373**	**811,284**	**1,784,420**	**847,469**	**1,992,480**
Number of options exercised since the plan launch	2,134,604	171,875	1,070,655	846,613	9,501	3,110	-
Number of options cancelled since the plan launch	1,304,236	4,674	90,457	92,631	46,680	112,714	191,421

(1) Following post-demerger adjustments to all of the plans apart from Plan 6 and plans set up after the demerger.

(2) Performance conditions based on return on capital employed (ROCE) and operating profit after tax.

(3) Performance conditions based on Accor's relative share performance compared with the overall performance of the CAC 40 index for 2010, 2011, 2012 and 2013.

(4) Performance conditions based on Accor's TSR versus the TSR of eight competing hotel groups.

Plan 15	Plan 17	Plan 18	Plan 19	Plan 20	Plan 21	Plan 22	Plan 23	Plan 24
05/14/07	03/28/08	09/30/08	03/31/09	04/02/10	04/02/10	11/22/10	04/04/11	04/04/11
05/14/14	03/28/15	09/30/15	03/31/17	04/02/18	04/02/18	11/22/18	04/04/19	04/04/19
71.72	46.46	42.70	27.45	N/A	N/A	N/A	N/A	N/A
47.56	30.81	28.32	18.20	26.66	26.66	30.49	31.72	31.72
N/A	11.55	7.00	5.78	10.28	9.44	9.25	7.99	7.99
4 years of seniority + performance conditions (2)	4 years of seniority	4 years of seniority	4 years of seniority	4 years of seniority	4 years of seniority + performance conditions (3)	4 years of seniority	4 years of seniority	4 years of seniority + performance conditions (4)
129,694	2,080,442	110,052	1,429,456	2,618,770	153,478	92,448	621,754	53,125
68,287	1,366,350	75,000	934,750	N/A	N/A	N/A	N/A	N/A
34,694	671,042	35,052	459,491	N/A	N/A	N/A	N/A	N/A
-	-	-	-	2,618,770	153,478	92,448	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
17,902	53,895	7,508	43,256	279,369	16,250	-	-	-
85,079	**1,983,497**	**102,544**	**1,350,985**	**2,339,401**	**137,228**	**92,448**	**-**	**-**
-	-	-	-	-	-	-	621,754	53,125
-	-	-	3,016	-	-	-	-	-
-	63,869	-	30,561	42,076	-	-	2,150	-
85,079	**1,919,628**	**102,544**	**1,317,408**	**2,297,325**	**137,228**	**92,448**	**619,604**	**53,125**
-	-	-	3,016	-	-	-	-	-
44,615	160,814	7,508	109,032	321,445	16,250	-	2,150	-

Stock savings warrants	**Plan 10**	**Plan 16**
Grant date	07/09/04	09/13/07
Expiry date	07/09/12	09/13/15
Pre-demerger exercise price (in euros)	33.94	60.44
Post-demerger exercise price (in euros)	22.51	40.08
Value used for calculating the 10% contribution sociale surtax (in euros)	N/A	N/A
Vesting conditions	3 years of seniority	3 years of seniority
Number of warrants granted at the plan launch (1)	131,619	2,139
Number of warrants outstanding at Dec. 31, 2009	83,510	1,403
Adjustment to number of warrants following the demerger	43,488	736
Number of warrants granted in 2010	-	-
Number of warrants exercised in 2010 before the demerger	1,904	-
Number of warrants exercised in 2010 after the demerger	12,520	-
Number of warrants cancelled in 2010	3,774	-
NUMBER OF WARRANTS OUTSTANDING AT DEC. 31, 2010	**108,800**	**2,139**
Number of warrants granted in 2011	-	-
Number of warrants exercised in 2011	2,925	-
Number of warrants cancelled in 2011	47	-
NUMBER OF WARRANTS OUTSTANDING AT DEC. 31, 2011	**105,828**	**2,139**
Number of warrants exercised since the plan launch	21,970	-
Number of warrants cancelled since the plan launch	3,821	-

(1) After post-demerger adjustments.

Performance share plans	2008 Plan	2009 Plan	2009 Plan	2011 Plan	2011 Plan	2011 Plan
Grant date	03/28/08	03/31/09	03/31/09	04/04/11	04/04/11	04/04/11
Expiry date	03/28/10	03/31/11	03/31/13	04/04/15	04/04/15	04/04/16
Value used for calculating the 10% contribution sociale surtax (in euros)	46.46	25.49	25.49	30.62	29.35	29.98
Vesting conditions	2 years of seniority + performance conditions (2)	2 years of seniority + performance conditions (3)	4 years of seniority + performance conditions (3)	2 years of seniority + performance conditions (4)	4 years of seniority + performance conditions (4)	3 years of seniority + performance conditions (5)
Number of performance shares granted at the plan launch (1)	107,034	249,084	51,299	190,331	38,326	20,450
Potential number of new shares to be issued at Dec. 31, 2009 if performance conditions met	26,166	102,789	13,864	N/A	N/A	N/A
Adjustment to number of performance shares following the demerger	N/A	47,890	9,940	N/A	N/A	N/A
Number of performance shares granted in 2010	-	-	-	-	-	-
Number of performance shares vested in 2010	26,166	-	-	-	-	-
Number of performance shares cancelled in 2010	-	7,233	1,402	-	-	-
Number of performance shares cancelled in 2010 due to failure to meet the vesting conditions	-	28,300	5,862	-	-	-
POTENTIAL NUMBER OF NEW SHARES TO BE ISSUED AT DEC. 31, 2010 IF PERFORMANCE CONDITIONS MET	**-**	**108,976**	**22,710**	**-**	**-**	**-**
Number of performance shares granted in 2011	-	-	-	190,331	38,326	20,450
Number of performance shares vested in 2011	-	107,646	377	-	-	-
Number of performance shares cancelled in 2011	-	1,330	410	1,125	150	-
Number of performance shares cancelled in 2011 due to failure to meet the vesting conditions	-					-
POTENTIAL NUMBER OF NEW SHARES TO BE ISSUED AT DEC. 31, 2011 IF PERFORMANCE CONDITIONS MET	**-**	**-**	**21,923**	**189,206**	**38,176**	**20,450**
Number of performance shares vested since the plan launch	26,166	107,646	377	-	-	-
Number of performance shares cancelled since the plan launch	80,868	141,438	28,999	1,125	150	-

(1) After post-demerger adjustments to all of the plans apart from the 2008 Plan.

(2) Performance conditions based on ROCE and consolidated recurring operating profit after tax.

(3) Performance conditions based on Accor Hospitality ROCE, Accor Services revenue and consolidated recurring operating profit after tax.

(4) Performance conditions based on revenue growth and EBIT and operating cash flow targets.

(5) Performance conditions based on the Chairman and CEO successfully taking up his duties, which includes successfully implementing changes in the Group's organizational structure.

NOTE 15 BONDS

In line with its strategy of increasing the maturity of its borrowings and ensuring the sustainability of its financial resources, Accor carried out three bond issues in 2009, the details of which are shown in the table below.

In 2011, Accor carried out two bond buybacks, purchasing €65 million worth of bonds from the January 2009 issue and €56 million worth from the April 2009 issue.

	Currency	Amount of the issue (in million of euros)	Fixed/ variable rate	Interest rate	Term	Outstanding principal at Dec. 31, 2010	Outstanding principal at Dec. 31, 2011
January 2009 bond issue	Euros	600	Fixed	7.500%	5 years	468	402
April 2009 bond issue	Euros	600	Fixed	6.500%	4 years	449	394
July 2009 bond issue	Euros	250	Fixed	6.039%	8 years	250	250

NOTE 16 LIABILITIES BY MATURITY

(in million of euros)	Gross amount	Due within 1 year	Due in 1-3 years	Due beyond 3 years
BORROWINGS				
Bonds (1) (3)	1,092	46	394	652
Bank borrowings(1)(3)	335	216	119	-
Other borrowings (1) (2) (3)	2,570	2,381	189	-
OPERATING PAYABLES				
Trade payables (3)	143	143	-	-
MISCELLANEOUS PAYABLES				
Accrued taxes and payroll costs(3)	226	226	-	-
Due to suppliers of fixed assets (3)	10	10	-	-
Other payables (3)	48	48	-	-
Deferred income (3)	-	-	-	-
TOTAL	**4,424**	**3,070**	**702**	**652**

(1) Gross amount of new borrowings during the year: €556 million.
Gross amount of borrowings repaid during the year: €620 million.
(2) Including €2,376 million due to related parties.
(3) Breaking down as follows by currency, in millions:

Liabilities by currency	
AUD	40
CHF	21
EUR	4,026
GBP	191
HKD	12
HUF	8
MXN	3
NZD	24
PLN	3
USD	94
Other currencies	2
TOTAL	**4,424**

Financing policy

At December 31, 2011, Accor had several confirmed lines of credit with maturities of more than one year. The unused portion of these facilities totaled €1,680 million, expiring between 2013 and 2016.

NOTE 17 RECEIVABLES BY MATURITY

(in million of euros)	Gross amount	Due within 1 year	Due beyond 1 year
FIXED ASSETS			
Loans and advances to subsidiaries and affiliates	320	30	290
Other loans	18	3	15
Other investments	31	-	31
CURRENT ASSETS			
Trade receivables	261	261	-
Other receivables	579	579	-
Prepaid expenses	5	5	-
TOTAL RECEIVABLES [1]	**1,214**	**878**	**336**

(1) Breaking down as follows by currency, in millions:

Receivables by currency	
CAD	6
CZK	23
EGP	6
EUR	1,117
HUF	6
JPY	42
USD	8
Other currencies	6
TOTAL	**1,214**

NOTE 18 RELATED PARTY ITEMS [1]

(in million of euros)	2010	2011
Shares in subsidiaries and affiliates	6,970	6,994
Loans and advances to subsidiaries and affiliates	362	319
Other investment securities	-	-
Trade receivables	154	164
Other receivables	437	469
Borrowings	3,121	2,376
Trade payables	34	34
Income from investments in subsidiaries and affiliates	772	999
Other financial income	35	28
Financial expenses	72	72

(1) Companies that are fully consolidated in the Accor Group consolidated financial statements are deemed to be related parties.

NOTE 19 FINANCE LEASES

Commitments under finance leases

(in million of euros)	Lease payments made			Future lease payments				Residual purchase price
Asset	2011	Prior years	Total	Due within 1 year	Due in 1-5 years	Due beyond 5 years	Total	
Buildings	-	2	2	-	-	-	-	1

Assets held under finance leases

(in million of euros)		Depreciation				
Asset	Cost	2011	Prior years	Expected future depreciation	Total	Net value
Buildings	2	-	1	-	1	1

NOTE 20. BREAKDOWN OF NET REVENUE

(in million of euros)	2010	2011
France	529	516
International	192	209
TOTAL NET REVENUE	**721**	**725**

NOTE 21 DIRECTORS' FEES, EXECUTIVE COMPENSATION AND WORKFORCE

Compensation paid to members of the Company's administrative and supervisory bodies

(in million of euros)	2010	2011
Directors' fees	0.4	0.6
Members of the Executive Committee (excl. payroll taxes)	9.54	12.43
Retirement benefits	-	-

Workforce

Employee category	2010	2011
Managerial staff	770	776
Supervisors	217	205
Administrative staff	73	42
Apprentices	6	19
TOTAL	**1,066**	**1,042**

The Company had 1,042 employees at December 31, 2011, including seven employees seconded to subsidiaries.

Statutory training entitlement

In accordance with Recommendation 2004F issued by the Urgent Issues Task Force of the French National Accounting Board, Accor did not set aside any provisions relating to employees' statutory training entitlement in its 2011 financial statements.

At December 31, 2011, Accor employees had accumulated a total of **79,827** training hours under this entitlement.

NOTE 22 FINANCIAL INCOME AND EXPENSES

(in million of euros)	2010	2011
Income from investments in subsidiaries and affiliates	**795**	**1,023**
- Dividends received from subsidiaries	775	1,007
- Interest received on intragroup loans and receivables	20	16
Income from investment securities and long-term loans	**1**	**1**
Other interest income	**24**	**33**
- Interest on current accounts	15	13
- Interest on marketable securities	4	14
- Interest on bank deposits	2	5
- Interest *on* interest rate swaps	-	-
- Interest *on* currency swaps	3	1
- Other	-	-
Reversals of provisions for financial items	**55**	**126**
- Reversals of provisions for shares in subsidiaries and affiliates	46	91
- Reversals of provisions for loans and advances to subsidiaries and affiliates	-	11
- Reversals of provisions for other receivables	6	10
- Reversals of provisions for contingencies and charges	3	14
Foreign exchange gains	**25**	**18**
TOTAL FINANCIAL INCOME	**900**	**1,201**
Interest expense	**(231)**	**(186)**
- Interest on bonds	(97)	(76)
- Interest on bank borrowings	(10)	(11)
- Interest on other borrowings	(67)	(71)
- Interest *on* interest rate swaps	(8)	(7)
- Interest *on* currency swaps	(2)	(1)
- Other	(47)	(20)
Amortization and provisions – financial assets	**(575)**	**(348)**
- Additions to provisions for shares in subsidiaries and affiliates	(487)	(326)
- Additions to provisions for loans	(39)	(8)
- Additions to provisions for current assets	(28)	(9)
- Amortization of bond issue premiums	(2)	(1)
- Additions to provisions for contingencies and charges	(19)	(4)
Foreign exchange losses	**(23)**	**(18)**
TOTAL FINANCIAL EXPENSES	**(829)**	**(552)**
NET FINANCIAL INCOME	**71**	**649**

NOTE 23 NON-RECURRING INCOME AND EXPENSES

In 2011, total non-recurring items represented net income of €18 million before tax, breaking down as follows:

(in million of euros)	2010	2011
Non-recurring income and expenses on revenue transactions	(5)	-
Gains (losses) on disposals of intangible assets and property and equipment	5	26
Gains (losses) on disposals and liquidations of investments (1)	14	(245)
Reversals of provisions for contingencies and charges	6	1
Additions to provisions for contingencies and charges (2)	-	(11)
Additions to provisions for current accounts	-	-
Reversals of provisions for current accounts	-	-
Reversals of provisions for shares in subsidiaries and affiliates (3)	24	247
Additions to provisions for excess tax depreciation	(1)	(2)
Reversals of provisions for excess tax depreciation	2	2
NET NON-RECURRING INCOME	**45**	**18**

(1) Mainly capital losses incurred on sales in 2011 of shares in the subsidiaries Groupe Lucien Barrière (€203 million), Accor Hospitality Italia (€12 million) and Lenôtre (€16 million).

