

PROSPECTUS

FOR THE INITIAL PUBLIC OFFERING OF EDENRED



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Prospectus for the initial public offering of Edenred

This document comprises:

- ▶ The prospectus approved by French securities regulator AMF on May 12, 2010 under visa no. 10-128; and
- ▶ The supplement to the prospectus, which was approved by the AMF on June 10, 2010 under visa no. 10-170.

At the date on which the prospectus was approved, Edenred was known as New Services Holding. Its final name, Edenred, is scheduled to be adopted by shareholders at the Annual and Extraordinary Meeting on June 29, 2010.

Free translation for information purposes only

PROSPECTUS IN VIEW OF THE ADMISSION FOR TRADING
ON Euronext Paris of New Services Holding Shares following
the spinoff of New Services Holding to Accor Shareholders

PROSPECTUS



Pursuant to Articles L. 412-1 and L. 621-8 of the French Monetary and Financial Code (*Code monétaire et financier*) and Articles 211-1 to 214-3 of its *Règlement Général*, the *Autorité des marchés financiers* (the "AMF") has granted visa no.10-128 dated May 12, 2010. New Services Holding and Accor prepared this prospectus and the signatories are responsible for its contents in accordance with Section 9.2 of this prospectus. The *visa*, in accordance with Article L. 621-8-1-I of the French Monetary and Financial Code, was granted after verification by the AMF of "*the relevance and consistency of the information provided herein*". It implies neither approval of the suitability of the transaction nor validation of the accounting and financial information presented herein.

Copies of this Prospectus may be obtained free of charge at the registered offices of New Services Holding: 166-180, boulevard Gabriel Péri – 92240 Malakoff, France, and Accor: Immeuble Odyssey, 110, avenue de France – 75210 Paris, as well as on the websites of Accor (www.accor.com) and of the AMF (www.amf-france.org). This prospectus constitutes a schedule to the reports of the Board of Directors to be presented at the General Shareholders' Meetings of Accor and New Services Holding convened to approve the contribution of Accor's services business and the spinoff of shares of New Services holding. The approval of the General Shareholders' Meeting of Accor is a condition precedent for the transaction to be completed.

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Summary of the prospectus

Visa no. 10-128 dated May 12, 2010 of the AMF

Notice

This summary should be read as an introduction to the prospectus. Any decision to invest in the securities described herein should be based on an evaluation of the prospectus as a whole by the investor. An investor who brings a claim before a court concerning the information contained in this prospectus may, depending upon the national legislation of the member states of the European Union or parties to the European Economic Area Agreement, have to bear the cost of translating the prospectus before the legal proceedings are initiated. Civil liability applies to those persons responsible for preparing this summary, including any translation thereof, if applicable, and who have requested notification thereof for purposes of Article 212-41 of the AMF's General Regulations, only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this prospectus.

The prospectus does not constitute (i) an offer to sell or subscribe for, or a solicitation of an offer to purchase or subscribe for, the shares described herein, or (ii) a solicitation of any consent or favorable vote in respect of the transactions described herein.

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1. Information concerning the Transaction

1.1. OBJECTIVES OF THE TRANSACTION

This prospectus was prepared for purposes of the admission for trading on Euronext Paris of the shares of New Services Holding (the "**Company**") as part of a plan to separate the Accor Group's hotels and services businesses. This transaction will result in the creation of a new autonomous Group dedicated exclusively to the services business, which will be referred to as "**New Services**"⁽¹⁾ or the "**Group**" in this prospectus..

The Accor Group, which operates in nearly 100 countries and has 150,000 employees, has two core businesses: hotels and services. Each of these two businesses has reached a critical size and earned an international reputation allowing each of them to act independently. The goal of this separation is to allow the two entities to become "pure players", listed separately without any capital ties, with targeted investors for each business, which will enhance each entity's visibility, and to benefit from new opportunities for partnerships, strategic alliances and financial transactions in order to finance future growth, including through the ability to pay in shares for any future acquisitions.

1.2. TERMS OF THE TRANSACTION

The separation of Accor's Hotels and Services businesses will be accomplished through a contribution by Accor, under the French legal regime for spinoffs, of its entire services business to the Company, followed by the spinoff by Accor to its shareholders (other than Accor itself) of the shares issued as consideration for the contribution, at the rate of one Company share for every Accor share (the "**Transaction**"). The Transaction will be followed by the admission of New Services Holding's shares for trading on Euronext Paris.

The completion of the Transaction is subject to the satisfaction of a number of conditions precedent described in Section 6.1.2 of the prospectus, which include, in addition to the approval of the Transaction by the Combined General Meetings of the shareholders of Accor and the Company, (i) the implementation of a number of preliminary transactions involving the transfer of interests, assets or activities, and refinancing, and (ii) the implementation of new financing by the Company in a total principal amount of €1.5 billion.

The Transaction will be submitted for approval by the combined general meetings of the shareholders of Accor and the Company that will be held on June 29, 2010. Subject to the satisfaction or the waiver of the conditions precedent by June 29, 2010 at the latest, the contribution will be completed on June 29, 2010, and the spinoff of the Company shares and their admission for trading on Euronext Paris will occur on July 2, 2010. Section 6 of the prospectus provides a detailed presentation of the Transaction and its terms.

The reports of the Statutory Auditors of the consideration are included in the annexes to this prospectus.

2. Information concerning the issuer

2.1. NAME AND PLACE OF INCORPORATION

New Services Holding is a *société anonyme* with a Board of Directors governed by French law.

(1) The future entity's permanent name will be disclosed prior to the Company's Combined General Meeting that will be held on June 29, 2010.

2.2. OVERVIEW OF THE GROUP'S BUSINESS

New Services is the global leader⁽²⁾ in the market for prepaid employee and public benefits products and services, and a leading player in the market for performance products, meaning prepaid products and services that improve the performance of organizations such as companies, associations and public authorities. The Group benefits from unique expertise in markets experiencing strong growth – both for employee and public benefits products and services and performance products – driven by favorable demographic and socio-economic factors in both developed and emerging markets.

Since the launch of the Ticket Restaurant® meal voucher in France in 1962, New Services has designed, managed and developed programs and services for companies, associations and public authorities. Present in 40 countries with 33 million users, New Services had 490,000 corporate and public authority customers and 1.2 million affiliated merchants as of December 31, 2009.

In 2009, New Services's issue volume for service vouchers amounted to a total face value of €12.4 billion. The Group reported *pro forma* revenue of €902 million and *pro forma* EBITDA of €363 million in 2009. *Pro forma* recurring investments in 2009 amounted to only €30 million, reflecting the fact that the business of New Services does not require significant ongoing investment.

2.3. SELECTED FINANCIAL INFORMATION

The figures presented below are taken from the Group's *pro forma* financial statements, which were prepared as if the Transaction had taken place on January 1, 2007. The figures presented in the historical combined financial statements of the services businesses are not included in this summary because they present the results of operations of these businesses without taking into account either the Transaction or the final allocation of debt between the Accor Group's Hotels and Services businesses.

Key figures from the *pro forma* income statement for the period from 2007 to 2009:

(in millions of euros)	2007	2008	2009
Issue volume	11,437	12,696	12,407
Operating revenue	741	817	808
Financial revenue	96	129	94
Total revenue	837	946	902
EBITDA	345	396	363
EBIT	320	365	327
Net financial expense	(92)	(87)	(104)
Income tax expense	(68)	(86)	(62)
Operating profit before non-recurring items	131	167	154
Net profit	134	177	(50)
Funds from operations⁽¹⁾	166	217	184
Unleveraged Free Cash Flow⁽²⁾	343	294	280

(1) Funds from operations is equal to EBITDA minus net financial expense, income tax expense, adjusted for certain non-cash expenses and income included in EBITDA and the cancellation of financial provisions, tax provisions and non-recurring provisions.

(2) See note (b) to the *pro forma* financial statements presented in Section 10.2.1 of the prospectus for an explanation of the calculation method for Unleveraged Free Cash Flow.

(2) Source: Company's estimates.

Principal items in the Group's *pro forma* cash flow statement during the period between 2007 and 2009:

<i>(in millions of euros)</i>	2007	2008	2009
Net cash from operating activities	336	322	282
Net cash from (used in) non-recurring items	(5)	(17)	(146)
Net cash from (used in) investing activities	(135)	(45)	(54)
Net Cash from (used in) financing activities	(77)	(137)	(35)
Effect of changes in foreign exchange rates	(40)	(23)	(37)
Net increase (decrease) in cash and cash equivalents	79	100	10
Cash and cash equivalents at beginning of period	1,033	1,112	1,212
Cash and cash equivalents at end of period	1,112	1,212	1,222
Net change in cash and cash equivalents	79	100	10

2.4. SHAREHOLDERS' EQUITY AND INDEBTEDNESS

In accordance with the CESR recommendations of February 2005 (CESR/05-054b, paragraph 127), the following table presents the Group's *pro forma* shareholders' equity and indebtedness as of December 31, 2009 and March 31, 2010 based on the related IFRS line items.

<i>(in millions of euros)</i>	<i>Pro forma</i> 31/12/2009	<i>Pro forma</i> 31/03/2010
SHAREHOLDERS' EQUITY AND INDEBTEDNESS		
CURRENT DEBT	51	45
<i>Guaranteed</i>	-	-
<i>Secured</i>	-	-
<i>Unsecured</i>	51	45
NON-CURRENT DEBT	1,515	1,514
<i>Guaranteed</i>	-	-
<i>Secured</i>	-	-
<i>Unsecured</i>	1,515	1,514
SHAREHOLDERS' EQUITY (GROUP SHARE) EXCLUDING PROFIT AS OF 03.31.2010⁽¹⁾	(1,204)	(1,138)⁽²⁾
<i>Share capital</i>	451	451
<i>Legal reserve</i>	-	-
<i>Other reserves including 2009 results</i>	(1,655)	(1,589)
ANALYSIS OF NET FINANCIAL DEBT		
<i>A. Cash</i>	41	60
<i>B. Cash equivalents</i>	-	-
<i>C. Marketable securities</i>	1,222	1,100
D. Liquidity (A) + (B) + (C)	1,263	1,160
E. Current financial debt	-	-
<i>F. Current bank debt</i>	41	34
<i>G. Current portion of non-current debt</i>	-	-
<i>H. Other current financial debt</i>	10	11
I. TOTAL CURRENT FINANCIAL DEBT (F) + (G) + (H)	51	45
J. NET CURRENT FINANCIAL DEBT (I) – (E) – (D)	(1,212)	(1,115)
<i>K. Borrowings due in over one year</i>	900	900
<i>L. Bonds issued (Bridge to Bonds)</i>	600	600
<i>M. Other borrowings due in over one year</i>	15	14
N. Non-current financial debt (K) + (L) + (M)	1,515	1,514
O. Net debt (J) + (N)	303	399⁽²⁾

(1) The variation reflects a €29 million exchange rate effect and a €35 million offset to the *pro forma* adjustments to net income.

(2) Based on the unconsolidated financial statements, the historical shareholders' equity excluding profit and net indebtedness as of March 31, 2010 amounted to €22,000 and €29,000, respectively.

The *pro forma* shareholders' equity is negative as at December 31, 2009. This is due to the fact that the assets that are being contributed or sold by the Accor Group as part of the framework of the Transaction will be recorded in the financial statements at their historic net carrying value. The acquisitions of Accor Group subsidiaries by the Services business from the Hotels business were made at fair value, and resulted in a cash transfer that had a negative impact on the Group's shareholders' equity.

The fact that the Group's consolidated shareholders' equity is negative does not have any impact on the Company's financing capacity, financial condition or ability to distribute dividends.

2.5. PRINCIPAL RISK FACTORS

Shareholders of Accor, as well as investors, are urged to consider the following risks, together with those described in greater detail in Section 3 of the prospectus before making any investment decision:

- ▶ the products of the employee and public benefits business benefit from tax exemptions in each of the countries in which they are offered. Any change in these exemptions could have an impact on this business (88% of the Group's issue volume, a significant portion of which is generated in three principal countries – France, Italy and Brazil);
- ▶ certain products of the Group, particularly those in electronic formats (which the Company expects will represent the majority of its products in the long-term), are subject to specific regulations in the countries in which they are sold;
- ▶ the Group's results of operations depend in part on the economic conditions in the main countries in which they have operations, particularly with respect to the level of unemployment;
- ▶ the Group's businesses face strong competition from a large international competitor, as well as a number of local competitors;
- ▶ the Group has operations throughout the world, including in emerging countries, where they face certain specific risks;
- ▶ if the Group's strategy relating to geographic expansion, the deployment of new products and increasing penetration rates is more difficult to implement than anticipated, the Group may not meet its growth objectives;
- ▶ the Group is exposed to market risks, in particular risks relating to the impact of currency rate fluctuations;
- ▶ because there is no trading history for the Company's shares, their price will reflect the first orders placed on the market and may be subject to fluctuations; and
- ▶ the financial terms of the Group's financing agreements will depend on the credit rating that is attributed to the Company (particularly following the sale by the Accor employee savings plan of the New Services shares it will receive as part of the Transaction, which it is required to do as quickly as possible).

The occurrence of one of these risks, or other risks that the Company has not yet identified and considers to be insignificant, could have a material adverse effect on the Group's business, financial condition, results of operations, image, prospects or the price of the Company's shares.

2.6. RECENT CHANGES IN BUSINESS AND PROSPECTS

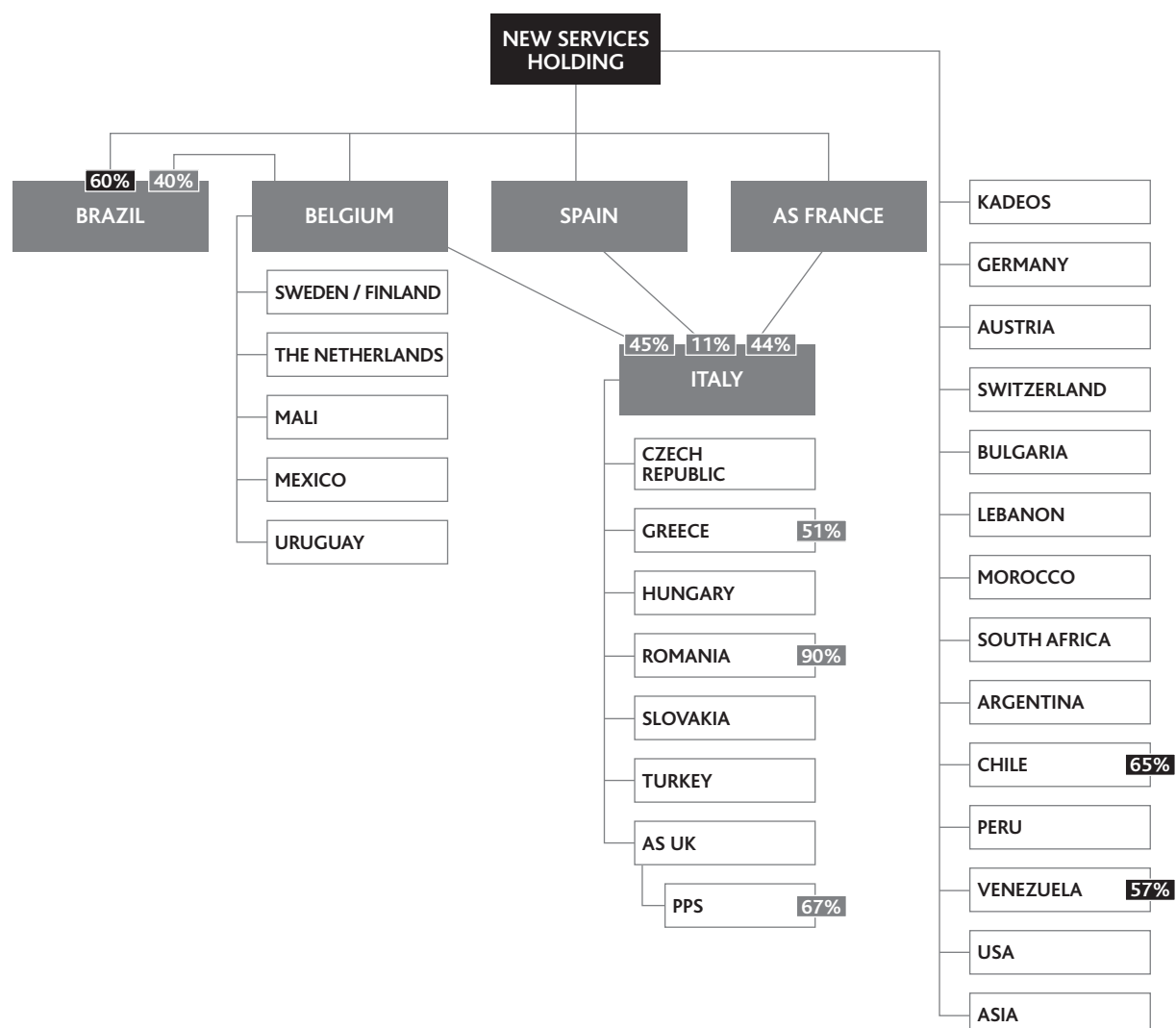
In the first quarter of 2010, the Group's revenue was €227 million, representing an increase of 2.9% as compared to the first quarter of 2009. While changes in the scope of consolidation had a positive impact of 4.0%, exchange rate fluctuations had a negative impact on revenue of 0.8% (i.e., a negative impact of 6.4% attributable to the Venezuelan *bolivar fuerte*, which was partially offset by the positive impacts of 4.3% of the Brazilian *real*, 0.3% of the Mexican *peso* and 0.1% of the pound sterling). At constant scope of consolidation and exchange rates, the Group's revenue declined slightly by 0.4% (compared to a decline of 3.8% in the fourth quarter of 2009).

The objective of New Services in the medium-term is to generate normative annual growth⁽³⁾ of (i) 6% to 14% of issue volume and (ii) double-digit growth in funds from operations (FFO)⁽⁴⁾ (for a description of the factors and conditions on the basis of which these goals were established, see Section 1.3.3 "Financial objectives" of this prospectus).

(3) "Normative" growth means the level of growth that the Group believes it can achieve in an economic environment in which there is no increase in unemployment.

(4) See footnote (1) to the table in Section 2.3 for a definition of this term.

2.7. THE GROUP'S SIMPLIFIED ORGANIZATIONAL CHART ⁽⁵⁾



(5) Simplified organizational structure of the Group following the completion of the Transaction described in Section 6 of the prospectus.

3. Dilution and ownership structure

As of the date of this prospectus, Accor held substantially all of the Company's share capital and voting rights.

On the date of admission of the Company's shares for trading on Euronext Paris (expected to occur on July 2, 2010), based on the composition of (i) Accor's share capital as of April 30, 2010, and reflecting the Company's capital increase that occurred on May 11, 2010⁽⁶⁾ and (ii) such share capital as of May 11, 2010, and assuming that the winding-up without liquidation of the SEIH is completed prior to June 29, 2010, the composition of the Company's share capital will be as follows:

	Number of shares	Percentage of share capital	Percentage of voting rights
ColTime/ColDay/Legendre Holding 19 ⁽¹⁾	65,844,245	29.15%	29.15%
FSI/CDC ⁽²⁾	19,549,239	8.65%	8.65%
Southeastern Asset Management ⁽³⁾	15,035,427	6.66%	6.66%
Franklin Resources, Inc. ⁽⁴⁾	12,544,058	5.55%	5.55%
Founders ⁽⁵⁾	6,001,083	2.66%	2.66%
Accor	18,500	0.01%	0.01%
Other shareholders	106,904,844	47.32%	47.32%
TOTAL	225,897,396	100.00%	100.00%

(1) ColTime (Colony Capital, LLC), ColDay (Colony Capital, LLC) and Legendre Holding 19 (controlled by Eurazeo) are parties to a shareholders' agreement.

(2) Interest held jointly by FSI and CDC based on their declaration of July 21, 2009.

(3) Based on the declarations of June 17 and July 15, 2009, as updated by Accor SA.

(4) Based on the declarations of April 15 and 20, 2010, as updated by Accor SA.

(5) Founders of the Accor Group: Paul Dubrule, Gérard Pélisson and their families.

The double voting rights of certain Accor shareholders will not apply to the shares of the Company that they will receive.

4. Mechanics of the Transaction

4.1. PROJECTED TIMETABLE OF THE TRANSACTION

Execution of the Contribution Agreement	April 19, 2010
AMF's visa on the prospectus	May 12, 2010
Publication in the BALO of the notice of Accor's Combined General Meeting	May 21, 2010
Visa on the prospectus supplement	Within the first 15 days of June 2010
Combined General Meetings of the shareholders of Accor and the Company	
Completion Date of the contribution of assets	June 29, 2010
Ex-Date for the spinoff of the Company's shares and Accor's cash dividend	
Delivery of the Company's shares to Accor's shareholders (other than Accor itself)	
Admission of the Company's shares for trading on Euronext Paris	
Payment of Accor's cash dividend	July 2, 2010

(6) The Board of Directors' meeting of Accor that was held on May 11, 2010 recorded a capital increase in the nominal amount of €1,027,770 through the creation of 342,590 shares due to the exercise of stock options, (including share savings warrants).

4.2. AVAILABILITY OF THE PROSPECTUS

Copies of the prospectus are available free of charge at the registered offices of New Services Holding, located at 166-180, boulevard Gabriel Péri – 92240 Malakoff, France, and of Accor, located in the Immeuble Odyssey, 110 avenue de France – 75210 Paris, as well as on the websites of Accor (www.accor.com) and the AMF (www.amf-france.org).

1

Presentation of the Group

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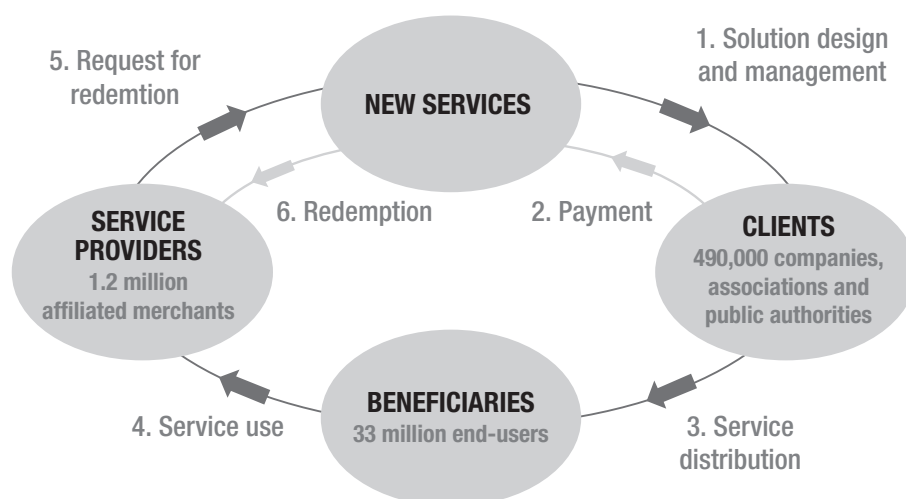
1.1. Company overview

The business of New Services is the provision of Prepaid Services, primarily to business customers. New Services is the global leader⁽⁷⁾ in the market for prepaid employee and public benefits products and services, and a leading player in the market for prepaid products and services that improve the performance of organizations (such as companies, associations and public authorities)⁽⁸⁾. The Group benefits from unique expertise in markets experiencing strong growth – both for employee and public benefits products and services and performance products – driven by favorable demographic and socio-economic factors in both developed and emerging markets.

Since the launch of the Ticket Restaurant® meal voucher in France in 1962, New Services has designed, managed and developed programs and services for companies and public authorities, facilitating everyday life and enhancing the well-being of millions of people worldwide. Present in 40 countries with 33 million users, New Services had 490,000 corporate and public authority customers and 1.2 million affiliated merchants as of December 31, 2009.

In 2009, New Services's issue volume for service vouchers amounted to a total face value of €12.4 billion. The Group reported *pro forma* revenue of €902 million, *pro forma* EBIT of €327 million and *pro forma* operating profit before non-recurring items of €154 million in 2009⁽⁹⁾. *Pro forma* recurring investments in 2009 amounted to only €30 million, reflecting the fact that the business of New Services does not require significant ongoing investment expenditures.

The Group's business model, illustrated by the chart below, structurally benefits all parties involved.



Companies and public authorities purchase vouchers from New Services at face value plus a service commission and distribute them to the beneficiaries (generally employees). In many countries, these benefits are fully or partially exempt from social security contributions and income taxes, enhancing their appeal for both the employer and the beneficiary. The beneficiary uses the vouchers at face value to purchase goods and services from affiliated merchants (such as restaurants), which in turn redeem the vouchers. Upon redemption, New Services pays the merchants the face value of the vouchers, less a redemption commission. Merchants join the network of affiliates by signing contracts that determine the redemption terms and the commission rates.

