

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

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➤ Consolidated Income Statements

In € millions	Notes	2008 (*)	2009
Revenue		7 593	6 971
Other operating revenue		129	94
CONSOLIDATED REVENUE	3	7 722	7 065
Operating expense	4	(5 432)	(5 089)
EBITDAR	5	2 290	1 976
Rental expense	6	(903)	(884)
EBITDA	7	1 387	1 092
Depreciation, amortization and provision expense	8	(446)	(498)
EBIT	9	941	594
Net financial expense	10	(86)	(143)
Share of profit of associates after tax	11	20	(3)
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS		875	448
Restructuring costs	12	(56)	(127)
Impairment losses	13	(57)	(387)
Gains and losses on management of hotel properties	14	111	7
Gains and losses on management of other assets	15	13	(85)
OPERATING PROFIT BEFORE TAX		886	(144)
Income tax expense	16	(273)	(121)
Profit or loss from discontinued operations		-	-
NET PROFIT		613	(265)
Net Profit, Group Share		575	(282)
Net Profit, Minority interests	26	38	17

Weighted average number of shares outstanding (in thousands)	24	221 237	222 890
EARNINGS PER SHARE (in €)		2,60	(1,27)
Diluted earnings per share (in €)	24	2,59	(1,26)

Earnings per share from continuing operations (in €)		2,60	(1,27)
Diluted earnings per share from continuing operations (in €)		2,59	(1,26)

Earnings per share from discontinued operations (in €)		N/A	N/A
Diluted earnings per share from discontinued operations (in €)		N/A	N/A

(*) Adjusted for the effects of the change of method described in Note 1 concerning customer loyalty programs.

► Statements of Comprehensive Income

In € millions	Notes	2008 (*)	2009
NET PROFIT		613	(265)
Currency translation adjustment		(267)	167
Change in fair value resulting from "Available-for-sale financial assets"		1	-
Effective portion of gains and losses on hedging instruments in a cash flow hedge		(6)	(6)
Actuarial gains and losses on defined benefits plans		(4)	(3)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method		-	-
Other comprehensive income, net of tax	27	(276)	158
TOTAL COMPREHENSIVE INCOME		337	(107)
Comprehensive income, Group share		344	(127)
Comprehensive income, Minority interests		(7)	20

(*) Adjusted for the effects of the change of method described in Note 1 concerning customer loyalty programs.

► Consolidated Balance Sheets

Assets

ASSETS In € millions	Notes	January, 1, 2008 (*)	Dec. 2008 (*)	Dec. 2009
GOODWILL	17	1 967	1 932	1 777
INTANGIBLE ASSETS	18	369	512	488
PROPERTY, PLANT AND EQUIPMENT	19	3 321	4 324	4 306
Long-term loans	20	107	78	107
Investments in associates	21	421	176	191
Other financial investments	22	182	149	130
TOTAL NON-CURRENT FINANCIAL ASSETS		710	403	428
Deferred tax assets	16	203	226	291
TOTAL NON-CURRENT ASSETS		6 570	7 397	7 290
Inventories		74	103	60
Trade receivables	23	1 598	1 313	1 350
Other receivables and accruals	23	715	824	1 113
Prepaid services voucher reserve funds		392	441	565
Receivables on disposals of assets	28 & 29	52	16	43
Short-term loans	28 & 29	22	34	17
Cash and cash equivalents	28 & 29	1 138	1 253	1 164
TOTAL CURRENT ASSETS		3 991	3 984	4 312
Assets held for sale	31	277	36	144
TOTAL ASSETS		10 838	11 417	11 746

(*) Adjusted for the effects of the change of method described in Note 1 concerning customer loyalty programs.

Equity and Liabilities

EQUITY AND LIABILITIES In € millions	Notes	January, 1, 2008 (*)	Dec. 2008 (*)	Dec. 2009
Share capital		665	660	676
Additional paid-in capital		2 276	2 226	2 379
Retained earnings		(102)	151	363
Hedging instruments reserve	25	-	(6)	(12)
Fair value adjustments on financial instruments reserve	25	66	-	-
Reserve for actuarial gains/losses		(19)	(23)	(26)
Reserve related to employee benefits		59	82	102
Currency translation reserve		(145)	(367)	(203)
Net profit, Group share		883	575	(282)
SHAREHOLDERS' EQUITY, GROUP SHARE	24	3 683	3 298	2 997
Minority interests	26	61	258	257
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTERESTS		3 744	3 556	3 254
Other long-term financial debt	28 & 29	1 056	1 927	2 332
Long-term finance lease liabilities	28 & 29	216	161	143
Deferred tax liabilities	16	170	199	211
Non-current provisions	32	118	131	132
TOTAL NON-CURRENT LIABILITIES		5 304	5 974	6 072
Trade payables	23	679	765	709
Other payables and income tax payable	23	1 569	1 613	1 463
Prepaid services voucher in circulation		2 894	2 587	2 883
Current provisions	32	248	191	242
Short-term debt and finance lease liabilities	28 & 29	109	165	285
Bank overdrafts	28 & 29	35	122	88
TOTAL CURRENT LIABILITIES		5 534	5 443	5 670
Liabilities of assets classified as held for sale	31	-	-	4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		10 838	11 417	11 746

(*) Adjusted for the effects of the change of method described in Note 1 concerning customer loyalty programs.

► Consolidated Cash Flow Statements

In € millions	Notes	2008 (*)	2009
+ EBITDA	7	1 387	1 092
- Net financial expense	10	(86)	(143)
- Income tax expense		(277)	(161)
- Non cash revenue and expense included in EBITDA		38	32
- Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes		41	19
+ Dividends received from associates		8	4
= Funds from Ordinary Activities	33	1 111	843
+ Decrease (increase) in operating working capital	34	25	(61) (**)
= Net cash from operating activities		1 137	781
+ Cash received (paid) on non-recurring transactions (included restructuring costs and non-recurring taxes)		(86)	(156)
+ Decrease (increase) in non-operating working capital	34	-	(242)
= Net cash from operating activities including non-recurring transactions (A)		1 050	383
- Renovation and maintenance expenditure	35	(488)	(327)
- Development expenditure	36	(1 091)	(766)
+ Proceeds from disposals of assets		560	363
= Net cash used in investments/ divestments (B)		(1 019)	(730)
+ Proceeds from issue of share capital	(***)	8	175
- Capital reduction		(62)	-
- Dividends paid		(719)	(396)
- Repayment of long-term debt		(781)	(1 253)
- Payment of finance lease liabilities		(65)	(8)
+ New long term debt		1 742	1 842
= Increase (decrease) in long-term debt		896	581
+ Increase (decrease) in short-term debt		23	(33)
= Net cash from financing activities (C)		146	327
- Effect of changes in exchange rates (D)		(140)	(28)
= Net change in cash and cash equivalents (E)=(A)+(B)+(C)+(D)	29	37	(48)
+ Cash and cash equivalents at beginning of period		1 103	1 131
+ Effect of changes in fair value of cash and cash equivalents		(9)	(7)
- Cash and cash equivalents at end of period		1 131	1 076
= Net change in cash and cash equivalents	29	37	(48)

(*) Adjusted for the effects of the change of method described in Note 1 concerning customer loyalty programs.

(**)

Decrease (increase) in operating working capital - Prepaid Services	111
Decrease (increase) in operating working capital - Hospitality	(58)
Reclassification from cash and cash equivalents to restricted cash	(114)
Total decrease (increase) in operating working capital	(61)

(***) Including stock dividends paid in 2009 for €162 million.

► Changes in Consolidated Shareholders' Equity

In € millions	Number of shares outstanding	Share capital	Addition al paid-in capital	Currency translation reserve (1)	Fair value adjustments on Financial Instruments reserve	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, 2008	221 527 644	665	2 276	(145)	66	-	(19)	59	789	3 691	61	3 752
Changes in accounting policies (*)	-	-	-	-	-	-	-	-	(8)	(8)	-	(8)
Restated January 1, 2008	221 527 644	665	2 276	(145)	66	-	(19)	59	781	3 683	61	3 744
Issues of share capital	-	-	-	-	-	-	-	-	-	-	-	-
- On exercise of stock options	204 578	1	7	-	-	-	-	-	-	8	-	8
Capital reduction (2)	(1 837 699)	(6)	(57)	-	-	-	-	-	-	(63)	-	(63)
Dividends paid (3)	-	-	-	-	-	-	-	-	(698)	(698)	(22)	(720)
Effect of scope changes	-	-	-	-	-	-	-	-	-	-	226	226
Change in reserve for employee benefits	-	-	-	-	-	-	-	23	-	23	-	23
Other Comprehensive Income	-	-	-	(222)	(66)	(6)	(4)	-	67	(231)	(45)	(276)
Net Profit	-	-	-	-	-	-	-	-	575	575	38	613
Total Comprehensive Income	-	-	-	(222)	(66)	(6)	(4)	-	642	344	(7)	337
At December 31, 2008	219 894 523	660	2 226	(367)	-	(6)	(23)	82	726	3 298	258	3 556
Issues of share capital	-	-	-	-	-	-	-	-	-	-	6	6
- In cash	-	-	-	-	-	-	-	-	-	-	-	-
- On exercise of stock options	205 349	1	7	-	-	-	-	-	-	8	-	8
- Stock dividends and performance share grants	5 358 327	15	146	-	-	-	-	-	-	161	-	161
Dividends paid (3)	-	-	-	-	-	-	-	-	(363)	(363)	(34)	(397)
Change in reserve for employee benefits	-	-	-	-	-	-	-	20	-	20	-	20
Effect of scope changes	-	-	-	-	-	-	-	-	-	-	7	7
Other Comprehensive Income	-	-	-	164	-	(6)	(3)	-	-	155	3	158
Net Profit	-	-	-	-	-	-	-	-	(282)	(282)	17	(265)
Total Comprehensive Income	-	-	-	164	-	(6)	(3)	-	(282)	(127)	20	(107)
At December 31, 2009	225 458 199	676	2 379	(203)	-	(12)	(26)	102	81	2 997	257	3 254

(*) Adjusted for the effects of the change of method described in Note 1 concerning customer loyalty programs.

(1) Exchange differences on translating foreign operations between December 31, 2008 and December 31, 2009 in the amount of €164 million positive impact, mainly concern changes in exchange rates against the euro of the Brazilian real (€100 million positive impact), the Australian dollar (€74 million positive impact), the British pound (€26 million positive impact) and the US dollar (€44 million negative impact).

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

	USD	GBP	BRL	PLN	AUD	VEF
December 2008	1,3917	0,9525	3,2436	4,1535	2,0274	2,9880
December 2009	1,4406	0,8881	2,5113	4,1045	1,6008	6,1900

(2) Capital reductions resulting from the cancellation of shares acquired under the 2008 buyback program (see Note 2.A.4).

(3) The 2008 and 2009 dividends were as follows:

In €	2008	2009
Dividend per share	1,65	1,05

Number of Accor's shares is detailed as follows:

Details on shares	Dec. 2008	Dec. 2009
Total number of shares authorized	219 894 523	225 458 199
Number of fully paid shares issued and outstanding	219 894 523	225 458 199
Number of shares issued and outstanding not fully paid	-	-
Par value per share (in €)	3	3
Treasury stock	-	-
Number of shares held for allocation on exercise of stock options and grants	-	-

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

Outstanding shares at January 1, 2009	219 894 523
Stock dividends	5 308 523
Performance shares grant	49 804
Shares from conversion of stock option plans	205 349
Outstanding shares at December 31, 2009	225 458 199
Accor's share capital at December 31, 2009	225 458 199
Outstanding shares at December 31, 2009	225 458 199
Stock option plans (see Note 24.3)	9 485 318
Performance shares grants (see Note 24.3)	142 819
Potential number of shares	235 086 336

Full conversion would have the effect of reducing debt at December 31, 2009 as follows:

	In € millions
Theoretical impact of exercising stock options (*)	415
Theoretical impact on net debt of exercising all equity instruments	415

(*) assuming exercise of all options outstanding at December 31, 2009.

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

Accor's share capital at December 31, 2009	225 458 199
Outstanding shares at December 31, 2009	225 458 199
Effect of share issues on the weighted average number of shares	(2 374 396)
Adjustment from stock option plans exercised during the period	(193 418)
Weighted average number of ordinary shares during the period	222 890 385 (See Note 24)
Impact of dilutive performance shares at December 31, 2009	26 166
Impact of potential ordinary shares resulting from conversion of Stock option plans	15 545
Weighted average number of shares used to calculate diluted earning per share	222 932 096 (See Note 24)

➤ Key Management Ratios

	Note	Dec. 2008	Dec. 2009
Gearing	(a)	30%	50%
Adjusted Funds from Ordinary Activities / Adjusted Net Debt	(b)	25,8%	20,0%
Return On Capital Employed	(c)	14,1%	10,5%
Economic Value Added (EVA ®) (in € millions)	(d)	360	177

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. 2008	Dec. 2009
Net debt at end of the period	1 072	1 624
Debt restatement prorated over the period	(51)	(51)
Average net debt	1 021	1 573
Rental commitments discounted at 8% (*)	4 141	3 761
Total Adjusted net debt	5 162	5 334
Funds from Ordinary Activities	1 111	843
Rental amortization	219	222
Adjusted Funds from Ordinary Activities	1 330	1 065
Adjusted Funds from Ordinary Activities / Adjusted Net Debt	25,8%	20,0%

(*) 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.

At December 31, 2008, the difference between the value of rental commitments discounted at 8% (€4,006 million) and the value used in the above table to calculate adjusted net debt (€4,141 million) corresponds to prorated discounted rental commitments for the Motel 6 units in the United States and the hotels leased from Genefim in France that the Group purchased during the year. Note that at the same time, Funds from Ordinary Activities generated by the leased hotels, prorated over the period prior to their purchase by the Group, were recognized in consolidated funds from operations before non-recurring items in 2008.

Adjusted net debt at December 31, 2009 is based on rental commitments discounted at 8% (€3,761 million).

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

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

2008 and 2009 Economic Value Added (EVA) have been calculated as follows:

		Dec. 2008	Dec. 2009
Cost of equity	(1)	9,00%	9,10%
Cost of debt (after tax)		3,35%	4,19%
Equity/debt weighting			
----- Equity		76,85%	66,71%
----- Debt		23,15%	33,29%
Weighted Average Cost of Capital (WACC)	(2)	7,69%	7,46%
ROCE after tax	(3)	11,27%	9,15%
Capital Employed (in € millions)		10 089	10 482
Economic Value Added (in € millions)	(4)	360	177

(1) The Beta used to calculate the cost of equity for 2008 and 2009 was 1 and the risk-free rate was the average 10-year OAT rate for the last month of the year

(2) WACC is determined as follows:

$$\text{Cost of equity} \times \frac{\text{Equity}}{(\text{Equity} + \text{Debt})} + \text{Cost of debt} \times \frac{\text{Debt}}{(\text{Equity} + \text{Debt})}$$

(3) 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, 2009 the data used in the formula were as follows:

EBITDA	: €1,092 million (see ROCE hereafter)
Depreciation, amortization and provisions	: €498 million
Effective tax rate	: 23.6% (see Note 16.2)
Capital employed	: €10,482 million (see ROCE hereafter)

(4) 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 €43 million impact on 2008 EVA and a €39 million impact on 2009 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 interest).
- Capital Employed: for each business, the average cost of 2008 and 2009 non-current assets, before depreciation, amortization and provisions, plus working capital.

ROCE corresponds to the ratio between EBITDA and average capital employed for the period. In December 2009, ROCE stood at 10.5% versus 14.1% in December 2008.

In € millions	2008	2009
Capital employed	10 308	10 835
Adjustments on capital employed (1)	(316)	(374)
Effect of exchange rate on capital employed (2)	97	21
Restated Average Capital Employed	10 089	10 482
EBITDA (see Note 7)	1 387	1 092
Interest income on external loans and dividends	8	10
Share of profit of associates before tax (see Note 11)	28	1
Restated Adjusted EBITDA	1 423	1 103
Restated ROCE (Adjusted EBITDA/Capital Employed)	14,1%	10,5%

(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) over a 12-month rolling period is as follows, by business segment:

Business	Dec. 2008		Dec. 2009	
	Capital Employed In € millions	ROCE %	Capital Employed In € millions	ROCE %
HOTELS	7 477	12,9%	7 827	8,4%
Upscale and Midscale Hotels	4 258	10,8%	4 147	6,6%
Economy Hotels	1 778	21,1%	2 114	14,7%
Economy Hotels United States	1 441	9,1%	1 566	4,4%
PREPAID SERVICES	1 761	23,3%	1 682	22,3%
OTHER BUSINESSES				
Casinos	471	9,4%	662	8,7%
Restaurants	138	7,5%	93	3,5%
Onboard Train Services	110	8,3%	79	9,9%
Holding Companies and other	132	N/A	139	2,5%
RESTATED GROUP TOTAL	10 089	14,1%	10 482	10,5%

► 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, 2009, 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 financial information for 2008, prepared in accordance with the same standards. Financial information for 2007, presented in the 2007 Registration Document filed with the French securities regulator (AMF) on April 3, 2008 under no. D.08-194, is incorporated by reference.

At December 31, 2009, 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"), with the exception of:

- IAS 39, which was only partially adopted.
- IFRIC 12 "Service Concession Arrangements" which is applicable from January 1, 2009 only by European Union companies whose financial year begins on or after March 29, 2009.
- IFRIC 15 "Agreements for the Construction of Real Estate" which is applicable from January 1, 2010.
- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation" which is applicable from January 1, 2009 only by European Union companies whose financial year begins on or after June 30, 2009.
- IFRIC 18 "Transfers of Assets from Customers" which is applicable from January 1, 2009 only by European Union companies whose financial year begins on or after October 31, 2009.

The differences between the standards and interpretations published by the IASB and those adopted by the European Union do not have a material impact on the Accor Group's financial statements because application of this Standard and these Interpretations will have no impact on the Group's financial statements when they are adopted by the European Union and become applicable by the Group.

As a result, the Group's consolidated financial statements have been prepared in accordance with International Financial 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, 2009:

- IFRS 8 "Operating Segments": IFRS 8 replaces IAS 14 "Segment Reporting." Whereas IAS 14 required segment information to be presented based on primary and secondary segment reporting formats (business segments and geographical segments), IFRS 8 requires segment information to be presented by operating segment on the same basis as that used for internal reporting purposes. The reported amount of each segment item now corresponds to the measurement reported to Management for the purposes of making decisions about allocating resources to the segment and assessing its performance. The operating segments defined by the Group under the new standard are the same as the business segments defined under IAS 14. Likewise, the indicators used to assess the performance of the segments correspond to those already presented when IAS 14 was applied. Consequently, the Group's adoption of IFRS 8 had no impact on the presentation of the consolidated financial statements or on the allocation of goodwill to the CGUs.
- Revised version of IAS 1 "Presentation of Financial Statements": application of this standard led the Group to alter the presentation of its financial statements although this had no impact on its financial position. The changes are as follows:
 - The statement of changes in shareholders' equity now only shows transactions with owners of the Company in their capacity as owners, with all non-owner changes in equity (i.e. comprehensive income) included in the statement of comprehensive income.
 - All items of income and expense recognized in a period are presented in two statements: a separate income statement (displaying components of profit or loss) and a statement of comprehensive income (beginning with profit or loss and displaying components of other comprehensive income).

The Group has elected not to change the account headings used in its financial statements.