(2) Primarily corresponding to additions to provisions for tax risks.

(3) Mainly provision reversals following sales of shares in 2011, including €204 million reversed for Groupe Lucien Barrière, €12 million for Accor Hospitality Italia and €18 million for Lenôtre.

NOTE 24 INCOME TAX

A) Accor SA income tax

Analysis of the tax charge

(in million of euros)	2010	2011
Group relief	33	21
Adjustment to prior-year tax benefit	(6)	-
Corporate income tax, withholding tax and other taxes	(1)	3
TOTAL	**26**	**24**

In 2011, the Company's loss reduced the tax group's standard-rate tax base by €38.9 million.

B) Group relief

In its capacity as head of the French tax group, the Company recorded a tax benefit of €21.2 million in 2011, corresponding to the tax savings arising from Group relief.

C) Tax group

The tax group headed by Accor SA comprises the following 86 subsidiaries

Accor Afrique	Lionest SCI	SIDH
Accor Centres de Contacts Clients (formerly ARS)	Marcq Hotel	SIGEST 1
Accor.com	Mercure International Hôtels	SISP SNC
Accueil Partenaires	Mer et Montagne SNC	SNC Management Hôtels
All seasons (formerly Mercure France-Est)	Newgen Hôtels France SAS	SODETIS
Blagnac SCI	NMP France (formerly DGR Ile de France SNC)	Sofitel Luxury Hôtels France (formerly SHBA)
Chammans Finance	Novobiens	Sogetel La Part Dieu
Cie d'Exploitation Hôtelière de Bagnolet	ORPA SCI	Soluxury HMC SARL
Cie d'Exploitation Hôtelière de Roissy	Paris Clichy (Frantour Berthier)	Soparac
Cie Européenne de Patrimoine Immobilier & Hôtelier	Paris Porte de St Cloud	Sophia Antipolis
Cie Toulonnaise d'Investissement et de Développement	Partal	SPARHE
CIWLT Succursale France	Pradotel	Sté Commerciales des Hôtels Economiques
Datel	Pro Fid (formerly Accentiv')	Sté Comtoise Hôtels Brochets
Devimco	Pullman International Hôtels	Sté de Construction des Hôtels Suite
Domaine de Marlioz	SA des Hôtels de Tradition	Sté de Gestion Hôtels Parisiens (formerly Adagio SNC)
Ecotel	SEH Strasbourg la Vigie	Sté d'Investissement & d'Expansion Touristique
EHS SNC	SEORIM	Sté Française de Participation & d'Investissement Européen
Etap Hotels	SEPHI	Sté Internationale de Participation
Exhotel	SGHPS - Grand Hôtel Poitiers Sud	Sté Internationale de Services Hôtels Economiques
Fimaker	SH 18 Suffren (formerly Centre d'Arras SNC)	Sté Internationale des Hôtels Novotel
Frandom	SH 61 QG (formerly DGR NNE)	Sté Management Intermarques
Frantour SAS	SH Danton Michelet	Sté Participation & d'Investis. de Motels
Gestal	SH de Thalasso Côte Varoise	Sté Participation d'Ile-de-France
GPC Rive Gauche (formerly Sté Hôtel du Gâtinais)	SH Forum	Sté Participation Financières d'Hôtellerie
Hospitel	SH Nouveau Bercy SAS	Sudaix SCI
Hôtel de Porticcio	SH Porte de Sèvres	Thalamer
Hotexco	SH Sablaise	Thermale de France
IBL	SHEMA (formerly Mercure RAM)	Tramarine
Immobilière de Perrache	SHORET	

D) Provision recognized in accordance with Article 312-1 of standard CRC 99-03

In 2011 Accor applied Recommendation 2005-G issued by the French National Accounting Board's Urgent Issues Task Force concerning the conditions applicable for recognizing a provision within a parent company that has set up a tax group.

Under the group relief agreement between Accor SA and its subsidiaries, the tax benefits resulting from the utilization by the tax group of a subsidiary's tax losses revert to the subsidiary if it leaves the tax group.

As required by Article 312-1 of CRC standard 99-03, a provision is recorded for the Company's liability when it is probable that the tax benefit will be transferred as a result of a subsidiary leaving the tax group.

In practice, over the past five years the majority of the companies that have left the tax group have done so as a result of a liquidation or merger not requiring any transfer of tax benefits. There has only been one case where the sale of a subsidiary to a party outside the tax group led to the transfer of a tax benefit.

E) Dividend withholding tax (précompte)

In 2002, Accor launched a legal challenge to its obligation to pay withholding tax on the redistribution of European-source dividends.

Until 2004, French parent companies that received dividends from their French subsidiaries were entitled to a 50% tax credit, which could be set off against the withholding tax payable on redistribution of the dividends. However, no such tax credit was available for European-source dividends.

Accor claimed that the absence of a tax credit on European-source dividends breached European Union rules.

Ruling on a dispute between Accor and the French State, on December 21, 2006 the Versailles Administrative Court ordered the State to refund the précompte withholding tax paid by Accor in the period from 1999 to 2001, for a total of €156 million.

The amount of €156 million was refunded to Accor during the first half of 2007, together with €36.4 million in late payment interest due by the French State.

However, on March 8, 2007, the French State appealed the ruling before the Versailles Administrative Court of Appeal. On May 20, 2008 the Versailles Administrative Court of Appeal ruled in favor of Accor and confirmed the Company's right to the refunded amount.

The French State went on to appeal the ruling before the highest court of appeal and a provision was therefore booked for the amount of the refund and the late payment interest, with the result that the decisions of the Versailles Administrative Court and Administrative Court of Appeal had no net impact on the 2011 accounts.

On February 7, 2007, Accor filed an application instituting proceedings before the Cergy Pontoise Administrative Court to obtain a refund of the €187 million in précompte withholding tax paid in the years 2002 to 2004.

NOTE 25 DEFERRED TAX

Total provision movements for 2011 recorded by subsidiaries that form part of the Accor tax group represented a net non-deductible charge of €119 million, giving rise to a €40 million deferred tax asset calculated at the rate of 33.33% excluding the 3.3% contribution sociale surtax and the 5% special contribution.

NOTE 26 OFF-BALANCE SHEET COMMITMENTS GIVEN AND RECEIVED

Lease commitments

Commitments given by Accor SA to its subsidiaries concerning fixed and variable lease payments were as follows at December 31, 2010 and 2011:

(in million of euros)	Dec. 31, 2010	Dec. 31, 2011
Fixed lease payment commitments given to subsidiaries	2,149	1,979
Variable lease payment commitments given to subsidiaries	1,525	1,705
TOTAL LEASE PAYMENT COMMITMENTS GIVEN	**3,674**	**3,685**

A breakdown of the Company's finance lease commitments is provided in note 19.

Other off-balance sheet commitments

Off-balance sheet commitments given at December 31, 2010 and 2011 break down as follows:

(in million of euros)	Dec. 31, 2010	Dec. 31, 2011
COMMITMENTS GIVEN (LIABILITIES)		
Pledge of BRH shares (1)	26	26
Other purchase commitments	-	-
TOTAL PURCHASE COMMITMENTS	**26**	**26**
Construction performance bonds – Novotel and Ibis (China) (2)	2	2
TOTAL WORKS COMMITMENTS	**2**	**2**
Guarantees given(3)	55	19
Guarantees for confirmed credit lines (4)	155	142
Guarantees for bank borrowings (4)	47	44
Guarantees given to third parties(4)	164	83
Seller's warranties (4)	284	282
TOTAL GUARANTEE COMMITMENTS	**705**	**571**
COMMITMENTS GIVEN IN THE NORMAL COURSE OF BUSINESS	**-**	**-**
TOTAL COMMITMENTS GIVEN	**733**	**599**

(1) Security interests given on assets correspond to pledges and mortgages valued at the acquisition cost of the underlying assets.

In December 2010 the pledge given by Accor Afrique on its interest in BRH (representing €25.74 million) was transferred to Accor SA. This pledge was given for a loan of a similar amount granted to BRH by Mauritius Commercial Bank.

(2) In connection with development in China, Accor has issued performance bonds to the developers of 35 Ibis hotels and 1 Novotel hotel. The related commitments at December 31, 2011 concerned 15 Ibis hotels and amounted to €2.3 million.

(3) This item includes various guarantees given on behalf of direct and indirect subsidiaries either to banks or directly to the subsidiaries' customers. It also includes Accor's commitment to financing the programs carried out by the Accor Corporate Foundation, as the Company gave guarantees worth €4.66 million covering the contributions to the Foundation due by its founding companies. As €3.16 million of these contributions had been paid by December 31, 2011, the Company's residual guarantee commitment amounted to €1.5 million at that date.

(4) Accor has given guarantees for i) borrowings (€44.1 million), ii) confirmed credit lines (€142.3 million) and iii) liabilities of SNC limited partnerships (€281.9 million). It has also issued other bank guarantees representing €19.3 million. Total guarantees given to other third parties came to €83.0 million at December 31, 2011.

(in million of euros)	Dec. 31, 2010	Dec. 31, 2011
COMMITMENTS RECEIVED (ASSETS)		
Non-cancelable commitments received for the purchase of financial assets	-	-
PURCHASE COMMITMENTS RECEIVED	**-**	**-**
Guarantees for confirmed credit lines	-	-
Guarantees received	-	-
Other commitments received	-	-
OTHER FINANCIAL GUARANTEES FOR BORROWINGS	**-**	**-**
TOTAL COMMITMENTS RECEIVED	**-**	**-**

NOTE 27 SUBSEQUENT EVENTS

No events occurred after the balance sheet date that had a material impact on Accor SA.

NOTE 28 MAIN SUBSIDIARIES AND AFFILIATES AT DECEMBER 31, 2011

(in thousands of local currency units)

Subsidiaries and affiliates	Currency	Share capital	Reserves (retained earnings)	Percent interest
A- SUBSIDIARIES AND AFFILIATES WITH A BALANCE SHEET VALUE IN EXCESS OF 1% OF ACCOR'S CAPITAL				
1- Subsidiaries (at least 50%-owned)				
A) FRENCH SUBSIDIARIES				
SPFH 110, avenue de France 75013 Paris	EUR	29,796	(28,666)	100.00%
SH DANTON MICHELET 2, rue de la Mare Neuve 91000 Evry	EUR	16,008	(4,610)	100.00%
IBL 110, avenue de France 75013 Paris	EUR	863,010	(238,059)	100.00%
STÉ DE CONSTRUCTION DES HOTELS SUITES 2, rue de la Mare Neuve 91000 Evry	EUR	29,296	(3,623)	100.00%
SIET 2, rue de la Mare Neuve 91000 Evry	EUR	16,914	(2,909)	100.00%
SOLUXURY HMC 2, rue de la Mare Neuve 91000 Evry	EUR	10,226	5,393	100.00%
THE NEWGEN HOTELS France 2, rue de la Mare Neuve 91000 Evry	EUR	5,369	5,717	100.00%
CHAMMANS 110, avenue de France 75013 Paris	EUR	102,048	10,527	100.00%
SGHP 2, rue de la Mare Neuve 91000 Evry	EUR	5,298	251	100.00%
PROFID 2, rue de la Mare Neuve 91000 Evry	EUR	3,500	12,760	100.00%
SNC SH 61 QG 2, rue de la Mare Neuve 91000 Evry	EUR	10,038	(9,233)	100.00%
FRANTOUR 2, rue de la Mare Neuve 91000 Evry	EUR	30,493	12,030	99.99%
SEPHI 6-8, rue du Bois Briard 91000 Evry [3]	EUR	8,000	35,238	99.99%
SFPIE 110, avenue de France 75013 Paris	EUR	15,129	2,071	99.99%
SOFITEL LUXURY HOTELS France 2, rue de la Mare Neuve 91000 Evry	EUR	2,550	(4,339)	99.99%
LA THERMALE DE FRANCE 2, rue de la Mare Neuve 91000 Evry	EUR	2,405	(23,626)	99.99%
P.I.H. 2, rue de la Mare Neuve 91000 Evry	EUR	32,236	34,162	99.99%
HOTEXCO 6-8, rue du Bois Briard 91000 Evry	EUR	39,071	84,625	99.99%
FIMAKER 6-8, rue du Bois Briard 91000 Evry	EUR	1,103	1,943	99.99%
SPARHE 2, rue de la Mare Neuve 91000 Evry	EUR	9,000	3,170	99.99%
SNC SH 18 Suffren 110 avenue de France 77013 Paris	EUR	11,175	(13,801)	99.99%
ACCOR.COM 2, rue de la Mare Neuve 91000 Evry	EUR	702	1,069	99.98%
CTID 2, rue de la Mare Neuve 91000 Evry	EUR	3,481	488	99.98%
CEPIH 110, avenue de France 75013 Paris	EUR	688	1,297	99.98%
STÉ DES HOTELS DE TRADITION 2, rue de la Mare Neuve 91000 Evry	EUR	13,366	(905)	99.97%
SISHE 6-8, rue du Bois Briard 91000 Evry	EUR	10,039	(51)	99.50%
SCHE 6-8, rue du Bois Briard 91000 Evry	EUR	44,570	47,796	99.09%
ACCOR AFRIQUE 2, rue de la Mare Neuve 91000 Evry (unaudited)	EUR	29,709	6,650	97.22%
ROISSY ORLEANS 6-8, rue du Bois Briard 91000 Evry	EUR	2,250	403	97.00%