Between the time the customers pay for the vouchers (most of which are prepaid) and the time the affiliated merchants are reimbursed, the funds are invested and generate financial revenue. The Group's total revenues from vouchers include service and redemption commissions, financial revenue and, to a lesser extent, breakage revenues from lost and expired vouchers.

Although the Group is organized geographically from a management standpoint (see Note 3 to the *pro forma* financial statements included in this prospectus), each type of product and service provided by the Group is described separately for ease of understanding.

(7) Source: Company estimates.

(8) These products are referred to collectively as "performance products" in this prospectus.

(9) See Section 2.3.2 of this prospectus for a description of the method used to prepare the *pro forma* financial statements.

New Services provides Prepaid Services that enhance people's well-being and motivation and improve the performance of organizations in two principal areas:

► **Employee and public benefits products and services** (88% of issue volume and 79% of *pro forma* operating revenue⁽¹⁰⁾ in 2009). The Group offers a wide range of products worldwide to business customers and local authorities in developed and emerging countries. The vast majority of the benefits products were created in connection with public policies designed to improve nutrition, social cohesion and economic activity.

— *Employee Benefit Programs*. The main programs include:

- Meal and food vouchers (78% of issue volume and 63% of *pro forma* operating revenue in 2009). New Services offers both meal and food vouchers, under the primary brand names Ticket Restaurant® (meals) and Ticket Alimentación® (food). The Ticket Restaurant®, launched almost fifty years ago, is the Group's leading product. This meal voucher enables employees to have lunch in a restaurant or similar food service establishment of their choice. Employers pay for all or a part of the cost of these meals, and the amounts that the employers pay are generally tax deductible. For the employee, this benefit generally is not subject to income tax. All or part of the face value of the meal vouchers is also exempt from social security contributions for both the employer and the employee. The Ticket Alimentación® food voucher increases the purchasing power of beneficiaries and enables employees and their families to enjoy a healthy diet. Employees can use the vouchers to buy food in neighborhood stores and/or supermarkets. The food voucher, launched in Mexico in 1983 under the brand name Vale Despensas®, was later marketed in Latin America (as Ticket Alimentación®, Ticket Alimentação® or Ticket Canasta®) and, more recently, in Central Europe. New Services provides the Ticket Restaurant® and Ticket Alimentación® in 30 countries,
- Non-food benefits. Driven by the success of its Ticket Restaurant® and Ticket Alimentación® meal and food vouchers, the Group has developed a range of products enabling employers to contribute to the cost of other basic services required by their employees. These products, designed to enhance the everyday life of employees, include vouchers that allow employers to pay all or part of the cost of childcare services (Childcare Voucher® in the United Kingdom and Ticket Guarderia® in Spain), household employees (Ticket CESU® in France) and transport (Ticket Transport® in Brazil and Commuter Check® in the US). More recently, in 2009, the Group launched the EcoCheque® in Belgium. This voucher enables employees to make purchases in affiliated stores offering exclusively ecological products. In certain countries, the Group offers gift vouchers that employers provide to employees, with full or partial social security and income tax exemptions, on occasions such as weddings, the birth of children or Christmas.

— *Public Benefit Programs*. Local authorities and public institutions also call on New Services to help with the management and distribution of social aid. The Group offers a number of prepaid social-aid services programs, in France (Ticket CESU), Belgium (Ticket S®), Italy, the Czech Republic and Romania (Ticket Asist®), as well as in Turkey, Chile and South Africa. These programs facilitate the distribution of aid according to the social policy of the country in question. The aid vouchers are usually distributed at the regional and local levels for specific needs, mainly related to food, clothing and hygiene, as well as access to cultural and sports events and for transport.

Non-food benefits and public benefits programs accounted for 10% of issue volume and 16% of *pro forma* operating revenue in 2009;

► **Prepaid Services to improve performance of organizations (performance products)** (12% of issue volume and 21% of *pro forma* operating revenue in 2009). New Services is one of the leading providers in the market for Prepaid Services that enhance the performance of organizations and improve the well being of beneficiaries. The Group is currently a market leader in two areas and intends to build offerings in other strong growth markets:

- *Expense management* (7% of issue volume and 7% of *pro forma* operating revenue in 2009). New Services provides companies with solutions that allow them to monitor and control employee business expenses. The main product in this segment is the car voucher, Ticket Car®, launched in Brazil in 1990, which is used by employees to purchase fuel for business-related driving. The product has been extended to cover vehicle maintenance costs. It enables companies to optimize expense management, generating reports on items such as mileage, employee travel, fuel type and maintenance expenses. The car voucher has become an efficient management tool, allowing companies to optimize the management of their entire vehicle fleet, including both cars and delivery vehicles. New Services has rolled out the Ticket Car® in Chile, Argentina and Mexico, giving it a market-leading position in Latin America;
- *Incentives and Rewards* (5% of issue volume and 14% of *pro forma* operating revenue in 2009). New Services's products in this area enable corporate customers to motivate their workforce, provide incentives to distributors and foster employee loyalty. The Group provides gift vouchers that its corporate customers distribute to beneficiaries, who use them to purchase products in affiliated stores. New Services has two main brands in this segment: the Ticket Kadéos® range of single or multiple-brand gift cards and vouchers, which the Group sells to business customers and consumers, and the Ticket Compliments® multi-brand solution, which includes gift cards and vouchers provided to companies and work councils for employees, as well as to public authorities for their benefits programs. New Services also provides

(10) See Section 2.2.2.1 of this prospectus for a definition of operating revenue.

incentive and reward management services under its *Accentiv*® brand, enabling companies, Works Councils and public authorities to benefit from the Group's know-how relating to loyalty and gift-based products. *Accentiv*® has developed a comprehensive offering, ranging from strategy conception through the distribution of incentives and rewards (gift and card vouchers, gift boxes, travel, etc.);

- *New markets*. New Services is positioning itself in new, growing markets that have arisen from the shift to electronic prepaid solutions. These segments mainly involve payment cards for under- and un-banked employees, insurance cards for claim settlements and travel cards.

New Services uses multiple formats for its products, including paper vouchers and electronic products such as smart cards, magnetic cards and on-line solutions. New Services is tending towards electronic solutions, which simplify the issuance and redemption process and increase security, providing new growth opportunities for the Group. The Group's strategy is to choose the format that corresponds best to the degree of maturity of the market, customer needs and applicable law.

In order to promote the development of its paperless solutions, New Services has two systems for processing electronic transactions:

- **PrePay Solutions** (a joint-venture that is 67%-held by New Services and 33%-owned by MasterCard Europe), a European leader in the market for prepaid electronic solutions. PrePay Solutions offers services across the entire value chain, from the conception, marketing and technological stages to program management (transaction authorization and payment processing). The joint venture provides solutions in a wide range of fields including gift cards, public authority benefits, expense management, insurance claim settlements and cards for under- and un-banked individuals. Prepay Solutions provides services for New Services as well as other customers such as banks and large retailers. Prepay Solutions was recently selected to manage prepaid card applications for companies such as BP (for the BP-Aral card) and TUI (for the TUI Travel card);
- **WATTS**, developed by New Services in Brazil, currently manages the Ticket Restaurant®, Ticket Alimentação® and Ticket Car® solutions in Brazil. New Services intends to use this system to manage card applications throughout Latin America, a process recently started with the launch of the management of the Ticket Car® in Chile.

1.2. Competitive strengths

With almost 50 years of experience, New Services holds leading positions that should allow it to continue its development and growth as an independent entity. The separation of New Services from Accor will provide New Services with the opportunity to take advantage of its historical strengths to pursue a robust growth strategy, solidifying its position as the leader in the employee and public benefits products and services market and as a leading player in the market for performance products.

1.2.1. SOLID GROWTH FUNDAMENTALS

The markets in which New Services is a leader benefit from strong growth potential, both for employee and public benefits products and services and for performance products. The current and future growth potential of these markets is driven by the rapid transformation of modern-day society. Socio-demographic trends, including urbanization, the aging of the population in Western countries, a higher standard of living, the greater contribution of the services sector to the global economy and the increased role of women in the workplace, are creating stronger demand for services. Companies increasingly seek solutions to promote employee loyalty through more attractive, less costly and more personalized incentives. The prepaid benefits and services market has demonstrated its ability to resist difficult economic conditions.

New Services benefits from several key growth drivers in both mature and emerging markets.

In mature markets, socio-economic factors should generate sustainable growth in an environment that favors the development of high value added products and services. These factors include:

- the increasing political and social importance of maintaining employee purchasing power;
- the effort to combat informal work;
- the acceleration of urbanization (accounting for 74% of the population in mature markets at the end of 2007, compared to 53% in 1950, according to the Population Division of the United Nations Department of Economy and Social Affairs, which forecasts an increase to 79% by 2025);

- ▶ the control and monitoring of government subsidies and public authority budgets used to improve consumer purchasing power;
- ▶ the higher proportion of women in the work force;
- ▶ a longer working life;
- ▶ an increased need for services to allow individuals to establish a balance between private and professional lives;
- ▶ rising demand for balanced, healthy food; and
- ▶ growing awareness of social responsibilities and environmental issues in companies.

In emerging markets, socio-economic factors should generate a rapid rate of growth, mainly as a result of:

- ▶ measures taken to ensure a minimum standard of living for a large percentage of the population; for example, the Workers Food Plan, launched in Brazil in 1976, enables 60% of the target population to benefit from meal vouchers;
- ▶ the fight against malnutrition;
- ▶ efforts to combat the informal economy; for example, according to the OECD, only 15% of the total active population in India benefits from legal employment;
- ▶ the acceleration of urbanization (accounting for 44% of the population in mature markets at the end of 2007, compared to 18% in 1950, according to the Population Division of the United Nations Department of Economy and Social Affairs, which forecasts an increase to approximately 53% by 2025);
- ▶ the shift from an industrial economy to a service economy;
- ▶ the emergence of a middle class;
- ▶ productivity gains and an improvement in the working conditions and health of employees; and
- ▶ the increasing political and social importance of improving employee purchasing power.

1.2.2. A PROFITABLE, LOW-RISK, SUSTAINABLE BUSINESS MODEL

New Services's business model provides strong opportunities for sustainable profitability, driven by robust growth trends, relatively little sensitivity to economic cycles and limited investment requirements. Since 2003, New Services has recorded average annual growth of 10.5% in issue volume, 12.0% in revenue and 25.0% in funds from operations⁽¹¹⁾. Annual recurring investments are on the order of €30 million. Despite the global economic crisis, at constant scope of consolidation and exchange rates, New Services reported issue volume growth of 5.7% and an increase in operating revenue of 3.4% in 2009.

This long-term business model is bolstered by the Group's extensive diversification geographically and in terms of products, portfolio, customers and media, which reduces risks and provides a source of stability. The durability of the business model also results from the fact that it creates wealth, generates employment and consumption and ensures control of payment flows.

New Services operates in 40 countries, with 33 million users and approximately 490,000 corporate and public authority customers. The Group issued over €500 million of vouchers in only six countries in 2009, and it issued between €200 million and €500 million in only six more countries.

New Services's presence on several continents and in numerous countries reduces its country risk and limits the Group's exposure both to fluctuations in economic cycles and local political issues. In addition, given that incentive schemes in the employee and public benefits business are country specific, it is unlikely that any future change to an incentive scheme will affect a large portion of the Group's business. New Services benefits from a good balance between developed and strong growth emerging markets, which the company expects to be an important source of future expansion.

⁽¹¹⁾ Funds from operations (FFO) is equal to earnings before income and taxes, less depreciation and amortization, net financial charges and income tax charges, adjusted for certain non-cash items and non-recurring provisions. See "Pro Forma Key Ratios and Indicators" in the pro forma financial statements in Section 10.2.1 of this prospectus for a description of this indicator.

The following table provides a breakdown of the 2009 issue volume and operating revenue of New Services between developed and emerging markets.

	Developed Markets			Emerging Markets			Total
	Employee and public benefits products and services	Performance products	Total	Employee and public benefits products and services	Performance products	Total	
<i>In millions of euros</i>							
Issue volume	5,394	582	5,976	5,559	872	6,431	12,407
% of total	43%	5%	48%	45%	7%	52%	
Average annual growth 2005-2009	8.3%	29.9%	9.6%	5.7%	15.8%	6.7%	
Operating revenue	307	109	416	334	58	392	808
% of total	38%	13%	51%	42%	7%	49%	
Number of countries	15	11	17	18	20	23	40

New Services has 27 products, more than 80% of which (based on issue volume) are used to serve the primary needs of beneficiaries, for which demand is relatively immune to the impact of business cycles. The Group's diversification is also reflected in its portfolio of new product lines with strong growth potential.

New Services also benefits from its diversified customer base. In 2009, two-thirds of the Group's customers were businesses with fewer than 200 employees. The clientele is composed of local, regional and international companies, public authorities and non-governmental organizations. In addition, New Services's customer base is diversified by sector. This diversification is facilitated by the Group's wide range of products, services and media.

1.2.3. LEADERSHIP POSITIONS IN ITS CORE MARKETS

New Services is the global leader of the market for employee and public benefits products and services ⁽¹²⁾, with leadership positions in each of its three main markets (France, Italy and Brazil). New Services is also a leading player in the performance products market. In particular, the Group ranks number one in the Latin American market for expense management (issue volume of €818 million in 2009), and the European incentives market (issue volume of €585 million in 2009).

Holding a leadership position is important to the growth potential of New Services, for a number of reasons:

- economies of scale, which allow the Group to reap the full benefits of issue volume growth;
- credibility with public authorities, with which New Services maintains a relationship of confidence, resulting from its strong position in the employee and public benefits products and services sector;
- a large customer base, and marketing expertise that can drive future growth; and
- an extensive network of affiliated merchants and know-how that the Group can use to create and deploy new products, creating new sources of revenues for affiliates.

1.2.4. WELL-KNOWN BRAND NAMES

As New Services has expanded its business over the past 50 years, the Group has built a network of regional brands, which are well-known in their markets. In particular, the Group owns numerous flagship trade names, such as Ticket Restaurant®, which is distributed in France and a number of other countries, Ticket Alimentación® and Ticket Car® in Latin America, as well as Ticket Compliments® and Ticket Kadéos® in France.

The Group intends to leverage its marketing image, symbolized by the word "Ticket" and the red-ball logo (on most of its products) to help expand its business.

(12) Source: all information concerning the Group's position is based on Company estimates.

1.2.5. A PRIVILEGED ROLE WITH PUBLIC AUTHORITIES

Employee and public benefit schemes and services represent a major issue for governments in search of effective programs to ensure the economic development and social policies of their countries. The Group's products benefit from reductions in taxes and social security contributions, while constituting sources of economic growth and job creation, which largely offset the costs to public budgets of the tax and social security exemptions (see Section 1.5.2 of this prospectus). The Company's products and services enhance purchasing power and provide support for certain sectors (such as food and catering, home-based employment and domestic services), while encouraging job creation and the implementation of public health-care policies (such as the fight against obesity). They also ensure that the public funds will be spent for their intended purpose, and they contribute to moving the informal economy above ground.

New Services consistently monitors decisions taken by local, national and international authorities. By participating in working groups and studies, it analyses corporate, employee and public-authority data, as well as constraints specific to the economy of a given country and the importance of cultural habits. Data collection enables the Group to identify the different parties involved, and to gain an insight and understanding into the political, social and economic issues at stake in each of the countries in which it operates.

For example, New Services initiated the FOOD program (*Fighting Obesity Through Offer and Demand*), which was launched after the signature of the WHO (World Health Organization) charter to fight against obesity, and was co-financed by the European Commission. FOOD was the first scheme designed to promote a balanced diet by informing employees how to improve their eating habits, while making restaurant owners more aware and encouraging them to provide balanced menus. This program, which has more than 20 public and private partners, including universities, nutritionists and government authorities, has been implemented in Belgium, Spain, France, Italy, the Czech Republic and Sweden.

1.2.6. PROVEN ABILITY TO EXPAND INTO NEW MARKETS

New Services has expanded its geographical reach from 13 countries in 1990, to 31 countries in 2000 and 40 countries today, opening in 18 countries in the 1990s and nine more since 2000. Since 1990, the Group has added an average of one new country every year. In many cases, the Group has created the market, having instigated the legal frameworks necessary to accommodate employee and public benefit programs in 27 countries; initially in Italy, Belgium, Venezuela and Brazil and, more recently, Romania, Bulgaria and Morocco. In addition, through several targeted acquisitions, such as Surf Gold in 2007, New Services has been able to penetrate certain Asian countries, such as South Korea, Singapore and Taiwan, and to build positions in China and India.

New Services has developed substantial expertise in identifying countries for expansion and managing the expansion process, particularly through the creation of affiliated merchant networks. The Company also benefits from its savoir-faire in dealing with public authorities, assisting them in designing the regulatory frameworks required for employee and public benefit programs.

1.2.7. NEW SERVICES'S SALES AND MARKETING EXPERTISE

Over the last few years, New Services's expansion has been driven by a solid and dynamic commercial strategy that has allowed the Group to win corporate customers and set up and expand its networks of affiliated merchants, which sign affiliation contracts on an individual basis.

Over half of New Services's work force is made up of sales and marketing staff. The commercial strategy is based on a segmented approach that is adapted to demand, with individualized sales teams for major customer accounts, call centers for small and medium-sized companies and on-line marketing for very small businesses.

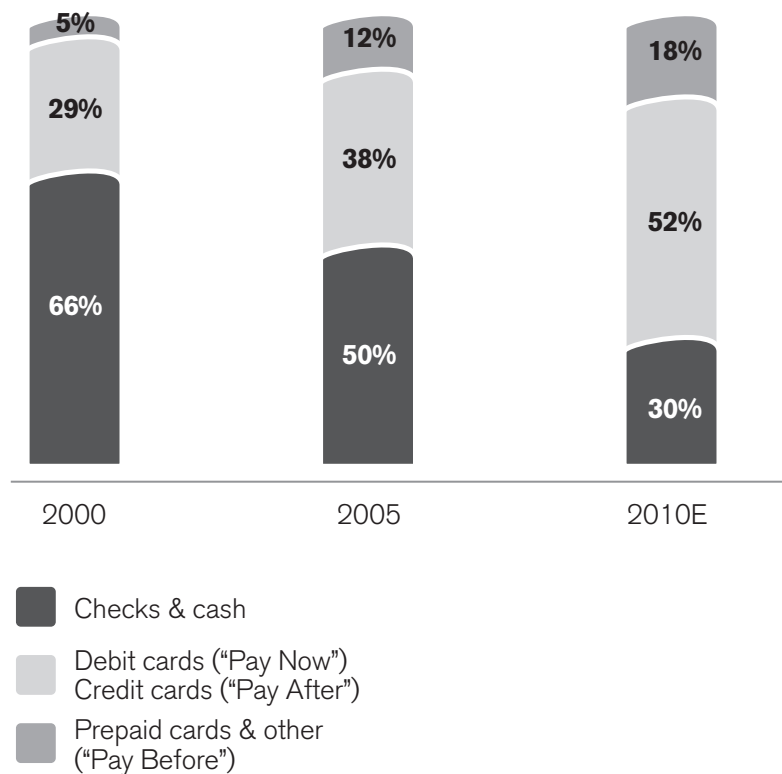
New Services's marketing approach is underpinned by the entrepreneurial spirit and innovative spirit of the teams, a performance-based approach and extensive on-the-ground presence.

1.2.8. UNIQUE TECHNOLOGICAL KNOW-HOW AND A TRADITION OF INNOVATION

Since the 1960s, New Services has successfully built up a unique savoir-faire in managing voucher programs, using a variety of formats. The Company has been able to maintain an innovative approach, contributing to its expertise and experience.

One driver of growth in New Services's markets is the gradual migration to electronic formats, in keeping with the global shift from cash and check payments to electronic solutions. Citigroup estimates that electronic payments should account for approximately 80% of global payments in 2010. In contrast, more than two-thirds of all payments were made with cash or checks as recently as 2000. The proportion of payments made by prepaid cards or other non-traditional solutions (excluding classical credit and debit cards) increased from 5% in 2000 to 12% in 2005, and should continue to grow to approximately 18% in 2010, according to Citigroup.

The chart below shows the breakdown of global transactions by payment type in 2000 and 2005, as well as Citigroup's estimates for 2010.



The shift to electronic formats should boost market growth by allowing New Services to create more products with increasing sophistication. The use of electronic media will make it easier to target customers with specific requirements (such as under- and un-banked persons), while providing quicker and more secure authorization of government and public authority subsidies, employee business expenses and payments to affiliated merchants. The new technological solutions will allow the Group to adapt its product and services offering to new consumer trends by offering beneficiaries greater flexibility.

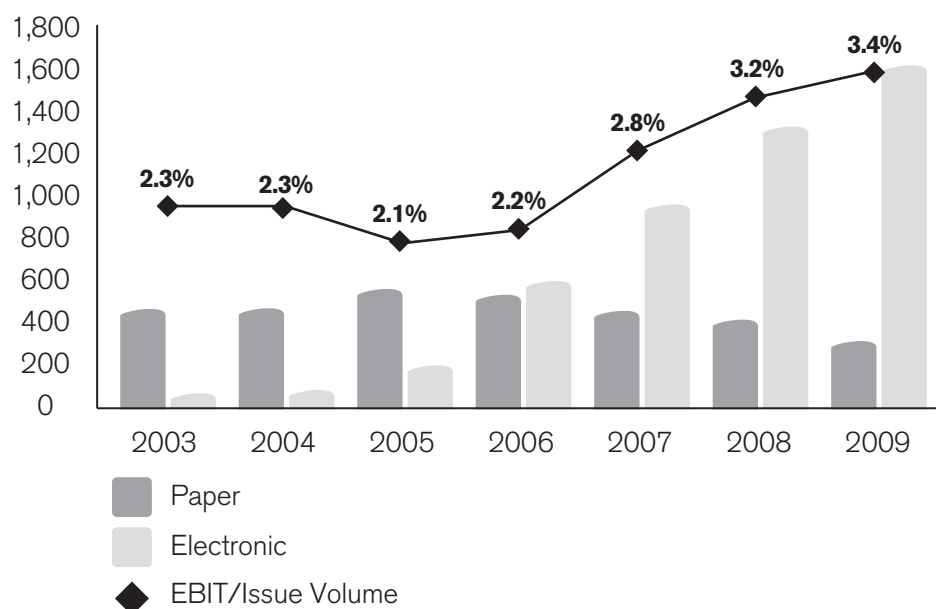
In order to benefit fully from the technological shift, New Services and MasterCard Europe have formed the PrePay Solutions joint venture, which is a leading player in the market for electronic prepaid solutions. PrePay Solutions has three key functions in the Group: it generates service revenues from the conception and implementation of innovative technological solutions; its status as electronic money issuer allows it to market regulated products throughout the European Union; and most importantly it allows affiliated merchants to use their existing MasterCard payment terminals (through which transactions can be filtered on a customized basis), to accept the Group's electronic products without any additional investment.

New Services has also created a proprietary processing system called WATTS (Worldwide New Services Transactional Ticket Software), which was developed for the management of electronic transactions in Brazil. The WATTS system has recently been deployed in Chile, and the Group intends to use it throughout Latin America.

Two successful examples of the migration of New Services products to electronic format are the Childcare Voucher® in the United Kingdom and the Ticket Restaurant® and Ticket Alimentación® in Brazil. After an initial phase in which costs increased modestly as a result of new investments and the dual-use of paper and electronic formats, the issue volume of both products has increased, resulting in economies of scale and the preservation of margins.