- IFRIC 13 « Customer Loyalty Programs »: this interpretation alters the accounting treatment of customer loyalty programs by requiring recognition of the revenue corresponding to the award credits to be deferred whereas the Group's current policy consists of recording a provision for the cost of its loyalty programs. The consideration allocated to these award credits – measured by reference to their fair value – is recognized as revenue when the credits are redeemed by the customer. The Group's adoption of IFRIC 13, which was accounted for as a change in accounting policy in accordance with IAS 8 (adjustments of comparative amounts disclosed for prior periods presented), gave rise to the following impacts on the consolidated financial statements:

In € millions	January 1st, 2008	IFRIC 13 Impact	January 1st, 2008	Published December 2008	IFRIC 13 Impact	December 2008
Consolidated Revenue	8 121	-	8 121	7 739	(17)	7 722
Operating expense	(5 800)	-	(5 800)	(5 449)	17	(5 432)
Operating Profit Before Tax and Non Recurring Items	907	-	907	875	0	875
Gains and losses on management of other assets	188	-	188	12	1	13
Income tax expense	(234)	-	(234)	(272)	(1)	(273)
Net Profit	912	-	912	613	0	613
Deferred tax assets	199	4	203	222	4	226
Total Assets	10 834	4	10 838	11 413	4	11 417
Retained Earnings	(94)	(8)	(102)	158	(7)	151
Net profit, Group Share	883	-	883	575	0	575
Total Shareholders'Equity and Minority Interests	3 752	(8)	3 744	3 563	(7)	3 556
Other payables and income tax payable	1 557	12	1 569	1 602	11	1 613
Total Liabilities and Shareholders'Equity	10 834	4	10 838	11 413	4	11 417

- Amendment to IAS 23 « Borrowing costs »: borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are already capitalized as part of the cost of that asset. This amendment had therefore no impact on the consolidated financial statements.
- Amendment to IFRS 2 « Vesting Conditions and Cancellations »: this amendment specifies that all features of a share-based payment that are not vesting conditions should be included in the fair value of the equity instruments granted. In addition, if an entity or counterparty can choose whether to meet a non-vesting condition, the entity should treat the entity's or counterparty's failure to meet that non-vesting condition during the vesting period as a cancellation. The Group's application of this amendment had no impact on the consolidated financial statements.
- Amendments to IAS 32 and IAS 1 « Puttable financial instruments and obligations arising on liquidation »: these amendments require puttable financial instruments and obligations arising on liquidation to be classified as equity rather than as liabilities. They do not apply to firm or conditional commitments to purchase minority interests. As the Group did not hold any puttable financial instruments at December 31, 2008 its application of the amendments did not impact the prior-year comparative data included in the consolidated financial statements.
- Amendments to IFRS 1 and IAS 27 « Cost of an investment in a subsidiary jointly controlled entity or associate »: these amendments only concern separate financial statements and their application had no impact on the Group's consolidated accounts.
- IFRIC 11 « IFRS 2: Group and Treasury Share Transactions »: the Group early adopted IFRIC 11 on January 1, 2008 but this did not have an impact on the consolidated financial statements for the periods presented.
- IFRIC 14 « IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ». The Group's application of this interpretation did not have an impact on the consolidated financial statements for the periods presented.
- The revised version of the Amendment to IAS 39 and IFRS 7 « Reclassification of Financial Instruments: effective date and transition ». Accor has not applied the Amendment to IAS 39 and IFRS 7, which has since been revised and allows the reclassification of certain financial assets. Consequently, the revised version of the amendment to IAS 39 and IFRS 7 has no impact on the Group's financial statements.

- Amendments to IFRIC 9 and IAS 39 “Embedded Derivatives”. Accor has not applied the Amendment to IAS 39 and IFRS 7, which has since been revised and allows the reclassification of certain financial assets. Consequently, amendments to IFRIC 9 and IAS 39 have no impact on the Group’s financial statements.
- Amendment to IFRS 7 “Improving Disclosures about Financial Instruments”. Application of the amendment to IFRS 7 required the Group to present (i) additional disclosures about the fair values of its financial instruments and (ii) a maturity analysis of its financial liabilities (See Note 30). However, these disclosures had no impact on the Group’s financial position.

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, 2009 and applicable after that date:

		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 IAS 39	“Financial Instruments: Recognition and Measurement: Eligible Hedged Items”	July 1, 2009	These standards are currently not expected to have a material impact on the consolidated financial statements.
IFRS revised 1	Revised version of IFRS 1 “First-time Adoption of International Financial Reporting Standards”	July 1, 2009	
Amendments to IFRS 1	Additional Exemptions for First-time Adopters	January 1, 2010	
Amendment to IFRS 2	“Group Cash-settled Share- based Payment Transactions”	January 1, 2010	
Amendment to IAS 32	“Classification of Rights Issues”	February 1, 2010	
Amendment to IFRIC 14	“Prepayments of a Minimum Funding Requirement”	January 1, 2011	
	“Annual Improvements April 2009”	January 1, 2010	
IFRIC 19	“Extinguishing Financial Liabilities with Equity Instruments”	July 1, 2010	
IAS revised 24	“Related Party Disclosures”	January, 1, 2011	
IFRS 9	“Financial Instruments”	January, 1, 2013	This interpretation has no impact on the 2009 consolidated financial statements. Possible application on June 30th, 2010 if a General Meeting confirms the project of demerger before June 30th, 2010 and if the demerger is not applied immediately
IFRIC 17	“Distributions of Non-cash Assets to Owners”	October, 31, 2009	
IAS revised 27	Revised version of IAS 27 “ Consolidated and Separate Financial Statements”	July 1, 2009	These standards will be applied prospectively to business combinations occurring on or after January 1, 2010. In application of the revised standards the Group will be required to change its method for recognizing future business combinations and future transactions relating to minority interests.
IFRS revised 3	Revised version of IFRS 3 “Business Combinations”	July 1, 2009	

First-time adoption of IFRSs

The following options adopted by Accor in the opening IFRS balance sheet at the IFRS transition date (January 1, 2004) in accordance with IFRS 1, continue to have a material impact on the consolidated financial statements:

- Business combinations recorded prior to January 1, 2004 were not restated.
- Cumulative translation differences at the transition date were reclassified in retained earnings.
- Property, plant and equipment and intangible assets were not measured at fair value at the transition date

Basis for preparation of the financial standards

The financial statements of consolidated companies, prepared in accordance with local accounting principles, have been restated to conform to Group policies prior to consolidation. All consolidated companies have a December 31 year-end, except for Groupe Lucien Barrière SAS whose year-end is October 31.

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.

The economic and financial crisis in 2008 led to reduced revenue and earnings visibility. The crisis continued in 2009 and, as a result, the annual consolidated financial statements have been prepared by reference to the current environment, particularly for the purpose of estimating the value of non-current assets. There have been no changes in measurement or estimation methods compared with those applied at the December 31, 2008 close.

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 2009.

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 29). Group policy consists of keeping this ratio below 100%. For the purpose of calculating the ratio, net debt corresponds to interest-bearing loans and borrowings, cash and cash equivalents. Equity includes convertible preferred stock and unrealized gains and losses recognized directly in equity, but excludes minority interests. The Group has set a target of maintaining the adjusted funds from ordinary activities/Adjusted net debt ratio at more than 20%.

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.

The assets and liabilities of subsidiaries acquired during the period are initially recognized at their fair value at the acquisition date. Minority interests are determined based on the initially recognized fair values of the underlying assets and liabilities.

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. Goodwill

In the year following the acquisition of a consolidated company, fair value adjustments are made to the identifiable assets and liabilities acquired. For this purpose, fair values are determined in the new subsidiary's local currency.

In subsequent years, these fair value adjustments follow the same accounting treatment as the items to which they relate.

B.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.

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 "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.D.6. If the carrying amount of goodwill exceeds its recoverable amount, an irreversible impairment loss is recognized in profit.

B.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.

C. 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".

D. Non-current assets

D.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 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 determined according to the criteria applied at the acquisition date is less than their carrying amount, an impairment loss is recognized (see Note 1.D.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. Contractual customer relationships are measured based on the cost of acquiring new customers.

D.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	
Capitalized construction-related costs	50 years	35 years
Equipment	5 to 15 years	

D.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.

D.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.

D.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. The Group is in regular contact with the management of associates and also receives details of their budgets and business plans. Based on the information obtained through these contacts and close monitoring of actual performance against the budgets and business plans, the Group considers that none of its investments in associates are impaired.

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.D.6.

D.6. RECOVERABLE VALUE OF ASSETS

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

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

CRITERIA USED FOR IMPAIRMENT TESTS

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

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

CASH-GENERATING UNIT

Impairment tests are performed individually for each asset except when an asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In this case, it is included in a cash-generating

unit (CGU) and impairment tests are performed at the level of the cash-generating unit.

In the hotel business, each hotel is treated as a separate CGU comprising the hotel property and equipment.

In the prepaid services business, CGUs defined for goodwill impairment testing purposes are identified by country; however, for countries that generate revenues in excess of €50 million, they correspond to groups of assets in the country concerned.

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. The projected long-term rate of revenue growth reflects each country's economic outlook. For 2009, a long-term growth rate of 2% was used for developed countries.

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.

D.7. ASSETS HELD FOR SALE

In accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", as from January 1, 2005, 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.

E. 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.

F. Prepaid Services voucher reserve funds

Prepaid Services voucher reserve funds are held in special escrow accounts, to comply with legal requirements mainly in France, in Romania and United Kingdom on the use of Prepaid Services operating funds. They require issuers of prepaid services vouchers to set aside the equivalent of the aggregate face value of outstanding vouchers in a special reserve fund.

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 (see Note 6). 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 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.

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. Deferred tax

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. The only exception concerns deferred taxes arising from the difference in treatment of certain leases accounted for as finance leases in the consolidated accounts.

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

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

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

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

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, the Conseil National de la Comptabilité, stated that each business should exercise its own judgment to determine the accounting classification of the CVAE.

In March 2006 and March 2009, the IFRIC stated that income taxes are defined as taxes that are based on taxable profit, and that the term 'taxable profit' implies a notion of a net rather than a gross amount. Additionally, because taxable profit is not the same as accounting profit, taxes do not need to be based on a figure that is exactly accounting profit to be within the scope of IAS 12. Value added used to calculate the CVAE is a net amount, not a gross amount. Moreover, experience shows that certain foreign taxes assessed on the basis of profit indicators other than profit before tax are generally qualified as income taxes under IAS 12. Examples exclude Germany's Gewerbesteuer tax and Italy's IRAP tax. In the interests of consistency, Accor has therefore decided to consider that the CVAE falls within the scope of IAS 12. As a result, deferred taxes totaling €15 million have been recognized in the consolidated financial statements at December 31, 2009, taking into account the related deferred tax asset.

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.

IFRS 2 applies to twelve stock option plans set up between 2003 and 2009. Eleven of these plans do not have any specific vesting conditions except for the requirement for grantees to continue to be employed by the Group at the starting date of the exercised period. One plan is a performance option plan with vesting conditions other than market conditions. As for the other plans, grantees must continue to be employed by the Group at the starting date of the exercised 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 the goods and services received 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.

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:

- For 2007 and 2008 plans, 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;
- For the 2009 plan, 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 corresponding to the difference between the carrying amount and the recoverable amount (i.e. the present value of the expected cash flow discounted using the original effective interest rate) 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.

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.

N.2. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

N.3. FINANCIAL LIABILITIES HEDGED BY DERIVATIVE INSTRUMENTS

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

Financial liabilities hedged by fair value hedges are measured at fair value, taking into account the effect of changes in interest rates. Changes in fair value are recognized in profit and are offset by changes in the fair value of the hedging instrument.

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

N.4. BANK BORROWINGS

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

N.5. CONVERTIBLE BONDS

Convertible bonds are qualified as hybrid instruments comprising a host contract, recognized in debt, and an embedded derivative, recognized in equity.

The carrying amount of the host contract or debt component is equal to the present value of future principal and interest payments, discounted at the rate that would be applicable to ordinary bonds issued at the same time as the convertible bonds, less the value of the conversion option calculated at the date of issue.

The embedded derivative or equity component is recognized in equity for an amount corresponding to the difference between the nominal amount of the issue and the value attributed to the debt component.

Costs are allocated to the two components based on the proportion of the total nominal amount represented by each component. The difference between interest expense recognized in accordance with IAS 39 and the interest paid is added to the carrying amount of the debt component at each period-end, so that the carrying amount at maturity of unconverted bonds corresponds to the redemption price.

N.6. OTHER FINANCIAL LIABILITIES

Other financial liabilities are measured at amortized cost. Amortized cost is determined by the effective interest method, taking into account the costs of the issue and any issue or redemption premiums.

O. Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, and short-term investments in money market instruments. These instruments have maturities of less than three months and are readily convertible into known amounts of cash; their exposure to changes in value is minimal.

P. Liabilities of assets classified as held for sale

In accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", this item includes all the liabilities (excluding equity) related to assets or a disposal group classified as held for sale (see Note 1.D.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 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. Changes in the debt arising from business plan adjustments are recognized in goodwill. Discounting adjustments are recognized in financial expense.

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.
- For the prepaid services businesses, fees received from client companies, contributions received from restaurant operators, royalties for the use of Group trademarks and technical assistance fees.
- For onboard train services, sleeping compartment and food services billed to railway operators and grants received.
- For casinos, gross gaming receipts (slot machines and traditional casino games).

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. The interest corresponds to the prepaid services voucher business's operating revenue and is included in the determination of consolidated revenue.

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 response ratio, used when revenue goes down, is defined as $1 - (\text{change in like-for-like EBITDAR} / \text{change in like-for-like revenue})$.

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:

- EBITDA corresponds to gross profit after the operating costs of holding leased assets.
- 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 transactions concerned 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

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 Board of Directors approved these financial statements for publication on February 23, 2010.

Note 2. Significant Events and Changes in Scope of Consolidation

A. Divestments and returns to shareholders

A.1. STRATEGIC REFOCUSING ON HOTELS AND PREPAID SERVICES

In line with the Group strategy announced to the financial markets in 2006, various non-strategic assets have been sold. Details of the main divestments carried out in 2006, 2007, 2008 and 2009 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	-
	RESTAURATION COLLECTIVE - ITALY	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	-

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

A.2. PROPERTY STRATEGY

In line with 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.



* In mature markets

REAL ESTATE POLICY SINCE JANUARY 1, 2005

Since January 1, 2005, the operating structures of 841 hotel units have been changed. The following table provides summary information about the various transactions, by type.

In € millions	Number of hotels	Portfolio value	Debt impact	Discounted Rental Commitments impact (*)	Adjusted Debt impact (**)
Sales & Variable Lease Back	533	3 525	1 350	1 516	2 866
Sales & Lease Back	1	3	3	(5)	(2)
Sales & Management Back	23	627	378	315	693
Sales & Franchise Back	161	193	172	141	313
Outright sales	123	538	444	128	572
Total	841	4 886	2 347	2 095	4 442

(*) 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 Lease back" 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. 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 first 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 first 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
2005 - 2009	Other	Germany & Mexico	11	NA	NA
Total 2005-2009			533		

These transactions impacted the consolidated financial statements as follows:

	In € millions	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
2005-2009	Other	122	ND	119	104
Total 2005 - 2009		3 525	ND	1 350	2 866

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 39.

The sale and variable leaseback transaction carried out in 2008 with a real estate consortium including Caisse des Dépôts et Consignations and two investment funds managed by Axa Real Estate Investment Managers concerned the Novotel, Mercure, Ibis, All Seasons, Etap Hotel and Formule 1 brands.

The €518 million transaction included a €50 million renovation program at the new owner's expense (see Note 39). Accor is committed to financing a €28 million renovation program (see Note 39), of which €12 million was incurred at December 31, 2009. Insurance premiums, property taxes and structural maintenance capex are now payable by the owner of the properties.

This transaction enabled Accor to reduce its adjusted net debt by €323 million in 2008, of which €267 million was added to the Group's cash reserves, and added around €5 million to 2008 profit before tax.

The sale and variable leaseback transaction carried out in 2009 with a consortium of leading French institutional investors through a property investment trust (OPCI) concerned 157 hotelF1 properties, representing a total of 12,174 rooms. This transaction enabled Accor to reduce its adjusted net debt by around €214 million in 2009, of which €153 million was added to the Group's cash reserves.

A.2.2. "Sale and Management back" transactions

The objective of sale and management-back transactions is to reduce capital employed and earnings volatility.

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	The Netherlands (Sofitel The Grand)	1	- Accor retain a 40% interest in the company that owns the property which is accounted for by the equity method . - Accor run the hotel under a 25-year management contract.
2008	Esnee	France (Mgallery Baltimore)	1	Accor continues to manage the hotel under a management contract
2005-2009	Other	Australia / United States	9	Accor continues to manage the hotels under a management contract
Total 2005 - 2009			23	

These transactions impacted the consolidated financial statements as follows:

		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
2005 - 2009	Other	41	ND	46	99
Total 2005 - 2009		627	ND	378	693

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 284 hotels.

	Sale & Franchise Back Number of hotels	Outright sales	Main countries	Sale price	Debt impact In € millions	Adjusted debt impact
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
TOTAL	161	123		731	616	885

A.3. DIVESTMENT OF THE STAKE IN RED ROOF INN IN 2007

Based on the strategic review of its business portfolio, on September 10, 2007, Accor Group sold Red Roof Inn to a consortium comprised of Citi's Global Special Situations Group and Westbridge Hospitality Fund, L.P. for \$1,320 billion. The Red Roof Inn network comprised 341 hotels and 36,683 rooms, located mainly in the East coast and Midwest regions of the United States.

The sale generated a loss of €174 million in 2007, recognized in "Gains and losses on management of hotel properties" and enabled Accor to reduce its adjusted net debt by €751 million, of which €425 million was added to the Group's cash reserves.

A.4 RETURN TO SHAREHOLDERS OF PART OF THE CASH PROCEEDS FROM ASSET DISPOSALS

Accor has returned to shareholders part of the cash proceeds from disposals of investments and assets carried out since 2005.

Since May 10, 2006, Accor has announced several successive share buyback programs, as follows:

- **On May 10, 2006, Accor announced a first program to buy back Accor S.A shares for a total of €500 million.** This program was carried out pursuant to the authorization granted at the Shareholders Meeting held on January 9, 2006, which capped the buy-back price at €62 per share. During 2006, Accor bought back and cancelled 10,324,607 shares. These shares were acquired at a total cost of €481 million, representing an average price per share of €46.56. As of December 31, 2006, a further 332,581 shares had been bought back at a total cost of €19 million. These shares were cancelled at the beginning of January 2007.
- **On May 14, 2007, Accor announced a second program to buy back Accor S.A shares for a total of €700 million.** This program was carried out pursuant to the authorization granted at the Shareholders Meeting held on May 14, 2007, which capped the buy-back price at €100 per share. During 2007, Accor bought back and cancelled 10,623,802 shares. These shares were acquired at a total cost of €700 million, representing an average price per share of €65.89.
- **On August 28, 2007, Accor announced a third program to buy back Accor S.A shares for a total of €500 million.** This program was carried out pursuant to the authorization granted at the Shareholders Meeting held on May 14, 2007, which capped the buy-back price at €100 per share. During the second half of 2007, Accor bought back 8,507,150 shares at a total cost of €500 million, representing an average price per share of €58.78. As of December 31, 2007, 1,300,000 shares had been cancelled. The remaining 7,207,150 shares were cancelled during the second half of 2008.
- **On August 25, 2008, Accor announced a fourth program to buy back Accor S.A shares.** This program was carried out pursuant to the authorization granted at the Shareholders Meeting held on May 13, 2008, which capped the buy-back price at €100 per share. During the second half of 2008, Accor bought back and cancelled 1,837,699 shares at a total cost of €62 million, representing an average price per share of €33.70.

During first-half 2007, the Group paid a special dividend of €1.50 per share on the 224,058,558 shares outstanding, representing a total payout of €336 million. In first-half 2008, the Group paid another special dividend of €1.50 per share on the 221,527,614 shares outstanding, representing a total payout of €332 million.

In all, nearly €2.4 billion has been returned to shareholders since 2005.

B. Organic growth and acquisitions

B.1. HOTEL DIVISION DEVELOPMENT STRATEGY

A total of 105,332 rooms were opened in the period 2006-2009 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)

In 2009, the Group added 237 hotels (27,332 rooms) to its portfolio through acquisitions and organic growth. In addition, 108 hotels (14,173 rooms) were closed during the period.