(in thousands of euros)

Carrying amount of shares							
Cost	Net	Outstanding loans and advances	Guarantees given	Last published net revenue	Last published net profit (loss)	Dividends received by the Company during the year	2011 average exchange rate
29,796	901	47	11,843	-	104	-	
34,623	13,300	119	-	55,556	(18)	-	
1,051,705	612,745	-	-	-	(116,814)	-	
33,887	30,780	89	-	11,981	(6,934)	-	
119,973	3,901	-	-	-	210	-	
10,226	10,226	47	20	47,536	3,942	-	
43,000	3,000	-	-	2,841	589	-	
108,151	108,151	31,693	-	-	5,461	-	
14,500	5,222	-	-	14,848	1 989	-	
13,903	13,364	1	-	78,071	12,409	15,323	
10,038	5,319	676	2	44,611	(3,152)	-	
104,366	67,627	-	-	5,001	674	5,336	
40,399	40,399	46	10	111,421	12,700	3,000	
24,640	24,640	-	-	-	278	-	
14,885	-	1,066	10	63,534	(3,036)	-	
10,048	-	20,953	-	-	(568)	-	
29,263	29,263	-	-	-	3,040	6,044	
12,469	12,469	11	90	115,912	9,200	17,093	
7,240	2,960	-	-	3,405	849	-	
12,845	12,845	-	-	13,748	1,499	2,100	
13,662	-	91	10	27,576	(193)	-	
69,980	1,005	-	-	-	19	-	
7,331	3,800	-	-	573	174	-	
11,799	5,892	-	-	306	134	4,299	
13,065	-	8,566	-	5,214	(212)	-	
9,984	9,951	345	-	398	2	-	
65,382	65,382	22	21	137,277	(188)	4,969	
76,681	43,975	19,768	-	12,682	(1,211)	-	
9,227	4,627	1,294	-	282	19,435	13,284	

(in thousands of local currency units)

Subsidiaries and affiliates	Currency	Share capital	Reserves (retained earnings)	Percent interest
MARCQ HOTEL 2, rue de la Mare Neuve 91000 Evry	EUR	6,789	5,224	96.91%
S.I.H.N. 2, rue de la Mare Neuve 91000 Evry	EUR	17,358	70,832	95.70%
PRADOTEL 6-8, rue du Bois Briard 91000 Evry	EUR	789	18,393	90.67%
MERCURE INTERNATIONAL HOTELS 2, rue de la Mare Neuve 91000 Evry	EUR	60,707	108,135	73.93%
ROISSY ORLEANS 6-8, rue du Bois Briard 91000 Evry	EUR	2,250	403	97.00%
SEORIM 2, rue de la Mare Neuve 91000 Evry	EUR	31,359	1,233	70.94%
SHTC 84, allée Jean Jaurès 31000 Toulouse	EUR	195	3,041	51.44%
B) FOREIGN SUBSIDIARIES				
ACCOR SUISSE SA (Switzerland)	CHF	14,300	20,289	100.00%
SH ATHENES CENTRE (Greece)	EUR	2,933	(1,004)	100.00%
STÉ D'EXPL.HOTEK POLSKA (Poland)	PLN	173,038	43,471	100.00%
KATERINSKA HOTEL (Czech Republic) (3)	CZK	300,000	585,147	100.00%
ACCOR UK LTD (United Kingdom) (3)	GBP	32,530	51,730	100.00%
ACCOR HOTEL BELGIUM (Belgium)	EUR	1,062,222	56,568	100.00%
ACCOR HOSPITALITY GERMANY GMBH (Germany) (3)	EUR	48,750	288,113	100.00%
SOGEDETU (Dominican Republic) (3)	DOP	479,724	(117,534)	100.00%
BELLE RIVIÈRE HOTEL (BRH) (Mauritius)	MUR	1,050,000	(408,334)	100.00%
ACCOR CHILE (Chile)	CLP	7,779	303	100.00%
STÉ IMMOBILIARIA HOT. DE MEXICO (Mexico)	MXN	251,878	(65,700)	100.00%
ACCOR AUSTRIA (Austria)	EUR	5,542	5,118	100.00%
ACCOR PARTICIPAZIONI Italia (Italy) (3)	EUR	1,232	5,472	100.00%
ACCOR CANADA INC (Canada)	CAD	46,999	16,600	99.99%
COMPAGNIE DES WAGONS LITS (Belgium)	EUR	50,676	327,819	99.77%
ACCOR HOSPITALITY ARGENTINA (Argentina)	ARS	7,864	119,895	95.00%
SOGECOL LTDA (Colombia)	COP	4,584,648	15,712,116	91.20%
SHERATON GEZIRAH CAIRO (Egypt)	USD	20,817	9,476	65.01%
HOLPA (Luxembourg)	EUR	53,245	(22,941)	63.55%
ACCOR LODGING NORTH AMERICA (United States)	USD	1,912,599	257,964	62.12%
ACCOR HOSPITALITY NEDERLAND (Netherlands)	EUR	6,930	135,728	58.09%

(in thousands of euros)

Carrying amount of shares: Cost	Carrying amount of shares: Net	Outstanding loans and advances	Guarantees given	Last published net revenue	Last published net profit (loss)	Dividends received by the Company during the year	2011 average exchange rate
9,392	5,993	-	-	3,678	1,395	658	
80,117	76,973	-	-	11,813	2,180	1,661	
7,357	7,357	4	10	22,150	2,467	2,235	
103,677	103,677	-	40	62,146	11,932	9,677	
9,227	4,627	1,294	-	282	19,435	13,284	
22,164	22,164	-	-	-	(716)	-	
7,984	4,041	35	-	10,007	14	-	
25,907	25,907	-	-	-	10,821	9,059	1.23500
10,362	-	5	2,172	3,672	(1,020)	-	1.00000
60,481	60,481	2	-	19,529	9,710	-	4.11730
9,125	9,125	22,540	-	21,167	121	-	25.58100
92,790	92,790	-	-	-	215	79,961	0.86820
1,002,299	1,002,299	-	-	120,515	21,361	-	1.00000
537,919	507,409	7,219	5,114	815,322	38,149	-	1.00000
20,855	3,390	-	-	5,195	(61)	-	52.87100
25,735	25,735	4,779	-	1,819	(7,143)	-	39.91900
10,498	10,498	-	-	10	0	-	672.86000
28,707	8,533	-	-	14,072	(2,084)	-	17.29050
21,573	21,573	-	-	6,141	2,023	5,000	1.00000
47,763	-	65,068	11,302	-	5,225	788,330	1.00000
12,021	12,021	5,900	-	30,566	1,947	-	1.37580
1,150,649	412,498	-	-	-	49,660	-	1.00000
20,474	20,474	2,708	-	18,408	1,338	621	5.74740
8,411	7,361	-	-	1,462	20	-	2,570.14000
35,879	35,686	-	-	5,141	2,837	2,712	1.39240
44,585	22,261	-	-	-	(13,679)	-	1.00000
1,102,357	592,164	-	-	-	(442)	-	1.39240
17,746	17,746	-	-	191,147	13,645	-	1.00000

Subsidiaries and affiliates	Currency	Share capital	Reserves (retained earnings)	Percent interest
		(in thousands of local currency units)		
2-Affiliates (10 to 50%-owned)				
A) FRENCH AFFILIATES				
SHPS 8/12 rue Louis Armand 75015 Paris	EUR	48,909	(1,753)	40.89%
WBA SAINT HONORE 15, rue Boissy d'Anglas 75008 Paris	EUR	15,930	7,505	28.61%
B) FOREIGN AFFILIATES				
AMORIM HOTELS SERVICOS (Portugal) (3)	EUR	14,300	12,813	50.00%
ORBIS (Poland)	PLN	517,754	1,340,902	46.55%
RISMA (Morocco)	MAD	782,368	379,062	31.56%
PROGETTO VENEZIA (Italy) (1)	EUR	20,750	(10,243)	20.00%
AAPC (Australia) – unaudited	AUD	522,382	(374,076)	18.10%
ACCOR HOTELES ESPANA (Spain) (3)	EUR	126,398	(75,046)	16.40%
CIE ITALIENNE DE TOURISME HOLDING SPA (Italy) (2)	EUR	26,367	(78,730)	10.00%
B- OTHER INVESTMENTS IN COMPANIES WITH A BALANCE SHEET VALUE OF LESS THAN 1% OF ACCOR'S CAPITAL				
1-Subsidiaries (at least 10%-owned)				
A) FRENCH SUBSIDIARIES (AGGREGATE)				
B) FOREIGN SUBSIDIARIES (AGGREGATE)				
2- Other investments (less than 10%-owned)				
A) FRENCH COMPANIES (AGGREGATE)				
B) FOREIGN COMPANIES (AGGREGATE)				
TOTAL (NOTE 28)				

(1) Balance sheet at December 31, 2004.
(2) Balance sheet at June 30, 2005.
(3) Provisional or unaudited balance sheet.

(in thousands of euros)

Carrying amount of shares – Cost	Carrying amount of shares – Net	Outstanding loans and advances	Guarantees given	Last published net revenue	Last published net profit (loss)	Dividends received by the Company during the year	2011 average exchange rate
20,000	20,000	-	-	46,157	552	-	
13,673	13,673	-	-	20,557	2,168	-	
7,145	7,145	44,997	-	-	(584)	-	1.00000
200,982	200,982	-	-	131,316	30,772	-	4.11730
41,574	37,574	10,323	-	32,362	656	-	11.26140
8,568	-	-	-	1,094	(8,622)	-	1.00000
66,758	66,758	-	-	17,074	(3,776)	-	1.34830
30,240	-	29,999	-	119,556	(41,576)	400	1.00000
8,985	-	-	-	3,125	(5,911)	-	1.00000
106,392	**50,138**	**55,512**	**6,447**			**24,205**	
38,980	**23,747**	**70,965**	**18,980**			**1,459**	
2,619	**1,704**	**1,392**	**27**			**250**	
4,223	**4,045**	**219**	**-**			**179**	
7,070,034	**4,665,666**	**406,501**	**56,098**			**997,855**	

FIVE-YEAR FINANCIAL SUMMARY

(in million of euros)	2007	2008	2009	2010	2011
1-CAPITAL AT YEAR-END					
Share capital	690	660	676	680	682
Number of shares in issue	229,917,794	219,894,523	225,458,199	226,793,949	227,251,446
Number of convertible bonds in issue	-	-	-	-	-
2- RESULTS OF OPERATIONS					
Net revenues	638	645	677	721	725
Profit before tax, depreciation, amortization and provisions	876	500	426	649	751
Income tax	(65)	(51)	(50)	(26)	(24)
Net profit (loss)	805	482	(302)	173	771
Dividends	724	363	237	141	261 (1)
3- PER SHARE DATA (in euros)					
Earnings per share after tax, before depreciation, amortization and provisions	4.09	2.51	2.11	2.98	3.41
Earnings (loss) per share	3.50	2.19	(1.34)	0.76	3.39
Dividend per share (before tax credit/allowance)	3.15	1.65	1.05	0.62	1.15 (1)
4- EMPLOYEES					
Number of employees	1,176	1,263	1,174	1,066	1,042 (2)
Total payroll and employee benefits	129	138	154	138	130

(1) Recommended dividend proposed at the Annual Shareholders' Meeting of May 10, 2012 based on 227,251,446 shares.

(2) Number of employees on the Accor SA payroll at December 31, 2011.

5

CAPITAL AND OWNERSHIP STRUCTURE

5.1. INFORMATION ABOUT THE COMPANY

Company name

Accor

Registered office

110, avenue de France, 75013 Paris, France.

Legal form

Joint stock company (société anonyme) governed by the applicable French laws and regulations, including Articles L.225-17 to L.225-56 of the French Commercial Code.

Governing law

The laws and regulations of France.

Term

The Company was incorporated on April 22, 1960 and will be dissolved on April 22, 2059 unless it is wound up in advance or its term is extended.

Corporate purpose

(Article 3 of the Bylaws)

The Company's corporate purpose is to engage in the following activities, in France and other countries, for its own account, on behalf of third parties, or jointly with third parties:

- the ownership, financing and management, directly, indirectly, or under specified mandates, of hotels, restaurants and bars of any nature or category and, more generally, any establishment related to lodging, food, tourism, leisure, and services;
- the economic, financial, and technical review of projects and, generally, all services related to the development, organization and management of the above-mentioned establishments, including all actions related to their construction or the provision of any related consulting services;
- the review and provision of services intended to facilitate the supply of meals to employees in companies, institutions and other organizations;
- the creation of any new company and the acquisition of interests by any method in any company operating in any business;
- all civil, commercial, industrial and financial transactions, involving both securities and property, related to the purposes of the Company and all similar or related purposes.