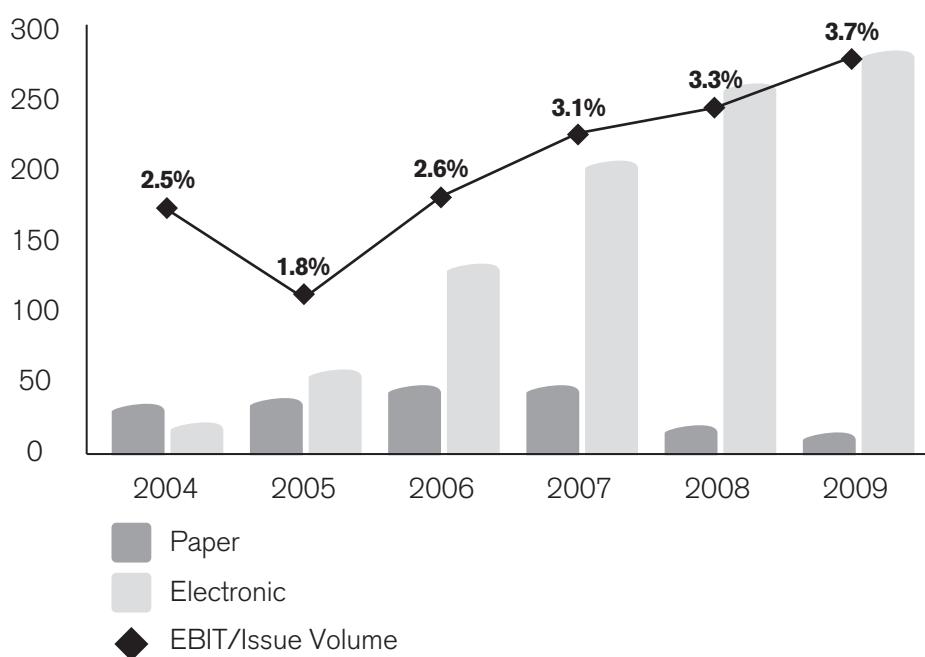
The following chart shows trends in the issue volumes of Ticket Restaurant® and Ticket Alimentation® in terms of paper and electronic formats in Brazil since 2003, as well as related margins.

(in thousands of euros)



The following chart shows trends in the issue volumes of the Childcare Voucher® in terms of paper and electronic formats in the United Kingdom since 2004, as well as the related margins.

(in thousands of euros)



1.3. Strategy

As an independent company, New Services will seek to be the undisputed leader of the market for Prepaid Services for business customers. More specifically, New Services intends to:

- ▶ occupy a leading position in all countries where the Group offers meal and food vouchers;
- ▶ increase its non-food benefits activity, which New Services regards as a source of profitable growth;
- ▶ be one of the global leaders in the expense management market, and the market leader in Latin America;
- ▶ be one of the global leaders in the incentives and rewards market, with leading positions in Europe and Asia; and
- ▶ play a key role in the development of new markets, particularly in markets created through the development of electronic solutions.

To achieve these objectives, New Services plans to pursue a strategy targeting issue volume growth, increasing market share, and a strong culture of innovation. New Services intends to put in place an organizational structure designed to encourage performance and to ensure the success of its strategy.

1.3.1. A STRATEGY TARGETING ISSUE VOLUME GROWTH

Building upon its historical success, New Services intends to deploy its successful business methods on a systematic basis throughout the Group, using all of its growth drivers to maximize issue volumes. Backed by favorable socio-economic trends and the Company's fundamental qualities, New Services aims to leverage the strong growth potential of its activities through five operational growth drivers:

- ▶ geographic expansion;
- ▶ creation of new products and expansion of the deployment of existing products;
- ▶ increasing penetration rates;
- ▶ increasing the average face value of vouchers;
- ▶ implementing a targeted acquisition strategy.

1.3.1.1. Geographic expansion

For the Group, geographic expansion increases issue volume while at the same time mitigating country risk and the Group's exposure to local economic cycles and political events. With respect each country's contribution to revenues, New Services intends to transition from three countries each contributing €40 million to five countries in 2016 and eight countries in the long-term.

New Services intends to extend its geographic coverage, either by expanding into new markets, or by acquiring local players with activities similar to those of the Group. The Company is currently examining possibilities in 10 to 15 countries and hopes to add six to eight countries by 2016, including two to four by 2012.

The Group's choice of new markets is based on the following criteria:

- ▶ growth and development potential, in keeping with New Services's objectives;
- ▶ social and political stability;
- ▶ economic development; and
- ▶ the needs of the population and market potential for the Group's products.

1.3.1.2. Create new products and deploy existing offerings

(a) Create new products

Since the launch of the Ticket Restaurant® in France in 1962, New Services has developed a large number of new products. The Group's product portfolio comprised 5 products in 1990, increased to 10 in 2000, and is currently made up of 27 different products covering a wide range of

segments: food and meals, childcare, employee motivation, travel, expense management, cleaning of uniforms and business clothing, culture and education. New Services intends to extend its employee and public benefits products and services offering to include transport, sport, culture, aid for the elderly, holidays and health.

At the same time, the Group's performance products have promising growth potential. New Services expects to develop new products in the following areas:

- ▶ the control and monitoring of employee business expenses, a segment in which the Group already has a strong presence and which offers substantial growth potential, particularly in the management of business travel expenses of small and medium-sized companies;
- ▶ products designed to give under- and un-banked persons access to payment services, which are already marketed by PrePay Solutions in the United Kingdom; and
- ▶ cards to facilitate the management of small claim settlements by insurance companies.

(b) Deploy existing products

New Services will seek to enhance its product offering in its existing markets by deploying lines that have proved successful in other countries. In this respect, the Group will be able to benefit from its local infrastructure, relations and knowledge of local markets, as well as its proven ability to establish operations in new markets. This expansion strategy is in line with New Services's goal to operate as a global network in order to exploit the expertise acquired in its different markets. The Group has implemented this strategy with success since its creation, with the launch of its Ticket Restaurant® in the 1960s in Europe and its subsequent roll out in Latin America and, more recently, in other countries, including the Central European markets. The Company's flagship product is currently commercialized in 30 countries. In addition, the Group has successfully extended the geographic coverage of its new products. For example, since the launch of the Ticket Car® in Brazil in the 1980s, this concept has been deployed in Argentina (1999), Mexico (2004) and Chile (2009). In addition, the Childcare Voucher®, initially developed in the United Kingdom, was later launched in France (as part of the Ticket CESU®) and Spain.

New Services intends to add 15 to 20 product/country couples⁽¹³⁾ by 2016.

In the medium term, it will seek normative⁽¹⁴⁾ growth of issue volume of 4% to 10% annually for its meal and food vouchers; 10% to 20% annually for its other benefits, expense management and incentive/rewards products; and 20% annually for its new products (for a presentation of the financial objectives of the Group, see Section 1.3.3 of this prospectus). In the long term, New Services expects its meal and food vouchers to represent less than 50% of its total issue volume, compared to almost 80% in 2009.

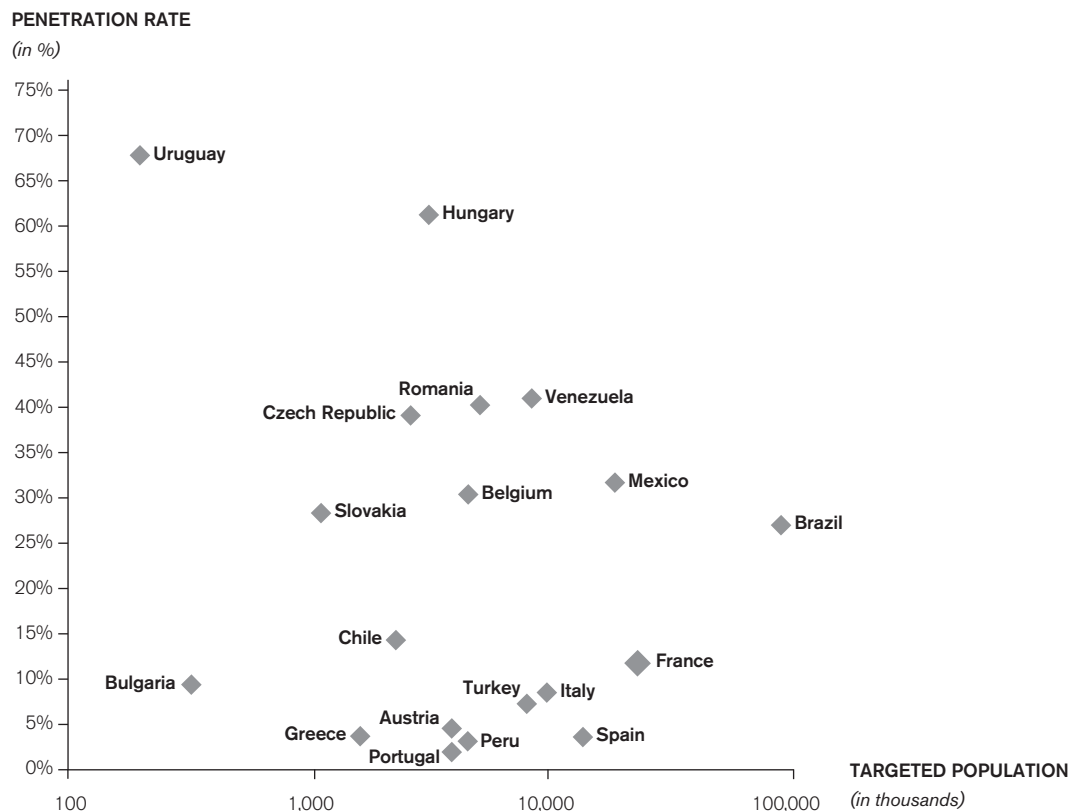
1.3.1.3. Increase penetration rates

New Services will seek to increase penetration rates throughout its markets, using four principal initiatives: adapting sales and marketing channels to the size of its customers; diversifying media to suit products and customer needs; creating differentiating solutions; and organizing its sales force on a multi-product basis.

New Services estimates that the penetration rate at the end of 2009 remains low in a number of key markets, representing a potential source of growth for the Group. Penetration rates correspond to the number of beneficiaries as a percentage of the eligible active population (stipulated by the regulations in force in each country). The chart below shows the estimated penetration rate as a percentage of the eligible active population in several countries where the Group is present:

(13) A "product/country" couple means a given product in a given country.

(14) See Section 1.3.3 of this prospectus for a definition of "normative" growth.



(a) Adapting sales and distribution channels to the size of customers

New Services has identified numerous customer segments in its markets that have not yet been fully exploited. In Brazil for example, in 2009 the potential market for meal vouchers (i.e., the number of private sector employees (outside of the informal economy) who did not receive meal vouchers) was approximately 30 million employees according to the Group's estimates, 1.4 million of which worked in companies with more than 500 employees. In order to reach these potential customers, New Services has adapted its marketing strategy to the size of the target customer, using:

- ▶ individual, in-person marketing for major customers;
- ▶ call centers for small and medium-sized companies; and
- ▶ on-line marketing for very small businesses.

Furthermore, New Services has entered into a number of partnerships designed to attract new customers, and it intends to continue to do so in the future as part of the development of its products.

(b) Diversifying media to suit products and customer needs

The Group's core markets – both employee and public benefits products and services and performance products – are in the process of a transformation from paper-based media to electronic formats: magnetic cards, smart cards, the internet, cell phones and contactless cards. This shift into new media provides an opportunity that New Services intends to seize in order to enhance and differentiate its product offering by developing multi-format solutions adapted to customer needs and local customs.

In Italy, New Services offers a multi-use card enabling beneficiaries to charge meal and business expenses paid by employers on the same card. Employees can also top up their cards with supplementary funds to optimize the management of their personal budgets.

Paper-support products currently account for 68% of New Services's issue volumes, compared with approximately 32% for new electronic solutions. The Group is managing the shift towards electronic solutions progressively, country by country, and product by product. The business model applied is similar to that for paper-based solutions. New Services believes that margins should not be impacted by these technological trends in the long term. The Group believes that it is well equipped to develop, market and manage electronic or multimedia solutions, thanks mainly to PrePay Solutions in Europe and the WATTS platform in Latin America (see Section 1.6 of this prospectus). The timeframe for the transition from paper-based to electronic-card solutions depends on the product and the country in question. Migration, however, appears to be faster when it involves a shift from paper to on-line solutions, as was the case with the Childcare Voucher® in the United Kingdom.

Electronic systems are already predominant in some countries, such as Brazil in the meal and food voucher segment. In certain countries, New Services has retained both paper-based and electronic solutions in order to better adapt to customer requirements.

(c) Creating differentiating, high value added solutions

New Services aims to diversify its revenue sources by developing high value added services that are billed to the customer. A number of services of this kind already exist:

- ▶ a range of complementary services developed for New Services's corporate customers, which include:
 - personalized solutions (such as gift cards) and distribution services (such as direct delivery to beneficiaries); and
 - services covering the conception and management of incentive campaigns designed for sales teams, employees and distribution networks, such as those offered by Accentiv';
- ▶ products for beneficiaries, including special offers from benefit clubs, such as the Beneficio Club. In addition, the Group's UK subsidiary, Motivano (acquired in 2008) specializes in employee benefit schemes, tools to manage and monitor revenues and rewards, as well as systems allowing beneficiaries to select from among various types of benefits;
- ▶ redemption solutions adapted to the needs of affiliated merchants (early redemption, the collection and counting of vouchers for the merchant's account, etc.); and
- ▶ reporting and monitoring services for public authorities geared to helping improve subsidy allocation.

Through the development of these value added solutions, New Services aims to boost revenue growth, diversify its sources of income and optimize its response to customer needs.

1.3.1.4. Setting up multi-product sales teams

New Services seeks to market multiple products to its customers, particularly the largest ones, in order to improve efficiency, to generate cost savings and to reduce customer costs. As an example, to ensure the loyalty of its customers, New Services has developed marketing strategies to enhance customer loyalty by offering them additional products such as gift cards. In Brazil 7% of companies using *Ticket Restaurant*® meal vouchers and 7% of those using *Ticket Alimentação*® food vouchers also use the *Ticket Car*. Of the Group's 68,000 customers in France, 7% (accounting for over 33% of the Company's issue volume in the French market) use more than one of the Group's products. New Services believes that it still has substantial room for growth in multi-product sales to the same customer, particularly with respect to companies with less than 500 employees.

1.3.1.5. Increase face value

New Services can generate significant growth by convincing its customers to increase the face value of their vouchers. In some of the Group's markets, there is a substantial difference between the average face value of vouchers ordered by customers and the maximum face value that is legally tax deductible. This represents a substantial source of potential growth for the Group.

In France, for example, face value represents a key growth driver given that the difference between the average face value chosen by companies, and the maximum face value benefiting from tax breaks set by law has averaged approximately 48%. In Hungary and Belgium, the difference stands at 48% and 29%, respectively.

In certain countries, however, the average difference between the face value of vouchers and the maximum face value benefiting from tax advantages is considerably lower, thanks in large part to the efforts of New Services's sales teams. This is the case in Romania, where the difference is just 3%.

Any rise in the face value of vouchers purchased by a given customer triggers a multiplier effect, since the increase is applied to all of the vouchers distributed by the customer to all of its beneficiaries.

The Group's sales teams, using a multi-product approach and operating in a manner adapted to customer needs, will seek to increase the face value of vouchers and reduce this difference.

The ceiling for tax and/or payroll charge exemption tends to increase with inflation, either automatically (through an indexation mechanism) or as a result of revaluations by the competent authorities.

1.3.1.6. Seek external growth opportunities

New Services plans to conduct selective acquisitions that are in keeping with its development strategy, geared to boosting issue volumes and strengthening Group market share in Latin America, Europe and the Asia-Pacific zone. The acquisition selection process is based on two principal criteria:

- ▶ the target's marketing approach, which should be focused exclusively on business customers, and
- ▶ the target's presence in markets offering strong cash-flow growth potential.

All acquisitions will be financed in a manner consistent with the Group's objective to maintain a solid financial position. The Group may decide to use shares as acquisition currency.

1.3.2. EFFICIENT ORGANIZATION ADAPTED TO THE STRATEGY

1.3.2.1. New key indicators and an incentive plan adapted to new challenges

The Group's management has decided to assess the performance of New Services primarily on the basis of several key indicators: growth in issue volume at constant scope of consolidation and exchange rates; operating margin (operating income before non-recurring items/issue volume) and funds from operations at constant scope of consolidation and exchange rates. See Section 2.2.3 of this prospectus for a more detailed description of these indicators.

New Services intends to propose an incentive program for 400 managers based on these new key indicators at the general shareholders meeting scheduled for June 29 2010. The program, comprising a performance share plan and stock option scheme, will be presented in detail at the Shareholders' Meeting. In particular, management performance will be measured by the new key indicators. The objective of the plan is to align the interests of the management team with those of New Services's shareholders. The exact terms of this program will be determined by the Board of Directors elected by the Shareholders' Meeting of June 29, 2010. The Board of Directors will be made up of 12 members, including seven directors who are independent according to the December 2008 AFEP-MEDEF code of corporate governance for listed companies.

1.3.2.2. New organization, new corporate governance

The Group's new organization is designed to promote efficiency and enhance performance. The network structure will enable the Group to improve its reactivity to changing conditions, while at the same time remaining close to the realities of local markets. The objective is also to promote experience sharing within the Group in order to optimize product deployment.

Following the completion of the Transaction, the New Services corporate mission project will be carried out by a dedicated management team, reinforcing Group spirit. The composition of the Board of Directors of the Company will be described in a supplement to this prospectus (see Section 9.6 of this prospectus).

To realize its goal of becoming the world's leading independent, listed provider of Prepaid Services, New Services will benefit from a motivated workforce dedicated to the project to unify the Group and to its strong values: entrepreneurial spirit, innovation, performance, simplicity and sharing.

1.3.3. FINANCIAL OBJECTIVES

Through its five operational growth drivers, its new organization and its solid fundamentals, New Services will seek to achieve normative ⁽¹⁵⁾ annual issue volume growth in the medium-term of between 6% and 14%. The potential for normative growth in issue volume should be driven by the following factors (for the normative issue volume growth of meal voucher products, see Section 1.3.1.2 of this prospectus):

- geographic expansion (1% to 2%);
- new product creation and the deployment of existing products (2% to 4%);
- increase in penetration rate (2% to 5%); and
- increase in average face value (1% to 3%).

The Group believes that its key strategic strengths should allow it to maintain a solid financial structure.

Issue volume growth is at the center of a virtuous circle that the Group believes could allow it in the medium-term to generate normative double-digit annual percentage growth in funds from operations ⁽¹⁶⁾. Issue volume growth is a driver of cash flow generation, because:

- it generates operating revenue growth through commissions on additional vouchers, as well as revenues from value added services that should be developed as issue volume increases;
- it produces significant economies of scale due to the shift from paper to electronic solutions ⁽¹⁷⁾ (after amortization of the initial investment); the Group will seek to move to a 50/50 split between paper and electronic products by 2016, compared to 70/30 today; the longer-term objective is a 20/80 split;
- it increases the float ⁽¹⁸⁾ (in absolute value) and, accordingly, financial revenue; and
- it can be achieved with limited recurring capital expenditures; the Group believes that its annual recurring capital expenditures should be on the order of €30 to €40 million in the coming years, assuming no significant acquisition; this includes ongoing maintenance expenditures, as well as investments relating to the creation of new products (estimated at €1 to €2 million per product), and geographical expansion (estimated at €2 to €3 million per new country).

The prospect of the Transaction and the need to better adapt the definition of the performance indicators to the services business led the Company to define objectives different from those presented in the 2008 annual report of Accor SA ("**Accor**"). The Company decided to adopt a normative issue volume growth objective, which is the driver for its revenue growth and its cash flows (see Section 2.2 of this prospectus).

The Company confirms that its previously announced objective to conduct acquisitions in an amount of €100 million each year no longer seems appropriate. The Company's acquisition strategy is not based on a quantitative objective, but will instead reflect potential opportunities as well as its financing capabilities.

The objectives described above are based on data, assumptions and estimates that the management of New Services considers reasonable. These data, assumptions and estimates are likely to change or be modified due to uncertainties arising in particular from the economic, financial, competitive and regulatory environment. The occurrence of certain risks described in Section 3, "Risk Factors," would have an impact on the Group's activities, financial condition and results of operations, and on its ability to meet these objectives. New Services can provide no assurances regarding its ability to achieve the objectives described in this prospectus.

(15) "Normative" growth means the level of growth that the Group believes it can achieve in an economic environment in which there is no increase in unemployment.

(16) For a detailed description of "funds from operations" see Section 2.2.3 of this prospectus and the note entitled "Ratios and key pro forma indicators" in the pro forma financial statements included in Section 10.2.1 of this prospectus.

(17) For a description of the regulation of the Group's electronic payment solutions, see Section 1.11.2 of this prospectus.

(18) For a description of negative working capital requirements (the float) see Section 2.6.4 of this prospectus and Note 23.1 to the pro forma financial statements included in Section 10.2.1 of this prospectus.

1.4. History

1.4.1. THREE KEY STAGES IN THE COMPANY'S DEVELOPMENT

1.4.1.1. From an innovative idea to a successful economic model

The meal voucher made its first appearance in the United Kingdom in 1954. In 1962, Jacques Borel International launched the Ticket Restaurant®, the first meal voucher in France, and creation of the Credit-Repas company. Five years later, a French law was passed creating the legal framework for the regulation of meal vouchers in France.

In the 1970s, the Ticket Restaurant® concept was exported to Brazil, Italy, Belgium, Germany and Spain.

1.4.1.2. From a local presence to a position as the worldwide leader in the meal voucher market

In 1982, Novotel SIEH took control of Jacques Borel International, which had become the global leader in meal vouchers issuance with 165 million meal vouchers distributed in eight countries. One year later, Accor was created following the merger of Novotel SIEH and Jacques Borel International. By 1984, over one million people were using meal vouchers on a daily basis worldwide.

Between 1980 and 1990, the Group implemented a diversification strategy for its Prepaid Services with the creation of the Ticket Alimentación® food voucher (1983) and a car voucher (1988) in Mexico, its Ticket Childcare® in the United Kingdom (1989), and its elder-care voucher in Sweden (1983). In the 1990s, the Company launched the Ticket Service® (aimed at beneficiaries in economic difficulty), the Ticket Culture® and the Ticket Clean Way® in 1995, and a health-care voucher called Wellness Gutscheines® in Austria, in 1998.

During this time, the Group continued its geographic expansion, in particular by setting up operations in Argentina in 1988, Venezuela in 1990, Turkey in 1992, the Czech Republic, Austria and Luxembourg in 1993, Hungary, Slovakia and Uruguay in 1994, Greece in 1996, the Netherlands, Poland and India in 1997 and Romania in 1998.

1.4.1.3. Diversification of Employee and Public Benefits products and services and innovation in other markets

Since the turn of the century, the Group has pursued its expansion strategy through (i) organic growth (setting up operations in China, with the launch of the meal voucher smart card in 2000, and Peru) and (ii) acquisitions in Mexico (Dicasa) in 2003, Romania (Hungastro) and the United States (WiredCommute) in 2005, as well as in Italy (Serial), India (RID) and Germany (Calicado) in 2006. In the same year, New Services also strengthened its presence in Brazil by becoming the sole shareholder of Ticket Serviços Brasil (in which it previously held a 50% stake). This company is one of the market leaders in Brazil, with approximately 4 million vouchers used per day.

1.4.2. RECENT ACQUISITIONS

In the last three years, New Services has conducted several major acquisitions:

- ▶ January 2007: the car voucher operations of Autocupon (Mexico's second largest issuer of car vouchers);
- ▶ March 2007: Kadéos, which designs and markets gift cards and vouchers for use by businesses and consumers in a range of affiliated stores. This acquisition made New Services the leader of the gift card and voucher market in France;
- ▶ June 2007: Surf Gold (the leader in marketing services in Asia), which gave the Group access to Surf Gold's portfolio of major Asian corporate accounts and its system for managing loyalty and incentive programs;
- ▶ September 2007: PrePay Technologies Ltd (the leader in prepaid card solutions in the United Kingdom). Following the creation of the joint venture with MasterCard Europe, in February 2009, PrePay Technologies Ltd. became Prepay Solutions (67% owned by New Services);
- ▶ January 2008: A 62% stake in Motivano U.K. (a leading provider of employee benefit management solutions);
- ▶ October 2009: Exit Group (the fourth largest issuer of meal vouchers in the Czech Republic).

1.5. Group products and services

1.5.1. INTRODUCTION

The business of New Services is the provision of Prepaid Services, mainly to companies. New Services is the global leader⁽¹⁹⁾ in the market for employee and public benefits products and services. The Group offers employers a wide range of products to motivate and retain employees and improve their performance while contributing to their well-being. The prepaid social-aid services programs developed by New Services help local authorities and public institutions to allocate public assistance and benefits fairly. The Group is also a major player in the market for performance products.

The Group aims to put its unique expertise, both in employee and public benefits and in performance products, to work in markets where strong growth is driven by favorable demographic and socio-economic factors.

Since the launch of the Ticket Restaurant® meal voucher in France in 1962, New Services has designed, managed and developed programs and Prepaid Services for companies and public authorities, facilitating everyday life and fostering the well-being of millions of people worldwide. Present in 40 countries with 33 million users, New Services had 490,000 corporate and public authority customers and 1.2 million affiliated merchants as of December 31, 2009.