Hotel portfolio by brand and type of management at December 31, 2009

In number of hotels	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
Sofitel	17	7	7	84	6	121
Pullman	10	8	6	18	4	46
Novotel	66	62	113	105	49	395
Mercure	61	97	83	206	252	699
Adagio	1	6	1	20	1	29
Suitehotel	8	9	-	3	6	26
All Seasons	3	11	4	10	47	75
Ibis	136	136	217	90	282	861
Etap Hotel	65	58	77	7	196	403
Formule 1	98	29	167	10	47	351
Motel 6 / Studio 6	333	346	1	-	380	1 060
Other	16	3	-	21	5	45
Total	814	772	676	574	1 275	4 111
<i>Total in %</i>	<i>19,8%</i>	<i>18,8%</i>	<i>16,4%</i>	<i>14,0%</i>	<i>31,0%</i>	<i>100,0%</i>

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
Sofitel	2 666	1 584	1 173	22 486	1 965	29 874
Pullman	2 693	2 228	1 160	5 356	1 032	12 469
Novotel	11 461	11 853	18 822	23 489	6 247	71 872
Mercure	7 426	15 389	12 413	29 422	20 989	85 639
Adagio	108	697	133	2 800	111	3 849
Suitehotel	1 085	1 312	-	378	542	3 317
All Seasons	330	822	763	1 544	3 655	7 114
Ibis	18 650	17 341	28 984	16 280	20 912	102 167
Etap Hotel	5 484	6 015	7 048	922	14 501	33 970
Formule 1	7 081	2 199	15 165	1 175	3 007	28 627
Motel 6 / Studio 6	37 857	39 165	72	-	28 557	105 651
Other	2 863	435	-	4 367	461	8 126
Total	97 704	99 040	85 733	108 219	101 979	492 675
<i>Total in %</i>	<i>19,8%</i>	<i>20,1%</i>	<i>17,4%</i>	<i>22,0%</i>	<i>20,7%</i>	<i>100,0%</i>

Hotel portfolio by region and type of management at December 31, 2009

In number of hotels	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
France	207	68	397	53	684	1 409
Europe excluding France	181	301	221	81	117	901
North America	337	346	1	12	380	1 076
Latin America & Caribbean	19	7	41	94	19	180
Other Countries	70	50	16	334	75	545
Total	814	772	676	574	1 275	4 111
<i>Total in %</i>	<i>19,8%</i>	<i>18,8%</i>	<i>16,4%</i>	<i>14,0%</i>	<i>31,0%</i>	<i>100,0%</i>
In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
France	20 507	7 375	43 150	6 463	50 404	127 899
Europe excluding France	25 334	43 831	31 190	12 071	12 398	124 824
North America	39 042	39 165	72	3 665	28 557	110 501
Latin America & Caribbean	2 500	1 150	8 194	13 565	2 225	27 634
Other Countries	10 321	7 519	3 127	72 455	8 395	101 817
Total	97 704	99 040	85 733	108 219	101 979	492 675
<i>Total in %</i>	<i>19,8%</i>	<i>20,1%</i>	<i>17,4%</i>	<i>22,0%</i>	<i>20,7%</i>	<i>100,0%</i>

Hotel portfolio by region and brand at December 31, 2009

In number of hotels	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Total
Sofitel	13	21	9	9	69	121
Pullman	13	12	-	1	20	46
Novotel	124	140	7	19	105	395
Mercure	251	232	-	81	135	699
Adagio	23	6	-	-	-	29
Suitehotel	18	6	-	-	2	26
All Seasons	36	6	-	-	33	75
Ibis	378	313	-	59	111	861
Etap Hotel	288	115	-	-	-	403
Formule 1	262	31	-	10	48	351
Motel 6 / Studio 6	-	-	1 060	-	-	1 060
Other	3	19	-	1	22	45
Total	1 409	901	1 076	180	545	4 111
<i>Total (in %)</i>	<i>34,3%</i>	<i>21,9%</i>	<i>26,2%</i>	<i>4,4%</i>	<i>13,3%</i>	<i>100,0%</i>

In number of rooms	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Total
Sofitel	1 664	4 872	2 893	1 625	18 820	29 874
Pullman	3 384	2 824	-	188	6 073	12 469
Novotel	16 344	26 395	1 957	3 082	24 094	71 872
Mercure	23 435	31 582	-	10 559	20 063	85 639
Adagio	3 201	648	-	-	-	3 849
Suitehotel	2 094	931	-	-	292	3 317
All Seasons	2 850	409	-	-	3 855	7 114
Ibis	33 001	39 983	-	8 890	20 293	102 167
Etap Hotel	22 283	11 687	-	-	-	33 970
Formule 1	19 491	2 216	-	2 905	4 015	28 627
Motel 6 / Studio 6	-	-	105 651	-	-	105 651
Other	152	3 277	-	385	4 312	8 126
Total	127 899	124 824	110 501	27 634	101 817	492 675
<i>Total (in %)</i>	<i>26,0%</i>	<i>25,3%</i>	<i>22,4%</i>	<i>5,6%</i>	<i>20,7%</i>	<i>100,0%</i>

Hotel development projects in progress at December 31, 2009

The number of new rooms represented by hotel development projects in progress at December 31, 2009 is as follows:

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
2010	3 675	916	3 333	14 334	6 341	28 599
2011	5 128	1 723	3 686	22 636	4 681	37 854
2012	2 345	694	2 670	16 612	1 122	23 443
2013 and after	1 373	-	1 511	9 623	508	13 015
Total	12 521	3 333	11 200	63 205	12 652	102 911

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 difference between the cost of the additional stake and the net assets acquired amounted to €44 million before deferred taxes. This was recognized as fair value adjustments to 21 hotel properties. After purchase accounting adjustments, goodwill amounted to €12 million.

The acquired items are as follows (in € millions and on a 100% basis):

	ORBIS
	Historical cost
Property, plant and equipment	403
Intangible assets	126
Financial assets	3
<i>Non-current assets</i>	532
Cash and cash equivalents	21
<i>Current assets (excluding cash and cash equivalents)</i>	96
<i>Non current liabilities</i>	119
<i>Current liabilities</i>	132
Net assets acquired	398
Revenue of the acquired company in 2008	328
Net Profit of the acquired company in 2008	26
Net Profit of the acquired company from the date of the acquisition	4

B.1.3. Buyout of the remaining 50% stake in hotel operations in Portugal in 2007

At the beginning of July 2007, Accor acquired for €69 million the Armorim group's 50% stake in the joint venture created by the two companies in 1997 to develop and operate hotels in Portugal. At the same time, Accor sold the Sofitel Thalassa Vilalara to Amorim for €27 million.

Following completion of these transactions, Accor became the sole owner of its hotel operations in Portugal, with a portfolio of 29 hotels. These operations were proportionately consolidated in the first half of 2007 and fully consolidated from July 1, 2007.

The difference between the cost of the additional stake in the joint venture and Accor's equity in the underlying net assets amounted to €14 million. Purchase accounting adjustments included fair value adjustments (excluding deferred taxes) to the assets of four Ibis hotels for €12 million (of which €5 million allocated to lands and €7 million to the buildings) and one Mercure unit (of which €1 million to the building). Goodwill recognized on the transaction came to €4 million.

B.1.4. Restructuring of the Dorint AG

Accor has owned an equity interest in German hotel group Dorint AG since 2002. The interest was increased from 26% in 2002 to 40.19% in 2006 through a number of capital injections and 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.

B.2. PREPAID SERVICES DIVISION DEVELOPMENT STRATEGY

B.2.1. 2006 Acquisitions

In **February 2006**, Accor Services first acquired **Stimula**, an organizer of distribution network and sales force incentive programs. With this acquisition, Accor Services became the leading player in the French corporate incentive market, with revenues (including Stimula) of some €200 million and 200 employees in France. Stimula was acquired for €7.3 million, paid in cash. The business combination was accounted for by the purchase method, leading to the recognition of contractual customer relationships in intangible assets for €1.6 million and goodwill for €5.6 million.

In **March 2006**, Accor Services acquired **Commuter Check Services Corporation**, an American company issuing transit vouchers. These checks allow companies to help their employees finance their daily commuting expenses. Commuter Check Services Corporation is a major player in this market in the US, with business volumes of \$79 million in 2005, a portfolio of around 3,700 customers and 110,000 users in 10 major American cities, including San Francisco, Boston and Philadelphia, in particular. Commuter Check Services Corporation was acquired for \$35 million (€28.4 million) paid in cash. The business combination was accounted for by the purchase method, leading to the recognition of contractual customer relationships in intangible assets for €2.1 million and goodwill for €25.5 million. Commuter Check Services Corporation reported 2007 revenue of €6 million.

In **August 2006**, the acquisition of Italian meal voucher issuer **Serial** consolidated Accor Services Italy's leadership position. Since its creation in 1998, Serial had established a strong position in the small business segment, with an issue volume more than €97 million. Serial was acquired for €42.9 million, paid in cash. The business combination was accounted for by the purchase method, leading to the recognition of contractual customer relationships in intangible assets for €7.3 million and goodwill for €34.9 million. Serial reported 2007 revenue of €9 million.

B.2.2. 2007 Acquisitions

In **January 2007**, Accor Services acquired **Autocupon**, Mexico's second largest petrol cards seller from the Pegaso group. The acquisition cost included €7 million in cash and an estimated €1 million earn-out payment.

In **January 2007**, Accor Services acquired **Tintelingen B.V.**, a B2B issuer of Christmas gift cards in the Netherlands, offering a wide range of products and services. The acquisition cost included €3 million in cash and a €1 million earn-out payment paid in 2009.

In **March 2007**, Accor Services acquired **Kadéos**, the PPR group's gift card and voucher business. This acquisition positions Accor Services as the leader of the gift card and voucher market in France. These products for businesses and consumers are sold in more than 82 chains and can be used in nearly 1,000 stores in France, as well as on e-commerce sites. Kadéos was acquired for €211 million, paid in cash. The difference between the cost of the business combination and the net assets acquired amounted to €218 million before deferred taxes. Of this, €19 million was recognized under "contractual customer relationships", €19 million under "brands", €18 million under "exclusive distribution rights" and €181 million under "goodwill". Kadéos generated €29 million in revenue in 2007.

In **June 2007**, Accor Services acquired **Surfgold**, Asia's leading provider of marketing services, for €10 million paid in cash plus an estimated €4 million earn-out payment. By providing access to Surfgold's portfolio of leading Asian companies and to its incentive and loyalty program management platform, the acquisition enables Accor Services to professionalize and broaden the scope of its reward and loyalty programs, especially its range of gift vouchers. The difference between the cost of the business combination and the net assets acquired amounted to €9 million before deferred taxes. Of this, €5 million was recognized under "contractual customer relationships". The €5 million earn-out payment made during the first half of 2009 was added to the original goodwill.

In **September 2007**, Accor Services acquired **PrePay Technologies Ltd**, the UK's leading issuer of prepaid card solutions for a total of €57 million paid in cash plus an approximately €3 million earn-out payment made paid during the at the end of 2009. This acquisition strengthens Accor Services' leadership position and diversifies its portfolio of products and prepaid services in the UK. The difference between the cost of the business combination and the net assets acquired amounted to €53 million before deferred taxes. Of this, €14 million was recognized under "IT platform", €3 million under "contractual customer relationships", €2 million under "brands" and €1 million under "e-money user licence".

In **December 2007**, Accor Services acquired the 64% interest previously held by venture capital firm GeoCapital Partners in **Motivano UK**, a leading online employee benefits solution provider. Motivano UK's current management team will retain a 36% interest in the company. The acquisition will further strengthen Accor Services' position as a leading provider of solutions in the area of employee and constituent benefits. Motivano UK was acquired for €6 million in cash. The difference between the cost of the business combination and the net assets acquired amounted to €10 million before deferred taxes. Of this, €2 million was recognized under "contractual customer relationships", €1 million under "IT Platform" and €1 million under "brands". Motivano UK reported 2008 revenue of €3 million.

B.2.3. 2008 Acquisitions:

In **January 2008**, Accor Services acquired 80 % of **Quasar**, a German reward and loyalty program operator, for €10 million in cash. The difference between the cost of the business combination and the net assets acquired amounted to €9 million before deferred taxes. Of this, €2 million was recognized under "contractual customer relationships" and €1 million was recognised under "brands". Quasar generated €11 million in revenue in 2008.

B.2.4. Developments in first-half 2009

On **February 9, 2009** Accor Services and MasterCard entered into a strategic alliance resulting in the creation of a new company, PrePay Solutions. Accor is the majority shareholder with 67%, while MasterCard Europe holds a 33% stake. The creation of PrePay Solutions is underpinned by Accor Services' subsidiary PrePay Technologies Limited, the UK market leader in prepaid cards that was acquired in 2007.

The new company will combine the prepaid and electronic payments expertise of both organizations. PrePay Solutions will market prepaid card-based solutions enabling corporations, the public sector and financial institutions to reduce costs and enhance efficiency.

In **October 2009**, Accor Services acquired **Exit Group**, the fourth largest provider of meal vouchers in the Czech Republic and 8 customer lists. With their strong synergies in terms of geographic coverage and customer bases, Accor

Services Czech Republic and Exit Group will combine to make Accor Services a market leader in this high potential region. The transaction was completed at a price of €15 million (including € 12 million for the meal-voucher business and €3 million for the customer lists) paid in cash, plus €2 million in contingent consideration that will be paid in 2010. The difference between the cost of the business combination and the net assets acquired amounted to €11 million before deferred taxes. Of this, €2 million was recognized under "contractual customer relationships". Exit Group generated €3 million in revenue in 2009.

B.3. ACQUISITION OF 50% OF ACCOR BRAZIL IN 2006

At the beginning of December 2006, Accor acquired Brookfield Asset Management Inc.'s and Espirito Santo Resources, Ltd.'s combined 50% stake in Brazil's Ticket Serviços for €197 million.

Ticket Serviços manages prepaid services vouchers and hotels in Brazil under Accor brands and food catering services under a local brand. It was previously jointly held by Accor (50%), Brookfield Asset Management Inc. (40%) and Espirito Santo Resources, Ltd. (10%). With the completion of the transaction, Accor held 100% of the company's prepaid services vouchers and hotel operations and a 50% stake in its food services operations, with Compass owning the other 50%.

The business combination was accounted for by the purchase method, leading to the recognition of goodwill for €163 million.

B.4. ACCOR INCREASED AT 49% ITS STAKE IN GROUPE LUCIEN BARRIÈRE IN 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 in the second half of 2009. 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.

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, 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, Colony Capital purchased 18,971,023 Accor shares and sold 3,358,006 new Accor shares. As a result, 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.

D. Three Bond Issue

Accor completed successfully two €600 million bond issues and one €250 million bond issue in 2009:

- On January 28th 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%. The bond has been placed with more than 200 European institutional investors.
- On April 23th 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%. The bond has been placed with more than 350 European institutional investors.
- On July 16th 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%. The bond has been placed with one investor.

This bond issue aims to reinforce the Group's liquidity, to diversify its financial resources and to increase the average maturity of its debt.

E. Consolidation rate of the Venezuelan bolivar

On January 8, 2010, the Venezuelan monetary authorities devalued the bolivar fuerte (VEF), leading to an increase in the exchange rate against the US dollar to VEF 4.30 from VEF 2.15 pre-devaluation.

During the 2009 accounting year, the official assents to convert its currency into dollars according to the official rate were withdrawn from the company.

Until then, the official rate had been held by the group to consolidate its subsidiaries.

On 31st December 2009, the group decided to convert the contributions of its Venezuelan subsidiaries to the most likely rate of repatriation of its local currency, namely the devalued rate of the Bolivar as announced on January 8, 2010 by the Venezuelan authorities.

The negative impact on profit before tax and non-recurring items came to €39 million.

F. Proposed demerger of the Hospitality and Prepaid Services businesses

The planned demerger of the Group's two core businesses that has been approved by the Board of Directors on December 15th, 2009, did not lead to any specific accounting entries in the consolidated financial statements for the year ended December 31, 2009.

An analysis of the planned demerger based on IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" showed that the operation fell outside the scope of this standard, which applies to disposals of non-current assets and disposal groups and not to demergers.

On the other hand, the planned demerger falls within the scope of IFRIC 17 "Distributions of Non-Cash Assets to Owners", which covers not only distributions of non-cash assets but also spin-offs along the lines of the operation currently planned by the Accor Group. However, Accor has not chosen to early adopt IFRIC 17, which is applicable for annual periods beginning on or after October 31, 2009. In addition, the distribution is not highly probable, as required for the application of IFRIC 17, because the demerger is not certain of being approved by shareholders.

Consequently, all the assets and liabilities and the income statement related to the prepaid Services segment, have not been reclassified on a line isolated at the bottom of financial statements on December 31, 2009

Note 3. Consolidated Revenue by Business and by Region

In €millions	France	Europe (excl. France)	North America	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2009	2008
HOTELS	1 817	2 077	591	219	462	20	5 186	5 750
Upscale and Midscale Hotels	1 135	1 375	57	111	328	20	3 026	3 427
Economy Hotels	682	702	-	108	134	0	1 626	1 723
Economy Hotels US	-	-	534	-	-	-	534	600
PREPAID SERVICES	209	335	14	337	48	-	943	978
OTHER BUSINESSES	590	254	-	-	85	7	936	994
Casinos	425	-	-	-	16	-	441	346
Restaurants	97	-	-	-	1	-	98	187
Onboard Train Services	68	180	-	-	-	-	248	306
Holding Companies and other	0	74	-	-	68	7	149	155
Total 2009	2 616	2 666	605	556	595	27	7 065	
Total 2008	2 787	2 935	683	663	633	21		7 722

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

Consolidated revenue for December 31, 2009 totalled €7,065 million, compared with €7,722 million for the same period of 2008. The period-on-period decrease of €657 million or (8.5) % breaks down as follows:

✓ Like-for-like growth	(612)	€ m	(7,9)%
✓ Business expansion	+337	€ m	+4,4%
✓ Currency effects	(111)	€ m	(1,4)%
✓ Disposals	(271)	€ m	(3,5)%
Decrease in 2009 Revenue	(657)	€ m	(8,5)%

Decrease in 2009 consolidated revenue by business:

	Reported change € m	Like-for-like change € m	%
HOTELS	(564)	(580)	(10,1)%
Upscale and Midscale Hotels	(401)	(392)	(11,5)%
Economy Hotels	(97)	(105)	(6,1)%
Economy Hotels US	(66)	(83)	(13,8)%
PREPAID SERVICES	(35)	+14	+1,4%
OTHER BUSINESSES	(58)	(46)	(4,6)%
Casinos	+95	(17)	(4,8)%
Restaurants	(89)	(17)	(9,0)%
Onboard Train Services	(58)	+9	+2,8%
Holding Companies and other	(6)	(21)	(13,7)%
Group Total	(657)	(612)	(7,9)%

Decrease in 2009 consolidated revenue by region:

	Reported change € m	Like-for-like change € m	%
France	(171)	(188)	(6,7)%
Europe (excl. France)	(269)	(290)	(9,9)%
North America	(78)	(98)	(14,3)%
Latin America & Caribbean	(107)	+7	+1,0%
Other Countries	(38)	(36)	(5,8)%
Worldwide Structures	+6	(7)	(35,9)%
Group Total	(657)	(612)	(7,9)%

At December 31, 2009, **revenue from managed and franchised hotels**, included in the hotels' revenue presented above of €5,186 million, amounted to €202 million. This amount breaks down as follows:

In €millions	Management fees	Franchise fees	2009	2008
HOTELS				
Upscale and Midscale Hotels	115	26	141	167
Economy Hotels	15	31	46	44
Economy Hotels United States	-	15	15	11
Total 2009	130	72	202	
Total 2008	154	68		222

Note 4. Operating Expense

In € millions	2008	2009
Cost of goods sold (1)	(806)	(752)
Employee benefits expense (2)	(2 790)	(2 611)
Energy, maintenance and repairs	(386)	(380)
Taxes, insurance and service charges (co-owned properties)	(267)	(258)
Other operating expense (3)	(1 183)	(1 088)
TOTAL OPERATING EXPENSE	(5 432)	(5 089)

(1) The cost of goods sold includes food and beverage purchases, laundry costs and the cost of telephone calls billed to clients. These costs mainly concern the Hotel and Restaurant businesses.