Trade register

The Company is registered in Paris under number 602 036 444.

Business Identification (APE) Code: 7010Z.

Documents on display

Corporate documents, including the Bylaws, balance sheets, income statements, Board of Directors' reports, Auditors' Reports and the annual accounts ledger, may be inspected at the Company's registered office.

Fiscal year

The Company's fiscal year begins on January 1 and ends on December 31.

Profit available for distribution

(Article 27 of the Bylaws)

Profit available for distribution consists of net profit for the year, less any losses brought forward from prior years and any amounts to be credited to reserves pursuant to the law, plus any unappropriated retained earnings brought forward from prior years.

After approving the accounts for the year, the Annual Meeting may decide to appropriate all or part of the profit available for distribution, if any, to the payment of a dividend. In the event of partial distribution, the Annual Meeting may decide to appropriate the remaining profit to one or more reserve accounts. Alternatively, the Annual Meeting may decide to appropriate all of the profit available for distribution to said reserve accounts.

Shareholders' Meetings

Notice of Shareholders' Meetings

(Article 24 of the Bylaws)

Shareholders' Meetings shall be called as provided for by law. The meetings shall take place at the Company's registered office or at any other venue specified in the notice of meeting.

Attendance and representation

(Article 24 of the Bylaws)

In accordance with applicable laws and regulations, all shareholders are entitled to attend or be represented at Shareholders' Meetings, regardless of the number of shares they hold, provided they can present legally sufficient evidence that the shares are registered in their name in the Company's share register (registered shares) or recorded in a share account in their name administered by an accredited financial intermediary (bearer shares), in compliance with paragraph 7 of Article L.228-1 of the French Commercial Code, at least three business days prior to midnight CET on the date of the meeting.

In the case of bearer shares, such evidence shall take the form of a statement of share ownership (attestation de participation) issued by the accredited financial intermediary in accordance with the law.

Organization of Shareholders' Meetings

(Article 25 of the Bylaws)

All shareholders have the right to attend or be represented at Shareholders' Meetings, within the conditions set by law. They may vote by post in accordance with Article L.225-107 of the French Commercial Code. The proxy/postal voting form may be sent to the Company or to the Company's registrar in paper form or, by decision of the Board of Directors published in the notice of meeting, by electronic mail in accordance with the applicable laws and regulations.

In addition, if decided by the Board of Directors when the meeting is called, shareholders who participate in the meeting by videoconference or by any electronic means enabling their identification, on the basis and by the method stipulated in the applicable laws and regulations, will be considered as being physically present for the calculation of the quorum and voting majority.

To cast a vote or execute a proxy by electronic means, shareholders or their duly authorized representative or attorney must either:

- provide a secure electronic signature fulfilling the requirements of the applicable laws and regulations; or
- enter a unique username and password on the Company's website, if such a website exists, in accordance with the applicable laws and regulations. This type of electronic signature shall be considered a reliable mechanism for identifying shareholders and their votes, in compliance with the first sentence of paragraph 2 of Article 1316-4 of the French Civil Code.

Meetings are chaired by the Chairman of the Board of Directors or, in his or her absence, by a director designated by the Board. Otherwise, the meeting elects its own Chairman.

The function of Scrutineer of the meeting is fulfilled by the two shareholders present at the meeting who represent the largest number of voting rights and who consent to take on the role. The Bureau thus formed names a Secretary, who may or may not be a shareholder.

An attendance register is kept, pursuant to the law.

Copies or excerpts of the meeting minutes may be certified by the Chairman of the Board of Directors, the Chairman of the meeting, or the meeting Secretary.

Ordinary and Extraordinary Shareholders' Meetings fulfilling the relevant quorum and majority voting requirements exercise the powers vested in them by law.

Double voting rights

(Article 25 of the Bylaws)

All fully paid shares registered in the name of the same holder for at least two years carry double voting rights.

In the event of a capital increase through the capitalization of retained earnings, profits or additional paid-in capital, the resulting bonus shares distributed in respect of registered shares carrying double voting rights will similarly carry double voting rights.

Registered shares converted into bearer shares or sold to a different holder lose their double voting rights. However, transfers through inheritance, liquidation of marital assets, inter vivos transfers to a spouse or to a relative in the ascending or descending line do not result in the loss of double voting rights or a break in the qualifying period. The merger of the Company has no impact on double voting rights, provided that the Bylaws of the surviving company allow for their exercise.

When shares are held by beneficial and non-beneficial owners, voting rights in Ordinary and Extraordinary Shareholders' Meetings are exercised by the beneficial owner.

Disclosure thresholds

(Article 9 of the Bylaws)

Any shareholder, acting alone or in concert with other shareholders within the meaning of Article L.233-10 of the French Commercial Code, that directly or indirectly acquires an interest, or raises its interest, in the capital or voting rights of the Company, including any equivalent shares or voting rights as defined in Article L.223-9-1 of the Commercial Code, to above or below any statutory disclosure threshold is required to disclose its interest to the Company. In the case of failure to make such disclosure, the sanctions provided for by law will apply.

In addition, any shareholder that acquires or raises its interest to 1% of the capital or voting rights is required to disclose its interest to the Company by registered letter with return receipt requested sent to the head office, within five trading days of the transaction date or the signature of any agreement resulting in the disclosure threshold being crossed, whatever the date on which the shares are recorded in the holder's account. The notification must include details of the total number of shares and/or share equivalents held and the number of voting rights held as provided for above.

Above said 1% threshold, the same disclosure rules as defined above will apply to any increase in a shareholder's interest by any multiple of 0.5% of the capital or voting rights and to any reduction in a shareholder's interest by any multiple of 1% of the capital or voting rights.

For the application of the above paragraphs, the shares or voting rights referred to in paragraphs 1 to 8 of Article L.233-9-1 of the French Commercial Code are considered as being equivalent to the shares or voting rights held by the shareholder.

Restrictions on voting rights

(Article 9 of the Bylaws)

In the case of failure to comply with the applicable disclosure rules, at the request of one or several shareholders representing at least 3% of the Company's capital or voting rights, as duly recorded in the minutes of the Shareholders' Meeting, the undisclosed shares will be stripped of voting rights at all Shareholders' Meetings held in the two years following the date when the omission is remedied.

Notification of intentions

(Article 9 of the Bylaws)

Any shareholder that acquires or raises its interest to more than one-twentieth, three-twentieths or one quarter of the capital or voting rights is required to notify the Company of its intentions over the following twelve months.

At the end of each successive twelve-month period, any shareholder that continues to hold a number of shares or voting rights in excess of the above fractions will be required to notify the Company of its intentions for the following twelve months.

In particular, the shareholder must inform the Company of whether it is acting alone or in concert with other shareholders, whether or not it plans to purchase additional shares, and whether or not it intends to acquire control of the Company or to request its election or the election of one or several candidates of its choice as directors of the Company. The Company will have the right to inform the public and shareholders of the said shareholder's disclosed intentions, or of the shareholder's failure to comply with this requirement.

For the application of the above paragraphs, the shares or voting rights referred to in paragraphs 1 to 8 of Article L.233-9-1 of the French Commercial Code are considered as being equivalent to the shares or voting rights held by the shareholder.

5.2. SHARE CAPITAL

5.2.1. SHARE CAPITAL

At December 31, 2011, the Company's share capital amounted to €681,754,338, divided into 227,251,446 common shares with a par value of €3.00, all fully paid-up and all in the same class.

Shares may be held in either registered or bearer form.

The Company avails itself of legal procedures to identify its shareholders.

Shares are freely transferable within legal and regulatory limits.

The transfer of shares, regardless of price or terms, is made by account transfer, pursuant to regulations in force.

5.2.2. SHARE BUYBACK PROGRAM

Authorization granted by the Annual Meeting of May 30, 2011

The Annual Meeting of May 30, 2011 authorized the Board of Directors to trade in the Company's shares on the stock market. The authorization was given for a period of 18 months and supersedes all previous authorizations.

The maximum purchase price under this authorization is €50 and the minimum sale price is €20.

The number of shares acquired under the authorization may not exceed 22,000,000, or 9.69% of the share capital at May 30, 2011.

The authorization may be used to purchase, sell or transfer shares for the following purposes:

- for cancellation, in connection with a capital reduction decided or authorized by the Company's shareholders in an Extraordinary Meeting;
- for allocation upon exercise of stock options granted under plans governed by Articles L.225-177 et seq. of the French Commercial Code, or to members of an employee stock ownership plan governed by Articles L.443-1 et seq. of the Labor Code or to recipients of stock grants made under plans governed by Articles L.225-197-1 et seq. of the Commercial Code;
- for allocation on the conversion, redemption, exchange or exercise of share equivalents;
- to be held in treasury for subsequent remittance in exchange or payment in connection with external growth transactions, a merger, demerger or asset contribution within a limit of 5% of the Company's capital;
- to make a market in the Company's shares under a liquidity contract that complies with the code of ethics recognized by the Autorité des Marchés Financiers.

Implementation of the share buyback program in 2011

The authorization granted by shareholders on May 30, 2011 was not used by the Board of Directors during the year, and at year-end, Accor did not hold any shares in treasury.

5.2.3. FINANCIAL AUTHORIZATIONS

Shareholders have granted the Board of Directors the following authorizations.

Type of authorization	Date of authorization	Nominal amount authorized	Term and expiration date	Utilization in 2011
Corporate action				
Reduction of capital by canceling treasury stock	Annual Meeting of May 30, 2011 15th resolution	10% of the share capital	18 months December 30, 2012	
Issuance of shares and share equivalents:	Annual Meeting of May 30, 2011 16th to 20th resolutions		26 months July 30, 2013	
◗ With pre-emptive subscription rights		€300 million		
◗ By public offering without pre-emptive subscription rights		€160 million with priority subscription rights		
◗ By public offering without pre-emptive subscription rights		€100 million without priority subscription rights		
◗ By restricted offering without pre-emptive subscription rights		€100 million		
◗ In connection with a stock-for-stock offer		€160 million with priority subscription rights €100 million without priority subscription rights		
◗ In payment for contributed assets		10% of the share capital		
◗ To increase the amount of any issues that are oversubscribed		15% of the initial issue (or according to legislation prevailing on the issue date)		
Issuance of new shares by capitalizing reserves, retained earnings or additional paid-in capital	Annual Meeting of May 30, 2011 21st resolution	€300 million	26 months July 30, 2013	
Blanket ceiling on the authorizations to issue shares and/or other securities (par value)	Annual Meeting of May 30, 2011 22nd resolution			
◗ Without pre-emptive subscription rights 17th to 20th resolutions		€135 million		
◗ With or without pre-emptive subscription rights 16th to 21st resolutions		€340 million		
Employee share issue	Annual Meeting of May 30, 2011 23rd resolution	2% of the share capital at May 30, 2011	26 months July 30, 2013	
Stock option plans				
Stock option plans for employees and executive directors	Annual Meeting of May 13, 2008 13th resolution	2.5% of the share capital at May 13, 2008	38 months May 30, 2011	621,754 stock options and 53,125 performance stock options granted on April 4, 2011
	Annual Meeting of May 30, 2011 24th resolution	2.5% of the share capital at May 30, 2011	38 months July 30, 2014	
Stock grants without consideration	Annual Meeting of May 13, 2008 15th resolution	0.5% of the share capital at May 13, 2008	38 months May 30, 2011	249,107 shares granted on April 4, 2011
	Annual Meeting of May 30, 2011 25th resolution	0.5% of the share capital at May 30, 2011	38 months July 30, 2014	

5.2.4. EMPLOYEE STOCK OWNERSHIP

The first employee share issue, open to participants in the "Accor en Actions" Corporate Savings Plan, was carried out in France in 1999, with 7,900 employees purchasing shares.

In 2000, Accor launched its first international employee share issue in 23 countries, demonstrating its commitment to offering a significant number of employees worldwide the opportunity to become Accor shareholders by tailoring the plan rules to comply with legal and tax restrictions in each country. A total of 16,000 people participated in the offer.

International employee share issues were again carried out in 2002, with more than 12,600 employees participating in 25 host countries, and in 2004, with 9,100 employees participating in some twenty countries.

In 2007, for the first time, a leveraged employee share ownership plan was offered, with 8,736 employees purchasing shares in the 26 countries where such plans are permitted by local legislation.

Under the plan, the partner bank provided financing to enable participating employees to acquire nine additional shares for every Accor share purchased. Following the five-year ban on resale, the employees will recover not only all of their original investment, but also all of the average capital gain on both the shares purchased directly and the additional shares financed by the bank.

At December 31, 2010, 1.08% of the Company's capital was held by 19,242 employees through employee stock ownership plans.

At December 31, 2011, 0.97% of the Company's capital was held by 17,488 employees through employee stock ownership plans.

5.2.5. SECURITIES NOT CARRYING RIGHTS TO A SHARE IN THE CAPITAL

None. There are no other share equivalents outstanding.