Although the Group is organized geographically from a management standpoint (see Note 3 to the *pro forma* financial statements included in this prospectus), each segment of the Group's business is described separately for ease of understanding.

1.5.2. EMPLOYEE AND PUBLIC BENEFITS PRODUCTS AND SERVICES

In 2009, employee and public benefits contributed €11 billion, or approximately 88% of Group issue volume, involving 390,000 businesses and public sector customers, 23 million users and 900,000 affiliates in 33 countries. Issue volumes in this segment have grown an average of 7% since 2005, including 6% growth in meal voucher issuances and 17% in non-food vouchers.

1.5.2.1. Employee benefits

The employee benefit business aims to help companies motivate and retain employees and enhance their performance while improving their working environment, contributing to their well-being and strengthening their purchasing power.

The Group offers a wide range of products to companies worldwide, both in developed and emerging countries. These products and services take advantage of tax and/or social security benefits that help governments implement social policies in such fields as nutrition, work-life balance, social cohesion and economic activity.

(a) Economic and social value of the employee benefit programs

The programs developed and marketed by New Services as part of its employee benefit business are part of major policy initiatives for government entities. The Group's products help governments to (i) increase workers' purchasing power, (ii) create employment and support certain sectors of the economy (particularly the restaurant and food industries, household employment and domestic care services), (iii) guarantee that the aid provided reaches the intended recipients, (iv) implement public health programs (such as the fight against obesity), (v) transform the informal economy into a real economy and (vi) satisfy employees demands irrespective of the size of the company they work for, while avoiding any form of discrimination.

Experience in the meal vouchers industry has shown that these products effectively and efficiently improve the productivity as well as the working conditions and the hygiene of millions of employees, at the lowest cost to the government.

(19) Source: Company estimates.

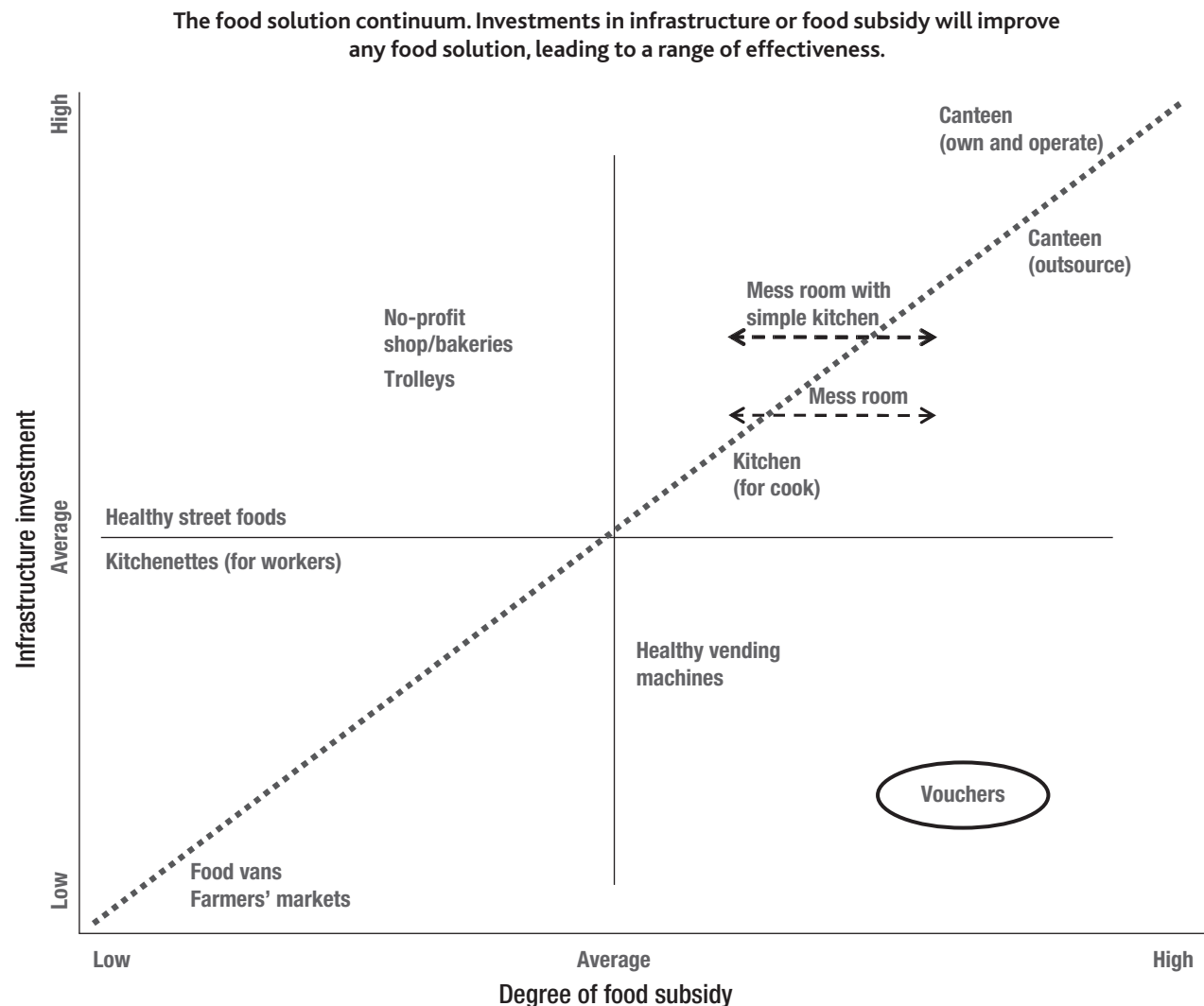
An efficient solution for improving employee productivity, health and well being

According to studies conducted in 2005 by Christopher Wanjek for the International Labor Office in Geneva (the findings of which were summarized in a book entitled "Food at Work, Workplace Solutions for Malnutrition, Obesity and Chronic Diseases") there is a close link between good food and high productivity. A balanced meal at lunchtime enhances an employee's intellectual and physical capacity during the rest of the working day, boosting productivity levels by as much as 20%. Christopher Wanjek demonstrates that providing workers access to healthy and affordable meals, an adequate meal break and decent eating conditions are not only socially important and economically viable, but is also an efficient and profitable business practice in view of rising public health spending in developed countries.

Following an in-depth study of various types of workplace food services, taking into account geographic, cultural, economic and political differences, Christopher Wanjek concludes that meal and food vouchers are a particularly efficient means for governments to subsidize meals because this solution requires less government investment than other options. In addition, vouchers guarantee that funds allocated are, in fact, used for the purposes for which they are designed.

Moreover, meal and food vouchers are extremely flexible and manageable, for the employer, employee and the government. The meal voucher is much less expensive than a company dining facility, particularly for small, medium and very small companies and, more generally, at small, scattered production sites.

The following chart shows the relationship between infrastructure investment and the extent of the resulting food subsidy per employee, and demonstrates the efficiency of vouchers:



Source: Ch. Wanjek, *Food at Work, Workplace Solutions for Malnutrition, Obesity and Chronic Diseases*, International Labor Office, Geneva, 2005, p. 53.

Vouchers also reduce the level of risk faced by companies in the areas of health and nutrition and helps avoid management problems associated with the often complex legal requirements applying to company dining facilities⁽²⁰⁾. By combining flexibility and security, the voucher is the best suited to companies with new structures and production methods.

A relationship that benefits all parties

Meal and food vouchers, and all employee benefits products in general, create a relationship that benefits all parties involved – the companies that provide the benefits, the employees who use the services, the affiliates who receive the vouchers as means of payment and the governments that subsidize them.

Because they offer so many social benefits, as well as an efficient means of distributing public assistance, employee benefit products receive government subsidies in the form of tax and/or social security charge exemptions.

Meal and food vouchers provide a way for employers to offer additional compensation and benefit from partially or full tax deductions on their contributions to the vouchers. In France, the portion of the face value of meal vouchers paid by employers is not subject to social security contributions or income tax within limits set out in the legislation. Meal vouchers also increase employee purchasing power because the portion of the face value contributed by the employer is not subject to income tax.

The introduction of a meal voucher program also contributes to the revenues of participating restaurants and food stores since it provides a new and loyal “consumer-employee” customer base. According to a study carried out by Ernst & Young for the *Commission Nationale des Titres-Restaurant* in May 2006 (the “CNTR study”)⁽²¹⁾, approximately 15% of the revenue of businesses in the restaurant sector comes from the use of meal vouchers. The study “*Meal Vouchers – A tool serving the interests of the social pact in Europe*” (the “ICOSI study”) – estimated that the introduction of meal vouchers in Romania boosted restaurant revenues by between 12% and 30%.

The effectiveness of these products was further demonstrated by an IPSOS survey carried out in France in September 2008 involving 400 employers, 800 employees and 400 restaurant owners, where the employees had access to meal vouchers. According to this study, 90% of the employees interviewed attached great importance to meal vouchers and 71% considered them to be a key factor in differentiating between employers. The same study showed that 93% of the sample of employers estimated that their employees attached great importance to meal vouchers and 63% considered that the vouchers were a key negotiating tool in their recruitment strategy. Finally, 57% of the restaurant owners estimated that meal vouchers made up a significant portion of their revenue and considered them as a means of winning customer loyalty. Overwhelmingly approved by their users, the meal vouchers are used to pay for 15% of meals served each year in French restaurants according to the CNTR study. This trend was confirmed by a new 2009 Ipsos study of 802 employees in which 94% of employees asked said they count on the meal voucher system.

In the countries where these products are used, the government revenue shortfall caused by tax and social security contribution exemptions is largely offset by the direct and indirect impact of these products. Meal vouchers are also a useful weapon in combating the informal economy, particularly in the food sector (groceries and restaurants) where the bulk of purchases are paid for in cash. In these ways, meal vouchers contribute to a higher amount of collected tax revenue, especially company level tax and VAT. For example, according to the CNTR study, the revenue shortfall in France arising from income tax and social security contribution exemptions was almost fully offset by increased social security contributions resulting from new job creation as well as increased VAT and income tax receipts resulting from higher consumer spending. In addition, governments benefit from side effects which are difficult to quantify (and, because of this, were not taken into account in the CNTR study). These include improvements in the nutrition, hygiene and health of the beneficiaries and their families, the motivation and productivity of employees, and a reduction in absenteeism, accidents at work and food poisoning. Several studies have demonstrated that the meal voucher system contributes to job creation: in Brazil, a study carried out by the FIA (*Fundação Instituto de Administração*), published in April 2001, showed that one job is created for every 30 holders of meal vouchers.⁽²²⁾

Moreover public benefit products are attractive to governments because they help governments to better control subsidies designed to increase the purchasing power of certain sections of the population. Public benefit products help central and local government and both sides of industry to improve the effectiveness of social policy, in particular, by improving the traceability of the funds allocated.

(20) “Meal Vouchers – A tool serving the interests of the social pact in Europe”, ICOSI, 2003.

(21) In France, the National Meal Voucher Commission (*Commission Nationale des Titres Restaurant - CNTR*) is responsible for providing information on, issuing and mediating on matters relating to meal vouchers and their regulation. With its decision-making and controlling powers, the CNTR is the single point of contact for businesses (restaurants and other) and public institutions with respect to the management of the meal voucher system.

(22) Study on the impact of Employee Food Plan in Brazil, carried out by the FIA (*Fundação Instituto de Administração*) published in April 2001.

(b) Products

Tickets Restaurant® and Tickets Alimentación® are New Services's leading products. New Services is a leader in the meal and food voucher market in all the countries where the Ticket Restaurant® or the Ticket Alimentación® is issued.

In 2009, Ticket Restaurant® and Ticket Alimentación® accounted for 78% of issue volume and 63% of the Group's *pro forma* operating revenue.

Ticket Restaurant®

Launched in 1962, the Ticket Restaurant® voucher enables employees with no access to cafeteria facilities to have lunch outside the workplace in an affiliated restaurant of their choice. The meal voucher provides a simple alternative to corporate catering structures, particularly in the case of small and medium-sized companies, while fostering employee loyalty.

Tickets Restaurant® are currently distributed in 26 of the countries in which the Group operates. In these countries, all employers are entitled to order meal vouchers for their employees, regardless of the size of the company. In certain countries, public sector employees can also benefit from Tickets Restaurant®, as has been the case in France since 2002 for employees who do not benefit from an accessible cafeteria.

Tickets Restaurant® can be ordered online. Employers can opt to place an order once a month or set up a monthly standing order. These vouchers are mainly issued by New Services in paper form and are sold either individually or in the form of a booklet containing one voucher for every day of the month. In 2009, the bulk of Tickets Restaurant® were still being issued in paper form despite the progressive shift towards electronic formats.

Employers are free to decide on the face value of meal vouchers that they grant to their employees. The value of the voucher is influenced by limits imposed by the government concerning the eligibility for income tax and/or social security charge exemptions on employer contributions. In France, for example, meal vouchers are co-financed by the employer and the employee. The employer's contribution (accounting for between 50% and 60% of the voucher's face value) is exempt from all payroll and social security tax charges for up to a maximum of €5.21 per voucher (see Section 1.11.1.2 "Regulations applicable in France" in this prospectus).

The average face value of a Ticket Restaurant® voucher varies from country to country. According to a study carried out by ICOSI in 2004, the average face value was €1.47 in Romania, €1.76 in the Czech Republic, €5.50 in Belgium, €6.50 in France and €6.60 in Sweden. According to the French National Meal Voucher Commission (CNTR), the average face value of meal vouchers issued in France in 2008 was approximately €6.95.

The Ticket Restaurant® may be used in restaurants (and certain similar food service establishments as provided by applicable regulation) within New Services's affiliate network. As of December 31, 2009, there were 164,000 affiliated food providers⁽²³⁾ in France, 116,000 in Brazil and 107,000 in Italy.

In France, beneficiaries may use one voucher per meal, although in practice, two are often allowed. They cannot be used on Sundays or holidays. In general, the merchants do not give cash back for the unspent amounts of the meal vouchers.

In 2009, meal vouchers accounted for 52% of the Group's issue volume and 40% of *pro forma* operating revenue.

Ticket Alimentación®

The Ticket Alimentación® food voucher augments the purchasing power of beneficiaries and enables not only them, but also their families, to maintain a healthy diet. Employees can use these vouchers to buy food in neighborhood stores and/or supermarkets for the entire household. This solution is also responsive to new aspirations resulting from changes in life style, in particular by allowing people to establish a life-work balance.

In 1983, New Services launched the Vale Despensas® food voucher in Mexico, where it currently issues vouchers that are received by 1.8 million beneficiaries. This voucher has since been distributed in Latin America under the brand names Ticket Alimentación®, Ticket Alimentação® and Ticket Canasta® and, more recently, in Central Europe.

The Ticket Alimentación® is used in the same way as the Ticket Restaurant®. It is issued in paper form and, increasingly in card-based format. In Brazil, where the voucher was launched in 1990, it is now available in card format only. With two million users and 60,000 affiliated merchants, the Ticket Alimentación® generates 87 million transactions per year in Brazil. In Mexico, approximately 780,000 people use this voucher in a card-based format (generating approximately 20 million transactions per year) and more than one million people use the paper-voucher form.

In 2009, Ticket Alimentación® accounted for 27% of the Group's issue volume and 23% of *pro forma* operating revenue.

⁽²³⁾ Restaurants, bakeries, take out restaurants.

Non-food benefits

New Services has leveraged its experience and expertise in the meal and food voucher segments to develop other products designed for employers wishing to grant their employees other types of benefits (contributions to childcare, transport and gifts, etc.).

The Childcare Voucher® is one of New Services's leading products. As underscored in the study "Workplace Solutions for Childcare", carried out by the International Labor Organization and published in February 2010, childcare is a complex issue, giving rise to different problems depending on the country.

The launch of the childcare voucher meets the needs of all those concerned through the provision of subsidized childcare solutions for employees during working hours in companies that do not have childcare facilities.

The fact that the employer's contribution is partially or totally exempt from income tax and social security charges allows the employer to provide financial support at a limited cost for services meeting the increasing needs of employees in today's society, and in particular resulting from the increased role of women in the workplace.

The involvement of the employer is significantly simpler and less expensive than other solutions, such as corporate child-care facilities. Facilities accessible through the voucher program are accessible to all employers, including small, medium-size and very small companies.

The childcare voucher enhances the purchasing power of the beneficiaries, while ensuring that this benefit will be used for childcare purposes. The voucher offers parents a wider choice of solutions, including child-care facilities or qualified childcare professionals.

The Childcare Voucher® is already distributed in many countries, including in the United Kingdom, where it was first launched and is now mainly marketed on-line, as well as in France (as part of the Ticket CESU® offer), Belgium, Spain and Austria.

The following table gives an overview of the Group's other key products designed for employers:

Name of product	Main function	Main countries of distribution
Non-food benefits		
<i>Ticket Transport®/Commuter Check®</i>	Vouchers allowing private and public companies to partially finance commuting expenses for employees.	Brazil, the United States, Italy and Uruguay
<i>Ticket CESU®</i>	A service voucher, which is fully or partly subsidized by companies, Works Councils and public sector employers, enabling employees to finance over 20 domestic services at a reduced cost.	France
<i>Ticket Compliments®/Ticket Kadéos®</i>	Gift vouchers benefiting, in certain countries, from exemption from income tax and/or social security charges, which employers can grant to employees for special events (wedding, birth of a child, Christmas, etc.)	France, Romania, Hungary, Belgium and Brazil
<i>Ticket Holiday®</i>	Vouchers enabling employers to contribute to the cost of employee holidays.	Romania, the Czech Republic and Slovakia
<i>EcoChèque®</i>	Vouchers allowing employees to purchase products in affiliated stores offering eco-food products only	Belgium

1.5.2.2. Public benefits

(a) Economic and social advantages of public benefit programs

The employee and public benefits business helps local authorities and public institutions to allocate social aid according to their social policy.

New Services creates tailor-made programs to meet the needs of local authorities and public institutions in terms of health, education, integration into society, domestic assistance, leisure and cultural activities. Depending on the given needs, a voucher product is designed for the institution or local authority in question and a specific affiliated merchant network is established.

These programs favor the transparency and traceability of subsidies granted to the public on a flexible, simple and effective basis. In addition, these service vouchers offer users freedom of choice within a predefined network.

These programs offer local authorities and institutions an alternative to the distribution of cash subsidies, providing several advantages in that they:

- ▶ target a specific need;
- ▶ ensure the traceability of subsidies and guarantee that beneficiaries will put them to the proper use;
- ▶ prevent the misuse of funds and problems of corruption; and
- ▶ are simple to implement and are flexible for users.

These vouchers also provide an alternative solution to the distribution of "aid in kind", such as food packages, which is beneficial in that it:

- ▶ makes beneficiaries more responsible by giving them freedom of choice within a defined network;
- ▶ promotes local businesses;
- ▶ removes the risk of exceeding sell-by dates on the aid in kind delivered, and eliminates storage problems.

Examples of this kind of voucher include the Ticket Junaeb® in Chili, which enables the government to distribute food benefits to certain students chosen according to their economic and social situations. New Services distributed 100,000 Tickets Junaeb® vouchers in 2009 that can be used in approximately 3,500 affiliated outlets.

(b) Products

Several products are currently being developed in a number of different countries. The following table illustrates the Group's other key products designed for local authorities and public institutions:

Name of product	Main function	Main countries of distribution
<i>Ticket Service®</i>	Service vouchers granted by the government to provide citizens with basic necessities in terms of food and hygiene, and basic services (housing, electricity, gas, etc.) either through a distribution or affiliate network.	France, Germany, the United Kingdom, Hungary Czech Republic and Italy
<i>Ticket CESU®</i>	CESU vouchers may be distributed to beneficiaries within social programs offered by regional and local authorities, social bodies, retirement and supplemental health insurance providers.	France

1.5.3. PERFORMANCE PRODUCTS

1.5.3.1. Introduction

New Services is a leading player in the market for Prepaid Services to improve the performance of companies, associations and local authorities (performance products). The Group offers a number of leading products in two areas, expense management and incentives and rewards, and intends to extend its offering to include other high value added segments.

These products are based on the same model as offerings in the employee and public benefits businesses. These products differ, however, in that they:

- ▶ do not benefit from income tax and social security charge exemptions; and
- ▶ are accepted in filtered-loop networks, as in the case of employee and public benefits vouchers, as well as in open and closed-loop networks (see Section 1.9.1. (b) of this prospectus). The commission rate varies according to type of network (see Section 1.8.4 of this prospectus).

In 2009, this business accounted for issue volume of approximately €1.4 billion, equivalent to 12% of the Group's total issue volume, and 21% of *pro forma* operating revenue. Annual issuance volume has grown 20% since 2005, of which 15% was expense management and 30% was incentives and rewards.

These performance products and services offer promising growth prospects in the face of industry trends.

1.5.3.2. Products and Services

New Services is developing a wide range of products and services in this strong growth segment and marketing these products strategically, according to the needs of its customers and partners. The Group is examining new projects that will underscore its expertise (value added services designed to generate additional sources of revenue).

Expense management

New Services provides companies with solutions to facilitate the control of employee business expenses: car fleet management, travel expenses and cleaning of uniforms and business clothing, etc. Products offered in this segment enable companies to implement effective cost control, optimize reporting processes and generate cost savings. These products allow the employees to avoid advancing their own funds to cover expenses.

- ▶ **Ticket Car®.** Launched in Brazil in 1990, this voucher is used by employees on business trips to purchase fuel and to finance the maintenance of company vehicles. These vouchers may be used for utility vehicles as well as cars, at service stations operating under a variety of brand names, and thereby offer greater flexibility to the users. Ticket Car® enables companies to control and manage the maintenance and costs linked to company vehicle fleets. Companies receive reports on the usage of the Ticket Car® allowing them to monitor and optimize their costs using a wide range of controls (mileage, employee travel, fuel type, maintenance expenses, etc.). Ticket Car® is marketed by New Services in card form, mainly in Latin America (Brazil, Mexico, Argentina and Chile);
- ▶ **Ticket Clean Way®.** The Ticket Clean Way® is offered by companies to employees for the cleaning of their business clothing or uniforms, in the form of a smart card or paper voucher that can be used through a network of affiliated merchants. New Services launched Ticket Clean Way® in France in 1995 and has recently extended this offer to other European countries.

In 2009, expense management services accounted for 7% of the Group's issue volume and 7% of *pro forma* operating revenue.

Incentives and Rewards

New Services's incentives and rewards product offerings help companies to motivate their sales forces, mobilize distribution networks, retain customers and strengthen customer relations. New Services markets gift vouchers in 17 countries for distribution by its corporate customers, either directly or via Works Councils, to their employees who use them to purchase products in affiliated stores. Incentives and rewards strategies are the basic components of relational marketing, which is geared to optimize relations within the company as well as with customers and distribution networks.

- ▶ **Ticket Kadéos®.** This line of gift cards and vouchers may be used either in single brand stores and multi-brand stores and is designed for its French customers. The Ticket Kadéos® line of products can be customized by the customer to maximize the visibility of its business, offering personalized vouchers featuring the company's name, the name of a particular achievement program, or the corporate logo. Ticket Kadéos® allows the customer to choose the stores in which the vouchers can be used and the products that can be purchased by the employee. Options to customize the product include: customer branding, range of affiliated stores, usable in France or abroad, face value of vouchers in euros or using a points system, period for exercise, packaging, capacity for reloading, etc. A card can be created to be used once or on different occasions and to be used in stores, online or by telephone, according to the merchant. In France, Ticket Kadéos® is also marketed to a lesser extent on a B2C (*Business to Consumer*) basis;
- ▶ **Ticket Compliments®.** This line of gift cards and vouchers is provided to companies and work councils for employees, as well as to public authorities for their benefits programs. This multi-brand voucher solution is accepted through an extensive network of national and local brand name outlets. Products are country-specific, and can be used only in the market in which they are issued. Ticket Compliments® are accepted in approximately 350,000 affiliated sales outlets worldwide.

In addition, New Services provides services relating to incentives and rewards programs under the Accentiv® trade name. Marketed in 15 countries, Accentiv® specializes in incentives, rewards and loyalty programs. It offers comprehensive solutions, ranging from the strategy conception to the delivery and management of rewards (supply, packaging, delivery, on-line catalogs) both locally and abroad. Accentiv® offers single and multi-brand gift cards and vouchers, and produces travel and gift catalogues. Operating at the local and international level, Accentiv® programs enable corporate customers to strengthen relations between company brands and their consumers (other businesses as well as individuals), their distribution networks, their sales teams and their employees.

In 2009, products and services in the incentives and rewards segment accounted for 5% of the Group's issue volume and 14% of *pro forma* operating revenue.