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

Full-time equivalent	2008	2009
Full-time equivalent (*)	85 592	78 411
Ratio employee benefits expense / FTE (€k)	(33)	(33)

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

Employee benefits expense includes €20 million related to stock option plans and to performance shares plan.

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

Note 5. EBITDAR by Business and Region

In €millions	France	Europe (excl. France)	North America	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2009	2008
HOTELS	510	627	174	57	106	33	1 507	1 815
Upscale and Midscale Hotels	291	360	9	16	58	31	765	950
Economy Hotels	219	267	-	41	48	2	577	636
Economy Hotels US	-	-	165	(0)	-	-	165	229
PREPAID SERVICES	64	157	4	170	15	(16)	394	426
OTHER BUSINESSES	71	8	(0)	(6)	20	(18)	75	49
Casinos	60	-	-	-	5	-	65	50
Restaurants	6	(0)	-	-	(0)	-	6	14
Onboard Train Services	5	5	-	-	-	1	11	11
Holding Companies and other	(0)	3	(0)	(6)	15	(19)	(7)	(26)
Total 2009	645	792	178	221	141	(1)	1 976	
Total 2008	713	995	252	226	141	(37)		2 290

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

Consolidated EBITDAR for December 31, 2009 totalled €1,976 million compared with €2,290 million for the same period of 2008. The period-on-period decrease breaks down as follows:

✓ Like-for-like growth	(287)	€ m	(12,5)%
✓ Business expansion	+48	€ m	+2,1%
✓ Currency effects	(48)	€ m	(2,1)%
✓ Disposals	(27)	€ m	(1,2)%
Decrease in 2009 EBITDAR	(314)	€ m	(13,7)%

Decrease in 2009 EBITDAR by business:

	Reported change € m	Like-for-like change € m	%
HOTELS	(308)	(316)	(17,4)%
Upscale and Midscale Hotels	(185)	(183)	(19,3)%
Economy	(59)	(66)	(10,4)%
Economy US	(64)	(67)	(29,2)%
PREPAID SERVICES	(32)	+3	+0,7%
OTHER BUSINESSES	+26	+26	+53,6%
Casinos	+15	(2)	(3,9)%
Restaurants	(8)	(3)	(22,5)%
Onboard Train Services	-	+6	+49,5%
Holding Companies and other	+19	+25	+94,1%
Group total	(314)	(287)	(12,5)%

Decrease in 2009 EBITDAR by region:

	Reported change € m	Like-for-like change	
		€ m	%
France	(68)	(80)	(11,2)%
Europe (excl. France)	(203)	(190)	(19,1)%
North America	(74)	(78)	(30,9)%
Latin America & Caribbean	(5)	+30	+13,1%
Other Countries	(0)	+3	+1,9%
Worldwide Structures	+36	+28	+77,7%
Group total	(314)	(287)	(12,5)%

Note 6. Rental Expense

Rental expense amounted to €884 million in December 2009 compared with €903 million in December 2008.

In accordance with the policy described in Note 1.D.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, 2009 was €151 million (see Note 28.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 €884 million in rental expense corresponds to 1,448 hotel leases, including 26% with a purchase option. Where applicable, the option price corresponds to either a pre-agreed percentage of the owner's original investment or the property's market value when the option is exercised. The options are generally exercisable after 10 or 12 years. Certain contracts allow for the purchase of the property at the appraised value at the end of the lease.

A. Rental expense by business

Rental expense can be analyzed as follows by business:

In € millions	2008	2009
HOTELS	(886)	(862)
Upscale and Midscale Hotels	(529)	(498)
Economy	(258)	(267)
Economy US	(99)	(97)
PREPAID SERVICES	(16)	(18)
OTHER BUSINESSES	(1)	(4)
Casinos	(5)	(7)
Restaurants	(4)	(3)
Onboard Train Services	(3)	(3)
Holding Companies and other	11	9
Total	(903)	(884)

B. Rental expense by type of contract

Rental expense breaks down as follows by type of contract:

In € millions	Number of hotels (1)	2009 rental expense	Fixed rental expense	Variable rental expense
Fixed rent with purchase option	378	(112)	(112)	-
Fixed rent without purchase option	322	(271)	(271)	-
Fixed rent with a variable portion (2)	72	(77)	(64)	(13)
Land rent	-	(3)	(2)	(1)
Office rental expenses (Hotels business)	-	(27)	(26)	(1)
Fees on intragroup rent guarantees on Hotels business	-	(20)	(20)	-
Total hotel fixed rental expense	772	(510)	(495)	(15)
Variable rent with a minimum (3)	100	(76)	(64)	(12)
Variable rent with a minimum and cap (4)	8	(11)	(6)	(5)
Variable rent without a minimum (5)	568	(265)	(1)	(264)
Total hotel variable rental expense	676	(352)	(71)	(281)
Total hotel rental expense	1 448	(862)	(566)	(296)
Rental expense not related to hotels	-	(42)	(38)	(4)
Internal lease guarantee fees	-	20	20	-
Total rental expense	1 448	(884)	(584)	(300)

(1) Detail by brand and type of contract at December 31, 2009 is presented as follows:

Leased hotels at December 31, 2009	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	6	-	2	-	5	14
Pullman	-	5	3	4	-	2	14
Novotel	3	48	11	19	3	91	175
Mercure	9	67	21	14	1	68	180
Adagio	-	6	-	-	1	-	7
Suitehotel	3	6	-	-	-	-	9
All Seasons	-	3	8	-	-	4	15
Ibis	19	102	15	55	2	160	353
Etap Hotel	1	56	1	5	1	71	135
Formule 1	15	2	12	-	-	167	196
Motel 6	326	19	1	1	-	-	347
Other	1	2	-	-	-	-	3
Total	378	322	72	100	8	568	1 448

(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 capped.

(5) Variable rent without a minimum is generally based on a percentage of revenue (538 hotels), or a percentage of EBITDAR (30 hotels). None of the leases contains any minimum rent clauses. Variable rents without a minimum based on a percentage of EBITDAR amount to €18 million at December 31, 2009.

C. Minimum rental commitments (cash basis)

Minimum future rentals in the following tables only correspond to long-term rental commitments in the Hotels Division. The other divisions' rental commitments are generally for periods of less than three years and are not reflected in the table below.

Undiscounted minimum lease payments in foreign currencies converted at the average exchange rate based on latest known rates, are as follows:

Years	In € millions	Years	In € millions
2010	(523)	2019	(345)
2011	(513)	2020	(312)
2012	(501)	2021	(262)
2013	(488)	2022	(237)
2014	(473)	2023	(214)
2015	(463)	2024	(176)
2016	(451)	2025	(151)
2017	(425)	2026	(134)
2018	(385)	>2027	(475)
		Total	(6 528)

At December 31, 2009, 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 €3,761 million.

Interest expense related to adjusted net debt, estimated at 8%, amounted to €301 million. The difference between the 2010 minimum rent (€523 million) and interest expense (€301 million) amounted to €222 million, corresponding to the implicit repayment of adjusted debt ("Standards & Poor's method").

Note 7. EBITDA by Business and Region

In €millions	France	Europe (excl. France)	North America	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2009	2008
HOTELS	296	188	75	18	40	28	645	930
Upscale and Midscale Hotels	154	63	7	5	12	26	267	422
Economy Hotels	142	125	-	13	28	2	310	378
Economy Hotels US	-	-	68	(0)	-	-	68	130
PREPAID SERVICES	59	151	3	167	12	(16)	376	410
OTHER BUSINESSES	56	6	(0)	(3)	22	(10)	71	47
Casinos	49	-	-	-	9	-	58	45
Restaurants	3	(0)	-	-	(0)	-	3	10
Onboard Train Services	4	4	-	-	-	0	8	9
Holding Companies and other	(0)	2	(0)	(3)	13	(10)	2	(17)
Total 2009	411	345	78	182	74	2	1 092	
Total 2008	478	531	152	187	71	(32)		1 387

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

Consolidated EBITDA for December 31, 2009 totalled €1,092 million compared with €1,387 million for December 31, 2008.

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

✓ Like-for-like growth	(268)	€ m	(19,3)%
✓ Business expansion	+35	€ m	+2,5%
✓ Currency effects	(36)	€ m	(2,6)%
✓ Disposals	(26)	€ m	(1,9)%
Decrease in 2009 EBITDA	(295)	€ m	(21,3)%

Decrease in 2009 EBITDA by business:

	Reported change € m	Like-for-like change € m	%
HOTELS	(285)	(293)	(31,5)%
Upscale and Midscale Hotels	(155)	(163)	(38,6)%
Economy	(68)	(64)	(17,0)%
Economy US	(62)	(66)	(50,9)%
PREPAID SERVICES	(34)	(0)	(0,0)%
OTHER BUSINESSES	+24	+25	+53,8%
Casinos	+13	(2)	(3,4)%
Restaurants	(7)	(3)	(33,4)%
Onboard Train Services	(1)	+5	+59,6%
Holding Companies and other	+19	+25	+147,5%
Group total	(295)	(268)	(19,3)%

Decrease in 2009 EBITDA by region:

	Reported change € m	Like-for-like change	
		€ m	%
France	(67)	(71)	(14,8)%
Europe (excl. France)	(186)	(180)	(33,9)%
North America	(74)	(78)	(51,1)%
Latin America & Caribbean	(5)	+27	+14,4%
Other Countries	+3	+6	+8,5%
Worldwide Structures	+34	+28	+84,4%
Group total	(295)	(268)	(19,3)%

Note 8. Depreciation, Amortization and Provision Expense

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

In € millions	2008	2009
Depreciation and amortization	(442)	(493)
Provision	(4)	(5)
Total	(446)	(498)

Note 9. EBIT by Business and Region

In €millions	France	Europe (excl. France)	North America	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	2009	2008
HOTELS	167	34	1	9	5	19	235	566
Upscale and Midscale Hotels	68	(44)	2	(2)	(10)	17	31	215
Economy Hotels	99	78	-	11	15	2	205	284
Economy Hotels US	-	-	(1)	(0)	-	-	(1)	67
PREPAID SERVICES	47	138	3	158	9	(16)	339	379
OTHER BUSINESSES	23	(5)	(0)	(4)	19	(13)	20	(4)
Casinos	22	-	-	-	8	-	30	23
Restaurants	(1)	(0)	-	-	(1)	-	(2)	4
Onboard Train Services	2	1	-	-	-	0	3	4
Holding Companies and other	(0)	(6)	(0)	(4)	12	(13)	(11)	(35)
Total 2009	237	167	4	163	33	(10)	594	
Total 2008	321	377	84	168	36	(45)		941

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

Consolidated EBIT for December 31, 2009 totalled €594 million compared with €941 million for December 31, 2008.

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

✓ Like-for-like growth	(293)	€ m	(31,2)%
✓ Business expansion	(13)	€ m	(1,3)%
✓ Currency effects	(31)	€ m	(3,3)%
✓ Disposals	(10)	€ m	(1,0)%
Decrease in 2009 EBIT	(347)	€ m	(36,8)%

Decrease in 2009 EBIT by business:

	Reported change € m	Like-for-like change € m	%
HOTELS	(331)	(319)	(56,3)%
Upscale and Midscale Hotels	(184)	(179)	(83,3)%
Economy	(79)	(74)	(26,1)%
Economy US	(68)	(66)	(98,3)%
PREPAID SERVICES	(40)	(7)	(1,9)%
OTHER BUSINESSES	+24	+33	+889,3%
Casinos	+7	(1)	(4,0)%
Restaurants	(6)	(4)	(80,4)%
Onboard Train Services	(1)	+6	+139,6%
Holding Companies and other	+24	+32	+88,9%
Group total	(347)	(293)	(31,2)%

Decrease in 2009 EBIT by region:

	Reported change	Like-for-like change	
	€ m	€ m	%
France	(84)	(82)	(25,4)%
Europe (excl. France)	(210)	(192)	(50,9)%
North America	(80)	(78)	(93,1)%
Latin America & Caribbean	(5)	+26	+15,7%
Other Countries	(3)	+6	+15,5%
Worldwide Structures	+35	+27	+58,9%
Group total	(347)	(293)	(31,2)%

Note 10. Net Financial Expense

In € millions	2008	2009
Net financial expense (1)	(102)	(132)
Other financial income and expense (2)	16	(11)
Net financial expense	(86)	(143)

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

In € millions	2008	2009
- Net financial expense - cash	(99)	(131)
- Net financial expense - non-cash	(3)	(1)
Total Net financial expense	(102)	(132)

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 € millions	2008	2009
- Dividend income from non-consolidated companies (Available for sale financial assets)	1	1
- Exchange gains and losses (excl. financial instruments at fair value)	12	0
- Movements in provisions	3	(12)
Total Other financial income and expense	16	(11)

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

In € millions	2008	2009
Share of profit of associates before tax	27	1
Share of tax of associates	(7)	(4)
Share of profit of associates after tax	20	(3)

The main contributions are as follows:

In € millions	2008	2009
Asia/Australia Hotels	3	3
Egyptian investment funds (Macor)	-	1
Sofitel London St James (Hotels, UK)	1	0
Orbis (Hotels, Poland) (*) (Note 2.B.1.2)	9	-
Société Hôtelière Paris les Halles	4	(0)
Sofitel Hotels US	2	(1)
The Grand Real Estate	-	(3)
Tunisian and Moroccan investment funds (STI and RISMA)	0	(5)
Other	1	2
Share of profit of associates after tax	20	(3)

(*) Following the acquisition of an additional 4.53% interest in Orbis during the second half of 2008, this sub-group has been fully consolidated.

Note 12. Restructuring Costs

Restructuring costs can be analyzed as follows:

In € millions	2008	2009
Movements in Restructuring provisions	6	7
Restructuring costs	(62)	(134)
Total Restructuring costs	(56)	(127)

Restructuring costs in 2008 and 2009 correspond mainly to the costs linked to the reorganization of the Group including the cost of the voluntary separation plan announced in June 2009.

Note 13. Impairment Losses

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

The main goodwill and intangible assets with indefinite useful lives included in the carrying amounts of the CGUs tested for impairment at that date were as follows:

In € millions	Goodwill	Intangible assets with indefinite useful life
HOTELS		
Australia	181	-
Germany	180	-
Upscale and Midscale France	173	-
Motel 6	94	140
Asia	41	-
Sub-total Hotels	669	140
PREPAID SERVICES		
Ticket Brazil	144	-
Kadéos	115	19
Accor Services Romania	37	-
Accor Services Italy	36	-
Prepay	28	2
Sub-total Prepaid Services	360	21
OTHER BUSINESSES		
Casinos (Accor Casinos, SHCD and Groupe Lucien Barrière SAS)	366	9
Lenôtre	23	-
Sub-total Other businesses	389	9
Net Goodwill and intangible assets with indefinite useful life included in cash-generating units	1 418 (*)	170

(*) This amount represents 80 % of goodwill recognized on December 31, 2009

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

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

	Hotels					Prepaid Services					Other businesses	
	Germany	Australia	Upscale and Midscale France	Asia	Motel 6	Ticket Brazil	Kadéos	Accor Services Romania	Accor Services Italy	Prepay	Casinos	Lenôtre
<i>Basis on which the recoverable amount has been determined</i>	Discounted cash flow method	Discounted cash flow method	EBITDA multiples method	Discounted cash flow method	Discounted cash flow method	EBITDA multiples method	Discounted cash flow method	EBITDA multiples method	EBITDA multiples method	Market valuation = Mastercard sale	Market valuation = PUT Colony	Discounted cash flow method
Period of projections	5	5	N/A	5	7	N/A	5	N/A	N/A	N/A	N/A	5
Growth rate	2,00%	2,00%	N/A	2,00%	2,00%	N/A	2,00%	N/A	N/A	N/A	N/A	2,00%
Discount rate	7,69%	7,69%	N/A	7,69%	7,30%	N/A	7,30%	N/A	N/A	N/A	N/A	7,69%

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

Impairment losses recognized in 2008 and 2009 can be analyzed as follows:

In € millions	2008	2009
Goodwill	(14)	(304)
Intangible assets	-	(29)
Property, plant and equipment	(43)	(54)
Financial assets	-	-
Impairment Losses	(57)	(387)

The main assets and cash generating units for which impairment losses were recognized in 2008 and 2009 were as follows:

A. Impairment of goodwill

In € millions	2008	2009
HOTELS	(10)	(173)
Upscale and Midscale Hotels	(7)	(58)
Economy Hotels	(3)	(2)
Economy Hotels US	-	(113)
PREPAID SERVICES	(2)	(120)
OTHER BUSINESSES	(2)	(11)
Casinos	-	-
Restaurants	(1)	(1)
Onboard Train Services	-	(8)
Holding Companies and other	(1)	(2)
TOTAL	(14)	(304)

In 2008, impairment losses resulted mainly from reviews of the recoverable amount of residual goodwill.

In 2009, impairment losses resulted mainly from reviews of the recoverable amount of goodwill related to the American hotel business (€113 million impairment loss), the Italian hotel business (€33 million impairment loss), Kadéos (€83 million impairment loss) and Hungarian Hotel Business (€21 million impairment loss).

Sensitivity analysis:

At December 31, 2008, a 25-basis point increase in the discount rate would have no impact on impairment losses recognized in 2008. A 50-basis point increase in the discount rate would have the effect of increasing impairment losses recognized in 2008 by approximately €15 million. A 100-basis point increase would have a €106 million impact, mainly on hotel assets in the United States.

At December 31, 2009, a 25-basis point increase in the discount rate would have the effect of increasing impairment losses recognized in 2009 by approximately €6 million. A 50-basis point increase in the discount rate would have the effect of increasing impairment losses recognized in 2009 by approximately €39 million. A 100-basis point increase would have a €138 million impact, mainly on hotel assets in the United-States.

B. Impairment of intangible assets with an indefinite useful life

Impairments recognized in 2008 were not material.

Following the periodic review of the recoverable amount of intangible assets with an indefinite useful life, a €29 million impairment loss was recognized in 2009.

C. Impairment of property, plant and equipment

In € millions	2008	2009
HOTELS	(43)	(54)
Upscale and Midscale Hotels	(21)	(32)
Economy Hotels	(14)	(19)
Economy Hotels US	(8)	(3)
PREPAID SERVICES	-	-
OTHER BUSINESSES	-	0
Casinos	-	-
Restaurants	-	-
Onboard Train Services	-	-
Holding Companies and other	-	0
TOTAL	(43)	(54)

In 2008, the €43 million in impairment losses on property, plant and equipment corresponded mainly to provisions booked on the basis of regular reviews of asset values. Impairment losses recognized during the year concerned 75 hotels for €47 million and impairment losses reversed during the year concerned 15 hotels for €4 million.

At December 31, 2009, impairment losses on property, plant and equipment amounted to €54 million. Impairment losses recognized during the year concerned 86 hotels for €57.2 million and impairment losses reversed during the year concerned 16 hotels for €2.9 million.