5.2.6. CHANGES IN CAPITAL

Year	Changes in capital over the past five years	Increase/(decrease) in capital (in euros) Share capital	Additional paid-in capital	New capital (in euros)	New shares outstanding
2007	Exercise of stock options at €31.83	179,130	1,721,439	637,408,353	212,469,451
	Exercise of stock options at €32.42	2,100	20,594	637,410,453	212,470,151
	Exercise of stock options at €33.95	48,054	495,757	637,458,507	212,486,169
	Exercise of stock options at €35.68	817,524	8,905,561	638,276,031	212,758,677
	Exercise of stock options at €37.00	353,247	4,003,466	638,629,278	212,876,426
	Exercise of stock options at €37.77	2,228,310	25,826,113	640,857,588	213,619,196
	Exercise of stock options at €40.58	817,335	10,238,483	641,674,923	213,891,641
	Exercise of stock options at €49.10	3,900	59,930	641,678,823	213,892,941
	Exercise of stock savings warrants at €39.10	44,997	541,464	641,723,820	213,907,940
	Exercise of stock savings warrants at €43.40	1,245,429	16,771,777	642,969,249	214,323,083
	Exercise of stock savings warrants at €33.94	9,276	95,666	642,978,525	214,326,175
	Conversion of 1.75% 2003 Oceane bonds	7,842,315	97,375,411	650,820,840	216,940,280
	Conversion of 2005 equity notes taken up by Colony	38,119,194	461,880,306	688,940,034	229,646,678
	Conversion of 2005 convertible bonds taken up by Colony	35,270,910	464,728,790	724,210,944	241,403,648
	Employee share issue at €56.23	2,311,587	41,018,136	726,522,531	242,174,177
	Cancellation of shares	(36,769,149)	(762,371,319)	689,753,382	229,917,794
2008	Exercise of stock options at €31.83	2,220	21,334	689,755,602	229,918,534
	Exercise of stock options at €32.42	7,800	76,492	689,763,402	229,921,134
	Exercise of stock options at €35.68	92,193	1,004,289	689,855,595	229,951,865
	Exercise of stock options at €37.00	419,457	4,753,846	690,275,052	230,091,684
	Exercise of stock options at €37.77	80,535	933,401	690,355,587	230,118,529
	Exercise of stock savings warrants at €39.10	2,082	25,053	690,357,669	230,119,223
	Exercise of stock savings warrants at €43.40	4,860	65,448	690,362,529	230,120,843
	Exercise of stock savings warrants at €33.94	4,587	47,307	690,367,116	230,122,372
	Cancellation of shares	(30,683,547)	(509,196,503)	659,683,569	219,894,523
2009	Exercise of stock options at €31.83	900	8,649	659,684,469	219,894,823
	Exercise of stock options at €32.42	84,852	832,115	659,769,321	219,923,107
	Exercise of stock options at €35.68	20,700	225,492	659,790,021	219,930,007
	Exercise of stock options at €37.77	477,186	5,530,586	660,267,207	220,089,069
	Exercise of stock savings warrants at €39.10	32,409	389,988	660,299,616	220,099,872
	Vested performance shares	149,412	-	660,449,028	220,149,676
	Dividend reinvestment at €30.54	15,925,569	146,196,723	676,374,597	225,458,199

Year	Changes in capital over the past five years	Increase/(decrease) in capital (in euros) Share capital	Additional paid-in capital	New capital (in euros)	New shares outstanding
	Exercise of stock options at €21.11	234,825	1,417,560	676,609,422	225,536,474
	Exercise of stock options at €21.50	922,257	5,687,252	677,531,679	225,843,893
	Exercise of stock options at €23.66	1,530,156	10,537,674	679,061,835	226,353,945
	Exercise of stock options at €30.60	14,931	137,365	679,076,766	226,358,922
	Exercise of stock options at €31.83	1,950	18,740	679,078,716	226,359,572
	Exercise of stock options at €32.42	926,250	9,083,425	680,004,966	226,668,322
	Exercise of stock options at €32.56	5,430	53,504	680,010,396	226,670,132
	Exercise of stock options at €35.68	311,745	3,395,942	680,322,141	226,774,047
	Exercise of stock options at €37.77	41,850	485,041	680,363,991	226,787,997
	Exercise of stock savings warrants at €22.51	37,560	244,265	680,401,551	226,800,517
	Exercise of stock savings warrants at €33.94	5,712	58,910	680,407,263	226,802,421
	Vested performance shares	78,498	-	680,485,761	226,828,587
	Issue of 1,985,428 new shares as consideration for SEIH shares	5,956,284	68,901,754	686,442,045	228,814,015
	Distribution of Edenred shares to shareholders, as part of the demerger	-	(1,099,185,386)	680,485,761	228,814,015
2010	Cancellation of shares	(6,060,198)	(68,717,522)	680,381,847	226,793,949
	Exercise of stock options at €18.20	9,048	45,843	680,390,895	226,796,965
	Exercise of stock options at €21.50	596,580	3,678,910	680,987,475	226,995,825
	Exercise of stock options at €23.66	420,447	2,895,478	681,407,922	227,135,974
	Exercise of stock options at €30.60	13,572	124,862	681,421,494	227,140,498
	Exercise of stock savings warrants at €22.51	8,775	57,067	681,430,269	227,143,423
2011	Vested performance shares	324,069	-	681,754,338	227,251,446

N.B.: There are no options outstanding to purchasing existing shares of the Company. All options granted are to purchase new shares.

5.3. OWNERSHIP STRUCTURE

5.3.1. CAPITAL AND VOTING RIGHTS STRUCTURE

At December 31, 2011, the Company's capital consisted of 227,251,446 shares, representing a total of 261,671,759 voting rights, all of which were exercisable. There are 34,420,313 double voting rights outstanding.

The Company had 4,131 registered shareholders at December 31, 2011, representing 28.54% of the capital and 37.94% of total voting rights.

Shareholders at December 31, 2011

	Number of shares	Number of voting rights	% capital	% voting rights
ColTime/ColDay/Legendre Holding 19 (1)	61,844,245	85,255,536	27.21%	32.58%
Founders	6,222,631	9,495,780	2.74%	3.63%
Others	6,123	11,246	0.00%	0.00%
Board members and Founders	**68,072,999**	**94,762,562**	**29.95%**	**36.21%**
Other shareholders	159,178,447	166,909,197	70.05%	63.79%
TOTAL AT DECEMBER 31, 2011	**227,251,446**	**261,671,759**	**100.00%**	**100.00%**

(1) Shareholdersacting in concert at 31 December 2011: ColTime (Colony Capital, LLC), which owns 13,276,085 shares and voting rights, ColDay (Colony Capital, LLC), which owns 25,506,869 shares and 25,856,869 voting rights, and Legendre Holding 19 (controlled by Eurazeo), which owns 23,061,291 shares and 46,122,582 voting rights.

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, through the exit of ColTime in Accor.

At December 31, 2011, 17,488 employees held 2,546,694 shares (1.12% of total capital) and 3,880,001 voting rights (1.48% of the total) under employee stock ownership plans.

During the year, the following registered intermediaries or fund managers notified the *Autorité des Marchés Financiers* of changes in their interests, in accordance with disclosure threshold rules:

Registered intermediary or fund manager	Disclosure date	AMF reference number	Increase or decrease in interest	Number of shares	% capital	Number of voting rights	% voting rights
Southeastern Asset Management	March 15, 2011	211C0317	↘	11,173,202	4.92%	11,184,899	4.30%

Changes in ownership structure over the past three years

	December 31, 2009			December 31, 2010			December 31, 2011		
	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
ColTime/ColDay/ Legendre Holding 19	65,844,245	29.20%	27.56%	61,844,245	27.27%	32.71%	61,844,245	27.21%	32.58%
Groupe Caisse des Dépôts et Consignations	2,884,974	1.28%	1.21%	N/A	N/A	N/A	N/A	N/A	N/A
Fond Stratégique d'Investissement	16,664,265	7.39%	6.97%	N/A	N/A	N/A	N/A	N/A	N/A
Founders	6,074,184	2.70%	4.90%	4,516,369	1.99%	2.98%	6,222,631	2.74%	3.63%
Other shareholders	133,990,531	59.43%	59.36%	160,433,335	70.74%	64.31%	159,184,570	70.05%	63.79%
TOTAL	**225,458,199**	**100.00%**	**100.00%**	**226,793,949**	**100.00%**	**100.00%**	**227,251,446**	**100.00%**	**100.00%**

Sources: Accor share register, disclosures made to the Autorité des Marchés Financiers and the Company.

There were no shares held in treasury as of December 31, 2011.

A Euroclear France survey of financial institutions holding at least 200,000 shares and of shareholders holding at least 250 shares at December 31, 2011 identified 11,652 shareholders owning an aggregate 68.14% of the Company's capital, representing 59.18% of total voting rights.

Analysis by shareholder category at December 31, 2011	% capital	% voting rights
Private shareholders	2.85%	2.47%
Institutional investors	65.29%	56.71%
French institutions	18.98%	16.48%
Foreign institutions	46.31%	40.23%
Unidentified in the Euroclear survey	31.86%	40.82%
TOTAL	**100.00%**	**100.00%**

Source: Euroclear France.

Shareholders' agreements relating to the shares making up the Company's capital

Apart from the shareholders' pact described below, the Company is not aware of any other shareholders' agreements relating to the shares making up its capital.

On May 4, 2008, a memorandum of understanding was signed by Colony Capital (represented by ColTime [(1)] and ColDay [(2)] and Eurazeo (represented by Legendre Holding 19 [(3)], acting in concert in accordance with the memorandum of understanding regarding their investment in Accor, which they had signed on January 27, 2008.

On December 18, 2009, an amendment to the memorandum was signed following the Accor Board of Directors' approval of the potential benefits of demerging the Group's Hotels and Prepaid Services businesses to create two separate listed companies. The purpose of the amendment was i) to extend the provisions of the memorandum of understanding to the shares in Edenred, and ii) to extend the undertaking in the memorandum not to sell their shares in Accor and Edenred until January 1, 2012.

The main clauses of the agreement are as follows:

- an undertaking to cast the same votes on strategic matters at Board of Directors' meetings;
- an undertaking to cast the same votes at Accor Shareholders' Meetings;
- an agreement that the parties should have equal representation on Accor's Board;

(1) ColTime SARL is controlled by the investment funds Colony Investors VI, L.P. and Colyzeo Investors L.P., which are managed by Colony Capital, LLC.
(2) ColDay SARL is controlled by the investment funds Colony Investors VIII, L.P. and Colyzeo Investors II, L.P., which are managed by Colony Capital, LLC.
(3) Controlled by Eurazeo SA.

- an agreement that if either of the undertakings set out above with respect to voting are breached by one of the parties, the party that has breached the undertaking shall offer to sell its Accor shares to the other party, at a price equal to 80% of the lower of i) the weighted average price of the Accor share over the twenty trading days preceding the breach, and ii) the closing price on the day of the breach. This offer must be made and taken up within a month of the date of breach;
- an undertaking not to enter into any acquisition or other agreement with a third party that would result in the concert group raising its interest to above one third of Accor's capital and/or voting rights;
- in the event that one of the parties decides to sells its shares to an identified purchaser, a right of first refusal for the other party, exercisable within ten days following notification of the intention to sell. The price for the shares sold will be proposed by the selling party;
- a duty for each party to give the other party four days' notice if they decide to sell their shares on the market to unidentified purchasers;
- in the event that one of the parties sells its shares, a right for the other party to sell the same proportion of shares, exercisable within ten days following the related notification;
- in the event that the two parties' existing shareholdings are equal, the obligation for either party that decides to purchase additional shares to propose the acquisition of the same number of shares to the other party;
- a priority share purchase right for the party holding the least number of shares. However, ColDay may freely acquire shares enabling it to raise its interest to 11% of Accor's capital and Eurazeo may freely acquire shares enabling it to raise its interest to 10% of the capital;
- in the event of a public offer initiated by a third party, if one of the two parties does not wish to tender its shares whereas the other one does, the right for the former to acquire the shares tendered to the offer by the other party at the offer price or at a higher price;
- in the event of a public offer initiated by one of the parties, in which the other party does not wish to participate, the right for either of the parties to terminate the concert arrangement. If the party not participating in the offer wishes to sell its Accor shares, the right for the initiator of the offer to acquire said shares before filing the offer, at the offer price or at a higher price.

The shareholders' pact has a five-year term, after which the concert arrangement may be terminated with 30 days' notice. However, it may be terminated in advance if either of the parties breaches its obligations or announces an intention to acquire a number of additional shares which would raise the concert group's interest to above the capital and/or voting rights threshold beyond which the group would be required to launch a public tender offer. Between the third and fifth year, either party may terminate the pact subject to three months' notice. It will also be terminated if either of the parties reduces its interest in Accor to below 5% of the Company's capital.

Items likely to have an influence in the event of a public takeover offer.

To the best of the issuer's knowledge, there are no items likely to have a material influence on the execution of lease, management or franchise contracts in the event of public takeover bid.

On the other hand, as mentioned on page 106 above, certain financing contracts contain change of control clauses.

5.3.2. DIVIDENDS

Year	Shares outstanding at December 31	Dividend for the year (in euros) Dividend	Total revenue	Paid on	Share price (in euros) High	Low	Year-end closing	Yield based on year-end closing price
2007	229,917,794	3.15 (1)	3.15 (1)	May 20, 2008	75.32	52.21	54.70	5.80%
2008	219,894,523	1.65	1.65	June 17, 2009	56.30	24.23	35.11	4.70%
2009	225,458,199	1.05	1.05	July 2, 2010	39.95	25.20	38.25	2.70%
2010	226,793,949	0.62	0.62	June 6, 2011	34.03	22.26	33.29	1.86%
2011	227,251,446	1.15 (2)	1.15 (2)	June 14, 2012	36.20	17.03	19.59	5.87%

(1) Including a special dividend of €1.50.