New markets

New Services is positioning itself in new, growing markets that have arisen from the shift to electronic prepaid solutions. These segments mainly involve payment cards for under- and un-banked employees that offer access to funds and increased security on a user-friendly basis.

- ▶ the UUB card (for under- and un-banked persons) is designed for individuals who do not have access to normal banking services, or who cannot afford them. The employee's salary is loaded onto the card, which can then be used as an ordinary bankcard, and the employee does not bear the cost of fees linked to the opening and use of a low-balance bank account;
- ▶ cards to facilitate the management of minor claim settlements by insurance companies;
- ▶ travel card that offer an alternative to cash or travelers' checks.

1.6. Processing

New Services has two in-house solutions that give it a comprehensive presence on the value chain for electronic payment solutions.

1.6.1. PREPAY SOLUTIONS

In February 2009, MasterCard Europe acquired 33% of the capital of Accor's PrePay Technologies subsidiary, which Accor had acquired in 2007. PrePay Technologies changed its name to become PrePay Solutions.

This joint venture, which will be contributed to New Services as part of the Transaction, is intended to leverage each partner's strengths, in Prepaid Services and electronic payments respectively. PrePay Solutions provides New Services and its subsidiaries the ability to offer cards accepted throughout the MasterCard network at any point of sale with a compatible payment terminal.

PrePay Solutions activities can be broken down into three categories:

(i). Design and management of Performance product programs

PrePay Solutions designs and manages Performance product programs for New Services and external customers, including large retailers (Debenhams, Ticketmaster, The Daily Mirror, Arcadia Group, Comet, Sainsbury's, House of Fraser, New Look, TUI, etc.), financial institutions and insurance companies, and governments and local authorities. PrePay Solutions also provides personalization and security solutions for cards and prepaid products, as well as transaction management and payment authorization services, mainly in the following areas:

- gift vouchers for businesses and consumers;
- prepaid cards used by public authorities for in benefits programs;
- professional expense management;
- insurance cards that enable policy holders to receive claim settlements; and
- UUB cards for under- and un-banked persons.

PrePay Solutions may charge a fixed fee for the design and launch of a prepaid program and/or a commission based on the use of the program once operational (transactions, card activation, reloading, cancellation, etc.).

(ii). Issuance of regulated electronic (e-money) products

PrePay Solutions is an e-money issuer authorized by the U.K. Financial Services Authority (the FSA) to issue prepaid products qualifying as electronic money, such as UUB cards in the United Kingdom, under the Electronic Money Directive and the New Electronic Money

Directive (see Section 1.11.2 of this prospectus for a detailed description of these directives). This status gives PrePay Solutions a significant competitive edge because it allows PrePay Solutions to offer products that, under European rules, may only be provided by issuers that are approved by the regulatory authority of the country where the products are sold.

As an e-money issuer, PrePay Solutions can offer regulated products in any European country upon written request to the FSA, under the European mutual recognition regulatory "passport". PrePay Solutions is already authorized to issue regulated electronic products in 17 European countries and could rapidly extend its product offer in this area to other countries in Europe. PrePay Solutions systems have a capacity of tens of millions of cards.

(iii). Access to MasterCard's payment processing infrastructure in Europe

The partnership between PrePay Solutions and MasterCard allows New Services's card-based products to benefit from MasterCard's European filtered-loop infrastructure for payment processing, a secure network with several million payment terminals. This system allows affiliated merchants to use their MasterCard payment terminals to accept New Services cards, without additional investment. A filter application operated by PrePay Solutions identifies merchants as New Services affiliated merchants as part of the transaction authorization process.

Together with New Services, PrePay Solutions has already launched gift cards and prepaid card solutions for employees in Germany, Poland, Belgium and Luxembourg, as well as in the Czech Republic, Hungary and Slovakia. New Services expects to extend this European cooperative relationship to new products in the future.

With PrePay Solutions, New Services is accelerating the shift to electronic prepaid payment solutions with the goal of becoming the leading provider of prepaid solutions in Europe.

1.6.2. THE WATTS SYSTEM

In 2007, New Services created the WATTS system (Worldwide New Services Transactional Ticket Software), which allows New Services to manage its paperless transactions, particularly in Brazil where payment authorization for Tickets Restaurant®, Tickets Car® and Tickets Alimentación® are processed using WATTS.

WATTS is now able to manage New Services's card applications throughout Latin America. Its use outside of Brazil, beginning in 2008 the launch of the Ticket JUNAEB® in Chile, continued in 2009 with the launch of the Ticket Restaurant Electrónico® and the Ticket Car® in Chile, and in Mexico and Argentina where Tickets Car® are planned to be transitioned to electronic formats in 2010.

WATTS was developed from a secure and high performance financial authorization system according to norms comparable to international banking standards (ISO8583, EMV) and is compatible with the major processing networks, which makes it relatively flexible in terms of adapting to other more confidential networks such as those of major brands. In Brazil, the system is connected to the principal bank card system. It is also connected to a number of private networks in Chile and Brazil for Ticket Car® processing.

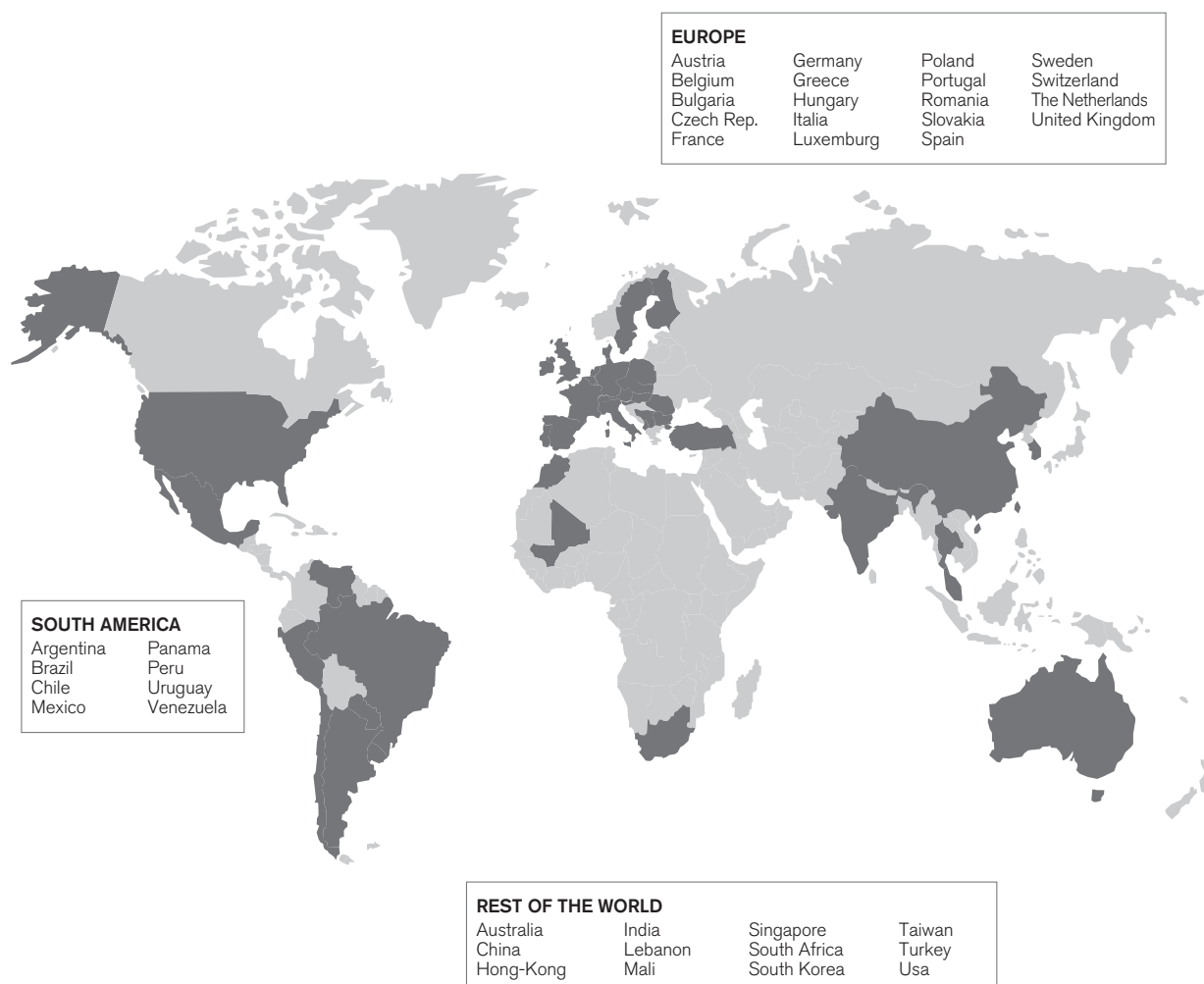
WATTS' unique attribute is its ability to cover a very large functional spectrum of operations so that it can manage standard products that work like debit or prepaid cards, as well as complex expense management cards which add numerous levels of specific control parameters for the management of a fleet of cars or for management of business expenses. As a result, WATTS makes it possible for New Services to bring the operations of its classic prepaid cards in-house, where it can control the operations of these products, and also to develop more specialized products for strategic markets not suited to traditional banking card products.

In 2010, 3.4 million New Services cards have already migrated to the WATTS platform, which has an additional capacity of 4.3 million cards in Latin America. The WATTS platform currently manages approximately 200 million transactions per year.

1.7. Geographic presence

New Services has pursued a strategy of geographic expansion since it was founded, and now operates in 40 countries on five continents. From this solid base, the Group intends to further develop its expertise and continue this growth strategy. The Group regularly deeps approximately ten countries under review for possible expansion.

The map below shows New Services global presence as of December 31, 2009.



The table below shows the geographic breakdown of issue volumes by type of product for 2009:

	Employee and public benefits products and services			Performance Products			Total
	Meal & Food vouchers	Non-food benefits	Total	Expense management	Incentives and rewards & other	Total	
<i>(in millions of euros)</i>							
France	1,710	438	2,148	0	422	422	2,570
Rest of Europe	3,577	624	4,201	7	163	170	4,371
Latin America	4,215	72	4,287	819	5	824	5,111
Other countries	253	64	317	2	36	38	355
TOTAL	9,755	1,198	10,953	827	627	1,454	12,407

The table below shows the geographic breakdown of *pro forma* operating revenue by type of product for 2009:

(in millions of euros)	Employee and public benefits products and services			Performance Products			Total
	Meal & Food vouchers	Non-food benefits	Total	Expense management	Incentives and rewards & other	Total	
France	62	34	96	9	39	48	144
Rest of Europe	195	43	238	2	56	58	296
Latin America	237	25	262	43	1	44	306
Other countries	16	29	45	3	14	17	62
TOTAL	510	131	641	57	110	167	808
Number of countries	30	22	33	16	25	31	40

1.8. Customers and marketing strategy

New Services's ambitious marketing strategy dedicated to customers and beneficiaries is one of the main factors driving the Group's expansion strategy (see Section 1.3).

1.8.1. CUSTOMER BASE

With 490,000 customers as of December 31, 2009, New Services has an extremely diversified customer base.

The diversity of New Services's customer base is a result of the variety of products and services it markets, as well as the range of paper-based and electronic formats in which they are offered. The Group's customer base includes local, regional and international companies, work councils, government and local authorities, and non-governmental organizations. While most of New Services's activities are based on a B-2-B (*Business-to-Business*) model, Kadéos® cards are an exception with a "B2C" (*Business to Consumer*) component in France.

One of the main features of New Services's customer base is its low level of concentration. In 2009, two-thirds of customers were companies with less than 200 employees.

In France, for example, approximately 80% of Tickets Restaurant® customers are companies with less than 20 employees. The segmented nature of the customer base results partly from the presence of cafeterias in larger companies. However, the Group's customers also include a number of major groups, mainly in the services sector, which operate on a decentralized basis. These include retail and distribution groups, retail banks, construction companies and public sector organizations.

The Group's customer base is also diversified by industry. The following table shows the breakdown by industry of Tickets Restaurant® customers in France.

	% of total customers
Science & technology, specialized activities	21%
Retail/commerce	18%
Industry & manufacturing	10%
Information & communication	8%
Construction	8%
Administrative services	6%
Finance & insurance	6%
Other services	5%
Health & welfare	4%
Real estate	3%
Transport & storage	3%
Education	2%
Public administration	2%
Art, culture & recreational activities	1%
Water production, treatment & distribution	1%
Hotels & food services	1%
Other	1%

1.8.2. AFFILIATED MERCHANTS

The size of the Group's network of affiliated merchants is a key differentiating factor in the Group's markets. By increasing the size of its network, New Services guarantees the end-user beneficiaries greater freedom of choice and more flexibility in the use of their vouchers, which is also an advantage in marketing to the Group's customers. The establishment of a sufficiently large acceptance network is a prerequisite for ensuring a stable and profitable position in a market.

At the end of 2009, New Services's global affiliate network was made up of 1.2 million affiliated merchants of every type, including restaurants, supermarkets, retailers, grocery stores and service stations. However, the size of the acceptance network and the variety of affiliated merchants vary fairly widely between products, depending on their features and the country where they are distributed. In France, for example, a network of 164,000 affiliated restaurants accept Tickets Restaurant®. Becoming a New Services affiliated merchant offers businesses a tool for attracting and retaining stable customers and stimulating demand for their products.

1.8.3. MARKETING AND DISTRIBUTION

As part of its strategy to open in new markets and gain market share, the Group adapts its marketing activities to different categories of customers. New Services has a sales and marketing force of over 3,000 employees and its brands are well known in their respective markets.

Major customers are handled by a key-account manager who is the main point of contact between these customers and New Services. The account manager will coordinate the Group's responses to requests for bids from the customers under his or her responsibility.

Medium-sized companies are normally handled by the general marketing teams and through call centers, and very small companies via internet and call centers. The customer-base is divided into segments according to product and country. In the case of Tickets Restaurant® in France, New Services has identified four customer segments: (i) companies of 200 or more employees, (ii) businesses employing between 20 and 199 persons, (iii) businesses with six to 19 employees, and (iv) small businesses with five or fewer employees.

Marketing managers are responsible for existing customers as well as obtaining new customers. However, the internet is proving an increasingly effective means of building customer relations given its flexibility and ease of access for the customer and the cost savings generated at the Group level. New Services is moving towards the use of on-line solutions enabling customers to learn about products, conduct simulations, and place and manage their orders. This innovation is also in line with the Group's paperless strategy.

New Services's growth strategy is designed to increase issue volume per customer by (i) increasing the face value of vouchers sold and (ii) increasing the number of customers purchasing multiple products. The multi-product marketing approach involves coordinated sales initiatives involving the Group's different product brands, where loyal customers are offered products such as gift vouchers. In addition, New Services promotes customer referrals, which account for a large percentage of the Group's newly acquired customers.

1.8.4. PRICING POLICY

Commissions charged to customers and affiliated merchants account for the bulk of Group revenue, which is supplemented by financial revenue and breakage revenue on lost and expired vouchers.

Commissions billed to customers have a fixed and a variable component, with the variable component measured as a percentage of issue volume. When customers place a voucher order with New Services, they pay the Company the face-value of the voucher plus the total commission, except in the case of certain major accounts where billing cycles are negotiated individually. The amount of the commission varies by product. In practice, for major customers who have chosen their suppliers through a tender process, commission rates are negotiated on an individual basis. Small and medium corporate customers, on the other hand, generally pay upon delivery, and are billed according to scheduled prices and are subject to a minimum order size. In 2009, customer commissions accounted for approximately 1.6% of issue volume, on average. The Group may also charge delivery fees, depending on the product and country, as well as issue fees for card-based products.

New Services charges affiliated merchants a redemption commission, which is based on the face value of the vouchers. When the vouchers are redeemed, New Services pays the affiliated merchants the face value, less a commission (except for some products where commissions are billed at a later date). The merchant commission generally depends on the nature and size of the product's acceptance network and the payment delay chosen by the affiliated merchant. As with customer commissions, the redemption commission is negotiable in the case of major affiliated merchants. In 2009, average redemption commissions were approximately 3.1% of issue volume. Redemption commissions are higher in closed-loop networks than in open-loop networks, whereas customer commissions are higher in open-loop networks than in closed-loop networks.

In addition, the Group charges for value-added services that are not linked to voucher issuance, and intends to expand this part of its business (see Section 1.3.1.3(c) of this prospectus).

1.8.5. CONTRACT TERMS

1.8.5.1. Terms of customer contracts

The terms and conditions of contracts with major customers generating substantial issue volume are contained in framework agreements, which provide the parameters of the commercial relationship.

In general, framework agreements with customers result from requests for proposals and are signed for a period of one to three years. They can cover several customer sites or subsidiaries. These agreements contain the customer's commission rate and billing frequency. Framework agreements rarely include an exclusivity clause.

For small, medium and very small companies with limited needs and which require ordering flexibility, contracts take the form of purchase orders that are subject to general sales conditions.

1.8.5.2. Terms of contraction with affiliated merchants

Merchant affiliation is based on a contract between a given New Services subsidiary and each affiliated merchant.

Contracts concluded with affiliated merchants stipulate the conditions for voucher redemption and the terms under which the merchants are billed. Contractual affiliation terms apply to the bulk of products marketed by New Services. Except in extremely rare cases, contracts with merchants do not include an exclusivity clause.

1.9. Transaction processing and information systems

1.9.1. TRANSACTION PROCESSING

While the majority of New Services's vouchers are currently issued in paper form, the Group is gradually moving towards electronic formats for its products. In 2009, paper-based vouchers accounted for approximately 68% of new issue volume, compared with about 32% for new electronic formats such as magnetic stripe cards and smart cards. The Group believes that the shift from paper to electronic formats will increase its issue volumes because electronic formats allow for greater product flexibility and are more user friendly.

New Services is committed to providing its customers with quality service, regardless of the product format. The Group offers on-line customer support services and, in certain countries, call centers, to respond to customer needs.

1.9.1.1. Processing of paper vouchers

New Services produces all of its paper vouchers at Group operated production sites. In general, each country has its own production facilities. Vouchers are produced as ordered, one or two days after the orders are received. The use of local production facilities reduces transport and insurance costs. Production facilities are normally located near the main sources of economic activity in any given country. In France, for instance, production facilities are located on the outskirts of Paris.

In almost all of countries where New Services does business, paper vouchers are printed at a centralized facility that ensures the overall production for the country. In certain countries, such as France, New Services has agreements with backup production plants in order to meet peaks in demand. However, these backup facilities would not be able to meet the entire demand for paper vouchers if production in the main facilities were interrupted due to a natural catastrophe, a strike or any other unforeseen event. The Group does not believe that the investments needed to provide full backup capacity would be justified. The Group is covered by insurance, as described in Section 1.15 of this prospectus, "Insurance".

New Services uses special printing equipment and paper to print vouchers in an effort to limit counterfeit risk. While the Group is occasionally subject to counterfeiting, the impact has been minor relative to the volume of vouchers issued. The fact that the vouchers are submitted for redemption by affiliated merchants in relatively small quantities, and on a regular basis, makes it easier to manage counterfeit risk. After a certain quantity of counterfeit vouchers have been redeemed, and the problem identified, the design of the vouchers can quickly be changed. In addition, New Services reserves the right to refuse to redeem counterfeit vouchers and has refused to redeem them at times in order to combat and discourage counterfeiting, which has also had the effect of limiting losses in these instances. The Group's production facilities are also equipped with sophisticated security systems designed to limit theft.

Vouchers are normally delivered by a dedicated delivery service in major cities and by express or other courier services elsewhere. Deliveries are generally made on a monthly basis on a small number of days each month, because vouchers are normally delivered to employees at the same time as monthly pay slips.

When affiliated merchants accept vouchers as payment from their customers, they send them to New Services or to a data processing center for redemption. In France, Tickets Restaurant® are processed by the CRT, or centralized meal-voucher center, an association representing the four main French meal voucher issuers. Reimbursement is managed directly by New Services. Each voucher bears an identification number readable by high-speed machines. New Services pays the affiliated merchants after deduction of commissions.

1.9.1.2. Processing electronic vouchers

Electronic formats are available for almost all of New Services's products in an increasing number of markets. The largest issue volumes of electronic products are in Latin America, the United Kingdom, Turkey and for products other than the Ticket Restaurant® in France. Electronic products are more flexible, easier to use and personalize, and more secure than paper vouchers.

New Services products are available in a number of electronic formats, mostly in card form (magnetic stripe cards and smart cards). The Group is developing new formats including on-line systems, contactless cards and mobile phone applications.

Electronic card products are used to make purchases from affiliated merchants in the same way as credit and debit cards. Before a card can be used, the card account must be credited with a certain amount of money, or a certain number of points. When the card is used, the customer's linked account is debited. Some cards lose their entire value when there is no remaining credit or when they expire, while others can be reloaded with money or points (which may also have an expiry date). Before a customer can purchase goods or services with the card, the linked account is verified to make sure that it has sufficient credit. Authorization of the transaction is obtained, with respect to magnetic stripe cards, by using network connected payment terminals or by telephone. For smart cards, the micro-chips embedded in the card contain all the information necessary for immediate transaction authorization in adequately equipped terminals, which periodically update the data embedded in the chip.

There are three main types of acceptance networks for the Group's products:

- ▶ closed-loop networks: the card is issued by an affiliated merchant under its own brand (Carrefour, Wal-Mart, Starbucks, etc.) and is accepted only in the issuer's retail outlets;
- ▶ filtered loop networks: the card is issued under the issuer's brand only and may be used in a certain number of retail outlets selected by the issuer that designed the prepaid service programs (meal vouchers, food vouchers, fuel vouchers and gift vouchers, etc.); and
- ▶ open-loop networks: products (such as gift cards, prepaid payment cards and UUB cards) that are co-branded by the acceptance network and the issuer, and are accepted everywhere.

Payment for goods and services in closed and filtered-loop networks may be made through dedicated payment systems, or through separately managed electronic payment and servicing networks maintained by service providers such as banks or PrePay Solutions. Payments in open-loop networks are, by definition, made through these networks.

New Services uses dedicated payment systems in several countries, including Turkey, and payment networks elsewhere. In the case of dedicated payment systems, New Services deducts a commission from the payment it makes to the affiliated merchant, in the same way as with paper-based products. When the Company relies on a payment network, payments are generally made through the affiliated merchant's bank, and New Services is debited through payment settlement systems. In this case New Services bills fees to the affiliated merchant instead of deducting its commissions from the redemption payments. In the future, commissions will become progressively automated and built into the payment networks.

1.9.2. SUPPLIERS

New Services uses many suppliers and is not dependent on any particular supplier. Its largest procurement contract is a framework agreement with Arjo Wiggins for paper purchases. In each market, production centers can choose to buy their paper supplies under the terms of this framework agreement, or to use local suppliers. The Group buys its paper under this framework agreement in France and in certain other European countries, but tends to use local suppliers in Latin America. The Group's other major purchases include plastic cards (with magnetic stripes and micro-chips) and specialized printing equipment and transport services.

1.9.3. INFORMATION SYSTEMS

1.9.3.1. Systems

At New Services's subsidiaries, managing operations requires high-tech IT systems providing a real-time overview of the business. Services deployed at the subsidiary level include:

- ▮ back office functions and finance;
- ▮ middle office functions of contract management, customer and beneficiary management and ticket production;
- ▮ on-line information and sales services;
- ▮ customer relations;
- ▮ transaction authorization for electronic card-based products; and
- ▮ an infrastructure capable of managing the servers and the network, physical and application security, messaging and the Company's directory.

Technical support operations for subsidiaries are managed by a team according to ITIL standards.

1.9.3.2. IT risk management

New Services has three data centers situated in Latin America, Europe and Asia. These centers provide high quality services for the Group's applications. In addition, critical applications capacity has been duplicated to increase "failover" (breakdown tolerance) and provide for disaster recovery. In order to prevent virus attacks, New Services systematically audits all applications exposed to the internet. Data loss is limited by automatic save systems.

1.9.3.3. Impact of the separation of the hotel and services businesses on IT systems

The separation of the hotel and services businesses will have a limited impact on the IT infrastructure and messaging systems. The key operating systems of New Services's major subsidiaries are independent of the Accor hotel system. The IT networks are being progressively brought under the responsibility of New Services's teams, as in the case of messaging systems. New Services's internal support teams, such as IT audit and security, will be reinforced.

1.10. Competition

1.10.1. THE EMPLOYEE AND PUBLIC BENEFITS PRODUCTS AND SERVICES MARKET

1.10.1.1. Leadership position

On the basis of internal estimates, New Services believes it is the global leader in the market for employee and public benefits products and services and considers that its main international rival is Sodexo. In all of the countries where it operates, New Services is also faced with competition from small, local companies, specialized in prepaid service vouchers and with significant market position, at the local level.