Note 14. Gains and Losses on Management of Hotel Properties

In € millions	2008	2009
Disposal gains and losses	109	74
Provisions for losses on hotel properties	2	(67)
Total	111	7

In 2008, the total included:

- ✓ A €87 million gain on the sale to Axa REIM of 55 units under a sale-and-variable leaseback arrangement based on a percentage of revenue (see Note 2.A.2.1).
- ✓ A €9 million gain on the sale in France of units under a sale and franchise-back arrangement.
- ✓ €12 million in gains on disposal of non-strategic assets in Europe

In 2009, the total included:

- ✓ A €39 million gain on the sale of 157 F1 hotel units to a consortium of French institutional investors.
- ✓ A €9.5 million gain on the sale in France of units under a sale and franchise-back arrangement corresponding to 6 hotels.
- ✓ €8.5 million gains on disposal of non-strategic assets in France corresponding to 10 hotels.
- ✓ A €6 million loss on disposal of Motel 6 units, including sale and franchise-back arrangements (15 hotels) and outright sales (6 hotels).

Note 15. Gains and Losses on Management of Other Assets

In € millions	2008	2009
Disposal gains and losses	41	(33)
Provision movements	(5)	(30)
Gains and losses on non-recurring transactions	(23)	(22)
Total	13	(85)

In fiscal 2008, the total mainly included:

- ✓ Net gains on disposals of non-strategic assets for €41 million, including the Brazilian Food Services Business (€32 million gain) and office properties (€9 million gain).
- ✓ An additional €23 million impairment loss recognized on the Club Méditerranée shares held by the Group.

In fiscal 2009, the total mainly included:

- ✓ A €3 million loss on the sale of Club Méditerranée shares (see Note 2.A.1).
- ✓ A €2 million gain on the sale of a building in Brussels.
- ✓ A €32 million loss arising from the devaluation of the bolivar fuerte.
- ✓ €19 million in impairment losses on receivables.

Note 16. Income Tax Expense

Note 16.1 Income tax expense for the period

In € millions	2008	2009
Current tax	(254)	(160)
Sub-total, current tax	(254)	(160)
Deferred taxes (expense) income on new temporary differences and reversals of temporary differences arising in prior periods	(20)	39
Deferred taxes arising from changes in tax rates or tax laws	1	-
Sub-total, deferred tax	(19)	39
Income tax expense excluding tax on the profits of associates	(273)	(121)
Tax on profits of associates	(7)	(4)
Tax of the period	(280)	(125)

Note 16.2. Effective tax rate

In € millions	2008	2009
Operating profit before tax (a)	886	(144)
Non deductible impairment losses	(18)	334
Elimination of intercompany capital gains	298	368
Tax on share of profit (loss) of associates	7	4
Other	7	15
Total permanent differences (non-deductible expenses) (b)	294	721
Untaxed profit and profit taxed at a reduced rate (c)	(422) (*)	(381)
Profit taxed at standard rate (d) = (a) + (b) + (c)	758	196
Standard tax rate in France (e)	34,43%	34,43%
Tax at standard French tax rate (f) = (d) x (e)	(261)	(67)
Effects on tax at standard French tax rate of:		
. Differences in foreign tax rates	39	21
. Unrecognized tax losses for the period	(31)	(42)
. Utilization of tax loss carryforwards	7	10
. Changes in deferred tax rates	1	2
. Share of profit (loss) of associates	7	4
. Net charges to/reversals of provisions for tax risks	(6)	1
. Effect of new CET business tax in France in 2010 (replacing taxe professionnelle)(cf. Note 2)	-	(15)
. Other items	-	(14)
Total effects on tax at standard French tax rate (g)	17	(33)
Tax at standard rate (h) = (f) + (g)	(244)	(100)
Tax at reduced rate (i)	(29) (*)	(21) (**)
Income tax expense (j) = (h) + (i)	(273)	(121)
Pre-tax operating profit taxed at standard rate	757	196
Income tax expense	(222)	(46)
Group effective tax rate	29,3%	23,6%

(*) In 2008, untaxed profit and profit taxed at a reduced rate mainly concerns real estate transactions in France and Switzerland with Axa Reim (see. Note 2.A.2.1). In France, €80.9 million in capital gains were taxed at the rate of 16.5% under the SIIC (REIT-style) tax regime, representing €13 million in tax, while in Switzerland, capital gains of €18.9 million were taxed in the amount of €6.8 million.

In addition, gains on sales of shares in France (mainly Accor Services shares transferred within the Group) were taxed at the reduced rate of 5%.

(**) In 2009, related mainly to the sale of 157 F hotel properties to a consortium of French institutional investors (see. Note 2.A.2.1).

Operating profit before tax for 2009 includes a €104 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 €19 million.

Note 16.3 Details of deferred tax (Balance Sheet)

In € millions	2008	2009
Timing differences between company profit and taxable profit	164	166
Timing differences between consolidated profit and company profit	57	52
Recognized tax losses	5	73
Sub-total, deferred tax assets	226	291
Timing differences between company profit and taxable profit	40	41
Timing differences between consolidated profit and company profit	159	170
Sub-total, deferred tax liabilities	199	211
Deferred tax assets, net (liabilities)	27	80

Note 16.4 Unrecognized deferred tax assets

Unrecognized deferred tax assets at December 31, 2009 amounts to €216 million (December 31, 2008: €204million).

Unrecognized deferred tax assets at December 31, 2009 will expire in the following periods if not utilized:

In € millions	Deductible temporary differences	Tax loss carryforwards (1)	Tax credits	Total
Y+1	-	8	-	8
Y+2	-	1	-	1
Y+3	-	12	-	12
Y+4	6	16	-	22
Y+5 and beyond	5	22	-	27
Evergreen	-	145	1	146
Deferred tax, net	11	204	1	216

- (1) Unrecognized deferred tax assets at December 31, 2009 include €38 million corresponding to the tax loss carry forwards of the NewGen companies in Germany, France and Austria (see Note 2.B.1.4).

Note 17. Goodwill

In € millions	Dec. 2008	Dec. 2009
Goodwill (gross value)	1 932	2 062
Less impairment losses	-	(285)
Goodwill, net	1 932	1 777

In € millions	Notes	Dec. 2008	Dec. 2009
HOTELS			
Australia		144	181
Germany	2.B.1.4	201	180
Upscale and Midscale France		184	173
Motel 6		212	94
Economy (excluding Motel 6)		91	86
Asia		41	41
Egypt		24	24
Poland	2.B.1.2	95	12
Switzerland		11	11
Portugal		9	9
The Netherlands		13	8
Hungary		25	2
Italy		33	-
Other hotels (< €6 million)		2	4
Sub-total Hotels		1 085	825
PREPAID SERVICES			
Ticket Brazil		111	144
France (Ticket Cadeau)	2.B.2.2	181	115
United Kingdom		83	70
Romania		37	37
Italy		33	36
Mexico		31	31
Sweden		19	17
Australia		11	13
USA		33	13
Czech Republic		2	13
Germany		14	10
Asia		10	10
Venezuela		9	9
Other Prepaid Services (< €6 million)		71	39
Sub-total Prepaid Services		645	557
OTHER BUSINESSES			
Casinos (Accor Casinos, SHCD and Groupe Lucien Barrière SAS)	2.B.4	162	366
Lenôtre		25	23
Other businesses (< €6 million)		15	6
Sub-total Other businesses		202	395
Goodwill, net		1 932	1 777

During 2008, accumulated goodwill impairment losses at the first time adoption of IFRSs, were written off by reducing the gross amount of the goodwill concerned.

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

In € millions	Notes	Dec. 2008	Dec. 2009
Carrying amount at beginning of period		1 967	1 932
Goodwill recognized on acquisitions for the period and other increases		159	256
HOTELS			
. Hotels, Belgium		-	2
. Upscale and Midscale Hotels France		11	2
. Hotels, Germany (Earn-Out Newgen)	2.B.1.4	10	1
. Hotels, Poland (Consolidation of Orbis)	2.B.1.2	104	-
. Economy Hotels (excluding Motel 6)		1	4
PREPAID SERVICES			
. Other acquisitions of Prepaid Services		8	22
. Prepaid Services, Czech Republic		-	9
. Prepaid Services, Asia (Surfgold)	2.B.2.2	-	5
. Prepaid Services, Sweden		-	2
. Prepaid Services, Mexico		-	-
. Prepaid Services, United Kingdom (Acquisition of Motivano)	2.B.2.2	8	-
. Prepaid Services, Germany (Acquisition of Quasar)		8	-
. Prepaid Services, Australia (Davidson & Trahaire)		4	-
. Prepaid Services, Venezuela (Acquisition of Minority Interests)		2	-
OTHER BUSINESSES			
. Groupe Lucien Barrière SAS	2.B.4	-	204
. Lenôtre (Acquisition of stores)		1	-
. Other		2	5
Disposals		(79)	(28)
Impairment losses	13	(14)	(304)
Translation adjustment		(64)	72
Reclassifications on Property, Plant and Equipment	(*)	(27)	(88)
Reclassifications of Assets held for sale		-	-
Other reclassifications and movements		(10)	(63)
Carrying amount at end of period		1 932	1 777

(*) Including Orbis purchase accounting adjustments.

Note 18. Intangible Assets

In € millions	Dec. 2008	Dec. 2009
Gross value		
Motel 6 brand (1)	145	140
Kadeos brand (2)	19	19
Other brands and networks (3)	92	95
Licenses, software	164	239
Other intangible assets (4)	338	311
Total intangible assets at cost	758	804
Accumulated amortization and impairment losses		
Licenses, software	(120)	(189)
Other intangible assets	(126)	(127)
Total accumulated amortization and impairment losses	(246)	(316)
Intangible assets, net	512	488

- (1) The decrease in value of the Motel 6 brand at December 31, 2009 was due to the change in the dollar/euro exchange rate (1.392 at December 31, 2008 versus 1.441 at December 31, 2009).
- (2) The Kadeos brand was valued following the acquisition of this company in March 2007 (see Note 2.B.2.2).
- (3) Including €48 million corresponding to land use rights for Ibis and Novotel hotels in China.
- (4) Including €155 million in lease premiums (of which €104 million increase in land use rights following the 2008 acquisition of Orbis) and the €54 million value attributed to customer lists (of which €21 million for Kadeos customer lists).

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

In € millions	Dec. 2008	Dec. 2009
Carrying amount at beginning of period	369	512
Additions	13	14
Internally-generated assets (1)	22	27
Intangible assets of newly consolidated companies (2)	133	8
Amortization for the period	(42)	(44)
Impairment losses for the period	-	(29)
Disposals	(4)	(3)
Translation adjustment	(28)	3
Reclassifications	49	-
Carrying amount at end of period	512	488

- (1) Acquisitions of licenses and software for €27 million (mainly including €4 million in Brazil and €3 million in the United States).
- (2) Following the acquisition of an additional 4.53% interest in Orbis during the second half of 2008, this sub-group has been fully consolidated.

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

In € millions	Dec. 2008	Dec. 2009
Motel 6 brand	145	140
Kadéos brand	19	19
Other brands and Networks	92	95
Carrying amount at end of period	256	254

The above brands and lease premiums have been qualified as having an indefinite useful life because the Group considers that there is no foreseeable limit to the period in which they can be used.

Contracts totalling €12 million have been signed for the purchase of intangible assets at December 31, 2009. They are not recognised in the balance sheet.

Note 19. Property, Plant and Equipment

Note 19.1 Property, plant and equipment by nature

In € millions	Dec. 2008	Dec. 2009
Land	519	480
Buildings	2 639	2 735
Fixtures	2 089	2 138
Equipment and furniture	1 619	1 693
Constructions in progress	312	295
Property, plant and equipment, at cost	7 178	7 341

In € millions	Dec. 2008	Dec. 2009
Buildings	(768)	(844)
Fixtures	(981)	(1 030)
Equipment and furniture	(964)	(1 011)
Constructions in progress	(3)	(3)
Total of amortization	(2 716)	(2 888)
Land	(6)	(5)
Buildings	(81)	(88)
Fixtures	(36)	(36)
Equipment and furniture	(12)	(15)
Constructions in progress	(3)	(3)
Total of impairment losses	(138)	(147)
Accumulated amortization and impairment losses	(2 854)	(3 035)

In € millions	Dec. 2008	Dec. 2009
Land	513	475
Buildings	1 790	1 803
Fixtures	1 072	1 072
Equipment and furniture	643	667
Constructions in progress	306	289
Property, plant and equipment, net	4 324	4 306

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

In € millions	Dec. 2008	Dec. 2009
Net carrying amount at beginning of period	3 321	4 324
Property, plant and equipment of newly acquired companies	423	199
Capital expenditure	1 240	648
Disposals	(158)	(231)
Amortization for the period	(393)	(449)
Impairment losses for the period	(43)	(51)
Translation adjustment	(89)	20
Reclassification of assets held for sale (see Note 31)	44	(139)
Other reclassifications	(21)	(15)
Net carrying amount at end of period	4 324	4 306

(*) Including 9 hotels in France and 84 hotels in the United States acquired following the exercise of purchase options.

At December 31, 2009, contracts totalling €228 million have been signed for the purchase of property, plant and equipment. They are not recognised in the balance sheet. At December 31, 2008, contracts totaled €234 million.

In addition, under the Foncière des Murs transactions (see Note 2.A.2.1 and Note 39), Accor is committed to carrying out €106 million worth of work over the period 2005-2009 and Foncière des Murs is committed to carrying out €148 million worth of work over the same period. At December 31, 2009, €99 million worth of work was carried out by the Group. Moreover, the Group is required to pay the cost of maintaining the hotels over the period from January 1, 2009 to the first possible lease termination date (July 1, 2017). The costs to be paid by the Group may not represent less than a certain percentage of the hotels' revenues (4% for Ibis & Etap Hotel, 3.5% for Novotel & Sofitel, and 3% or 3.5% for Mercure).

In addition, under the Axa Reim transactions (see Note 2.A.2.1), Accor is committed to carry out €28 million worth of work in France and Switzerland.

Borrowing costs included in the carrying amount of property, plant and equipment at December 31, 2009 came to €8 million (€7 million at December 31, 2008). The capitalization rate used to determine the amount of borrowing costs eligible for capitalization was 4.74% (Group average borrowing cost at December 31, 2008).

Note 19.2 Finance leases

At December 31, 2009, the carrying amount of finance leases recognized in the balance sheet in net value is €92 million (December 31, 2008: €125 million), as follows:

In € millions	Dec. 2008	Dec. 2009
Land	24	20
Buildings	160	126
Fixtures	66	63
Equipment and furniture	15	7
Property, plant and equipment, at cost	265	216
Buildings	(81)	(75)
Fixtures	(46)	(47)
Equipment and furniture	(13)	(2)
Cumulated amortization and impairment losses	(140)	(124)
Property, plant and equipment, net	125	92

Finance lease liabilities can be analyzed as follows by maturity:

	Debt in € millions Non Discounted
2009	151
2010	144
2011	131
2012	116
2013	104
2014	95
2015	78
2016	74
2017	70
2018	62
2019	53
2020	49
2021	45
2022	41
> 2023	38

Note 20. Long-Term Loans

In € millions	Dec. 2008	Dec. 2009
Gross value	96	127
Cumulated impairment losses	(18)	(20)
Long-term loans, net	78	107

In € millions	Dec. 2008	Dec. 2009
Hotels, Asia-Pacific (1)	67	66
Other	11	41
Total	78	107

(1) Loans to hotels in the Asia-Pacific region mainly include loans to Tahl (an Australian property company) for €61 million at December 31, 2009.

Note 21. Investments in Associates

In € millions	Dec. 2008	Dec. 2009
Accor Asia-Pacific subsidiaries (*)	94	120
Moroccan investment fund (RISMA) (1)	35	30
Société Hôtelière Paris Les Halles (2)	12	11
Egyptian investment fund	12	12
The Grand Real Estate (Sofitel The Grand, Hotels, Netherlands) (3)	10	7
Sofitel London St James (Hotels, United Kingdom)	4	5
Sofitel Hotels, USA (25%) (Note 2.A.2.2) (4)	(12)	(16)
Other	21	22
Total	176	191

(*)The Asia-Pacific investments primarily include Interglobe Hotels Entreprises Limited for €28 million, development partnerships in India for €26 million, Ambassador Inc and Ambatel Inc (South Korea) for €15 million and Novotel Mumbai for €9 million.

(1) Key figures for the hotel investment fund in Morocco (Risma) are as follows:

Risma (Moroccan investment fund) (In € millions)	Dec. 2008	Dec. 2009
Revenue	98	82
Net profit (loss)	1	(13)
Net cash/(Net debt)	(138)	(169)
Equity	94	81
Market capitalization	163	143
Total assets	278	323
% interest held	34,92%	34,92%

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

Société Hôtelière Paris Les Halles (In € millions)	Dec. 2008	Dec. 2009
Revenue	67	60
Net profit (loss)	12	(0)
Net cash/(Net debt)	(77)	(107)
Equity	35	30
Market capitalization	N/A	N/A
Total assets	137	158
% interest held	31,19%	31,19%

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

The Grand Real Estate (Hotels, Netherlands) Sofitel The Grand (In € millions)	Dec. 2008	Dec. 2009
Revenue	11	8
Net profit (loss)	(4)	(7)
Net cash/(Net debt)	(6)	(24)
Equity	16	11
Market capitalization	N/A	N/A
Total assets	28	41
% interest held	58,71%	58,71% (*)

This company was fully consolidated in 2007 and accounted for by the equity method in 2008 following a sale-and-management-back transaction.

(*) The percentage of control is 40 %

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

Sofitel Hotels USA (In € millions)	Dec. 2008	Dec. 2009
Revenue	167	140
Net profit (loss)	8	(2)
Net cash/(Net debt)	(469)	(461)
Equity	(46)	(62)
Market capitalization	N/A	N/A
Total assets	481	445
% interest held	25,00%	25,00%

Note 22. Other Financial Investments

In € millions	Dec. 2008	Dec. 2009
Investments in non-consolidated companies (<i>Available for sale financial assets</i>)	157	126
Deposits (<i>Loans and Receivables</i>)	67	70
Other financial investments, at cost	224	196
Accumulated impairment losses	(75)	(66)
Other financial investments, net	149	130

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

Other financial investments break down as follows:

In € millions	Dec. 2008	Dec. 2009
Club Méditerranée (1)	14	-
Other (2)	135	130
Other financial investments, net	149	130

(1) During 2009, Accor sold its entire remaining interest in Club Méditerranée (1,162,630 shares). At December 31, 2009, the Group no longer held any Club Méditerranée shares.

(2) Including shares in a French property company (Stone) for €17 million, shares in TAHL, an Australian property company, for €20 million, a €21 million deposit for Motel 6 hotel tranches 6 to 10 in the United States and a €10 million deposit concerning hotels in France that were sold in 2008.

Note 23. Receivables and Payables

Note 23.1 Trade receivables and related provision

In € millions	Dec. 2008	Dec. 2009
Gross value	1 375	1 422
Provisions	(62)	(72)
Net	1 313	1 350

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 23.2 Details of other receivables and accruals

In € millions	Dec. 2008	Dec. 2009
Recoverable VAT	305	246
Prepaid wages and salaries and payroll taxes	9	10
Other prepaid and recoverable taxes (*)	24	275
Other receivables	345	427
Other prepaid expenses	159	177
Other receivables and accruals, at cost	842	1 135
Provisions	(18)	(22)
Other receivables and accruals, net	824	1 113

(*) Including €242 million paid by CIWLT in February 2009 in settlement of a tax reassessment (see Note 38).

Note 23.3 Details of other payables

In € millions	Dec. 2008	Dec. 2009
VAT payable	186	122
Wages and salaries and payroll taxes payable	490	460
Other taxes payable (*)	327	313
Other payables (*)	445	425
Deferred income	165	143
Other payables	1 613	1 463

(*) Including €192 million of "précompte" (see Note 38).