(2) Submitted for approval at the Combined Ordinary and Extraordinary Shareholders' Meeting of May 10, 2012, including a special dividend of €0.50.

No interim dividend was paid. Dividends are paid through Euroclear France.

Dividends not claimed within five years from the date of payment are forfeited, as provided for by law.

The Board of Directors will recommend that shareholders at the Combined Ordinary and Extraordinary Shareholders' Meeting of May 10, 2012 approve the payment of a 2011 dividend of €1.15 per share, including an ordinary dividend of €0.65 and a special dividend of €0.50.

5.4. THE MARKET FOR ACCOR SECURITIES

The market for Accor shares

Accor shares are traded on the NYSE Euronext Paris stock exchange (Compartment A) and are included in the CAC 40 index.

They are also included in the four main socially responsible investment stock indexes, the Vigeo ASPI index, the FTSE4Good index, the Ethibel ESI index and the Dow Jones Sustainability Index.

At December 31, 2011, the Accor share closed at €19.59, and the Company's market capitalization stood at €4.5 billion.

Accor share prices and trading volumes (ISIN: FR0000120404)

(in €)	Average closing price	High-Low High	Low	Trading volume
2011				
January	34.02	36.20	32.44	23,855,033
February	34.34	35.80	32.20	17,798,826
March	31.91	34.55	30.10	20,500,583
April	30.77	32.24	29.91	17,088,232
May	30.39	31.96	28.57	27,068,214
June	29.28	31.30	27.67	37,596,985
July	30.67	32.00	28.29	19,894,470
August	24.91	31.20	22.17	33,310,945
September	21.94	25.18	19.21	30,643,531
October	22.25	25.10	18.60	25,715,681
November	20.31	23.77	17.82	33,260,706
December	19.12	21.09	17.03	24,129,012
2012				
January	21.29	24.09	18.70	29,609,366
February	25.58	27.74	23.35	28,802,327

Source: Euronext

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SHAREHOLDERS' MEETING

The Annual Shareholders' Meeting will be held on May 10, 2012. Resolutions to be submitted at the meeting have been approved by the Board on February 21, 2012 and will be presented in the preliminary notice of meeting published in the French journal of record, the BALO, at the beginning of April 2012.

6.1. PRESENTATION OF THE DRAFT RESOLUTIONS SUBMITTED TO THE COMBINED ANNUAL AND EXTRAORDINARY SHAREHOLDERS' MEETING ON MAY 10, 2012

APPROVAL OF THE 2011 FINANCIAL STATEMENTS AND APPROPRIATION OF PROFIT

The purpose of the **first and second resolutions** is to approve the 2011 financial statements of the Company and the Group as well as the transactions reflected therein.

The purpose of the **third resolution** is to appropriate profit for the year and set the amount of the dividend.

The Board of Directors recommends paying an ordinary dividend of €0.65 per share and a special dividend of €0.50 per share, for a total dividend of €1.15 per share. If approved, the dividend will be paid on June 14, 2012.

Eligible shareholders will qualify for the 40% tax relief provided for in Article 158.3.2 of the French Tax Code on their total dividend, unless they have elected to be taxed at the flat rate of 21% (plus *prélèvements sociaux* surtaxes) in application of Article 117 *quater* of the French Tax Code.

RE-ELECTION OF DIRECTORS

In the **fourth, fifth, sixth and seventh resolutions** shareholders are invited to re-elect **Mercedes Erra, Jean-Paul Bailly, Philippe Citerne and Bertrand Meheut** as directors for a three-year term as provided for in the Company's Bylaws.

Further information concerning these directors is provided in the Corporate Governance section of the 2011 Registration Document.

The Board of Directors has decided that if these resolutions are adopted, Mercedes Erra will continue to serve as a member of the Commitments Committee, Jean-Paul Bailly will continue to serve as a member of the Audit and Risks Committee and a member of the Compensation, Appointments and Corporate Governance Committee, Philippe Citerne will continue to serve as Vice-Chairman of the Board of Directors and Chairman of the Audit and Risks Committee, and Bertrand Meheut will continue to serve as Chairman of the Compensation, Appointments and Corporate Governance Committee.

APPROVAL OF RELATED-PARTY AGREEMENTS

The **eighth and ninth resolutions** concern related-party agreements that were authorized by the Board of Directors in 2011. These agreements are described in the Statutory Auditors' special report.

The **eighth resolution** relates to a hotel management agreement entered into between ColSpa SAS and Accor. As part of the project for Colony Capital SAS to refurbish the former Molitor swimming pool complex in Paris, Colony Capital's subsidiary ColSpa SAS has entered into an agreement with Accor for Accor to operate, under the MGallery brand, a

124-room hotel and the various related facilities that will be built on the site.

This management agreement has an initial term of ten years, with a five-year rollover option. The financial terms are similar to those habitually negotiated by the Group for comparable contracts.

The **ninth resolution** concerns a tax-related agreement entered into between Edenred and Accor. Italian tax authorities notified an Accor subsidiary and several Edenred Group subsidiaries of a €27.4 million reassessment in connection with the reorganization of business units of Accor Services prior the demerger transaction. Accor and Edenred have brought legal proceedings to contest the reassessment and the agreement is designed to fairly share any resulting risks and costs.

AUTHORIZATIONS TO TRADE IN AND CANCEL THE COMPANY'S SHARES

The purpose of the **tenth resolution** is to authorize the Board of Directors to trade in Accor SA shares on the Company's behalf, subject to compliance with the applicable laws.

The authorization may not be used while a public offer for the Company's shares is in progress.

If this resolution is approved, the Company would not be authorized to purchase more than 22,000,000 shares (i.e. 9.68% of the share capital at December 31, 2011) and the maximum total investment in the buyback program would be set at €1,100 million.

AUTHORIZATION FOR THE BOARD OF DIRECTORS TO REDUCE THE COMPANY'S CAPITAL BY CANCELING SHARES

In the **eleventh resolution** the Board of Directors is seeking an authorization to cancel all or some of the shares bought back pursuant to the **tenth resolution** and to reduce the capital accordingly. The number of shares canceled in any given 24-month period would not exceed 10% of the total shares outstanding.

The authorization granted by shareholders for the same purpose on May 30, 2011 was not used during the year.

The authorizations in the **tenth** and **eleventh resolutions** are being sought for a period of 18 months as from the date of this Meeting and would supersede any previous authorizations granted by shareholders for the same purposes.

POWERS GRANTED TO THE BOARD OF DIRECTORS TO PLACE ON RECORD CAPITAL INCREASES

In the **twelfth resolution**, the Board of Directors is seeking full powers, including the power of delegation, to place on record any capital increase(s) resulting from the issuance of shares following the exercise of stock options granted to employees and/or officers of the Group, and to amend the Company's Bylaws to reflect the new capital.

POWERS TO CARRY OUT FORMALITIES

The purpose of the **thirteenth resolution** is to authorize the bearer of an original, extract or copy of the minutes of this Shareholders' Meeting to carry out any and all filing and other formalities required by law.

6.2. DRAFT RESOLUTIONS SUBMITTED TO THE COMBINED ANNUAL AND EXTRAORDINARY SHAREHOLDERS' MEETING ON MAY 10, 2012

First resolution

Approval of the 2011 financial statements of the Company

Having considered the Board of Directors' Management Report and the Statutory Auditors' report on the financial statements of Accor SA, the Ordinary Meeting approves the financial statements of the Company for the year ended December 31, 2011 as presented.

The Ordinary Meeting also approves the transactions reflected in those financial statements and/or described in those reports, as well as the Board of Directors' management decisions during the year.

Second resolution

Approval of the 2011 consolidated financial statements

Having considered the Board of Directors' Management Report and the Statutory Auditors' report on the consolidated financial statements, the Ordinary Meeting approves the consolidated financial statements for the year ended December 31, 2011 as presented.

Third resolution

Appropriation of profit and dividend payment

The Ordinary Meeting approves the recommendation of the Board of Directors and resolves:

1. to appropriate:

- Net profit for 2011 in the amount of €770,659,102.23
- Plus retained earnings in the amount of €31,887,361.17
- **Representing a total of** €802,546,463.40

as follows, based on the 227,251,446 shares outstanding at December 31, 2011:

- To the payment of an ordinary dividend of €0.65 per share €147,713,439.90
- To the payment of a special dividend of €0.50 per share €113,625,723.00
- To retained earnings €541,207,300.50

2. that if fewer or more than 227,251,446 shares carry rights to the 2011 dividends, the amount of the dividends will be reduced or increased as appropriate and the amount allocated to retained earnings will be adjusted on the basis of the total dividend actually paid;

3. that the dividend shall be paid on June 14, 2012.

Eligible shareholders will qualify for the 40% tax relief provided for in Article 158.3.2 of the French Tax Code on their total dividend, unless they have elected to be taxed at the flat rate of 21% (plus *prélèvements sociaux* surtaxes) in application of Article 117 quater of the French Tax Code.

As required by law, the Ordinary Meeting notes that dividends for the last three years were as follows:

(in €)	2008	2009	2010
Dividend	1.65	1.05	0.62

Fourth resolution

Re-election of a director

The Ordinary Meeting re-elects Mercedes Erra as a director for a three-year term commencing at the close of this Meeting and expiring at the Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2014.

Fifth resolution

Re-election of a director

The Ordinary Meeting re-elects Jean-Paul Bailly as a director for a three-year term commencing at the close of this Meeting and expiring at the Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2014.

Sixth resolution

Re-election of a director

The Ordinary Meeting re-elects Philippe Citerne as a director for a three-year term commencing at the close of this Meeting and expiring at the Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2014.

Seventh resolution

Re-election of a director

The Ordinary Meeting re-elects Bertrand Meheut as a director for a three-year term commencing at the close of this Meeting and expiring at the Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2014.

Eighth resolution

Approval of a related-party agreement

Having considered the Statutory Auditors' special report on agreements governed by Articles L.225-38 et seq. of the French Commercial Code, the Ordinary Meeting approves the hotel management agreement entered into between Accor SA and ColSpa SAS.

Ninth resolution

Approval of a related-party agreement

Having considered the Statutory Auditors' special report on agreements governed by Articles L.225-38 et seq. of the French Commercial Code, the Ordinary Meeting approves the agreement entered into with the Edenred Group.

Tenth resolution

Authorization for the Board of Directors to trade in the Company's shares

Having considered the Board of Directors' report, the Ordinary Meeting authorizes the Board of Directors to buy, sell or otherwise transfer the Company's shares in accordance with Articles L.225-209 *et seq.* of the French Commercial Code, subject to the conditions set out below.

The authorization may be used for the following purposes:

- to purchase shares for cancellation, in connection with a capital reduction decided or authorized by shareholders in an Extraordinary Meeting;
- to purchase shares for allocation on exercise of stock options granted under plans governed by Articles L.225-177 et seq. of the Commercial Code, or to members of an employee stock ownership plan governed by Articles L.3332-1 et seq. of the Labor Code or to recipients of stock grants made under plans governed by Articles L.225-197-1 et seq. of the Commercial Code;
- to purchase shares for allocation on the conversion, redemption, exchange or exercise of securities carrying rights to shares in the Company;
- to purchase shares representing up to 5% of the Company's capital to be held in treasury for subsequent remittance in exchange or payment in connection with external growth transactions, a merger, division or asset contribution;
- to make a market in the Company's shares under a liquidity contract that complies with the Code of Ethics recognized by the *Autorité des Marchés Fin*anciers.

The program may also be used for any other purpose currently authorized or that may be authorized at a future date under the applicable laws or regulations, provided that the Company notifies shareholders of said use by means of a press release.

In application of Article L.225-209 of the French Commercial Code, the maximum number of shares that may be acquired under this authorization is set at 22,000,000 and the total investment in the buyback program may not exceed €1,100 million. These ceilings do not include the number and price of any shares sold during the period this authorization is in effect, when the shares concerned were initially bought back for market-making purposes in accordance with the terms and conditions defined in the General Regulations of the *Autorité des Marchés Financiers*.

The Ordinary Meeting resolves that (i) the purchase, sale or transfer of shares may be effected and settled by any method, on the basis and within the limits prescribed by the laws and regulations in force on the transaction date, on one or more occasions, on the market or over-the-counter, including through the use of options, derivatives – particularly, the purchase or sale of puts or calls – or securities carrying rights to shares in the Company, (ii) the transactions may be carried out at any time except when a public offer for the Company's shares is in progress, and (iii) the entire buyback program may be implemented through a block trade.

The Ordinary Meeting gives full powers to the Board of Directors to use this authorization and determine the terms and conditions of said use, to enter into any and all agreements, carry out any and all reporting and other formalities and generally do whatever is necessary to implement this resolution. These powers may be delegated subject to compliance with the law.

The Ordinary Meeting resolves that this authorization shall be valid for a period of 18 months as from the date of this Meeting and shall supersede, with immediate effect, any previous authorizations granted for the same purpose.