A specific tax regime, and in some cases, regulatory framework applies to all of the Group's employee and public benefit products and services (see Section 1.11 of this prospectus). Potential market entrants must conform to these rules.

The Group's competitive positions ⁽²⁴⁾ in the employee and public benefits products and services market in a selection of key countries are presented in the table below:

	Number of competitors		New Services's rank
	Meal vouchers	Benefits other than meals	
France	3	12	1 st
Brazil	147	92	1 st
United Kingdom	0	42	1 st
Italy	12	3	1 st
Belgium	2	1	1 st
Hungary	11	11	2 nd
Mexico	11	0	1 st
Czech Republic	2	4	2 nd
Turkey	4	2	2 nd
Venezuela	10	0	1 st

1.10.1.2. Size of target market

According to a study carried out by Olivier Wyman Consultants in March 2010 in all of the countries where the Group was doing business in 2009, the size of the employee and public benefit market in which New Services is present is estimated at approximately €33 billion (based on issue volume) and breaks down geographically as follows:

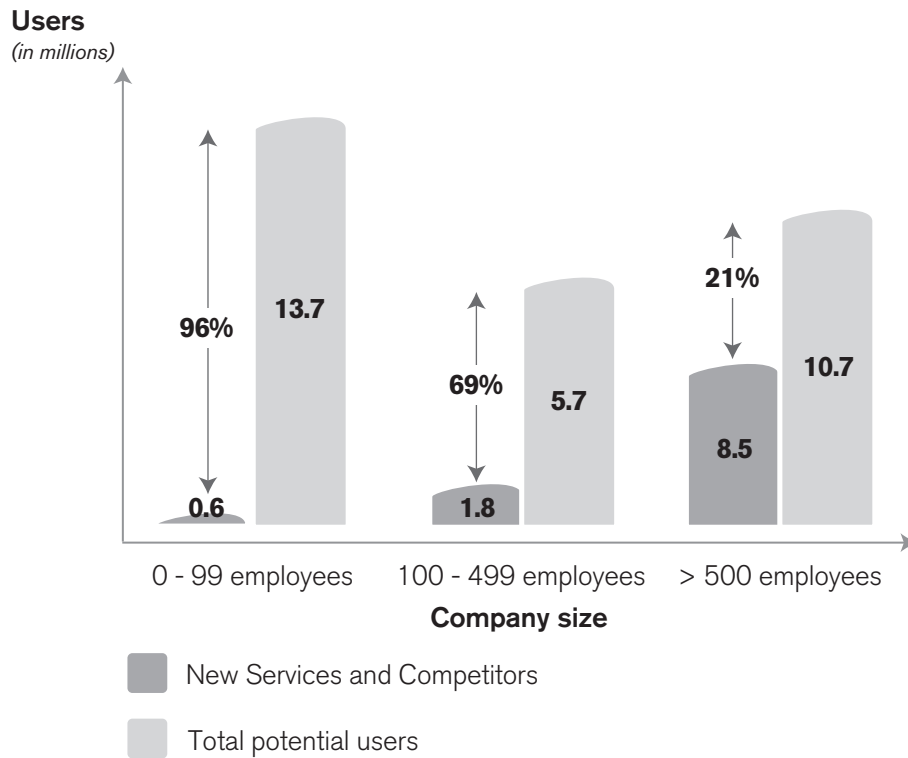
<i>(in billions of euros)</i>	Meal and food vouchers	Non-food benefits	Total
Europe	14.3	3.6	17.9
North America	0	0.4	0.4
Latin America	13.9	0.2	14.1
Rest of World	0.2	0.2	0.4
TOTAL	28.4	4.4	32.8

1.10.1.3. Growth potential

New Services believes that the employee and public benefits products and services market has significant growth potential, based on favorable socio-demographic and economic conditions, as described in Section 1.2.1 of this prospectus, and based on its transition to electronic product formats, a source of new opportunities. New Services's track record in this market, with average annual growth of almost 7% since 2005, shows this dynamic growth potential.

(24) Source: Company estimates.

In Brazil, for example, the Group estimates the potential market for meal vouchers at 30 million employees (with potential market defined as the number of private sector employees (excluding the informal economy) eligible for meal vouchers who do not receive meal vouchers or access to a company cafeteria). The breakdown of this potential market (the number of employees who receive meal vouchers compared to the number of employees who do not benefit from any kind of meal solution) according to the size of the business, are given in the chart below.



1.10.2. THE PERFORMANCE PRODUCTS MARKET

1.10.2.1. A solid position

New Services is a leading player in the market for performance products. The Group operates worldwide in the expense management and incentives and rewards markets.

Competition is intense in the market for new Prepaid Services. Competitors include specialists in prepaid solutions (Visa Vale, Posteitaliane, Tebca and Citi Prepaid Services), as well as companies targeting specific areas, such as retail banks in the card issue segment (Wells Fargo and Santander), payment processing companies (First Data) that process and authorize transactions, program managers (Tuxedo and Greendot) and distributors (Blackhawk).

1.10.2.2. Current size of target market

In 2009, the size of the targeted performance products market for businesses (*B2B*) was approximately €87 billion⁽²⁵⁾, based on issue volume. New Services is targeting primarily Europe, Latin America and Rest of World, which are estimated to represent €44 billion of this amount.

(25) Source: PSE Study (2008), Mercator (2008), Group estimates.

New Services's target market can be broken down by issue volume as follows ⁽²⁶⁾:

<i>(in billions of euros)</i>	B2B Gift Cards	Expense Management	Insurance	UUB and other	Total
Europe	3	4	1	6	14
North America	19	7	2	15	43
Latin America	1	4	0	12	17
Rest of World	7	4	0	2	13
TOTAL	30	19	3	35	87

1.10.2.3. Growth potential

As with the employee and public benefits products and services market, New Services believes that the market for performance products has a significant potential to grow, based on favorable socio-demographic and economic conditions, as described in Section 1.2.1 of this prospectus, and based on its transition to electronic product formats, a source of new opportunities. New Services's track record in this market with average annual growth of almost 20% since 2005, shows this dynamic growth potential.

As an illustration, the North American market, a particularly mature market for performance products, has shown exceptional results over the past few years. According to an independent study published in November 2009, the U.S. prepaid card market (largely B2C although some B2B) has grown from a €50 billion market in 2004 to a €250 billion market today, annual average growth of approximately 34%.

1.11. Regulation

1.11.1. TAX AND SOCIAL REGULATIONS

1.11.1.1. General

Employee benefits products are exempted by national governments from tax and/or social security contributions, in order to promote the use of these products to meet various social policy goals.

To prevent the misuse of these exemptions, the allocation and use of these products are regulated with respect to the contribution and role of the employer, the status of the beneficiaries and the end-use of the product.

In order to be able to offer products that benefit from this favorable treatment to their customers, companies wishing to operate in the employee benefit sector must obtain an authorization (*agrément*) in some countries, while other countries may not require any such authorization. However, even in countries where an authorization is required, a company can usually obtain one if it meets certain minimum financial solvency criteria.

Potential market entrants to the employee benefits market may also be subject to legal regulations of the investment of the float (representing cash received from vouchers issued but not yet presented for redemption by the affiliated merchants) as is the case in France and in Romania, see Section 2.6.5 of this prospectus.

As an example, the following subsections describe the regulations applicable to meal vouchers in France and Brazil.

⁽²⁶⁾ Source: PSE Study (2008), Mercator (2008), Group estimates.

1.11.1.2. French Regulations

Regulations specific to meal voucher distribution and use

The employer must comply with the following regulations relating to meal-voucher distribution:

- ▶ the employer can only distribute meal vouchers to employees of its company;
- ▶ since 2002, public service employees that do not benefit from either an on-site cafeteria or catering facilities (public or private service restaurants) compatible with their professional status are entitled to meal vouchers;
- ▶ because meal vouchers are considered a government subsidy, they must be distributed equally to all the company's employees. However, the employer may choose to distribute meal vouchers to only a part of its employees on the basis of non-discriminatory criteria, so long as the non-beneficiary employees receive an equivalent benefit;
- ▶ the employer may distribute only one voucher per employee per day;
- ▶ there are no applicable regulations that set the minimum and maximum value of the meal vouchers, and so the employer is free to fix the face value of the meal voucher. However, the face value is effectively limited because the tax and social security charge exemption is capped for the employer.

The employees' use of meal vouchers is subject to the following regulations:

- ▶ only the employee that has been given the voucher from his or her employer can use it: meal vouchers are personal to the employee whose name appears on the back of the voucher;
- ▶ vouchers cannot be used beyond their expiration date (one year after the date of issue). However, during the 15-day period following the expiration date, the employee may exchange unused vouchers with the employer for the same amount of vouchers for the next year. The employer can return the unused vouchers to the issuer within a period of 30 days after expiration for a refund of the face value less the customer commission;
- ▶ only one meal voucher can be used to pay for a meal, or ready-to-eat food items like fruit and vegetables, although in practice, two vouchers are sometimes accepted. Affiliated merchants are not permitted to give cash back for unspent amounts;
- ▶ meal vouchers are valid during the workweek only and cannot be used on Sundays or public holidays, unless the employer's specific authorization is noted on the meal voucher;
- ▶ meal vouchers may only be used in a limited geographic areas: the county (*département*) of their workplace and neighboring counties, unless the voucher specifies otherwise.

Establishments entitled to receive meal vouchers are restaurants (fast-food or traditional) and similar food service businesses approved by the National Commission for Meal Vouchers (*Commission Nationale des Titres Restaurant*, or CNTR) as well as fruit and vegetable sellers for immediately consumable food.

Tax exemptions and reductions in social security contributions for the employer

Meal vouchers are co-financed by the employer (and sometimes the Works Council) as well as the employee. The employer's contribution cannot be lower than 50% or higher than 60% of the face value of the voucher, before taking into consideration the potential contribution of the Works Council. Employers violating these limits lose their right to the income tax and income tax exemptions and the reduction in their contribution to employee social security charges.

Up to a certain ceiling, the employer's contribution is exempt from income taxes. This limit has been recalculated once a year since January 1, 2006 proportionally to changes in upper limit of the first income tax bracket. The exemption ceiling was fixed at €5.21 on January 1, 2010. The employer is free to increase its contribution beyond this ceiling, provided that the 50%-60% limits are respected, but amounts above the €5.21 limit are taxable to the employer.

Tax exemptions for the employee

For the employee, the portion of the value of the meal voucher that is paid for by the employer, within the regulatory limits (between 50% and 60% of the face value), constitutes a tax-free benefit in kind. This tax benefit is, however, contingent upon the respect of the applicable regulations, in particular with respect to the conditions of use.

1.11.1.3. Brazilian Regulations

There are two forms of meal vouchers in Brazil: restaurant vouchers (*vale refeição*) and food vouchers (*vale alimentação*). Restaurant vouchers can only be used in restaurants and similar establishments, while food vouchers can be used in supermarkets and other food stores. These two types of vouchers are not inter-changeable. Cash back for unspent amounts are disallowed for both products.

Companies that distribute meal vouchers to their employees must be registered with the Brazilian Work Ministry. It is possible for businesses to give vouchers to only a subset of their employees as long as the lowest paid employees receive the vouchers. The allocation of meal vouchers cannot be reduced or suspended for disciplinary reasons.

As in France, meal vouchers are co-financed by the employer and the employee. The employee's contribution can be up to 20% of the face value of the voucher. In practice, however, the employer usually assumes the full cost. The meal voucher is a 100% tax-free social benefit for the employee and the employer. In addition to an income tax exemption, which can be as high as 100% of gross salaries in Brazil, the employer's contribution benefits from a 5% deduction on the company's full-year corporate income tax.

1.11.2. OTHER REGULATIONS

EC Directive 2007/64/CE of November 13, 2007 was adopted to regulate payment services, including: (i) services that allow cash to be placed on a payment account or withdrawn from a payment account and all the operations required for operating a payment account; (ii) the execution of payment transactions, including the transfer of funds on a payment account with the user's payment service provider or another payment services provider; (iii) the execution of payment transactions, where the funds are covered by a credit line for a payment service user; (iv) the issuance and/or acquisition of payment instruments; (v) monetary remittances and (vi) the execution of payment transactions where the consent of the payer to execute a payment transaction is given by means of any telecommunication, digital or IT device and the payment is made to such telecommunication, IT system of network operator, acting only as an intermediary between the payment service user and the supplier of the goods and services. However, Article 3 of EC Directive 2007/64/CE specifies that it does not apply in the case of, among others:

- ▶ paper-based vouchers; and
- ▶ services based on instruments that can be used to acquire goods or services only in the premises used by the issuer or under a commercial agreement with the issuer either within a limited network of service providers or for a limited range of goods or services.

EC Directive 2000/46/CE of September 18, 2000 (the E-Money Directive) and EC Directive 2009/110/CE of September 16, 2009 (the New E-Money Directive) were adopted to regulate the practice of issuing electronic money. Electronic money is defined as monetary value as represented by a claim on the issuer, which is (i) stored on an electronic device, (ii) issued on receipt of funds of an amount not less in value than the monetary value issued, and (iii) accepted as means of payment by undertakings other than the issuer. The definition of electronic money was modified slightly by the New Electronic Money Directive to be electronically, including magnetically, stored monetary value as represented by a claim on the issuer which is issued upon the receipt of funds for the purpose of making payment transactions (acts, initiated by the payer or by the payee, of placing, transferring or withdrawing funds, irrespective of any underlying obligations between the payer and the payee) and which is accepted by a natural or legal person other than the electronic money issuer.

The New E-Money Directive specifies that the directive should not apply to monetary value that is exempt from regulation under EC Directive 2007/64/EC described above. Also excluded from the New E-Money Directive are "*Meal vouchers and vouchers for services (such as vouchers for childcare, or vouchers for social or services schemes which subsidise the employment of staff to carry out household tasks such as cleaning, ironing or gardening, which are sometimes subject to a specific tax or labour legal framework designed to promote the use of such instrument to meet the objectives laid down in social legislation.*"

As such, the Group's prepaid service vouchers should not be considered either as a payment service nor as a form of electronic money either because (i) they are usable over a limited network or for a limited range of products and services or (ii) they promote a public social interest subject to specific legal regulations.

However, as part of the payment services directive which is currently being revised by the member states and as a result of the adoption and transposing by member states of the New Electronic Money Directive (to be completed before April 30, 2011), it is possible that the member states may qualify some electronic vouchers, which are used for general purposes, as being electronic money. The issue of electronic money products is reserved for approved authorized electronic money institutions.

In such a situation, the Group would continue to offer products that may only be issued by authorized providers pursuant to E.U. regulations, through its U.K. subsidiary, PrePay Solutions.

Prepay Solutions is an electronic money issuer authorized by the U.K. Financial Services Authority (FSA) and is therefore fully qualified to issue cards and prepaid products that qualify as electronic money under the Electronic Money Directive and the New Electronic Money Directive (in particular, UUB cards in the United Kingdom). In its capacity as an electronic money issuer, PrePay Solutions benefits from a license permitting it to offer its regulated products throughout the countries of the European Union by simply making a request to the FSA. Prepay Solutions already has the approval to offer such products in 17 European countries and could quickly expand its operations throughout the European Union.

1.12. Intellectual property

The Group's intellectual property is mainly in its product and services brand names and domain names. For more details concerning the intellectual property rights that will be transferred to the Company in the Spinoff, please refer to Section 6.3.2.1 of this prospectus.

1.13. Research and development

The Group is a leader in the development of new Prepaid Services technologies. Although the amount of research and development investment is not particularly significant, the development of new technologies is one of the Group's strong points.

New Services, PrePay Solutions and the WATTS platform are, in fact, researching technical solutions that will respond, in the simplest and most flexible way, to the needs of the various participants in the Prepaid Services market (companies, employees, restaurants, small and large retailers) and regularly test innovative solutions that could be used to develop their products.

New Services's research department has a mission, therefore, to find appropriate solutions for the distribution of the Group's products. The Company constantly tests new concepts and technologies so that it can respond to the needs of its operating units and end-user customers (companies, employees, restaurants, small and large retailers), launch new products and develop new uses for its existing products. For example, New Services pilot projects include:

- the mobile Ticket Restaurant® (delivery service) project, which is proposing mobile payment systems to home meal delivery companies. This system offers Ticket Restaurant® beneficiaries secure payment facilities for home-delivered meals, and guarantees secure payment for the delivery companies as well as a global positioning tool for rapid address location;
- the Ping Ping electronic solutions project regarding Tickets Restaurant® in Belgium, in collaboration with the Belgian mobile phone operator, Belgacom. This project gives employees at Belgacom's head office and neighboring companies the opportunity to test the Ticket Restaurant® electronic solution by using electronic cards or mobile phones to pay for their transactions. Based on NFC (*Nier Field Communication*) contactless technology, this new solution offers the speed of the electronic transaction speed with greater simplicity;
- the Rede Credenciada Iphone project in Brazil, which provides New Services beneficiaries with a global positioning application for finding affiliated merchants.

1.14. Property, plant and equipment

The Group rents most of its premises and believes that it should be able to renew its leases or find suitable alternative properties in the ordinary course.

1.15. Insurance

New Services will continue to benefit from Accor's insurance coverage until the Spinoff, at which date New Services will be covered by a separate and dedicated insurance policy until December 31, 2010. The terms and conditions of the Company's own insurance cover, which have already been negotiated by the Group and its insurers, are described below.

In the course of the Group's activities, claims for civil liability, property damage and operating loss are infrequent. Although the Group has, until now, been spared from claims of any great magnitude, it has decided to maintain a sufficient level of insurance to cover it against any major losses.

The Group's annual insurance coverage under its global civil liability policy has been fixed at €50 million per year.

With respect to property damage and operating loss, the Group's premises are covered by local policies, and major sites are covered by the Group's €150 million per event policy.

New Services has also taken out a policy at the corporate level against fraud and misuse of funds.

Given the current financial conditions in the insurance market, the Group has not been able to take out a policy against voucher theft during transport. Coverage is sometimes possible at the local level depending on the level of risk attached to the country and the conditions of the local market.

The Group's insurance policies expire on December 31, 2010. Thereafter, the Group will launch a call for bids to find an adequate and appropriate but cost effective coverage policy. A full assessment of the risk coverage required by the Group will be carried out in 2010, and its insurance policies will be adapted accordingly as of January 1, 2011. The Group will have its own risk prevention resources, which will be managed by the legal department.

1.16. Legal and arbitration proceedings

The Group is not involved in any legal, administrative or legislative proceedings that it believes could have a material adverse impact on its business, its results of operations or its financial condition (see Note 26 "Claims and Litigation" to the *pro forma* financial statements included in Section 10.2.1 of this prospectus). Among the legal, administrative or legislative proceedings that relate to the Company and/or its subsidiaries are:

The French competition authority is currently investigating a complaint of one of Accentiv' Kadéos' competitors related to the length of exclusive product acceptance and distribution arrangements entered into with certain of the Group's affiliated merchants for some of the Group's products. On March 2, 2010, the French competition authority rejected the competitor's request for an injunction. At this stage, the Group is not able to predict the outcome of the investigation.

In Italy, a court in Rome has invalidated certain Ticket Restaurant® trademarks due to their generic nature. The case is being appealed to the appellate court in Rome. Even if the final decision has the effect of ending the exclusive right to use the Ticket Restaurant® mark, the Group will not be prevented from using the mark and would not expect such a decision to have a material adverse effect on its business.

To the best of the Company's knowledge, as of the date of this prospectus neither the Company nor any of its subsidiaries have been threatened with litigation that could have a material adverse effect on the Group's results of operations or its financial position.



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2.1. Introduction

The business of New Services has recorded significant growth on a regular basis over a period of many years, driven by geographic expansion, the introduction of new products, increased market penetration and a targeted acquisitions policy designed to raise issue volume and increase market share.

The Group's growth has led to higher issue volumes, which have in turn systematically increased funds from operations. Due to the nature of its activities, New Services has been able to grow without the need to raise significant amounts of financing, as the Group's business does not require significant recurring capital expenditures, and its working capital requirements are structurally negative.

The business of New Services benefits from significant diversification, both in terms of product lines and geographically. This has enabled the Group to realize regular and sustained growth overall, even though the performance of a given product in a given country might fluctuate in any period. The Group's sales force is organized by country or region, close to the customer base, allowing the Group to adjust rapidly to changes in the market, seeking to deploy the Group's entire product line in an optimal manner in each regional market.

In 2009, in spite of the global economic crisis, these advantages enabled the Group to maintain overall growth in issue volume and funds from operations at constant scope of consolidation and exchange rates, in all of the regions in which the Group operates. However, external factors, such as the devaluation of the Venezuelan *bolívar fuerte* and falling interest rates worldwide, affected the Group's reported results for the fiscal year.

Key figures from the *pro forma* income statement for the period from 2007 to 2009:

<i>(in millions of euros)</i>	2007	2008	2009
Issue volume	11,437	12,696	12,407
Operating revenue	741	817	808
Financial revenue	96	129	94
Total revenue	837	946	902
EBITDA	345	396	363
EBIT	320	365	327
Net financial expense	(92)	(87)	(104)
Income tax expense	(68)	(86)	(62)
Operating profit before non-recurring items	131	167	154
Net profit	134	177	(50)
Funds from operations	166	217	184
Unleveraged Free Cash Flow ⁽¹⁾	343	294	280

(1) See note (b) to the *pro forma* financial statements presented in Section 10.2.1 of this prospectus for an explanation of the calculation method for Unleveraged Free Cash Flow.

Principal items in the Group's *pro forma* cash flow statement during the period between 2007 and 2009:

<i>(in millions of euros)</i>	2007	2008	2009
Net cash from operating activities	336	322	282
Net cash from (used in) non-recurring items	(5)	(17)	(146)
Net cash from (used in) investing activities	(135)	(45)	(54)
Net Cash from (used in) financing activities	(77)	(137)	(35)
Effect of changes in foreign exchange rates	(40)	(23)	(37)
Net increase (decrease) in cash and cash equivalents	79	100	10
Cash and cash equivalents at beginning of period	1,033	1,112	1,212
Cash and cash equivalents at end of period	1,112	1,212	1,222
Net change in cash and cash equivalents	79	100	10

2.2. Key performance indicators

The Group believes that its key performance indicators are growth in its issue volume at constant scope of consolidation and exchange rates, its revenues, its operating margin (operating income before non-recurring items as a percentage of issue volume) and funds from operations at constant scope of consolidation and exchange rates.

The Group's management incentive program, which will be submitted for shareholder approval at the general shareholders meeting scheduled for June 29, 2010, will include performance share and stock option plans based on these new key indicators.

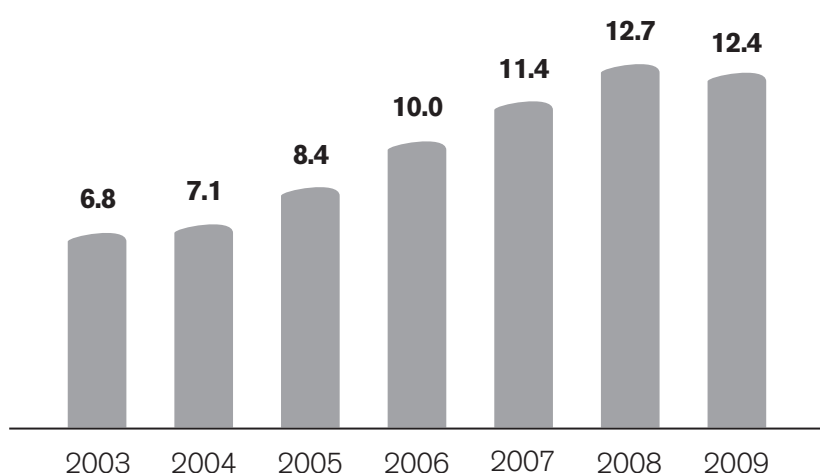
2.2.1. ISSUE VOLUME

Issue volume is the face value of the vouchers issued by the Group during a given period, including the analogous amounts loaded on electronic cards.

The Group records issue volume on vouchers and similar obligations in both paper and electronic form.

As illustrated in the following chart, the Group's average annual growth rate for issue volume was 10.5% between 2003 and 2009.