Note 23.4 Analysis of other receivables / payables' periods

In € millions at December 31, 2009	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Dec. 2009	Dec. 2008
Inventories	60	-	-	60	103
Trade receivables	1 350	-	-	1 350	1 313
Recoverable VAT	174	72	-	246	305
Prepaid payroll taxes	10	-	-	10	9
Other prepaid and recoverable taxes	274	1	-	275	24
Other receivables	404	1	-	405	327
CURRENT ASSETS	2 272	74	-	2 346	2 081
Trade payables	706	3	-	709	765
VAT payable	122	-	-	122	186
Wages and salaries and payroll taxes payable	444	15	1	460	490
Other taxes payable	313	-	-	313	327
Other payables	423	1	1	425	445
CURRENT LIABILITIES	2 008	19	2	2 029	2 213

Note 24. Potential Ordinary Shares

Note 24.1. Number of potential shares

At December 31, 2009, the Company's share capital was made up of 225,458,199 ordinary shares. The average number of ordinary shares outstanding during the period was 222,890,385. **The number of outstanding shares at December 31, 2009 was 225,458,199.**

In addition, employee stock options exercisable for 9,485,318 ordinary shares, representing 4.21% of the capital, were outstanding at December 31, 2009 (see Note 24.3).

In 2008 and 2009, Accor also made performance share grants to members of senior management, with vesting conditions based on the Group's results:

- On March 28, 2008, Accor made 107,034 performance share grants, with vesting conditions based on the Group's 2008 and 2009 results (see Note 24.3). The performance targets were only partly met in 2008 and 2009, with the result that only 26,166 shares have vested.
- On March 31, 2009, Accor made 242,553 performance share grants, with vesting conditions based on the Group's 2009 and 2010 results (see Note 24.3). The performance targets were only partly met in 2009, with the result that only 116,653 shares have vested.

Conversion of all of the potential shares presented above would have the effect of increasing the number of shares outstanding to 235,086,336.

Note 24.2. Diluted earnings per share

Based on the above number of potential shares and the average Accor share price for 2009 of €32.57, the diluted weighted average number of shares outstanding in 2009 was 222,932,096. Diluted earnings per share were therefore calculated as follows:

In € millions	Dec. 2008	Dec. 2009
Net profit, Group share	575	(282)
Weighted average number of ordinary shares (in thousands)	221 237	222 890
Number of shares resulting from the exercise of stock options (in thousands)	840	16
Number of shares resulting from performance shares grants (in thousands)	-	26
Fully diluted weighted average number of shares (in thousands)	222 077	222 932
Diluted earnings per share (in €)	2,59	(1,26)

The following instruments that may have a dilutive impact on basic earnings per share in the future have not been included in the calculation of diluted earnings per share because they did not have a dilutive effect on 2009:

- All of the stock options outstanding under the plans 6, 7, 9, 10, 12, 13, 14, 15, 16, 17 and 18 in force at December 31, 2009
- 116,653 performance shares granted under the 2009 plan, for which fulfillment of the related performance targets will be assessed at end-2010.

Note 24.3. Share-based payments

STOCK OPTION PLANS

Description of the main plans

The following table summarizes the characteristics of stock options outstanding at December 31, 2009, 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 5	January 4, 2001	8 years	1 957 000	from 01/04/04 until 01/04/09	32	40,58 €	Equity
Plan 6	January 8, 2002	8 years	3 438 840	from 01/08/05 until 01/08/10	2 032	37,77 €	Equity
Plan 7 (*)	July 12, 2002	7 years	104 361	from 07/12/05 until 07/12/09	3 890	39,10 €	Equity
Plan 8	January 3, 2003	8 years	148 900	from 01/04/06 until 01/03/11	67	31,83 €	Equity
Plan 9	January 7, 2004	8 years	1 482 900	from 01/08/07 until 01/07/12	1 517	35,68 €	Equity
Plan 10 (*)	July 9, 2004	8 years	88 131	from 07/09/07 until 07/09/12	3 390	33,94 €	Equity
Plan 11	January 12, 2005	7 years	1 298 950	from 01/13/09 until 01/12/12	903	32,42 €	Equity
Plan 12	January 9, 2006	7 years	1 231 200	from 01/10/10 until 01/09/13	191	46,15 €	Equity
Plan 13	March 24, 2006	7 years	666 950	from 03/25/10 until 03/24/13	818	49,10 €	Equity
Plan 14	March 22, 2007	7 years	1 492 845	from 03/23/11 until 03/22/14	958	68,65 €	Equity
Plan 15	May 14, 2007	7 years	95 000	from 05/15/11 until 05/14/14	11	71,72 €	Equity
Plan 16 (*)	September 13, 2007	8 years	1 403	from 09/13/10 until 09/13/15	40	60,44 €	Equity
Plan 17	March 28, 2008	7 years	1 409 400	from 03/29/12 until 03/28/15	1 022	46,46 €	Equity
Plan 18	September 30, 2008	7 years	75 000	from 10/01/12 until 09/30/15	6	42,70 €	Equity
Plan 19	March 31, 2009	8 years	969 965	from 04/01/13 until 03/31/17	1 138	27,45 €	Equity

(*) Plans 7, 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 and 2009 leading to the cancellation of 26,713 options.

Changes in outstanding stock options during 2008 and 2009 are as follows:

	December 31, 2008		December 31, 2009	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding at beginning of period	8 472 298	44,71 €	9 591 890	45,16 €
Options granted	1 485 803	46,28 €	969 965	27,45 €
Options cancelled or expired	(163 253)	42,50 €	(871 188)	43,03 €
Options exercised	(202 958)	36,81 €	(205 349)	37,02 €
Options outstanding at end of period	9 591 890	45,16 €	9 485 318	43,72 €
Options exercisable at end of period	3 396 422	37,42 €	3 771 273	35,20 €

Outstanding options at December 31, 2009 are as follows:

	Exercise price	Number of outstanding options	Remaining life of the options
Plan 6	37,77 €	1 239 636	8 days
Plan 8	31,83 €	55 650	1 year
Plan 9	35,68 €	1 147 361	2 years
Plan 10	33,94 €	83 510	2,5 years
Plan 11	32,42 €	1 245 116	2 years
Plan 12	46,15 €	1 211 400	3 years
Plan 13	49,10 €	639 050	3.3 years
Plan 14	68,65 €	1 417 805	4.3 years
Plan 15	71,72 €	68 287	4.5 years
Plan 16	60,44 €	1 403	5.8 years
Plan 17	46,46 €	1 366 350	5.3 years
Plan 18	42,70 €	75 000	5.8 years
Plan 19	27,45 €	934 750	7.3 years

Fair value of options

IFRS 1 allows the recognition in the accounts of equity-settled stock options only granted after 7 November 2002 that had not yet vested at January 1, 2005.

In the case of the Accor Group, IFRS 2 applies to options granted under twelve plans set up from 2003 to December 2009.

The fair value of these options at the grant date has been determined using the Black & Scholes option-pricing model.

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

	Plan 8	Plan 9	Plan 10	Plan 11	Plan 12	Plan 13
Accor share price at the option grant date	30,50 €	35,18 €	33,71 €	31,64 €	49,80 €	48,30 €
Option exercise price	31,83 €	35,68 €	33,94 €	32,42 €	46,15 €	49,10 €
Expected volatility (*)	39,58%	39,68%	39,18%	37,64%	35,36%	34,60%
Contractual life of the options	8 years	8 years	8 years	7 years	7 years	7 years
Expected share yield (**)	3,54%	3,44%	3,55%	2,94%	3,13%	3,74%
Fair value of options (***)	8,91 €	10,52 €	10,07 €	8,48 €	14,11 €	12,57 €

	Plan 14	Plan 15	Plan 16	Plan 17	Plan 18	Plan 19
Accor share price at the option grant date	70,95 €	70,45 €	62,35 €	47,10 €	37,12 €	25,49 €
Option exercise price	68,65 €	71,72 €	60,44 €	46,46 €	42,70 €	27,45 €
Expected volatility (*)	31,73%	31,60%	27,57%	27,87%	26,72%	31,91%
Contractual life of the options	7 years	7 years	8 years	7 years	7 years	8 years
Expected share yield (**)	3,94%	4,25%	4,15%	3,84%	4,03%	2,63%
Fair value of options (***)	20,38 €	19,36 €	16,66 €	11,55 €	7,00 €	5,78 €

(*) 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 8, 9, 10,
- 3.22% for plans 11, 12, 13,
- 2.29% for plans 14, 15, 16, and
- 2.53% for plans 17, 18 and 19.

These rates correspond to the average payout rate for the previous two or three 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 employee benefits expense by adjusting equity in respect of share-based payments amounted to €20 million at December 31, 2009 (December 31, 2008: €22 million).

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
- 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

2007 Plan

On May 14, 2007, Accor granted 56,171 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 2007 and 2008. Half of the shares vested in each year if both performance targets are met. If only one of the performance targets is met, a quarter of the shares vested.

For all of the shares to vest, ROCE and profit after tax and before non-recurring items had to increase by around 10% or more per year. If ROCE and profit after tax and before non-recurring items increased by less than 10% (but more than 0%), the number of vested shares 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 €4 million 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, 2007

The performance targets were met in 2007.

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 €3.7 million

At December 31, 2009

The vesting period for the shares under this plan expired on May 14, 2009. As the related performance targets had been met, 49,804 shares were awarded to the grantees who were still part of the Group at that date.

The final fair value of the plan came to €3.5 million at the end of the vesting period.

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 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, 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.

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 242,553 performance shares to senior executives and certain employees. Of these:

- 201,194 have a two-year vesting period followed by a two-year lock-up period.
- 41,359 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 grants to €2.9 million. Plan costs recognized in 2009 amounted to €1 million.

Note 25. Cumulative Unrealized Gains and Losses on Financial instruments

In € millions	Dec. 2008	Dec. 2009
OCEANE convertible bonds	-	-
Equity notes	-	-
Mutual fund units	-	-
Interest rate and currency swaps	(6)	(12)
Fair value adjustments to non-consolidated investments	-	-
Fair value adjustments to available-for-sale investments	-	-
Impact on equity	(6)	(12)

Fair value adjustments to financial instruments recognized in equity

In € millions	Dec. 2008	Dec. 2009
Available for sale Financial Assets	(66)	-
<i>Gains (losses) recognised in Equity during the period (1)</i>	(66)	-
<i>Gains (losses) reclassified to profit or loss</i>	-	-
Cash flow hedges	(6)	(6)
<i>Gains (losses) recognised in Equity during the period</i>	(6)	(6)
<i>Gains (losses) reclassified to profit or loss</i>	-	-
Changes in Reserve	(72)	(6)

(1) This corresponds to adjustments to the equity component of the OCEANE convertible bonds.

The equity component of the €570 million 2002 OCEANEs initially amounted to €50 million and that of the €616 million 2003 OCEANEs initially amounted to €75 million.

The negative amount of €66 million corresponds to the adjustments to the equity component recorded as the OCEANEs were converted or redeemed. The last OCEANEs were redeemed in full at the beginning of 2008.

Note 26. Minority interests

In € millions	
At December 31, 2007	61
Minority interests in profit for the period	38
Dividends paid to minority interests	(22)
Translation adjustment	(45)
Changes in scope of consolidation (1)	226
At December 31, 2008	258
Minority interests in profit for the period	17
Dividends paid to minority interests	(34)
Translation adjustment	3
Changes in scope of consolidation	13
At December 31, 2009	257

- (1) The main change for the year concerned the full consolidation of the Orbis subsidiaries following the acquisition of a further 4.53% stake in the sub-group during the second half of 2008. Orbis was previously accounted for by the equity method. Minority interests in Orbis subsidiaries amounted to €179 million at December 31, 2008.

Note 27. Comprehensive Income

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

In € millions	Dec. 2008			Dec. 2009		
	Before tax	Income tax expense	Net of tax	Before tax	Income tax expense	Net of tax
Currency translation adjustment	(267)	-	(267)	167	-	167
Change in fair value resulting from "Available-for-sale financial assets"	1	-	1	-	-	-
Effective portion of gains and losses on hedging instruments in a cash flow hedge	(6)	-	(6)	(6)	-	(6)
Actuarial gains and losses on defined benefits plans	(6)	2	(4)	(4)	1	(3)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	-	-	-	-	-	-
Total Other Comprehensive income	(278)	2	(276)	157	1	158

Comprehensive income can be reconciled with net profit for the period as follows:

In € millions	Dec. 2008	Dec. 2009
Currency translation adjustment	-	-
Change in fair value resulting from "Available-for-sale financial assets"	(23)	-
Effective portion of gains and losses on hedging instruments in a cash flow hedge	-	-
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	-	-
Total reclassification adjustments	(23)	-

Note 28. Debt by Currency and Maturity

Note 28.A Long and short-term debt

Long and short-term debt at December 31, 2009 breaks down as follows by currency and interest rate after hedging transactions:

In € millions	Dec. 2008	Effective rate Dec. 2008 %	Dec. 2009	Effective rate Dec. 2009 %
EUR	1 595	4,61	2 151	5,73
CNY	100	7,20	94	4,77
PLN	79	4,75	82	4,30
AUD	50	2,01	41	4,57
USD	43	5,54	12	1,28
Other currencies (1)	114	5,14	133	3,31
Long and short-term borrowings	1 981	4,74	2 513	5,48
Long and short-term finance lease liabilities	180	-	151	-
Purchase commitments	65	-	20	-
Changes in fair value of financial liabilities	-	-	-	-
Liability derivatives	87	-	21	-
Other short-term financial liabilities and bank overdrafts	62	-	143	-
Long and short-term debt	2 375	-	2 848	-

(1) including about JPY €28 million and CHF €23 million as at December 31, 2009

In € millions	Dec. 2008	Dec. 2009
Long-term debt	2 088	2 475
Short-term debt	287	373
Total long and short-term debt	2 375	2 848

Note 28.B Maturities of debt

At December 31, 2009, maturities of debt were as follows:

In € millions	Dec. 2008	Dec. 2009
Year Y+1	287	373
Year Y+2	70	209
Year Y+3	168	302
Year Y+4	1 326	949
Year Y+5	346	627
Year Y+6	18	23
Beyond	160	365
Total long and short-term debt	2 375	2 848

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. The breakdown of interest rate and currency hedging instruments by maturity is disclosed in Note 28.E on Financial instruments.

At December 31, 2009, Accor had several unused confirmed lines of credit with maturities of more than one year, for a total of €2,530 million, expiring between February 2011 and August 2013. The Group intends to roll over its short-term facilities which have therefore been reclassified as long-term debt in an amount of €218 million. Excluding these reclassifications, unused confirmed undrawn long-term lines of credit amount to €2,312 million.

2009 financial costs amounted to €132 million. Future financial costs are estimated at €485 million for the period from January 2010 to December 2013 and €76 million thereafter.

2008 financial costs amounted to €86 million. Future financial costs were estimated at €307 million for the period from December 2008 to December 2012 and €11 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.

Note 28.C Long and short-term debt before and after hedging

At December 31, 2009, long and short-term debt breaks down as follows before hedging transactions:

In € millions	Total debt		
	Amount	Rate	% of total debt
EUR	2 253	5,17%	90%
CNY	94	4,77%	4%
PLN	78	4,29%	3%
AUD	4	7,52%	0%
USD	1	4,94%	0%
Other currencies	83	4,41%	3%
Total long and short-term debt	2 513	5,11%	100%

Long and short-term debt after currency and interest rate hedging breaks down as follows at December 31, 2009:

In € millions	Total debt		
	Amount	Rate	% of total debt
EUR	2 151	5,73%	86%
CNY	94	4,77%	4%
PLN	82	4,30%	3%
AUD	41	4,57%	2%
USD	12	1,28%	0%
Other currencies	133	3,31%	5%
Total long and short-term debt	2 513	5,48%	100%

Note 28.D Long and short-term debt by interest rate after hedging

In € millions	Total debt	
	Amount	Rate
December 2008	1 981	4,74%
December 2009	2 513	5,48%

At December 31, 2009, 73% of long and short-term debt was fixed rate, with an average rate of 6.61%, and 27% was variable rate, with an average rate of 2.38%.

At December 31, 2009, fixed rate debt was denominated primarily in EUR (99%), while variable rate debt was denominated mainly in EUR (50%), CNY (14%) and PLN (12%).

None of the Group's loan agreements contain any rating triggers or cross-default clauses. Cross acceleration clauses only concern loans for periods of at least three years and they would be triggered only for similar loans representing a significant amount.

Note 28.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, 2009:

Forward sales and currency swaps In € millions	Maturity 2010	Maturity 2011	December 31, 2009 Nominal amount	December 31, 2009 Fair value
USD	11	-	11	-
AUD	38	-	38	1
JPY	28	-	28	-
Other	26	-	26	-
Forward sales	103	-	103	1

Forward purchases and currency swaps In € millions	Maturity 2010	Maturity 2011	December 31, 2009 Nominal amount	December 31, 2009 Fair value
GBP	368	-	368	(1)
SEK	87	-	87	(1)
USD	42	-	42	(2)
MXN	51	-	51	(1)
CHF	22	-	22	-
Other	85	-	85	(1)
Forward purchases	655	-	655	(6)

TOTAL CURRENCY HEDGING	758	-	758	(5)
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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, 2009, currency instruments had a positive fair value of €5 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, 2009:

In € millions	2010	2011	2012	Beyond	December 31, 2009 Notional amount	December 31, 2009 Fair value
EUR: Fixed-rate borrower swaps and caps	-	-	-	356	356	20
Interest rate hedges	-	-	-	356	356	20

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, 2009, interest rate instruments had a negative fair value of €20 million.

3. Fair value of financial instruments

The carrying amount and fair value of financial instruments at December 31, 2009 are as follows:

In € millions	December 31, 2009 Carrying amount	December 31, 2009 Fair value
FINANCIAL LIABILITIES	2 848	2 968
Bonds (1)	1 440	1 560
Bank borrowings	805	805
Finance lease liabilities	151	151
Other financial liabilities	431	431
Interest rate derivatives (<i>Cash Flow Hedge</i>) (2)	20	20
Currency derivatives (<i>Fair Value Hedge</i>) (2)	1	1
FINANCIAL ASSETS	(1 224)	(1 224)
Marketable securities (3)	(1 006)	(1 006)
Cash	(152)	(152)
Other	(60)	(60)
Interest rate derivatives (<i>Cash Flow Hedge</i>) (2)	-	-
Currency derivatives (<i>Fair Value Hedge</i>) (2)	(6)	(6)
NET DEBT	1 624	1 744

- (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) Marketable securities break down as follows:

In € millions	December 31, 2009 Carrying amount	December 31, 2009 Fair value
Bonds and other negotiable debt securities (a)	(125)	(125)
Money market securities (b)	(866)	(866)
Mutual fund units convertible into cash in less than three months (*) (c)	(12)	(12)
Other	(3)	(3)
Total marketable securities	(1 006)	(1 006)

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

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

Note 28.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 interest rates and currency rates sensibility analyses.

Note 28.G Credit rating

At December 31, 2009, Accor credit ratings were as follows:

Rating Agency	Long-term debt	Short-term Debt	Last update of the rating	Outlook	Last update of the outlook
Standard & Poor's	BBB	A-3	July 9, 2009	Credit Watch Negative	September 10, 2009
Fitch Ratings	BBB-	F3	July 2, 2009	Rating Watch Evolving	August 28, 2009

Note 29. Net Debt and Net Cash

In € millions	Dec. 2008	Dec. 2009
Other long-term financial debt (1)	1 927	2 332
Long-term finance lease liabilities	161	143
Short-term borrowings	165	285
Bank overdrafts	35	67
Liabilities derivatives	87	21
Total debt	2 375	2 848
Short-term loans	(34)	(17)
Marketable securities (2)	(1 054)	(1 006)
Cash	(194)	(152)
Asset derivatives	(5)	(6)
Short-term receivables on disposals of assets	(16)	(43)
Financial Assets (3)	(1 303)	(1 224)
Net debt	1 072	1 624

(1) See Note 2.D.

(2) See Note 28.E.

(3) Included €743 million related to Prepaid Services compared with €804 million at December 31, 2008.