Eleventh resolution

Authorization for the Board of Directors to reduce the Company's capital by canceling shares

Having considered the report of the Board of Directors and the Statutory Auditor's special report, the Extraordinary Meeting resolves, in accordance with Article L.225-209 of the French Commercial Code:

1. to authorize the Board of Directors to reduce the Company's capital, on one or more occasions, by canceling all or some of the shares bought back by the Company, provided that the number of shares canceled in any 24-month period does not exceed 10% of the total number of shares outstanding at the close of this Meeting.
2. to give full powers to the Board of Directors, including the power of delegation pursuant to the law, to:
   - carry out the capital reduction(s);
   - determine the final amount and the terms and conditions of the share cancellations, and place the capital reduction(s) on record;
   - charge the difference between the carrying amount of the canceled shares and their par value to any reserve or premium accounts;
   - amend the Company's Bylaws to reflect the new capital and generally do everything necessary, in accordance with the laws and regulations in force when the authorization is used.
3. that this authorization shall be valid for a period of 18 months as from the date of this Meeting and shall supersede, with immediate effect, any previous authorizations granted for the same purpose.

Twelfth resolution

Powers for the Board of Directors to place on record capital increases

Having considered the report of the Board of Directors, the Extraordinary Meeting grants full powers to the Board of Directors, including the power of delegation, to place on record any capital increase(s) resulting from the issuance of shares following the exercise of stock options granted to employees and/or officers of the Group, and to amend the Company's Bylaws to reflect the new capital.

Thirteenth resolution

Powers to carry out formalities

The Ordinary Meeting gives full powers to the bearer of an original, extract or copy of the minutes of this Meeting to carry out any and all filing and other formalities required by law.

STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

This is a free translation into English of the original Auditors' Report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we present below our report on related party agreements and commitments.

It is our responsibility to communicate to you, based on information provided to us, the principal terms and conditions of these agreements and commitments brought to our attention or which we may have identified as part of our engagement, without expressing an opinion on their usefulness or their merit or searching for other agreements or commitments. Under the provisions of article R.225-31 of the French Commercial Code (Code de commerce), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

In addition, it is our responsibility to report to shareholders, in accordance with Article R.225-31 of the Commercial Code, on any agreements and commitments approved by shareholders that were in effect during the fiscal year.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France. These procedures consisted in verifying that the information provided to us is consistent with the underlying documents.

AGREEMENTS AND COMMITMENTS SUBMITTED TO THE SHAREHOLDERS' MEETING FOR APPROVAL

Agreements and commitments authorized during 2011

In accordance with article L.225-40 of the French Commercial Code, we were informed of the following agreements and commitments authorized by the Board of Directors.

1. With ColSpa SAS

Type of agreement and purpose:

Hotel management contract between ColSpa SAS and Accor

Persons concerned:

Sébastien Bazin, Managing Director Europe and Chief Executive Officer of Colony Capital SAS, Chief Executive Officer of ColSpa SAS and Director of Accor, and Thomas J. Barrack, Chairman and Chief Executive Officer of Colony Capital LLC and Director of Accor.

Terms and conditions:

As part of Colony Capital SAS's project to redevelop the site of the former Molitor swimming pool in Paris through its ColSpa SAS subsidiary, ColSpA is committed to granting a contract to Accor to manage, under the MGallery banner, the 124-room hotel and various related facilities to be built on the site.

The 10-year management contract will be automatically renewable for five years. Its financial terms and conditions are comparable to those usually negotiated by the Group for similar contracts.

No payments were recorded by the Company in respect of this contract in 2011.

2. With Edenred

Type of agreement and purpose:

Conclusion of a Tax matters agreement between Edenred and Accor

Persons concerned:

Virginie Morgon, Sébastien Bazin, Jean-Paul Bailly, Philippe Citerne, Bertrand Meheut and Patrick Sayer, Directors of both Accor and Edenred

Terms and conditions:

The Italian tax authorities notified an Accor subsidiary and several Edenred subsidiaries of a €27.4 million reassessment of registration fees due on transactions carried out as part of the reorganization of Accor's Services division in Italy prior to the demerger. Edenred and Accor, which have contested the reassessments before the Italian courts, have signed an agreement stipulating that any associated risks and costs will be shared equally between the two groups.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements and commitments approved in prior years that remained in force during the year

Pursuant to article R.225-30 of the French Commercial Code, we have been advised of the following agreements and commitments previously approved by the shareholders in prior years, has remained in effect during the year:

1. With Denis Hennequin, Chief Executive Officer since December 1, 2010 and Chairman and Chief Executive Officer since January 15, 2011

Type of agreement and purpose:

Commitments made for Denis Hennequin upon his appointment as Chairman and Chief Executive Officer

Terms and conditions:

a- The Board of Directors decided to allow Mr. Hennequin to participate in the supplementary retirement plan set up for Accor S.A.'s senior managers and executives .

Under these plans, except in specific cases provided for by law, if a beneficiary leaves the Group before the date of retirement, he or she retains only the rights accrued under the defined contribution scheme (based on annual employer contributions of up to 5% of five times the annual cap on the basis for calculating social security contributions) and will loose the rights accrued under the defined benefit scheme.

The Chief Executive Officer's total replacement rate (government sponsored basic pension plus Accor supplementary plans) upon retirement is capped at 35% of the average of the three highest annual compensations (base salary plus bonus) over the ten years prior to the date of retirement.

The Company paid an annual employer contribution of €8,152.17 for 2011 fiscal year.

b- The Board of Directors also authorized the Company to set up a private insurance plan with Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise (GSC) to provide Mr. Hennequin with unemployment benefits should the need arise. This insurance coverage was effective after an unbroken 12 months of participation in the plan, i.e. as from December 1, 2011. Unemployment benefits would be payable for a period of 24 months as from the 31st unbroken day of unemployment. The benefits would be based on his net taxable professional-source income for the previous year, capped at €232,780 for 2011.

The Company paid an amount of €8,103.58 to GSC under the scheme in respect of 2011.

2. With Gilles Pélisson, Chairman and Chief Executive Officer until December 1, 2010 and Chairman until January 15, 2011

a. Type of agreement and purpose:

Payment of compensation for loss of office to Gilles Pélisson

Terms and conditions:

Acting on an authorization granted by the Board of Directors, the Compensation, Nominations and Corporate Governance Committee, having noted that the performance criteria set by the Board had been met, decided to pay Gilles Pélisson compensation for loss of office in an amount equal to double his total 2010 basic compensation and bonus, representing a total gross amount of €5 million, from which was deducted the amount of €1,110,000 paid to him in December 2010 under the settlement agreement concerning the termination of his employment contract, resulting in a payment of €3,890,000 in 2011.

b. Type of agreement and purpose:

Private unemployment insurance policy

Terms and conditions:

The Board of Directors authorized the Company to set up a private insurance plan with Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise (GSC) to provide Mr. Pélisson with unemployment benefits should the need arise. After an unbroken 12 months of participation in the plan, unemployment benefits would be payable for a period of 24 months as from the 31st unbroken day of employment.

The benefits would be based on his net taxable professional-source income for the previous year, capped at €232,780 for 2011.

The Company paid an amount of €1,377.08 to GSC under the scheme in respect of 2011.

3. With Paul Dubrule and Gérard Pélisson, Co-Founders and Co-Chairmen

Type of agreement and purpose:

Provision of resources

Terms and conditions:

On January 9, 2006, the Board of Directors authorized the Company to enter into an agreement with Paul Dubrule and Gérard Pélisson to provide them with an office at the Company's Paris headquarters, an assistant and a chauffeur for their terms as Co-Founders and Co-Chairmen of the Group, and to reimburse any expenses incurred by them on Company business. This agreement remained in force in 2011.

4. With Groupe Lucien Barrière

a. Type of agreement and purpose:

Service agreement between Accor SA and Group Lucien Barrière SAS

Terms and conditions:

On May 3, 2005, the Supervisory Board authorized the signature of a two-year contract, that came into effect on May 2, 2005 and was extended indefinitely by an addendum that was effective from May 2, 2007, granting Groupe Lucien Barrière SAS access to GIE Accorest and GIE Accorequip's products and purchasing terms in exchange for a contribution to the operating costs of these two intercompany partnerships. The agreement provides for Groupe Lucien Barrière SAS to receive the following percentages of the fees received by the Company from its approved suppliers of food and other products:

- 60% if Groupe Lucien Barrière SAS uses the approved suppliers for 0% to 60% of its purchases;
- 80% if the percentage of use exceeds 60%.

These rates are also applicable for sharing the fees received by Accor SA in connection with sales cooperation and brand image agreements signed with the suppliers. Of the total amount of fees, 20% is allocated to operating costs, with the remaining 80% forming the basis for the fee-sharing calculation.

Accorest and Accorequip were dissolved on December 31, 2007 and Accor took over their operations as from January 1, 2008 in accordance with the same terms and conditions as stipulated in the initial contracts entered into by each of the two intercompany partnerships.

Lastly, 15% of the amounts received by Groupe Lucien Barrière SAS from the suppliers relating to brand image contracts signed solely with Groupe Lucien Barrière companies is paid to Accor SA as a contribution to the administrative and operating costs borne by Accor SA.

In 2011, the Company received €155,020 (excluding VAT) in fees from this contract.

b. Type of agreement and purpose:

Sales and marketing agreement between Accor SA and Groupe Lucien Barrière SAS

Terms and conditions:

On May 3, 2005, the Supervisory Board authorized the signature of a fourteen-month contract effective from September 1, 2005 providing for Accor SA to supply sales and marketing tools – including the TARS reservation system, sales personnel and websites – to Groupe Lucien Barrière SAS in return for:

- a fixed fee of €750,000 excluding VAT;
- a variable fee calculated as follows: if the revenues contributed by Accor SA represent between 5% and 8% of the aggregate accommodation revenues generated by all of the beneficiary facilities, the variable fee will represent 1% of the said contributed revenues (excluding VAT); if the revenues contributed by Accor SA exceed 8% of the aggregate accommodation revenues generated by all of the beneficiary facilities, the variable fee will represent 1.2% of the said aggregate contributed revenues (excluding VAT);
- a fixed fee of €80,000 excluding VAT for the implementation and utilization of reservation systems and the training of sales teams;
- the cost of joining the ATACS system (initial membership fee of $50 plus a commission of $0.74 per reservation per facility).

An initial addendum was signed on September 1, 2006 extending the contract to October 31, 2008 and a second addendum was signed on November 1, 2008 whereby:

- the contract was extended for an additional one-year period ending on October 31, 2009, and became automatically renewable for further one-year periods;
- the fixed fee was reduced from €600,000 (excluding VAT) to €150,000 (excluding VAT) for the period from November 1, 2008 through October 31, 2009;
- an additional variable fee is payable, calculated as follows:
  - for all accommodation reservations generated through the TARS system by Accor directly or by third parties such as agencies, Groupe Lucien Barrière will pay Accor 5% of the contributed revenues (excluding VAT),

- for all reservations generated through GDS booking systems, Groupe Lucien Barrière will pay Accor €3.20 (excluding VAT) per reservation (not including cancelled reservations);
- for marketing services to business and leisure travelers by Accor's sales teams, the variable remuneration will represent 10% of the revenue (excluding VAT) contributed by Accor's sales teams.

In 2011, the Company received €278,581.60 (excluding VAT) in fees from this contract.

c. Type of agreement and purpose:

IT services agreement between Accor SA and Group Lucien Barrière SAS

Terms and conditions:

On July 6, 2005, the Supervisory Board authorized the Company to provide assistance and consulting services to Groupe Lucien Barrière SAS for an indefinite period, in return for a fee of €500 or €900 (excluding VAT) per day of services provided. The related agreement was signed on April 11, 2006 with retroactive effect from March 1, 2006 for an automatically renewable one-year term.

In 2011, the Company received €956.80 (including VAT) in fees from this contract.

Neuilly-sur-Seine and Paris-La Défense – March 29, 2012

The Statutory Auditors

DELOITTE & ASSOCIÉS	ERNST & YOUNG et Autres
Pascale CHASTAING-DOBLIN	Bruno Bizet

STATUTORY AUDITORS' SPECIAL REPORT ON THE CANCELLATION OF SHARES PURCHASED BY THE COMPANY

Annual Shareholders Meeting of May 10, 2012

This is a free translation into English of the original Auditors' Report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders

In our capacity as Statutory Auditors of your company and pursuant to the provisions of articles L.225-204 and L.225-209 of the French Commercial Code (Code de commerce) relating to capital decreases by cancellation of shares purchased by the Company, we hereby report to you on our assessment of the reasons for and the terms and conditions of the proposed share capital decreases.

The Board of Directors is asking shareholders for an 18-month authorization, as from the date of this Meeting, to cancel Accor SA shares purchased under a shareholder-approved buyback program governed by the above article of the French Commercial Code. The number of shares cancelled in any 24-month period would not exceed 10% of the total shares outstanding.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)* applicable in France. These procedures consisted of examining the fairness of the reasons for and the terms and conditions of the capital reduction, which would not affect shareholder equality.

We have no matter to report on the reasons for and the terms and conditions of the proposed capital reduction.

Neuilly-sur-Seine and Paris-La Défense, March 29, 2012

The Statutory Auditors

DELOITTE & ASSOCIÉS	ERNST & YOUNG et Autres
Pascale CHASTAING-DOBLIN	Bruno Bizet

7

OTHER INFORMATION

7.1. INVESTOR RELATIONS AND DOCUMENTS AVAILABLE TO THE PUBLIC

In addition to the Annual Meeting and the events organized to present the annual results, Accor keeps both private and institutional shareholders informed of the latest developments on a highly responsive daily basis. This information is tailored to the specific needs of different types of shareholders and financial analysts while constantly complying with the principle of fair access to information.