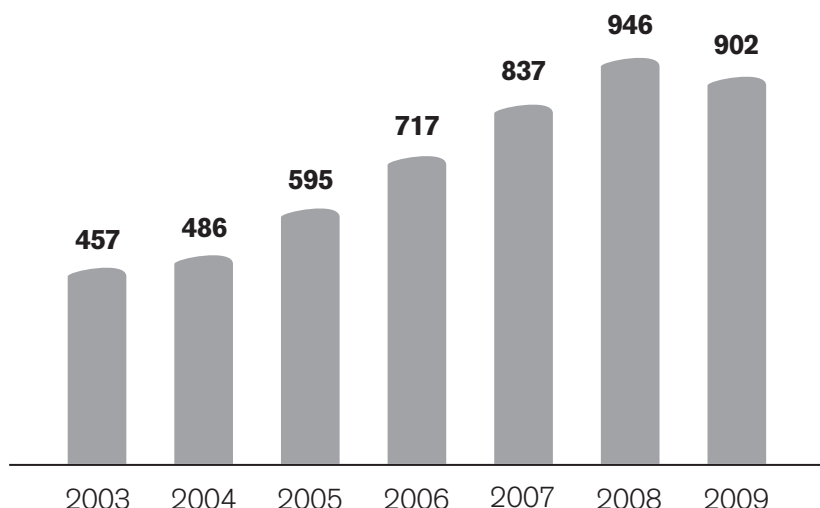
Growth in issue volume since 2003 *(in billions of euros)*



2.2.2. REVENUE

The Group's total revenues grew at an average annual rate of 12.0% between 2003 and 2009, as illustrated in the chart below.

Growth in revenue since 2003 (in millions of euros)



The Group's revenue includes operating revenue that is directly related to the products and services provided by the Group, and financial revenue from the investment of funds generated by prepaid products and services.

2.2.2.1. Operating revenue

Group operating revenue is generated by sales of products and services. The Group has two principal sources of operating revenue: operating revenue generated by issue volume, and operating revenue without issue volume.

► **Operating revenue generated by issue volume** is generated by the issuance of vouchers. It represented 5.3% of issue volume in 2009, including the following:

- commissions received from customers, i.e., commissions on voucher sales and all related amounts billed to customers (delivery costs, voucher personalization fees, etc.), all of which represented 1.6% of issue volume in 2009,
- redemption commissions charged to merchants, which are generally deducted from redemption payments, and related fees that are billed to affiliated merchants (start-up fees, monthly subscription fees, etc.), all of which represented 3.1% of issue volume in 2009,
- breakage revenues from vouchers that expire without being used, which represented 0.6% of issue volume in 2009; and
- ancillary revenue from advertisements printed on vouchers and cards.

► **Operating revenue without issue volume** is revenue that is generated by the Group's business that is not derived from the issuance of vouchers or that is not otherwise considered to be related to issue volume. Such revenue generally comes from services such as the management of the reward and loyalty programs of Group customers. A significant proportion of these revenues comes from pass-through billing to customers of goods and services purchased by the Group and, as such, generates very low margins.

2.2.2.2. Financial revenue

Financial revenue is interest generated by investing funds received from customers for prepaid vouchers the date of issuance of the vouchers and the date of redemption. Financial revenue represented 0.8% of issue volume in 2009.

2.2.3. FUNDS FROM OPERATIONS

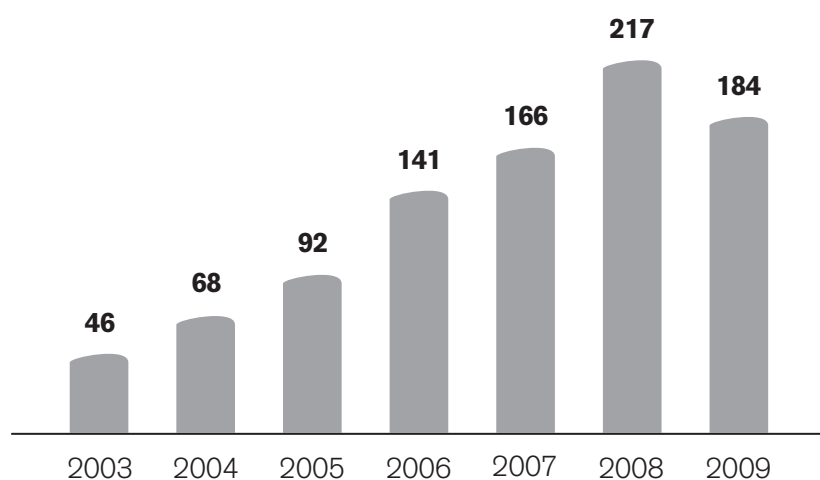
The Group uses "funds from operations" (at constant scope of consolidation and exchange rates) as a performance indicator. Funds from operations are calculated as follows:

- ▶ EBITDA;
- ▶ less net financial expense;
- ▶ less income tax expense;
- ▶ adjusted to eliminate non-cash revenues and expenses included in EBITDA, and
- ▶ adjusted to eliminate net changes in financial provisions, provisions for income tax expense and non-recurring tax expense.

<i>(in millions of euros)</i>	2007 <i>(pro forma)</i>	2008 <i>(pro forma)</i>	2009 <i>(pro forma)</i>
EBITDA	345	396	363
Net financial expense	(92)	(87)	(104)
Income tax paid	(78)	(83)	(77)
Elimination of non-cash revenue and expenses included in EBITDA	2	9	3
Elimination of net changes in provisions included in net financial expense, income tax expense and non-recurring taxes	(11)	(18)	(1)
Funds from operations	166	217	184
<i>(%)</i>			
Reported growth in funds from operations	N/A	30.7%	(15.2%)
Growth in funds from operations at constant scope of consolidation and exchange rates	N/A	23.7%	13.2%

The Group's business generates significant funds from operations.

During the period between 2003 and 2009, annual growth in funds from operations averaged 25.0%, as illustrated in the following chart.



2.3. Methodology for preparation of historical combined and *pro forma* financial statements

2.3.1. HISTORICAL COMBINED FINANCIAL STATEMENTS

In order to present a historical view of New Services's scope of consolidation, historical combined financial statements have been prepared for the 2007, 2008 and 2009 fiscal years based on the financial statements historically included in the consolidated financial statements of Accor.

The historical combined financial statements include the companies comprising the employee and public benefits and Prepaid Services businesses that will be contributed by Accor to New Services (the "**services business**"). These entities include those that will be held directly or indirectly by New Services as well as operations that are part of the services business but that have been conducted by other entities. On the other hand, operations that are not part of the services business but are conducted by entities that will be owned by New Services have been excluded from New Services's scope of consolidation.

The financial statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) as adopted by the European Union and the principles set forth in section VI of standard 99-02 of the French *Comité de la Réglementation Comptable* (the French National Accounting Regulation Committee). They reflect the combined results of the contributed services business presented on the basis of certain principles set forth in the notes to the audited financial statements. The historical combined financial statements have been audited by the independent auditors of New Services.

The historical combined financial statements for the fiscal years ended December 31, 2007, December 31, 2008 and December 31, 2009 are set forth in Section 10.1.1 of this prospectus.

2.3.2. *PRO FORMA* FINANCIAL STATEMENTS

The *pro forma* financial statements for the fiscal years ended December 31, 2007, December 31, 2008 and December 31, 2009 were prepared based on:

- the historical combined financial statements of the services business for the fiscal years ended December 31, 2007, December 31, 2008 and December 31, 2009; and
- certain assumptions and adjustments, described below, which permit the Group's results and financial position to be presented as if the Transaction had occurred and New Services had been operating as an autonomous listed Group as of January 1, 2007.

New Services's auditors have prepared a report relating to the *pro forma* financial statements (see Section 10.2.2 of this prospectus).

A reconciliation between the historical combined financial statements and the *pro forma* financial statements is included in the notes to the *pro forma* financial statements in Section 10.2.1 of this prospectus.

The Group prepared the *pro forma* financial statements on the basis of certain assumptions, which include the following:

- €2.1 billion of the Accor Group's debt was deemed to have been allocated to New Services on January 1, 2007 (see note b1 "*Pro forma* adjustments to the balance sheets – net financial debt" of the note "Basis of preparation of *pro forma* financial statements" included in Section 10.2.1 of this prospectus). Borrowing costs for this debt are based on the expected cost of New Services's future debt (for a description of the financing agreements to be concluded by the Company, see Section 2.6.6.2 of this prospectus). Additional financial expenses have been estimated at approximately €91 million in 2007, €77 million in 2008 and €84 million in 2009;

- the costs of the new structure of New Services, including a number of corporate functions currently carried out by the Accor Group that will be fully assumed by New Services, are recorded as assumed costs in the *pro forma* financial statements. These functions include support services, mainly in the areas of accounting, consolidation and reporting, internal, external and financial communications, internal audit, treasury management, legal and tax affairs and human resources, as well as the costs associated with creating a new Board of Directors for the Group. The additional expenses arising from the assumed new structure of New Services are estimated at approximately €10 million in 2007, €8 million in 2008 and €5 million in 2009; and
- tax savings generated by the *pro forma* adjustments described above for each period are estimated on the basis of the applicable tax rate in the country concerned. The amount of additional net income arising from tax savings resulting from the *pro forma* adjustments is estimated at approximately €29 million in 2007, €25 million in 2008 and €21 million in 2009.

By their nature, *pro forma* financial statements describe a hypothetical situation. They do not necessarily represent what the financial situation or performance of the Group would have been had the Transaction taken place before its actual or expected completion date. The *pro forma* financial statements are not an indication of New Services's future financial position or performance. Readers should carefully review the description of the assumptions and adjustments in the notes to the *pro forma* financial statements in Section 10.2.1 of this prospectus.

In the following discussion of the Group's financial results, figures are taken from the *pro forma* financial statements, unless otherwise stated.

2.4. Comparison of fiscal years ended December 31, 2009 (*pro forma*) and December 31, 2008 (*pro forma*)

2.4.1. ISSUE VOLUME

In 2009, the Group's issue volume at constant scope of consolidation and exchange rates rose by €719 million (or 5.7%) to €12,407 million, reflecting the ability of the services business to weather adverse economic conditions. Revenues at constant scope of consolidation and exchange rates were up in all regions in which the Group operates, with increases of 7.5% in France, 4.8% in Europe (excluding France), 5.4% in Latin America and 8.5% in the rest of the world. This growth occurred despite the economic crisis.

The Group's reported issue volume (at current scope of consolidation and exchange rates) was negatively affected by a €783 million exchange rate impact, primarily resulting from the devaluation of the Venezuelan *bolivar fuerte*, as well as the Mexican *peso*, the Brazilian *real*, the Romanian *ron* and the British pound. Issue volume also decreased by €225 million due to changes in the scope of consolidation, mainly in Brazil.

As a result, issue volume of €12,407 million in 2009 represents a decline on a reported basis of 2.3% from €12,696 million in 2008.

2.4.1.1. Issue volume by region

In 2009, France accounted for approximately 21% of the Group's issue volume. Europe (excluding France), Latin America and the Caribbean and the rest of the world accounted for approximately 35%, 41% and 3%, respectively. The contribution from Latin America and the Caribbean declined compared to 2008 (when it represented 44% of the total) due to the impact of foreign exchange rates.

The following table presents issue volume in 2008 and 2009 broken down by geographic region.

(in millions of euros)		Year-end at December 31,		Change (%)	
Region	2008	2009	Reported	At constant scope of consolidation and exchange rates	
France	2,391	2,570	7.5%	7.5%	
Europe (excluding France)	4,332	4,372	0.9%	4.8%	
Latin America and the Caribbean	5,624	5,111	-9.1%	5.4%	
Rest of world	349	354	1.4%	8.5%	
TOTAL	12,696	12,407	-2.3%	5.7%	

In France, issue volume rose 7.5% at constant scope of consolidation and exchange rates (+€179 million) to €2,570 million in 2009. All activities in France reported growth, particularly the Ticket CESU® business.

In Europe (excluding France), issue volume grew 4.8% from 2008 levels (+€209 million) at constant scope of consolidation and exchange rates, to €4,372 million in 2009. This growth was driven primarily in Italy, Belgium and the United Kingdom. In contrast, business in Romania suffered from particularly difficult economic conditions.

There was a €40 million increase in reported issue volume in Europe (excluding France) compared to 2008 levels. The difference compared to growth levels at constant scope of consolidation and exchange rates is principally attributable to the depreciation of the British pound and Eastern European currencies.

In Latin America and the Caribbean, the Group's issue volume rose €302 million at constant scope of consolidation and exchange rates to €5,111 million in 2009, up 5.4% as compared to 2008. All countries in the region reported substantial growth, with the exception of Argentina, where the impact of a change in the tax exemption regime, introduced on a phased basis beginning in March 2008, resulted in a 63% drop in issue volume in 2009. Excluding this impact, at constant scope of consolidation and exchange rates, growth would have been 9.3%.

On a reported basis, 2009 issue volume in Latin America and the Caribbean declined by 9.1%, or €513 million, compared to €5,624 million recorded in 2008, due to the negative impact of exchange rates (particularly the devaluation of the Venezuelan *bolivar fuerte* as well as the weakening of the Brazilian *real* and the Mexican *peso* against the euro).

2.4.1.2. Issue volume by business line

In 2009, the employee and public benefits business accounted for approximately 88% of New Services's issue volume, while the performance products business (Prepaid Services contributing to the performance of organizations) accounted for the remaining 12%.

The proportion of issue volume from the employee and public benefit business was 84% in France, 96% in Europe (excluding France), 84% in Latin America and the Caribbean, and 89% in the rest of the world.

The performance products business represented 16% of issue volume in France, 4% in Europe (excluding France), 16% in Latin America and 11% in the rest of the world.

2.4.2. REVENUE

In 2009, the Group's *pro forma* revenue was €902 million, an increase of 1.0% at constant scope of consolidation and exchange rates compared to 2008. Operating revenue rose 3.4% at constant scope of consolidation and exchange rates in 2009, but financial revenue declined 15% due to lower market interest rates.

The Group's 2009 *pro forma* revenue fell by 4.7% on a reported basis compared to €946 million recorded in 2009. This was principally due to an adverse foreign exchange impact of €51 million, arising from the same currency fluctuations that affected issue volume.

2.4.2.1. Operating revenue

In 2009, the Group's *pro forma* operating revenue was €808 million, representing a rise of 3.4% at constant scope of consolidation and exchange rates as compared to 2008. All of the regions in which the Group operates reported growth, mainly due to the increase in issue volume at constant scope of consolidation and exchange rates. However, the change in the tax exemption regime in Argentina introduced in March 2008 caused a 1.4% decrease in the Group's operating revenue in 2009.

Reported *pro forma* operating revenue decreased 1.1% as compared to the 2008 level of €817 million, principally due to a negative foreign exchange impact of €44 million in 2009.

Operating revenue generated by issue volume amounted to €661 million in 2009. This was equivalent to 5.3% of issue volume in 2009, representing the same percentage of issue volume recorded in 2008.

Operating revenue without issue volume was €147 million in 2009, compared to €144 million in 2008. This revenue relates mainly to marketing services activities (incentive and loyalty program management) in a number of countries, the largest of which are Germany (Quasar) and certain Asian countries (Surfgold). However, a significant proportion of these revenues is generated by billing customers on a pass-through basis for goods and services purchased by the Group and, as such, generates very low margins.

2.4.2.2. Operating revenue by region

In 2009, France accounted for 18% of the Group's operating revenue. Europe (excluding France), Latin America and the Caribbean and the rest of the world accounted for 37%, 38% and 7%, respectively. This breakdown was similar to that of 2008, despite the foreign exchange impact in Latin America and the Caribbean.

The following table presents operating revenue by region in 2008 and 2009.

(in millions of euros)		Year-end at December 31,		Change (%)	
Region	2008	2009	Reported	At constant scope of consolidation and exchange rates	
France	138	144	4.3%	4.2%	
Europe (excluding France)	302	299	-1.0%	1.7%	
Latin America and the Caribbean	316	306	-3.2%	4.9%	
Rest of world	59	59	0.0%	3.6%	
Global structures ⁽¹⁾	2	0	n.s.	n.s.	
TOTAL	817	808	-1.1%	3.4%	

(1) Operating revenue not specific to one geographic region.

In France, operating revenue was €144 million in 2009, reflecting growth of 4.2% (+€6 million) at constant scope of consolidation and exchange rates.

In Europe (excluding France), operating revenue rose by €5 million (+1.7%) at constant scope of consolidation and exchange rates to €299 million in 2009. The 1.0% decline in the reported figure was due to the depreciation of the British pound and Eastern European currencies.

In Latin America and the Caribbean, the Group's operating revenue was €306 million, down 3.2% on a reported basis from €316 million in 2008 due to the impact of foreign exchange rates. At constant scope of consolidation and exchange rates, operating revenue rose €15 million (+4.9%) in 2009. All countries in the region reported substantial growth, with the exception of Argentina, due to the impact of the change in tax exemption regime. Excluding this effect, at constant scope of consolidation and exchange rates, growth in operating revenue would have been 8.7%.

In the rest of the world, 2009 operating revenue remained stable at the reported level, but advanced 3.6% at constant scope of consolidation and exchange rates (+€2 million).

In all regions, growth in operating revenue from issue volume was in line with the increase in issue volume. On the other hand, overall growth in operating revenue was lower due to a more limited increase in operating revenue without issue volume.

The following table presents operating revenue from issue volume as a percentage of issue volume by region in 2008 and 2009.

Region	Year-end at December 31,	
	2008	2009
France	4.3%	4.4%
Europe (excluding France)	5.8%	5.6%
Latin America and the Caribbean	5.2%	5.5%
Other countries	7.2%	6.5%
TOTAL	5.3%	5.3%

In Europe, the slight decrease in operating revenue from issue volume as a percentage of issue volume between 2008 and 2009 was due to more intense competition, which put pressure on commissions in some markets.

2.4.2.3. Operating revenue by business line

In 2009, the employee and public benefits business contributed 79% of New Services's operating revenue, with the performance products business accounting for the remaining 21%.

The proportion of operating revenue generated by the employee and public benefits activities was 67% in France, 80% in Europe (excluding France), 86% in Latin America and 73% in the rest of the world.

The proportion of operating revenue generated by performance products was 33% in France, 20% in Europe (excluding France), 14% in Latin America and 27% in the rest of the world.

2.4.2.4. Financial revenue

In 2009, the Group's *pro forma* financial revenue was €94 million, down 15.0% at constant scope of consolidation and exchange rates as compared to 2008. On a reported basis, *pro forma* financial revenue fell 27.4% as compared to 2008 (€129 million).

This sharp decline in financial revenue included a €7 million negative foreign exchange impact (accounting for 5.4% of the decline), a €9 million decrease from changes in the Group's scope of consolidation (accounting for 7.0% of the decline) and a €19 million decrease (accounting for the remaining 15.0% of the decline) principally due to lower interest rates over the period.

2.4.3. EBIT

Pro forma earnings before interest and taxes (EBIT) declined by €38 million (10.4%) on a reported basis, from €365 million in 2008 to €327 million in 2009.

At constant scope of consolidation and exchange rates, the decline was €5 million (1.7%), including the impact of a €19 million reduction in financial revenue. Excluding the negative financial revenue impact (caused by adverse fluctuations in interest rates), EBIT rose by €14 million at constant scope of consolidation and exchange rates, reflecting a strong margin on the €28 million increase in operating revenue at constant scope of consolidation and exchange rates.

Operating margin (EBIT as a percentage of issue volume) decreased from 2.9% in 2008 to 2.6% in 2009, largely due to the decline in financial revenue.

Operating costs as a proportion of issue volume remained stable at 4.3% in 2009.

Personnel costs totaled €248 million in 2009, virtually in line with 2008 levels (€249 million). Full-time equivalent employees increased from 5,723 employees in 2008 to 5,835 in 2009.

Other operating expenses (mainly information technology costs, marketing, advertising and promotion expenses, professional fees and rental payments) fell from €301 million in 2008 to €291 million in 2009.

2.4.4. NET FINANCIAL EXPENSE

In 2009, the Group's *pro forma* net financial expense was €104 million, compared to €87 million in 2008, representing a net increase of €17 million.

This decrease reflects a €19 million foreign exchange loss caused by the devaluation of the Venezuela *bolivar fuerte*. On January 8, 2010, the monetary authorities in Venezuela decided to devalue the *bolivar fuerte* (VEF). The national currency, which until that time had been fixed at the rate of 2.15 for 1 USD, is now exchanged at the rate of 4.30 for 1 USD. Given this devaluation of 50%, the impact on the Group's income before tax and non-recurring items amounted to €39 million, €19 million of which was recorded in net financial expenses, reflecting the impact of the devaluation in the first quarter of 2010.

Net interest expenses reflect the assumptions used in preparing the *pro forma* financial statements, described above (see Section 2.3.2 and note a "Pro forma adjustments to the income statements" in the note "Basis of preparation of *pro forma* financial statements" to the *pro forma* financial statements included in Section 10.2.1 of this prospectus).

2.4.5. INCOME TAX

The Group's *pro forma* income tax expense decreased from €86 million in 2008 to €62 million in 2009. The Group's effective tax rate increased from 28.6% in 2008 to 31.0% in 2009.

2.4.6. OPERATING PROFIT BEFORE NON-RECURRING ITEMS

Operating profit before non-recurring items fell by 7.8% from €167 million in 2008 to €154 million in 2009. Operating profit before non-recurring items is equal to net profit after tax but before non-recurring expenses (restructuring costs, asset write-downs, gains/losses on asset disposals).

2.4.7. NET PROFIT (LOSS)

The Group recorded a net loss (before adjusting for non-controlling interests) of €50 million in 2009, compared to a net profit of €177 million in 2008.

The principal non-recurring expenses recorded in 2009 were goodwill and intangible impairments totaling €138 million, principally relating to Kadéos, in respect of which the Group recorded €100 million in impairment charges (€83 million in impairment of goodwill and €17 million in impairment of intangible assets). The Group also recorded impairment charges of €16 million for an entity in the United States. In 2008, impairment of goodwill was only €2 million.

The impairment charge of €100 million with respect to Kadéos is due to the fact that Kadéos was acquired in 2007 at the height of the economic cycle, at a price which was a function of high growth rate projections, which were not realized due to the economic crisis and in particular due to the strong competition in the consumer gift voucher market (B2C).

The Group also incurred non-recurring expenses in 2009 resulting from the devaluation of the Venezuelan *bolivar fuerte*, consisting of a loss of €12 million as well as a €39 million provision for losses on receivables and exchange losses.

Restructuring costs increased from €4 million in 2008 to €15 million in 2009, resulting from the implementation in New Services entities of Accor Group's restructuring plan, which principally affected administrative positions.

After taking into account these non-recurring items, the Group's net loss attributable to equity holders of the parent was €57 million in 2009, as compared to a net profit attributable to equity holders of the parent of €152 million in 2008.

2.5. Comparison of fiscal years ended December 31, 2008 (*pro forma*) and December 31, 2007 (*pro forma*)

2.5.1. ISSUE VOLUME

In 2008, the Group's issue volume increased 13.5% (€1,540 million) at constant scope of consolidation and exchange rates, to €12,696 million.

Revenues were up at constant scope of consolidation and exchange rates in all countries in which the Group operates, with increases of 10.8% in France, 13.9% in Europe (excluding France), 13.5% in Latin America and 26.5% in the rest of the world.

Reported issue volume was adversely affected by a foreign exchange loss of €346 million, relating mainly to Latin American and Eastern European currencies. Changes in scope of consolidation resulting from the acquisition of Prepay Technologies in the United Kingdom had a €65 million positive impact on issue volume.

As a result, issue volume of €12,696 million in 2008 was up 11.0% on a reported basis as compared to the 2007 level of €11,437 million.

2.5.1.1. Issue volume by region

In 2008, France accounted for approximately 19% of the Group's issue volume. Europe (excluding France) accounted for approximately 34%, with Latin America and the Caribbean and the rest of the world accounting for 44% and 3%, respectively.

The following table presents a breakdown of issue volume in 2007 and 2008 according to geographic region.

<i>(in millions of euros)</i>		Year-end at December 31,		Change (%)	
Region	2007	2008	Reported	At constant scope of consolidation and exchange rates	
France	2,158	2,391	10.8%	10.8%	
Europe (excluding France)	3,836	4,332	12.9%	13.9%	
Latin America and the Caribbean	5,148	5,624	9.2%	13.5%	
Rest of world	295	349	18.3%	26.5%	
TOTAL	11,437	12,696	11.0%	13.5%	

In France, reported issue volume grew by €233 million, or 10.8%, to €2,391 million in 2008. All activities in France enjoyed growth, particularly the Ticket CESU® business.

In Europe (excluding France), issue volume rose 13.9% as compared to 2007 levels at constant scope of consolidation and exchange rates (+€534 million) to €4,332 million in 2008. This growth was driven particularly by the Group's performance in Italy, Romania, Belgium and the United Kingdom.