In € millions	Dec. 2008	Dec. 2009
Net debt at beginning of period	204	1 072
Change in long-term debt	896	387
Change in short-term financial liabilities	37	120
Cash and cash equivalents change	(37)	74
Reclassifications	(28)	(29)
Changes for the period	868	552
Net debt at end of period	1 072	1 624

The following table reconciles cash and cash equivalents in the balance sheet to cash and cash equivalents in the cash flow statement:

In € millions	Dec. 2008	Dec. 2009
Balance sheet cash and cash equivalents	1 253	1 164
Bank overdrafts	(35)	(67)
Derivatives included in liabilities	(87)	(21)
Cash flow Statement cash and cash equivalents	1 131	1 076

Note 30. Analysis of financial assets and liabilities under IFRS 7

The classification of fair values by level of hierarchy is required by the standard IFRS 7 only for assets and liabilities recognized at fair value in the balance sheet. Nevertheless, this information is detailed for all the financial assets and liabilities of the group Accor so that the amounts of fair value presented below are comparable with those of the note 28. E.

At December 31, 2008, and December 31, 2009, financial assets and liabilities broke down as follows by category:

At December 31, 2008

In € millions	Category in the balance-sheet						Fair value			
	Cash and cash equivalents	Loans	Receivables on disposals of assets	Other financial investments	Trade receivables	Carrying amount	Level 1 valuation technique*	Level 2 valuation technique*	Level 3 valuation technique*	Fair value of the class
Held to maturity financial assets						181				181
Bonds and other negotiable debt securities	181					181		181		181
Loans and receivables						2 368				2 368
Short-term loans		34				34		34		34
Long-term loans		78				78		78		78
Receivables on disposals of assets			16			16		16		16
Deposits				66		66		66		66
Trade receivables					1 313	1 313		1 313		1 313
Money Market securities	858					858		858		858
Other	3					3		3		3
Available for sale financial assets						94				94
Investments in non-consolidated companies				82		82			82	82
Mutual fund units convertible into cash	12					12	12			12
Other										
Financial assets at fair value						5				5
Interest rate derivatives	5					5		5		5
Currency derivatives										
Cash at bank	194					194		194		194
Financial assets at December 31, 2008	1 253	112	16	148	1 313	2 842	12	2 748	82	2 842

At December 31, 2009

In € millions	Category in the balance-sheet						Fair value			
	Cash and cash equivalents	Loans	Receivables on disposals of assets	Other financial investments	Trade receivables	Carrying amount	Level 1 valuation technique*	Level 2 valuation technique*	Level 3 valuation technique*	Fair value of the class
Held to maturity financial assets						125				125
Bonds and other negotiable debt securities	125					125		125		125
Loans and receivables						2 456				2 456
Short-term loans		17				17		17		17
Long-term loans		107				107		107		107
Receivables on disposals of assets			43			43		43		43
Deposits				70		70		70		70
Trade receivables					1 350	1 350		1 350		1 350
Money Market securities	866					866		866		866
Other	3					3		3		3
Available for sale financial assets						72				72
Investments in non-consolidated companies				60		60			60	60
Mutual fund units convertible into cash	12					12	12			12
Financial assets at fair value						6				6
Interest rate derivatives										
Currency derivatives	6					6		6		6
Cash at bank	152					152		152		152
Financial assets at December 31, 2009	1 164	124	43	130	1 350	2 811	12	2 739	60	2 811

At December 31, 2008

In € millions	Category in the balance-sheet						Fair value			
	Bank overdrafts	Other long-term financial debt	Short-term debt	Long-term finance lease liabilities	Trade payables	Carrying amount	Level 1 valuation technique *	Level 2 valuation technique *	Level 3 valuation technique *	Fair value of the class
Financial liabilities at fair value through profit or loss						87				87
Currency derivatives	74					74		74		74
Interest rate derivatives	13					13		13		13
Financial liabilities at amortised cost						3 018				3 018
Convertible bonds/Equity Notes										
Bank Borrowings		1 927				1 927		1 927		1 927
Finance lease liabilities			19	161		180		180		180
Other debts			146			146		146		146
Trade payables					765	765		765		765
Cash at bank	35					35		35		35
Financial liabilities at December 31, 2008	122	1 927	165	161	765	3 140	0	3 140	0	3 140

At December 31, 2009

In € millions	Category in the balance-sheet						Fair value			
	Bank overdrafts	Other long-term financial debt	Short-term debt	Long-term finance lease liabilities	Trade payables	Carrying amount	Level 1 valuation technique *	Level 2 valuation technique *	Level 3 valuation technique *	Fair value of the class
Financial liabilities at fair value through profit or loss						21				21
Currency derivatives	1					1		1		1
Interest rate derivatives	20					20		20		20
Financial liabilities at amortised cost						3 469				3 599
Other bonds		-				-	-			-
Convertible bonds/Equity Notes		1 440				1 440	1 570			1 570
Bank Borrowings		673	132			805		805		805
Finance lease liabilities			8	143		151		151		151
Other debts		219	145			364		364		364
Trade payables					709	709		709		709
Cash at bank	67					67		67		67
Financial liabilities at December 31, 2009	88	2 332	285	143	709	3 557	1 570	2 117	0	3 687

* The fair value hierarchies have the following levels:

- Level 1: fair value measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value measured by reference to inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: fair value measured by reference to inputs for the asset or liability that are not based on observable data (unobservable inputs).

For cash and cash equivalents, trade receivables, receivables on disposals of assets, loans, deposits, held to maturity investments, trade payables, other debts and finance lease liabilities, Accor considers their carrying amount to be the best proxy for market value.

The methods used to measure the fair value of derivative instruments, mutual fund unit convertible into cash and bonds are described in Note 28.

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 measurement levels during the periods presented.

Note 31. Assets and Liabilities Held for Sale

In € millions		Dec. 2008	Dec. 2009
Disposal groups classified as "held for sale"	(d)	-	14
Hotels to be sold to investors (France)	(a)	3	80
Hotels to be sold in United States	(b)	26	26
Hotels to be sold in Italy	(c)	-	18
Hotels to be sold in Switzerland	(e)	-	3
Hotels to be sold in Germany	(f)	2	-
Other	(g)	5	3
Total non-current assets classified as held for sale		36	130
Total assets classified as held for sale		36	144
Total liabilities classified as held for sale	(d)	-	4

- (a) During second-half 2008, in line with the asset management policy, the Group decided to sell five hotel properties in France. In accordance with IFRS 5, the €3 million carrying amount of these hotels was reclassified in the consolidated balance sheet at December 31, 2008 under "Assets held for sale".
At December 31, 2009, in line with the asset management policy the Group plans to sell five units and one spa in France. In accordance with IFRS 5, the €80 million carrying amount of these assets was reclassified in the consolidated balance sheet at December 31, 2009 under "Assets held for sale".
- (b) During 2008, in line with the asset management policy, the Group decided to sell 17 Motel 6 units and one Studio 6 unit. In accordance with IFRS 5, the €26 million carrying amount of these hotels was reclassified under "Assets held for sale".
At December 31, 2009, in line with the asset management policy, the Group plans to sell 24 Motel 6 units and one Studio 6 unit. In accordance with IFRS 5, the €26 million carrying amount of these hotels was reclassified in the consolidated balance sheet at December 31, 2009 under "Assets held for sale".
- (c) At December 31, 2009, in line with the asset management policy, the Group plans to sell 2 hotel properties in Italy. In accordance with IFRS 5, the €18 million carrying amount of these hotels was reclassified in the consolidated balance sheet at December 31, 2009 under "Assets held for sale".
- (d) At December 31, 2009, in line with the asset management policy, the Group plans to sell 6 hotel properties in China. In accordance with IFRS 5, the €14 million carrying amount of these assets and the €4 million carrying amount of these liabilities were reclassified in the consolidated balance sheet at December 31, 2009 under "Assets held for sale" and "Liabilities of assets classified as held for sale".
- (e) At December 31, 2009, in line with the asset management policy, the Group plans to sell 1 hotel property in Switzerland. In accordance with IFRS 5, the €3 million carrying amount of this hotel was reclassified in the consolidated balance sheet at December 31, 2009 under "Assets held for sale".
- (f) At December 31, 2008, in line with the asset management policy, the Group planned to sell a land in Germany. In accordance with IFRS 5, the €2 million carrying amount of this land was reclassified in the consolidated balance sheet under "Assets held for sale". The sale of this asset did not go through and it was therefore reclassified as "Property, plant and equipment" at December 31, 2009.
- (g) At December 31, 2008, the Group planned to sell its food preparation facility in Fresnes, France to Lenôtre. In accordance with IFRS 5, the €3 million carrying amount of this asset was reclassified in the consolidated balance sheet under "Assets held for sale". The asset was sold in 2009 for €3 million.

Note 32. Provisions

Movements in long-term provisions between December 31, 2008 and December 31, 2009 can be analyzed as follows:

In € millions	December 31, 2008	Equity impact (*)	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope (*)	December 31, 2009
- Provisions for pensions	101	6	14	(7)	(9)	1	2	108
- Provisions for loyalty bonuses	30	-	5	(3)	(9)	1	-	24
TOTAL LONG-TERM PROVISIONS	131	6	19	(10)	(18)	2	2	132

(*) See Note 32.C

Movements in short-term provisions between December 31, 2008 and December 31, 2009 can be analyzed as follows:

In € millions	December 31, 2008	Equity impact	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope	December 31, 2009
- Tax provisions	17	-	3	(5)	(2)	1	8	22
- Restructuring provisions	47	-	35	(31)	(6)	1	(1)	45
- Provisions for claims and litigation and others contingencies	127	-	98	(27)	(26)	3	-	175
TOTAL SHORT-TERM PROVISIONS	191	-	136	(63)	(34)	4	7	242

At December 31, 2009, ordinary provisions for claims and litigation and others include:

- €31 million provisions for various claims ;
- €32 million provision for employee-related claims ;
- A contingency provision in Venezuela (see Note 15).

Net provision expense – corresponding to increase in provisions less reversals of utilized and unutilized provisions set up in prior periods – is recorded under the following income statement captions:

In € millions	Dec. 2008	Dec. 2009
EBIT	3	1
Finance cost, net	(3)	10
Provision for losses on hotel properties	(21)	5
Provision on other assets and restructuring provisions	(18)	15
Provision for tax	(17)	(1)
TOTAL	(56)	30

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 funds).

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 (55% of the obligation), in the Netherlands (16% of the obligation) and in Italy (7% of the obligation). The Netherlands plan is closed to new members and is fully funded, with the result that no provision has been recognized in the balance sheet. 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.

2008	France	Europe excluding France							Worldwide Structures	Other countries
		Netherlands	United Kingdom	Germany	Belgium	Italy	Switzerland	Poland		
Retirement age	65 years	65 years	65 years	65 years	65 years	65 years	64-65 years	60-65 years	65 years	55-65 years
Rate of future salary increases	3,0%	3,0%	3,0%	3,0%	3,0%	2,5%-3,5%	2,0%	5,0%	3%-4%	2%-10%
Payroll tax rate	46%	23%	13%	22%	36%	29%	17%	40%	46%	9%-45%
Discount rate	5,50%	5,50%	5,90%	5,50%	5,50%	5,50%	3,25%	6,00%	5,50%	4% - 8,68%
Expected Rates of return on 2008 plan assets	2,20%-4,5%	4%-5%	5,5%	4,3%	4,5%	N/A	N/A	N/A	4,5%	N/A
Expected Rates of return on 2009 plan assets	2,20%-4,5%	4%-5,5%	5,5%	4,0%	4,5%	N/A	4,25%	N/A	4,5%	N/A

2009	France	Europe excluding France							Worldwide Structures	Other countries
		Netherlands	United Kingdom	Germany	Belgium	Italy	Switzerland	Poland		
Retirement age	65 years	65 years	65 years	65 years	65 years	65 years	64-65 years	60-65 years	65 years	55-65 years
Rate of future salary increases	3,0%	3,0%	3,0%	3,0%	3,0%	2,5%-3,5%	2,0%	3,0%	3%-4%	2%-10%
Payroll tax rate	46%	23%	13%	22%	36%	29%	17%	40%	46%	9%-45%
Discount rate	5,00%	5,00%	5,60%	5,00%	5,00%	5,00%	3,00%	5,50%	5,00%	4% - 8,68%
Expected Rates of return on 2009 plan assets	2,20%-4,5%	4%-5%	5,5%	4,0%	4,5%	N/A	N/A	N/A	4,5%	N/A
Expected Rates of return on 2010 plan assets	2,20%-4,5%	4%-5,5%	5,5%	4,0%	4,5%	N/A	4,3%	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. 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 2008 provided for an additional tax levy payable on retirement bonuses in the event of compulsory retirement before the age of 65. This additional tax is 25% in 2008 and 50% as of 2009. The

Act also discontinued the favourable tax and social security regime for retirement bonuses negotiated with employees retiring before the statutory age of 65 and paid before 2010.

The Act has led the Group to adjust its assumptions concerning the rate of payroll taxes due on the benefits. In view of the difference in the employer contributions payable on compulsory and voluntary retirement, the corresponding benefit obligation was €11 million higher at December 31, 2007.

This increase in the obligation represents an actuarial loss that had been recognised in full in equity, in accordance with the Group's current policy for recognizing actuarial gains and losses.

The French Social Security Financing Act for 2009 eliminated compulsory retirement bonuses, with all retirements being on a voluntary basis.

C. Funded status of post-employment defined benefit plans and long-term employee benefits

The method used by the Group is the "Projected Unit Credit" method.

At December 31, 2009

In € millions	Pensions	Other post-employment benefits (*)	Total
Present value of funded obligation	136	-	136
Fair value of plan assets	(89)	-	(89)
Excess of benefit obligation/(plan assets)	47	-	47
Present value of unfunded obligation	-	85	85
Unrecognized past service cost	-	-	-
Liability recognized in the balance sheet	47	85	132

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

At December 31, 2008

In € millions	Pensions	Other post-employment benefits (*)	Total
Present value of funded obligation	116	-	116
Fair value of plan assets	(79)	-	(79)
Excess of benefit obligation/(plan assets)	37	-	37
Present value of unfunded obligation	-	94	94
Unrecognized past service cost	-	-	-
Liability recognized in the balance sheet	37	94	131

(*) 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											Other benefits		
	2009											2009	2009	2008
In € millions	France	Europe excluding France							Worldwide structures	Other	Total	Other benefits	Total	Total
		Netherlands	United Kingdom	Germany	Belgium	Poland	Switze rland	Italy						
Projected benefit obligation at the beginning of the period	34	28	6	8	9	3	7	14	63	7	180	30	210	196
Current service cost	3	0	0	-	-	-	1	-	3	1	9	3	12	10
Interest Cost	2	2	-	-	1	-	-	1	3	-	9	2	11	9
Employee contributions for the period	-	-	-	-	-	-	1	-	-	-	1	-	1	0
(Gains) losses on curtailments/settlements	(5)	(0)	-	-	-	(1)	-	-	(2)	(1)	(9)	(4)	(13)	(0)
Effect of changes in scope of consolidation	3	-	-	-	-	-	-	-	-	-	3	-	3	11
Benefits paid during the period	(1)	-	(0)	(0)	(0)	-	(1)	(2)	(2)	(1)	(8)	(3)	(11)	(14)
Actuarial (gains)/losses recognised during the period	0	(0)	1	0	2	-	1	-	4	(1)	8	(4)	4	3
Exchange differences on foreign plans	-	-	0	-	-	0	-	-	-	-	0	1	1	(4)
Reclassification in Assets/Liabilities held for sale	(0)	-	-	-	-	-	-	-	-	-	(0)	-	(0)	-
Other	(1)	-	-	0	2	-	0	-	-	0	2	-	2	(1)
Projected benefit obligation at the end of the period	35	29	7	9	14	2	9	13	69	7	195	25	220	210

In € millions	France	Europe excluding France							Worldwide structures	Other	Total	Other benefits	Total	Total
		Netherlands	United Kingdom	Germany	Belgium	Poland	Switze rland	Italy						
Fair value of plan assets at the beginning of the period	3	28	4	2	7	-	5	-	30	0	79	-	79	79
Actual return on plan assets	(0)	1	0	(0)	1	-	2	-	1	(0)	5	-	5	5
Employers contributions for the period	0	0	0	0	1	-	0	-	0	0	2	-	2	2
Employee contributions for the period	0	0	-	-	0	-	1	-	-	-	1	-	1	0
Benefits paid during the period	(0)	-	(0)	(0)	(0)	-	(1)	-	(1)	(0)	(4)	-	(4)	(6)
Exchange differences on foreign plans	(0)	-	0	-	-	-	0	-	-	0	(0)	-	(0)	(1)
Assets acquired in business combinations	2	-	-	-	-	-	-	-	-	-	2	-	2	(0)
Other	0	-	0	-	2	-	0	-	-	0	2	-	2	(0)
Fair value of plan assets at the end of the period	4	29	4	2	11	-	7	-	31	0	88	-	88	79

In € millions	France	Europe excluding France							Worldwide structures	Other	Total	Other benefits	Total	Total
		Netherlands	United Kingdom	Germany	Belgium	Poland	Switze rland	Italy						
Unfunded obligation at the beginning of the period	32	0	2	6	2	3	2	14	32	7	101	30	131	131
Reclassification on Assets/Liabilities held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unfunded obligation at the end of the period	31	0	3	7	3	2	2	13	39	7	107	25	132	131

In € millions	France	Europe excluding France							Worldwide structures	Other	Total	Other benefits	Total	Total
		Netherlands	United Kingdom	Germany	Belgium	Poland	Switze rland	Italy						
Adjustment to plan assets and plan surplus recognized in assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision at the end of the exercise	31	0	3	7	3	2	2	13	39	7	107	25	132	131

In € millions	France	Europe excluding France							Worldwide structures	Other	Total	Other benefits	Total	Total
		Netherlands	United Kingdom	Germany	Belgium	Poland	Switze rland	Italy						
Current service cost	3	0	0	0	0	0	1	0	3	1	9	3	12	10
Interest cost	2	2	0	0	1	0	0	1	3	0	9	2	11	9
Expected return on plan assets	(0)	(2)	(0)	(0)	(0)	-	(0)	-	(1)	(0)	(4)	-	(4)	(4)
Past service cost recognized during the period	0	-	-	-	-	-	-	-	-	-	0	-	0	-
(Gains) losses on curtailments/settlements	(5)	(0)	-	-	-	(1)	-	-	(2)	(1)	(9)	(4)	(13)	(0)
Actuarial (gains)/losses recognised during the period for long-term employee benefits	-	-	-	-	-	-	-	-	-	-	-	(4)	(4)	(3)
Expense for the period	(1)	(0)	0	1	1	(1)	1	1	3	1	5	(3)	2	12
Change in actuarial (gains) losses for post-employment defined benefit plans	1	-	1	1	1	-	(1)	-	4	(1)	6	(4)	-	5

Reconciliation of provisions for pensions between January 1, 2008 and December 31, 2009

In € millions	Amount
Provision at January 1, 2008	118
Charge for the year	12
Benefits paid	(11)
Actuarial gains and losses	5
Changes in scope of consolidation (1)	11
Translation adjustment	(4)
Provision at December 31, 2008	131
Charge for the year	2
Benefits paid	(10)
Actuarial gains and losses	6
Changes in scope of consolidation (2)	2
Changes in exchange rates	1
Other	-
Provision at December 31, 2009	132

(1) €13 million from the consolidation of Orbis, €(1) million related to the sale of the Brazilian food services business and €(1) million related to the sale of Abidjan Catering.

(2) €2 million from the consolidation of Groupe Lucien Barrière, following an increase in Accor's interest in the company from 30.19% to 49%.