Meetings with investors

In 2011, meetings were held with some 470 representatives of 400 financial institutions and 21 roadshows were organized in Europe, the United States and Canada.

These events included hotel visits that enabled investors to talk with line managers and gain a better understanding of our management practices and processes. Accor also took part in seven investor conferences during the year, in France and the United States.

Held on May 30, 2011 at the Novotel Paris Est, the Annual Shareholders' Meeting was attended by 350 people and provided many opportunities for exchanging views and opinions.

The Accor Shareholders Club

Created in May 2000, the Accor Shareholders Club had more than 8,000 members at year-end 2011, with each one owning at least 50 bearer shares or one registered share.

Among the many advantages members enjoy are regular e-mail updates throughout the year with press releases, the *Letter to Shareholders* and other news, the possibility of subscribing to all of our other corporate publications, the opportunity to discover our businesses in a more personal way through site visits, and VIP invitations to investor events in which Accor participates.

As part of the A|Club customer loyalty program, Shareholders Club members receive an A|Club Platinum Card which doubles the points earned when they stay at participating hotels and offers them exclusive advantages. Club members also receive promotional offers on Group products.

Working group on the private shareholder relations process

Created in 2007, a working group comprising 15 members of the Shareholders Club is exploring ways to encourage exchanges of views and opinions with our private shareholders and to improve the private shareholder relations process. At its two meetings in 2011, on April 22 and November 22, the group reviewed the various resources used to keep shareholders informed, the preparations for the Annual Shareholders' Meeting, a briefing on hotel visits organized for Shareholders Club members and an update on Accor's sustainable development process. Working group members also had the opportunity to meet and exchange ideas with Chairman and Chief Executive Officer Denis Hennequin. The November meeting was held at a Pullman hotel, which enabled the group to get a behind-the-scenes look at the establishment. Members were also given details about the ibis mega-brand project to revitalize the economy hotel segment.

Easily accessible information tailored to shareholder profiles

All of the Group's financial news and publications can be accessed in the "Finance" section of the accor.com website, which serves as a comprehensive investor relations database. The site carries live and deferred webcasts of results presentations, Investor Days and Annual Shareholders' Meetings. It also tracks the Accor share price in real time and features a dedicated section for private shareholders and members of the Shareholders Club.

A wide array of documents far exceeding regulatory requirements may be viewed in the "Finance" section of the website. These documents, which cover both current and previous years, include:

- the Registration Document filed with the *Autorité des Marchés Financiers* (available in electronic form since 1997);
- the Annual Report;
- a corporate brochure describing the Group and its values;
- information memoranda filed with the *Autorité des Marchés Financiers* concerning corporate actions;

- notices of Shareholders' Meetings, sent systematically to shareholders whose shares are registered in the Company share register (managed by Société Générale) and on request to members of the Shareholders Club;
- the *Letter to Shareholders*, available on request and accessible via the corporate website.

Legal documents are on display at the Company's primary business office, Immeuble Odyssey, 110 avenue du France, 75210 Paris cedex 13, France.

Since January 20, 2007, when the European Transparency Directive was transposed into French law, Accor has issued its regulatory filings through a professional disclosure service that complies with the criteria set out in the AMF's General Regulations. The filings are also available on the corporate website.

Shareholder hotline

Shareholders in France may call 0805 650 750 (free from a french landline) at any time to obtain general information about the Group, the share price, the latest news and practical guidelines for private shareholders. Operators are available to answer questions from 9:00 a.m. to 6:00 p.m. from Monday to Friday. Messages left out of hours are answered as soon as possible.

Senior Vice President, Financial Communications and Investor Relations

- **Sébastien Valentin**

Immeuble Odyssey

110, avenue de France

75210 Paris Cedex 13, France

Phone: +33 1 45 38 86 26

Fax: +33 1 45 38 85 95

Shareholder hotline (France only): 0805 650 750 (free from a landline)

E-mail: comfi@accor.com

7.2. PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE AUDIT OF THE ACCOUNTS

Person responsible for the Registration Document

- **Denis Hennequin**

Chairman and Chief Executive Officer

Statement by the person responsible for the Registration Document

I hereby declare that having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I further declare that, to the best of my knowledge, the financial statements included in the Registration Document have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of Accor and its subsidiaries, and the Management Report represents a fair view of the business, results and financial position of Accor and its subsidiaries and provides a description of the main risks and uncertainties to which they are exposed.

I obtained a statement from the Auditors at the end of their engagement affirming that they have read the whole of the Registration Document and examined the information about the financial position and the accounts contained therein.

Denis Hennequin

Persons responsible for information

- **Pascal Quint**

Member of the Executive Committee – Corporate Secretary and Secretary of the Board of Directors

Phone: + 33 1 45 38 87 33

- **Sophie Stabile**

Member of the Executive Committee – Global Chief Financial Officer

Phone: + 33 1 45 38 87 03

- **Sébastien Valentin**

Senior Vice-President, Financial Communication and Investor Relations

Phone: + 33 1 45 38 86 26

Auditors

Statutory Auditors

- **Ernst & Young et Autres**

Member of the Ernst & Young network

Bruno Bizet

1/2, place des Saisons

92400 Courbevoie - Paris - La Défense 1

Date of first appointment: June 16, 1995

Re-appointed for six years at the May 14, 2007 Annual Shareholders' Meeting.

- **Deloitte & Associés**

Pascale Chastaing-Doblin

185, avenue Charles-de-Gaulle, BP 136

92203 Neuilly-sur-Seine Cedex, France

Date of first appointment: June 16, 1995

Re-appointed for six years at the May 14, 2007 Annual Shareholders' Meeting.

Alternate Auditors

- **Auditex**

Tour Ernst & Young – 11, allée de l'Arche

92037 Paris La Défense Cedex, France

Appointed for six years at the May 14, 2007 Annual Shareholders' Meeting.

- **BEAS**

7 Villa Houssay

92200 Neuilly-sur-Seine, France

Date of first appointment: May 29, 2001

Re-appointed for six years at the May 14, 2007 Annual Shareholders' Meeting.

7.3. FEES PAID TO THE AUDITORS

The fees paid to the Auditors and the members of their networks by the Group break down as follows:

	Deloitte				Ernst & Young			
	2010		2011		2010		2011	
(in millions of euros)	Amount	%	Amount	%	Amount	%	Amount	%
Audit services								
Statutory and contractual audit services								
France: Accor SA	0.7	14%	0.7	12%	0.5	12%	0.5	12%
France: Subsidiaries	0.9	14%	1.1	20%	1.5	37%	0.9	22%
Outside France: Subsidiaries	3.1	51%	2.9	54%	1.6	39%	2.2	52%
Other audit-related services								
France: Accor SA	1.0	17%	0.1	2%	0.0	0%	0.0	0%
France: Subsidiaries	0.0	0%	0.2	6%	0.3	8%	0.2	5%
Outside France: Subsidiaries	0.1	2%	0.2	3%	0.1	2%	0.2	4%
SUB-TOTAL	**5.7**	**98%**	**5.2**	**97%**	**4.0**	**98%**	**4.0**	**95%**
Other services								
Legal and tax advice								
France	0.0	0%	0.0	0%	0.0	0%	0.0	0%
Outside France	0.2	2%	0.1	3%	0.1	2%	0.2	5%
Other services (representing more than 10% of the audit budget)								
France	0.0	0%	0.0	0%	0.0	0%	0.0	0%
Outside France	0.0	0%	0.0	0%	0.0	0%	0.0	0%
SUB-TOTAL	**0.0**	**0%**	**0.0**	**0%**	**0.1**	**2%**	**0.0**	**0%**
TOTAL	**5.9**	**100%**	**5.3**	**100%**	**4.1**	**100%**	**4.2**	**100%**

7.4. INFORMATION INCORPORATED BY REFERENCE

In accordance with Article 28 of European Commission Regulation (EC) 809/2004, the Registration Document incorporates by reference the following information:

- the consolidated financial statements and the related Auditors' Reports contained in the 2010 Registration Document filed with the *Autorité des Marchés Financiers* on **March 31, 2011** under no. **D.11-0198** (pages **123 to 230**, and **122**);
- the financial information contained in pages **106 to 116** of the 2010 Registration Document filed with the *Autorité des Marchés Financiers* on **March 31, 2011** under no. **D.11-0198**;
- the consolidated financial statements and the related Auditors' Reports contained in the update to the 2009 Registration Document filed with the *Autorité des Marchés Financiers* on **May 18, 2010** under no. **D.10-0201-A01** (pages **59 to 170** and page **58** respectively);
- the financial information contained in pages **28 to 33** of the update to the 2009 Registration Document filed with the *Autorité des Marchés Financiers* on **May 18, 2010** under no. **D.10-0201-A01**;
- the consolidated financial statements and the related Auditors' Reports contained in the 2009 Registration Document filed with the *Autorité des Marchés Financiers* on **April 1, 2010** under no. **D.10-0201** (pages **133 to 230** and page **132** respectively);
- the financial information contained in pages **114 to 122** of the 2009 Registration Document filed with the *Autorité des Marchés Financiers* on **April 1, 2010** under no. **D.10-0201**;

Sections of these documents that are not mentioned above are either not applicable to investors or are covered in another part of the Registration Document.

7.5. REGULATORY FILINGS

The following information [1] was published or made available to the public by Accor during the last twelve months (April 1, 2011 through March 30, 2012), in accordance with Article L.451-1-1 of the French Monetary and Financial Code and article 222–7 of the General Regulations of the *Autorité des Marchés Financiers*:

- 2010 Registration Document filed with the Autorité des Marchés Financiers on April 1, 2011 under no. D.11-0198;
- disclosure of number of shares and voting rights at March 31,2011;
- press release dated April 20, 2011 on first-quarter 2011 revenue;
- notice of meeting for the Ordinary and Extraordinary Shareholders' Meeting, published in the French legal gazette (Bulletin des annonces légales obligatoires) on April 20, 2011;
- press release dated April 29, 2011 on the potential Lenôtre group sale under review;
- disclosure of number of shares and voting rights at April 30, 2011;
- press release dated May 3, 2011 on the availability of proxy materials for the annual meeting to be held on May 30, 2011;
- press release dated May 12, 2011 on the Accor successfully refinances existing facility;
- amending and supplemental document of the notice of meeting for the Ordinary and Extraordinary Shareholders' Meeting, published in the French legal gazette (Bulletin des annonces légales obligatoires) on May 13, 2011;
- press release dated May 30, 2011 on the resolutions' vote of the Shareholders' Meeting held on May 30, 2011;
- disclosure of number of shares and voting rights at May 31,2011;
- disclosure of number of shares and voting rights at June 30, 2011;
- press release dated July 7, 2011 on Accor's sale of the Pullman Paris Bercy under a sale and management-back agreement;
- press release dated July 19, 2011 on first-half 2011 revenue;
- press release dated July 21, 2011 on Accor to sell Lenôtre;
- press release dated July 28, 2011 on Accor's sale of the Sofitel Arc de Triomphe under a sale and management-back agreement;
- disclosure of number of shares and voting rights at July 29, 2011;
- press release dated August 2, 2011 on Lenôtre sales contract signed;
- press release dated August 24, 2011 on 2011 interim results;
- disclosure of number of shares and voting rights at August 31, 2011;
- press release dated September 13, 2011 on the dynamization of Accor's economy brands;
- press release dated September 13, 2011 announcing a new era guided by a spirit of conquest;
- press release dated September 13, 2011 announcing the appointments in line with Accor's new strategy;
- press release dated September 30, 2011 on the signature of a major UK hotel deal;
- disclosure of number of shares and voting rights at September 30, 2011;
- press release dated October 14, 2011 on Accor's sale of seven suite Novotel hotels under a sale and variable-lease back agreement;
- press release dated October 18, 2011 on third-quarter 2011 revenue;
- disclosure of number of shares and voting rights at October 31, 2011;
- disclosure of number of shares and voting rights at November 30, 2011;
- press release dated December 8, 2011 on Accor's sale of 20 Formula 1 hotels in South Africa under a sale and franchise-back agreement;
- press release dated December 15, 2011 on Accor's purchase of the Sofitel Rio de Janeiro;
- press release dated December 16, 2011 on Accor's acquisition of Mirvac, a hotel management company;
- press release dated December 21, 2011 on Accor's sale of the Mercure Chopin in Warsaw;
- disclosure of number of shares and voting rights at December 31, 2011;
- press release dated January 17, 2012 on fourth-quarter 2011 revenue;

(1) Informations available on the Company's website at www.accor.com/finance.

- press release dated January 19, 2012 on Accor's sale of the Pullman Paris Rive-Gauche;
- disclosure of number of shares and voting rights at January 31, 2012;
- press release dated February 10, 2012 on Accor's sale of the Novotel New York Times Square under a sale and management-back agreement;
- press release dated February 22, 2012 on the 2011 full-year results;
- disclosure of number of shares and voting rights at February 29, 2012.

7.6. CROSS-REFERENCE TABLE

The table below provides cross references between the pages in the Registration Document and the key information required under European Commission Regulation (EC) no. 809/2004 implementing EC Directive 2003/71/EC of the European Parliament and of the Council.

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7.7. ANNUAL FINANCIAL REPORT

The 2009 Registration Document contains all of the information in the Annual Financial Report governed by article L.451-1-2 of the French Monetary and Financial Code. To make this information easier to find, the following cross-reference table lists it by main topic.

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