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

In € millions	Dec. 2008	Dec. 2009
Actuarial debt		
Actuarial gains and losses related to experience adjustment	6	5
Actuarial gains and losses related to changes in assumptions	-	3
Fair value on assets		
Actuarial gains and losses related to experience adjustment	(1)	(2)

Detail of plan assets

Detail of plan assets	France	Netherlands	United Kingdom	Germany	Belgium	Switzerland	Worldwide Structures
Shares	15% - 25%	10%	55%	15% - 25%	15% - 25%	26%	15% - 25%
Bonds	75% - 80%	90%	26%	75% - 80%	75% - 80%	44%	75% - 80%
Other	0% - 5%	0%	19%	0% - 5%	0% - 5%	30%	0% - 5%

Sensitivity analysis

At December 31, 2008, 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 €6.6 million reduction in the projected benefit obligation, a 0.5-point decrease in the discount rate would lead to a €6.6 million increase in the projected benefit obligation. The impact on the cost for the year would not be material.

At December 31, 2009, 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 €4.7 million reduction in the projected benefit obligation, a 0.5-point decrease in the discount rate would lead to a €4.7 million increase in the projected benefit obligation. The impact on the cost for the year would not be material.

Note 33. Reconciliation of Funds from Operations

In € millions	Dec. 2008	Dec. 2009
Net Profit, Group share	575	(282)
Minority interests	38	17
Depreciation, amortization and provision expense	451	503
Share of profit of associates, net of dividends received	(12)	7
Deferred tax	19	(38)
Change in financial provisions and provisions for losses on asset	69	514
FUNDS FROM OPERATIONS	1 140	721
(Gains) losses on disposals of assets, net	(150)	(42)
(Gains) losses on non-recurring transactions (included restructuring costs and exceptional taxes)	121	164
FUNDS FROM ORDINARY ACTIVITIES	1 111	843

Note 34. Working Capital, Prepaid Services Voucher in Circulation and Prepaid Services Voucher Reserve Funds

In € millions	Dec. 2008	Dec. 2009	Variation
Inventories	103	60	(43)
Trade receivables	1 313	1 350	37
Other receivables and accruals	824	1 113	289
Prepaid Service voucher reserve funds	441	565	124
WORKING CAPITAL ITEMS - ASSETS	2 681	3 088	407
Trade payables	765	709	(56)
Other payables	1 613	1 463	(150)
Prepaid Services voucher in circulation	2 587	2 883	296
WORKING CAPITAL ITEMS - LIABILITIES	4 965	5 055	90
WORKING CAPITAL	2 284	1 967	(317)

December 31, 2008 WORKING CAPITAL	2 284
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Change in working capital (1)	(189)
Reclassification from cash and cash equivalents to restricted cash	(114)
Development Expenditure	21
Disposals	5
Translation adjustment	(55)
Reclassifications	15
NET CHANGE IN WORKING CAPITAL	(317)

December 31, 2009 WORKING CAPITAL	1 967
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(1) See cash flow statements

Note 35. 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 € millions	Dec. 2008	Dec. 2009
HOTELS	429	280
- Upscale and Midscale Hotels	220	135
- Economy	139	111
- Economy US	70	34
PREPAID SERVICES	24	30
OTHER BUSINESSES	35	17
Casinos	15	8
Restaurants	6	4
Onboard Train Services	3	2
Holding Companies and other	11	3
RENOVATION AND MAINTENANCE EXPENDITURE	488	327

Note 36. 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 assets held for sale

In €millions		France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Worldwide Structures (*)	Dec. 2009	Dec. 2008
HOTELS		90	151	22	22	114	5	404	1 014
Upscale and Midscale Hotels	(1)	55	80	7	10	44	5	201	545
Economy Hotels	(2)	35	71	-	12	70	-	188	207
Economy Hotels US		-	-	15	-	-	-	15	262
PREPAID SERVICES	(3)	2	11	-	1	10	19	43	19
OTHER BUSINESSES		302	17	-	-	-	-	319	53
Casinos	(4)	301	-	-	-	-	-	301	20
Restaurants		1	-	-	-	-	-	1	2
Onboard Train Services		-	3	-	-	-	-	3	4
Holding Companies and other	(5)	-	14	-	-	-	-	14	27
Total December 31, 2009		394	179	22	23	124	24	766	
Total December 31, 2008		303	369	269	29	109	7		1 086

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

- (1) Including:
 - a. Development expenditure on a new Pullman hotel and a new Novotel hotel in Delhi (€17 million)
 - b. Exercise of a call option on the land and buildings of a Novotel hotel in Germany (€15 million)
 - c. Renovation financing extended to owner of upscale hotel in the Netherlands (€8 million)
 - d. Exercise of a call option on the land and buildings of a Mercure hotel in France (€7 million).
- (2) Including
 - a. Development expenditure on 49 new Ibis hotels in China (€51 million)
 - b. Development expenditure on six new Ibis hotels in Eastern Europe (€16 million)
 - c. Development expenditure on 12 new Ibis hotels in India (€11 million)
 - d. Exercise of a call option on one Ibis hotel in Germany (€11 million)
 - e. Development expenditure on two new Ibis hotels in Spain (€9 million)
 - f. Development expenditure on six new Ibis hotels in Latin America (€8 million)
- (3) Including the acquisition of all four Exit Group companies in the Czech Republic (€11 million).
- (4) Including €271 million for the acquisition of an additional 15% stake in Groupe Lucien Barrière, lifting the Group's interest to 49%.
- (5) Including €14 million for the acquisition by Orbis Transport of 35 buses, 833 cars and other technical equipment and vehicles.

Development expenditure related to assets held for sale

No development expenditure was made in respect of assets held for sale at December 31, 2009.

In 2008, development expenditure made in respect of assets held for sale amounted to €5 million.

Note 37. Segment Information

The Group has identified six operating segments:

- Hotels, with a portfolio of brands on every segment of the market and its 4,111 establishments in around 100 countries comprises three sub-segments:
 - o Upscale and Midscale hotels, with the Sofitel, Pullman, Novotel, Mercure, Adagio and Suitehotel brands.
 - o Economy hotels, with the Formule 1, Etap Hotel, All Seasons and Ibis brands.
 - o US Economy hotels with the Motel 6 and Studio 6 brands.
- Prepaid services. Accor is a world-leading issuer of prepaid service vouchers and cards.
- Restaurants. Accor offers a full range of gourmet dining activities through its Lenôtre subsidiary.
- Casinos. Organized around Groupe Lucien Barrière, the segment is specialized in casino management.
- Onboard train services, providing restaurant and hotel services to the railway sector.
- Other activities, notably the Group Financial Managements.

Each segment represents a strategic business offering different products and serving different markets. The internal reporting structure for each segment is organized and administered separately. Group Management monitors results and performance on a segment-by-segment basis. Similarly, decisions about resource allocation are taken separately for each segment.

The Group considers that its six business segments meet the definition of operating segments under IFRS 8. The segment information presented is therefore based on the internal reporting system used by Management to assess the performance of the different segments. The performance indicators used by Management are as follows:

- Revenue
- EBITDAR
- Rental expense
- EBIT

An analysis of these indicators by operating segment is provided in the following notes:

- Note 3 for revenue
- Note 5 for EBITDAR
- Note 6 for rental expense
- Note 9 for EBIT

Total assets by segment are presented in the balance sheets below:

At December 31, 2009 In € millions	Hotels	Prepaid Services	Other Businesses	Total consolidated
Goodwill	825	557	395	1 777
Intangible assets	352	99	37	488
Property, plant and equipment	3 927	34	345	4 306
Total non-current financial assets	403	3	22	428
Deferred tax assets	199	20	72	291
TOTAL NON-CURRENT ASSETS	5 706	713	871	7 290
TOTAL CURRENT ASSETS	1 289	2 507	516	4 312
Assets held for sale	141	-	3	144
TOTAL ASSETS	7 136	3 220	1 390	11 746
SHAREHOLDERS' EQUITY & MINORITY INTERESTS	5 394	662	(2 802)	3 254
TOTAL NON-CURRENT LIABILITIES	574	95	2 149	2 818
TOTAL CURRENT LIABILITIES	1 164	2 463	2 043	5 670
Liabilities related to assets classified as held for sale	4	-	-	4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	7 136	3 220	1 390	11 746

At December 31, 2009 In € millions	Up and Midscale Hotels	Economy Hotels	Economy Hotels United States	Total Hotels
Goodwill	641	90	94	825
Intangible assets	144	55	153	352
Property, plant and equipment	2 054	1 135	738	3 927
Total non-current financial assets	339	41	23	403
Deferred tax assets	97	12	90	199
TOTAL NON-CURRENT ASSETS	3 275	1 333	1 098	5 706
TOTAL CURRENT ASSETS	850	329	110	1 289
Assets held for sale	105	10	26	141
TOTAL ASSETS	4 230	1 672	1 234	7 136
SHAREHOLDERS' EQUITY & MINORITY INTERESTS	3 634	751	1 009	5 394
TOTAL NON-CURRENT LIABILITIES	416	148	10	574
TOTAL CURRENT LIABILITIES	180	769	215	1 164
Liabilities related to assets classified as held for sale	-	4	-	4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4 230	1 672	1 234	7 136

At December 31, 2009 In € millions	Casinos	Restaurants	Onboard Train Services	Holdings & Other	Total Other Businesses
Goodwill	366	23	-	6	395
Intangible assets	17	2	-	18	37
Property, plant and equipment	245	27	14	59	345
Total non-current financial assets	1	3	1	17	22
Deferred tax assets	4	3	-	65	72
TOTAL NON-CURRENT ASSETS	633	58	15	165	871
TOTAL CURRENT ASSETS	78	20	104	314	516
Assets held for sale	-	-	1	2	3
TOTAL ASSETS	711	78	120	481	1 390
SHAREHOLDERS' EQUITY & MINORITY INTERESTS	363	42	97	(3 304)	(2 802)
TOTAL NON-CURRENT LIABILITIES	133	4	11	2 001	2 149
TOTAL CURRENT LIABILITIES	215	32	12	1 784	2 043
Liabilities related to assets classified as held for sale	-	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	711	78	120	481	1 390

Note 38. 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, the court found against CIWLT concerning the reassessments for the years 1998 to 2002 but has not yet issued a ruling on the 2003 reassessment. On February 10, 2009, CIWLT has decided to appeal this ruling before the Versailles Administrative Court of Appeal. The appeal has not yet been heard.

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 million including late interest.

This amount was paid at the end of February 2009. It was recognized as an asset in the balance sheet at December 31, 2009 (see Note 23.2).

Based on advice from its legal and tax advisors, the company believes that it has strong arguments that should lead to a favourable outcome, notably considering that CIWLT is governed by Belgian tax laws.

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 at December 31, 2009.

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 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 Court of Justice of the European Communities on October 19, 2009.

In parallel, Accor was notified of the Court of Justice of the European Communities' preliminary ruling on September 14, 2009, and filed its observations on November 23.

On February 7, 2007, Accor filed an application originating proceedings before the Cergy Pontoise Administrative Court on the same grounds, to obtain a refund of the €187 million in *précompte* withholding tax paid in the period 2002 to 2004.

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 39. Off-Balance Sheet Commitments at December 31, 2009

Note 39.1 Off-balance sheet commitments given

Off-balance sheet commitments given at December 31, 2009 break down as follows:

In € millions		Less than 1 year	1 to 5 years	Beyond 5 years	Dec 31, 2009	Dec 31, 2008
Security interests given on assets	(1)	-	-	32	32	17
. Groupe Lucien Barrière SAS	(2)	-	-	-	-	140
. Other purchase commitments		6	34	-	40	71
Purchase commitments		6	34	-	40	211
. Construction performance bonds Novotel and Ibis (China)	(3)	19	5	-	24	45
. Renovation commitment Axa Reim (France)	(4)	-	12	-	12	20
. Renovation commitment Axa Reim (Switzerland)	(4)	4	-	-	4	7
. Renovation commitment Moor Park (Germany and the Netherlands)	(5)	5	-	-	5	17
. Property development projects in Spain	(6)	9	-	-	9	14
. Renovation commitment Land Securities (United Kingdom)	(7)	7	-	-	7	8
. Construction commitments Novotel and Ibis (Algeria)	(8)	4	-	-	4	5
. Renovation commitment Novotel Paris Tour Eiffel	(9)	0	-	-	0	5
. Renovation commitment Foncière des Murs transaction 1 (France)	(10)	4	-	-	4	2
. Renovation commitment Foncière des Murs transaction 2 (France)	(10)	3	-	-	3	2
. Other renovation commitments	(11)	40	44	72	156	109
Capex Commitments		95	61	72	228	234
Loan guarantees given		-	8	1	9	6
Commitments given in the normal course of business	(12)	75	75	32	182	402
Contingent liabilities		1	1	-	2	2
Total December 31, 2009		177	179	137	493	
Total December 31, 2008		578	177	117		872

- (1) Security interests given on assets correspond to pledges and mortgages valued at the net book value of the underlying assets.
- (2) Under the agreements between Colony Capital, the Desseigne Barrière family and Accor, Colony Capital has a put option and Accor has a call option on Colony's 15% interest in Groupe Lucien Barrière SAS. Colony exercised its put at the end of March 2009 and in April Accor acquired Colony's shares for €153 million, raising its stake in Groupe Lucien Barrière to 49%.
- (3) In connection with development in China, Accor issued performance bonds to the developers of 35 Ibis hotels and 1 Novotel hotels. The related commitments at December 31, 2009 amounted to €24 million.
- (4) In connection with the Axa REIM sale-and-variable leaseback transactions, 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, 2009 amounted to €16 million.
- (5) In connection with the Moor Park sale-and-variable leaseback transaction, Accor is committed to financing €29 million worth of renovation work in Germany and the Netherlands. As of December 31, 2009, the remaining work amounted to €5 million.
- (6) In connection with property development projects in Spain, Accor issued performance bonds to the developers of two Ibis hotels. The related commitments at December 31, 2009 amounted to €9 million.
- (7) In connection with the Land Securities sale-and-variable leaseback transaction, Accor is committed to financing €18 million (£16 million) worth of renovation work in the UK. As of December 31, 2009, the remaining work amounted to €7 million (£6 million).
- (8) In connection with development 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, 2009, the remaining work amounted to €4 million.
- (9) In connection with the sale of Accor's 40% interest in Novotel Paris Tour Eiffel under a lease-back arrangement, Accor is committed to financing €10 million worth of renovation work before the end of 2012. As of December 31, 2009, the remaining work amounted to €0.4 million.
- (10) In connection with the Foncière des Murs sale-and-variable leaseback transactions, 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, 2009, the remaining work represented €7 million.

- (11) Other commitments include €38 million in committed capital expenditure on Australian hotels and €70 million in commitments related to Groupe Lucien Barrière, which has been 49%-owned by Accor since April 2009.
- (12) During 2009, CIWLT paid €242 million in settlement of tax reassessments (see Note 38). A ruling has not yet been handed down concerning the reassessment for the year 2003 which continues to be covered by an €18 million tax bond obtained from a bank.

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 39.2 Off-balance sheet commitments received

Off-balance sheet commitments received at December 31, 2009 break down as follows :

In € millions	Less than 1 year	1 to 5 years	Beyond 5 years	Dec 31, 2009	Dec 31, 2008
Irrevocable commitments received for the purchase of intangible assets and property, plant and equipment	5	-	-	5	5
Irrevocable commitments received for the purchase of financial assets (1)	-	-	11	11	151
Customer orders spanning several years	-	-	-	-	-
Purchase commitments received	5	-	11	16	156
Sellers' warranties received	-	1	-	1	1
Debt waivers granted with a clawback clause	-	-	-	-	-
Loan guarantees received	-	-	-	-	4
Other guarantees received in the normal course of business (2) + (3) + (4) + (5) + (6)	38	23	-	61	114
Other commitments and guarantees received	38	24	-	62	119
Total December 31, 2009	43	24	11	78	
Total December 31, 2008	81	173	21		275

- (1) Under the agreements between Colony Capital, the Desseigne Barrière family and Accor, Colony Capital has a put option and Accor has a call option on Colony's 15% interest in Groupe Lucien Barrière SAS. Colony exercised its put at the end of March 2009 and in April Accor acquired Colony's shares for €153 million, raising its stake in Groupe Lucien Barrière to 49%.
- (2) In connection with the two transactions with Accor, Foncière des Murs agreed to finance a €151 million renovation program. Addenda to the related agreements were subsequently signed reducing the commitment to €148 million. As of December 31, 2009, the remaining work represented €4.5 million.
- (3) In connection with transaction in the United Kingdom, Land Securities agreed to finance a €38 million (£34 million) renovation program. As of December 31, 2009, the remaining work amounted to €12 million (£11 million).
- (4) In connection with transaction in the Netherlands and in Germany, Moor Park agreed to finance a €59 million renovation program. As of December 31, 2009, the remaining work amounted to €6 million.
- (5) In connection with the sale of Accor's 40% interest in Novotel Paris Tour Eiffel under a management-back arrangement, the owner of the hotel agreed to finance €5 million worth of renovation work before the end of 2011. As of December 31, 2009, the remaining work amounted to €1 million.
- (6) In connection with transaction with Accor, Axa REIM agreed to finance a €50 million renovation program over three years until the end of 2010. As of December 31, 2009 the remaining work in France and Switzerland amounted to €26 million.

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

Note 41. Additional Information about Jointly-controlled Entities

In € millions	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue for the Group	Costs for the Group
Groupe Lucien Barrière	72	309	221	160	424	416
Australia (Allegiance Marketing and Reef Casinos Conso)	20	28	14	33	58	45

Above disclosed figures correspond to Group share.

Note 42. Subsequent Events

On February 19, 2010, as part of the ongoing deployment of its “asset right” strategy, Accor has announced an international real estate transaction involving the sale of five hotels (representing more than 1,100 rooms) in four European countries for €154 million. The transaction has been carried out with Invesco Real Estate, a major real estate manager in the United States, Europe and Asia.

The transaction involves:

- The Novotel Muenchen City in Munich;
- The Novotel Roma la Rustica and the Mercure Corso Trieste in Rome;
- The Mercure Zabatova in Bratislava, currently under construction;
- The Pullman Paris La Défense.

All the hotels have been sold under a sale and variable leaseback agreement except for Pullman Paris La Defense that will continue to be operated by Accor under a management contract.

In accordance with IFRS 5, the carrying amount of these assets was reclassified in the consolidated balance sheet at December 31, 2009 under “Assets held for sale”.

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.
- ✓ **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 40. 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 2009.

- ✓ **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.

The related party transactions presented below correspond to the main transactions with companies in which a person holding material voting rights is a member of the Accor Board of Directors. Only material transactions are disclosed.

Related party transactions

In €millions	Type of transaction	Transaction amounts		Related party receivables		Related party payables		Provisions for doubtful accounts		Off-balance sheet commitments	
		2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
Colony Capital	Long-term loan	-	-	-	-	-	-	-	-	-	-
	GLB put option granted to Accor	-	140	-	-	-	-	-	-	140	- (*)
	Bond issues	-	-	-	-	-	-	-	-	-	-

(*) See Note 2.B.4

Note 44. Corporate Officers' Compensation

In € millions	December 31, 2008		December 31, 2009	
	Expenses	Balance sheet amount	Expenses	Balance sheet amount
Short-term benefits received	12	6	11	5
Post-employment benefits	2	6	2	6
Other long-term benefits	-	-	-	-
Compensation for loss of office	5	-	3	-
Share-based payments	5	-	6	-
Total compensation	24	12	22	11

Corporate officers are defined as members of the Executive Committee and the Board of Directors.

Compensation only concerned the members of the Executive Committee, which currently has nine members compared with twelve until the end of May.

Members of the Board of Directors do not receive any compensation and receive only fees. Directors' fees paid in 2009 by the Group to the members of the Supervisory Board for year 2008 amounted to €679,430.

Note 45. Fees Paid to the Auditors

The table below shows the total fees billed by the Auditors recognized in the income statement in 2009 and prior years.

In € millions	2008	2009
Statutory and contractual audit fees	(11)	(11)
Fees for audit-related services	(1)	(1)
Total fees billed by the Auditors	(12)	(12)