On a reported basis, issue volume in Europe (excluding France) rose €496 million as compared to 2007. The difference between the reported and growth levels at constant scope of consolidation and exchange rates is principally due to the depreciation of the British pound and Eastern European currencies, as well as the impact of the acquisition of Prepay Technologies in the United Kingdom on the Group's scope of consolidation.

In Latin America and the Caribbean, the Group's issue volume rose 13.5% at constant scope of consolidation and exchange rates to €5,624 million in 2008 (+€693 million as compared to 2007). All countries in the region enjoyed substantial growth with the exception of Argentina, due to the impact of the change in the tax exemption regime introduced on a phased basis in March 2008. Excluding this impact, at constant scope of consolidation and exchange rates, growth would have been 17.1%.

Nevertheless, there was a €217 million negative foreign exchange impact on reported issue volume in Latin America and the Caribbean compared to the 2007 level of €5,148 million, principally due to the weakness of the Venezuelan *bolivar fuerte* and the Mexican *peso* against the euro.

2.5.1.2. Issue volume by business line

In 2008, the employee and public benefits business accounted for approximately 89% of New Services issue volume, while the performance products business accounted for the remaining 11%.

The proportion of issue volume contributed by the employee and public benefit business was 81% in France, 96% in Europe (excluding France), 86% in Latin America and the Caribbean and 92% in the rest of the world.

The percentage of issue volume from performance products was 19% of issue volume in France, 4% in Europe (excluding France), 14% in Latin America and the Caribbean and 8% in the rest of the world.

2.5.2. REVENUE

In 2008, the Group's *pro forma* revenue rose by 12.8% at constant scope of consolidation and exchange rates as compared to 2007, to €946 million. Operating revenue grew 9.5% at constant scope of consolidation and exchange rates. Financial revenue rose 38% due to the increase in market interest rates.

On a reported basis, 2008 *pro forma* revenue rose 13.0% compared to *pro forma* 2007 revenue of €837 million. Negative foreign exchange impacts in Latin American and Eastern European countries were offset by increases in revenues from the acquisitions of Prepay Technologies in the United Kingdom, Quasar in Germany and Surfgold in Asia.

2.5.2.1. Operating revenue

In 2008, the Group's *pro forma* operating revenue was €817 million, reflecting an increase of 9.5% at constant scope of consolidation and exchange rates as compared to 2007. Reported *pro forma* operating revenue rose by 10.3% from the 2007 level of €741 million, with negative foreign exchange impacts in Latin American and Eastern European countries offset by increases arising from the acquisitions of Prepay Technologies in the United Kingdom, Quasar in Germany and Surfgold in Asia. In addition, changes in the tax regime in Argentina which have been progressively taking effect since March 2008, had a negative impact of 1.4% on the Group's operating revenue in 2008.

Operating revenue generated by issue volume amounted to €673 million, equivalent to 5.3% of issue volume, down slightly from the 2007 level of 5.4% of issue volume.

Operating revenue without issue volume increased to €144 million from €122 million in 2007. At constant scope of consolidation and exchange rates, the 2008 figure was virtually flat, with the increase in the reported figure arising from the acquisitions of Prepay Technologies in the United Kingdom, Quasar in Germany and Surfgold in Asia (the latter two acquisitions having no issue volume). These revenues came primarily from marketing services activities (incentive and loyalty program management).

2.5.2.2. Operating revenue by region

In 2008, France accounted for approximately 17% of the Group's operating revenue, while Europe (excluding France), Latin America and the Caribbean and the rest of the world accounted for 37%, 39% and 7%, respectively. This breakdown was similar to that of 2007.

The following table presents operating revenue by region in 2007 and 2008.

(in millions of euros)		Year-end at December 31,		Change (%)	
Region	2007	2008	Reported	At constant scope of consolidation and exchange rates	
France	127	138	8.7%	11.5%	
Europe (excluding France)	279	302	8.2%	3.3%	
Latin America and the Caribbean	289	316	9.3%	13.0%	
Rest of world	46	59	28.3%	18.7%	
Global structures ⁽¹⁾	0	2	n.s.	n.s.	
TOTAL	741	817	10.3%	9.7%	

(1) Operating revenue not specific to one geographic region.

In France, operating revenue was €138 million in 2008, reflecting a rise of €15 million (+11.5%) at constant scope of consolidation and exchange rates.

In Europe (excluding France), operating revenue rose by €9 million (+3.4%) at constant scope of consolidation and exchange rates, to €302 million in 2008. Reported growth of 8.5% was primarily driven by the acquisitions of Quasar and Prepay Technologies (€20 million) and was partially offset by a negative foreign exchange impact of €7 million from the depreciation of the British pound and Eastern European currencies.

In Latin American and Caribbean, the Group reported operating revenue of €316 million, up 9.3% as compared to 2007 levels (€289 million). At constant scope of consolidation and exchange rates, operating revenue increased €38 million in 2008, up 13% as compared to 2007 levels. All countries in the region enjoyed substantial growth with the exception of Argentina, due to the impact of the change in the tax exemption regime introduced in March 2008. Excluding this effect, at constant scope of consolidation and exchange rates, growth in operating revenue would have been 16.6%.

In the rest of the world, the Group reported an increase of €13 million in operating revenue, of which €9 million resulted from the acquisition of Surfgold in Asia.

The following table sets forth the ratio of the Group's operating revenue with issue volume, to the Group's issue volume, by region in 2007 and 2008.

%		Year-end at December 31,	
Region	2007	2008	
France	4.3%	4.3%	
Europe (excluding France)	6.0%	5.8%	
Latin America and the Caribbean	5.3%	5.2%	
Rest of world	7.0%	6.9%	
TOTAL	5.4%	5.3%	

In Europe, there was a slight decrease between 2007 and 2008 due to more intense competition, which put pressure on commissions in some markets.

2.5.2.3. Operating revenue by business line

In 2008, the employee and public benefits business contributed 80% of New Services's operating revenue, with the performance products business accounting for the remaining 20%.

The proportion of operating revenue generated by the employee and public benefits business was 65% in France, 82% in Europe (excluding France), 86% in Latin America and the Caribbean and 73% in the rest of the world.

The performance products business contributed 35% of issue volume in France, 18% in Europe (excluding France), 14% in Latin America and the Caribbean and 27% in the rest of the world.

2.5.2.4. Financial revenue

In 2008, the Group's *pro forma* financial revenue was €129 million, reflecting an increase of 38% at constant scope of consolidation and exchange rates as compared to 2007. Reported *pro forma* financial revenue rose 34.2% compared to the 2007 figure of €96 million.

This sharp increase in the Group's financial revenue included an increase of €37 million arising from higher interest rates over the period, which was partially offset by a negative foreign exchange impact of €4 million (-3.9%).

2.5.3. EBIT

The Group's *pro forma* EBIT was €365 million in 2008, up 14.1% (+€45 million) as compared to 2007 levels (€320 million) on a reported basis.

At constant scope of consolidation and exchange rates, the increase was €71 million (+22.2%), reflecting primarily the increase of €37 million in financial revenue. Apart from the financial revenue impact (caused by favorable interest rate trends), EBIT rose by €34 million at constant scope of consolidation and exchange rates, reflecting a strong margin on the €72 million increase in operating revenue at constant scope of consolidation and exchange rates.

The reported figure was affected by an adverse foreign exchange impact of €22 million, of which €14 million was due to the devaluation of the Venezuelan *bolivar fuerte*.

The Group's EBIT represented 2.8% of issue volume in 2007 and 2.9% in 2008.

2.5.4. NET FINANCIAL EXPENSE

In 2008, the Group's *pro forma* net financial expense totaled €87 million, as compared to €92 million in 2007, reflecting a decrease of €5 million in financial expense. Net interest expenses are based on the assumptions used in preparing the *pro forma* financial statements.

2.5.5. INCOME TAX

The Group's *pro forma* income tax expense rose from €68 million in 2007 to €86 in 2008. The Group's effective tax rate decreased from 30.5% in 2007 to 28.6% in 2008.

2.5.6. OPERATING PROFIT BEFORE NON-RECURRING ITEMS

Operating profit before non-recurring items rose by 27.5% from €131 million in 2007 to €167 million in 2008.

2.5.7. NET PROFIT

The Group reported a net profit (before adjusting for non-controlling interests) of €177 million in 2008, as compared to a net profit of €134 million in 2007.

The main non-recurring expenses recorded in 2008 were a €9 million provision for New Services France moving costs and €4 million in restructuring costs.

After taking into account these non-recurring items, the net income attributable to equity holders of the parent was €152 million in 2008, as compared to €117 million in 2007.

2.6. Liquidity and capital resources

2.6.1. INTRODUCTION

The Group's business generates significant amounts of operating cash flow. It does not require significant ongoing investment expenditures and requires low levels of maintenance capital expenditures. Growth in issue volume and the development of new revenue sources have increased the Group's capacity to generate cash flow.

The Group's working capital requirements are structurally negative, since most services vouchers are prepaid (i.e., the majority of customers pay for the vouchers before the date that New Services must redeem them). This provides the Group with significant amounts of cash. The Group pursues a conservative investment strategy in order to limit risk (see sections 2 6.5 and 3.3.2 of this prospectus).

The Company believes that it has adequate liquidity at its disposal to meet its requirements, even if it were to receive a rating below BBB+ but still "solid investment grade". In such a case, the financing agreements that will be entered into prior to the Completion Date of the Transaction would require it to maintain a minimum leverage ratio greater than or equal to 3.00 (see Section 2.6.6.2 of this prospectus).

2.6.2. CASH FLOW

The Group's cash flow from operations experienced regular growth for several years before declining in 2009, principally due to foreign exchange effects. The Group's use of cash in investing activities has remained low, despite several acquisitions. The following table presents the principal items in the Group's *pro forma* cash flow statement during the period between 2007 and 2009.

<i>(in millions of euros)</i>	2007	2008	2009
Net cash from operating activities	336	322	282
Net cash from (used in) non-recurring items	(5)	(17)	(146)
Net cash from (used in) investing activities	(135)	(45)	(54)
Net Cash from (used in) financing activities	(77)	(137)	(35)
Effect of changes in foreign exchange rates	(40)	(23)	(37)
Net increase (decrease) in cash and cash equivalents	79	100	10
Cash and cash equivalents at beginning of period	1,033	1,112	1,212
Cash and cash equivalents at end of period	1,112	1,212	1,222
Net change in cash and cash equivalents	79	100	10

2.6.2.1. Cash flow from operating activities

Cash flow from the Group's operating activities consists of funds from operations plus changes in working capital (i.e., the increase in negative working capital requirements), less the increase in reserve funds. "Reserve funds" are funds paid by customers for the purchase of vouchers, which must be maintained in segregated accounts pursuant to regulations in France and Romania (see Section 2.6.5 of this prospectus). Since these funds are not at the Group's disposal, increases in reserve funds are recorded as reductions to cash flow from operating activities.

Funds from operations declined to €184 million in 2009 from €217 million in 2008. This decline was in line with that of EBITDA. See Section 2.6.3 of this prospectus.

Working capital requirements declined (negative working capital requirements increased) by €111 million in 2009 compared with €154 million in 2008. The increase in reserve funds from ordinary operations was €49 million in 2008 as against €13 million in 2009.

As a result of the foregoing, net cash from operating activities fell to €282 million in 2009 from €322 million in 2008.

2.6.2.2. Net cash from (used in) non-recurring items

The main non-recurring item in 2009 was a €114 million transfer of cash and cash equivalents to reserve funds, principally due to the application of Ticket CESU regulations in France and regulations in Romania.

2.6.2.3. Net cash from (used in) investing activities

The amount of net cash used in investing activities rose from €45 million in 2008 to €54 million in 2009.

Recurring investments remained low, rising slightly from €24 million in 2008 to €30 million in 2009.

Development investments increased from €23 million in 2008 to €41 million in 2009, principally due to the acquisition of Exit in the Czech Republic and purchases of minority interests.

Net cash used in investing activities amounted to €135 million in 2007, which included €125 million of development investments, which principally consisted of the acquisitions described in Note 2 to the *pro forma* financial statements included in Section 10.2.1 of this prospectus.

In 2009, the Group's disposals totaled €17 million in 2009, an increase compared to €2 million in 2008. The main disposal in 2009 was the sale of 33.33% of Prepay Solutions' shares to MasterCard in February.

2.6.2.4. Net cash from (used in) financing activities

The Group used €35 million in financing activities in 2009, down from €137 million in 2008. The €137 million in net cash used in financing activities in 2008 results from the centralized cash management of the Accor Group and is related to the fluctuations in intra-Group current accounts. The €35 million in net cash used in financing activities in 2009 results from intra-Group financing transactions that will not continue once New Services will be an independent company. The difference between 2008 and 2009 reflects transactions between New Services and the Accor Group's hotel business and is not, therefore, indicative of future trends.

Dividends paid by New Services to the Hotels business and, principally, Accor (pursuant to Accor's dividend policy, which require subsidiaries to pay approximately 90% of net income before interest expenses) declined from €175 million in 2008 to €165 million in 2009. These dividend levels are, however, not representative of New Services's future dividend policy (see Section 7.3.2 of this prospectus for a description of the dividend policy the Group intends to adopt following the Transaction).

2.6.3. FUNDS FROM OPERATIONS

The Group's funds from operations rose by 13.2% at constant scope of consolidation and exchange rates to €184 million in 2009, but reported funds from operations declined by 15.2% as a result of the negative impact of exchange rates, in particular the devaluation of the Venezuelan *bolivar fuerte*.

Growth in funds from operations at constant scope of consolidation and exchange rates is a key indicator for the Group. It is calculated as follows:

<i>(in millions of euros)</i>	2007	2008	2009
EBITDA	345	396	363
Net financial expense	(92)	(87)	(104)
Income tax expense	(78)	(83)	(77)
Elimination of non-cash revenue and expenses included in EBITDA	2	9	3
Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes	(11)	(18)	(1)
Funds from operations	166	217	184
(%)			
Reported growth in funds from operations	N/A	30.7%	(15.2%)
Growth in funds from operations at constant scope of consolidation and exchange rates	N/A	23.7%	13.2%

2.6.4. WORKING CAPITAL REQUIREMENTS

The Group's working capital requirements are structurally negative. At the end of 2009, negative working capital requirements were €2,032 million, €56 million more than at the end of 2008 (€1,976 million). After the deduction of reserve funds, negative working capital requirements were €1,467 million at the end of 2009, compared with €1,535 million at the end of 2008.

The following table presents the components of the Group's working capital requirements before and after deduction of reserve funds.

<i>(in millions of euros)</i>	2007	2008	2009
Inventory	10	11	13
Trade receivables	1,095	846	894
Other receivables and accruals	159	242	248
WORKING CAPITAL ITEMS - ASSETS	1,264	1,099	1,155
Trade payables	92	196	140
Other payables	177	292	164
Prepaid Services vouchers in circulation	2,895	2,587	2,883
WORKING CAPITAL ITEMS - LIABILITIES	3,164	3,075	3,187
Float (absolute value of negative working capital requirements)	1,900	1,976	2,032
Reserve funds	392	441	565
Float after reserve funds	1,508	1,535	1,467

The Group's float was equivalent to 8.6 weeks of issue volume at the end of 2007, 8.1 at the end of 2008 and 8.5 at the end of 2009 (12.0 in Europe and 3.9 in Latin America and the Caribbean).

At December 31, 2009, activities in Europe accounted for 78% of the float, Latin America and the Caribbean 19% and the rest of the world 3%.

2.6.5. CASH MANAGEMENT

The Group's cash, cash equivalents and marketable securities totaled €1,224 million at December 31, 2008 and €1,263 million at December 31, 2009 (€1,222 million in marketable securities and €41 million of cash and cash equivalents).

These figures do not include reserve funds, which amounted to €441 million at the end of 2008 and €565 million at the end of 2009. In accordance with French and Romanian regulations, these reserve funds are required to be invested in low-risk, highly liquid instruments. All interest on such investments belongs to New Services. The Group's policy is to invest the remainder of its cash in similar types of instruments.

New Services plans to continue to pursue a prudent investment strategy designed to allow the Group to redeem all vouchers presented by affiliated merchants. At December 31, 2009, of the €1,222 million of marketable securities, €1,096 million was invested in money-market instruments and €121 million was invested in bonds and other marketable securities intended to be held to maturity. The remainder was invested in mutual funds maturing in less than three months and other monetary instruments.

Cash management is centralized at the Company level. The Group's local subsidiaries are financially independent from one another.

The Company's treasury policy is to invest in local currency with the highest-rated Tier 1 institutions in the country concerned and invest mainly in monetary instruments, with a diverse range of institutions.

A monthly investment report is prepared on the basis of institution, country and investment category and presented to the Director of Finance.

2.6.6. DEBT

2.6.6.1. Net financial debt

At December 31, 2009, the Group's *pro forma* net financial debt was €303 million, as illustrated in the following table.

(in millions of euros)	2007	2008	2009
Other long-term financial debt	1,547	1,534	1,515
Short-term financial debt	2	4	10
Bank overdrafts	3	12	41
TOTAL FINANCIAL DEBT	1,552	1,550	1,566
Short-term loans	(8)	(3)	-
Marketable securities	(984)	(1,179)	(1,222)
Cash	(131)	(45)	(41)
CURRENT FINANCIAL ASSETS	(1,123)	(1,227)	(1,263)
Net debt	429	323	303

New Services's net debt represents a hypothetical allocation of the Accor Group's debt for the purposes of preparing *pro forma* financial statements. New Services currently has no financing agreements in place (see note b1 "Pro forma adjustments to the balance sheet – Net financial debt" to the note "Basis of preparation of *pro forma* financial statements" to the *pro forma* financial statements included in Section 10.2.1 of this prospectus). The Group intends to enter into financing agreements in an amount approximately equivalent to its *pro forma* financial debt, i.e., approximately €1.5 billion.

Given the cash flow expected during the first half of 2010, the Group has set a net debt target of approximately €400 million at June 30, 2010.

2.6.6.2. Conditions of the Company's future financing agreements

As of the date of this prospectus, certain lending banks have agreed, in commitment letters dated May 10, 2010, to enter into certain financing agreements with the Group, subject to the condition that the Group receive a debt rating of at least "solid investment grade".

The Company expects to execute the following financing agreements prior to the combined general Shareholders' Meeting to be held on June 29, 2010:

- ▶ a syndicated loan for a maximum principal amount of €900 million (the "Club Deal") which would mature on June 30, 2015;
- ▶ a syndicated loan for principal amount of €600 million (the "Bridge to Bonds") which would mature on June 30, 2011; and
- ▶ bilateral multi-currency lines of credit amounting to €600 million (the "Bilateral Lines") maturing on June 30, 2014.

New Services will use the Club Deal and the Bridge to Bonds to reimburse its intragroup accounts with the Accor Group following the preliminary transactions that are part of the Transaction and in advance of the Shareholders' Meeting scheduled to approve the Transaction (see Section 6.2 of this prospectus). The Company intends to repay the Bridge to Bonds before maturity with the proceeds of any bond issuance by the Group. The Company does not expect to draw on the Bilateral Lines immediately after the completion of the Transaction; they are intended to be used to fund the Group's general financing requirements.

The Club Deal and the Bilateral Lines have variable interest rates, plus a margin based on a leverage ratio (consolidated net debt/consolidated EBITDA).

The Bridge to Bonds has a variable interest rate, plus a margin based on the length of time since the first borrowing.

The Company expects to apply for a credit rating which it will disclose in the supplement to the prospectus that will be issued in the first half of the month of June 2010 (see Section 9.6 of this prospectus). The terms of the financing agreements assume that such rating will be "solid investment grade". The margin level, as well as the possible inclusion of a leverage ratio requirement (consolidated net debt/consolidated EBITDA greater than or equal to 3.00), will depend on the rating of the Group at the time the financing agreements are executed. In any case, these financing agreements will not contain any acceleration clause that could be triggered by future changes in the Group's rating (see Section 3.4 of this prospectus, "Credit rating sensitivity risks").

The *pro forma* financial statements included in Section 10.2.1 of this prospectus were prepared assuming financing costs that would apply at a BBB+ rating. If the Company's rating falls below BBB+ but remains "solid investment grade", it would have an effect of 25 basis points on the cost of financing.

Each of the lenders in the Club Deal, the Bridge to Bonds and each of the Bilateral Lines would be able to accelerate the repayment of amounts due in the case of a change of control of the Company, meaning that a person or Group of persons acting in concert, as defined in Article L. 233-10 of the French Commercial Code, acquires more than 50% of the voting rights of the Company.

2.6.7. EQUITY

The Group had *pro forma* negative equity of €1,137 million at December 31, 2008 and €1,187 million at December 31, 2009. This results from the fact that the assets contributed by the Accor Group as part of the Transaction are recorded at their historic value.

The contributions and sales which are part of the Transaction, carried out by the Accor Group in favor of the Company and resulting in net *pro forma* indebtedness of €303 million as of December 31, 2009 (for an estimate of the targeted net debt as of June 30, 2010, see Section 2.6.6.1 of this prospectus), do not constitute reorganization transactions falling within the scope of IFRS 3.

Regardless of the legal form of the transactions used to create the Group, these transactions do not change the scope of the Group as defined in the combined historic financial statements. The contributions are analyzed as an internal restructuring of the Group, which has no impact on the Group's historical combined financial statements, as the contributed entities were already within the scope of the historic combined

financial statements. In addition, the legal transactions involving sales between the Accor Group and the entities of the Group are not treated as acquisition transactions from the Group's perspective since all of the entities involved in the sales were also included within the scope of the Group's historic combined financial statements prior to the sale transactions.

In contrast, these sales are reflected in the Group's financial statements as a cash transfer in favor of the shareholder Accor, recorded as a distribution that reduces shareholders' equity.

The negative consolidated shareholders' equity does not affect either the Group's refinancing ability or the stability of its financial position (neither the Company nor its subsidiaries will have a legal obligation to increase capital). Since the unconsolidated financial statements are not affected, the Company's dividend distribution capacity is also not affected.

2.6.8. OFF-BALANCE SHEET COMMITMENTS

All of the Group's off-balance sheet commitments are guarantees given by the Group. These generally consist of legally required guarantees given to public authorities in respect of its employee and public benefit vouchers (Tickets Restaurant® for example), principally with respect to the Group's operations in Italy. These guarantees cover Prepaid Services vouchers in circulation, which are recorded as liabilities on the balance sheet.

The amount of guarantees increased over the period between 2007 and 2009, rising from €69 million at December 31, 2007 to €83 million at December 31, 2008 and €90 million at December 31, 2009.

The following table details the guarantees granted by the Group at December 31, 2009.

<i>(in millions of euros)</i>	< 1 year	1 - 5 years	> 5 years
Guarantees to public authorities on sales of Ticket Restaurant® in Italy	44	21	23
Guarantees for public tenders in Spain	1	0	0
Bank borrowing guarantees	1	0	0

2.7. Material contracts

In 2009, the only contracts (other than those entered into in the normal course of business) entered into by any Group entity and involving a major commitment of the Group were the transactions described in notes 2 (paragraphs A and B) and 39 of the historical combined financial statements.

2.8. Significant events of early 2010

To the best of its knowledge, there has been no significant change in the financial and operating condition of the Group since December 31, 2009 other than as described below in Section 2.8 of this prospectus.

2.8.1. REVENUES FOR THE FIRST QUARTER OF 2010

In the first quarter of 2010, the Group's revenue was €227 million, representing an increase of 2.9% as compared to the first quarter of 2009. While changes in the scope of consolidation had a positive impact of 4.0%, exchange rate fluctuations had a negative impact on revenue of 0.8%. This negative impact was made up of a negative impact of 6.4% attributable to the Venezuelan *bolívar fuerte*, which was partially offset by the positive impacts of 4.3% of the Brazilian *real*, 0.3% of the Mexican *peso* and 0.1% of the pound sterling.

At constant scope of consolidation and exchange rates, the Group's revenue declined slightly by 0.4% (compared to a decline of 3.8% in the fourth quarter of 2009).

Operating revenue trends improved in the first quarter of 2010 (growth of 3.8% at constant scope of consolidation and exchange rates compared to growth of 0.2% in the fourth quarter of 2009). The Group has significant positive medium-term growth drivers, both in emerging and developed markets.

Financial revenue, on the other hand, remains very low, with a decline of 29.5% in the first quarter of 2010 (compared to a decline of 31.1% in the fourth quarter of 2009). Lower interest rates continue to negatively impact financial revenue. The period-to-period comparisons should be less affected by higher rates in earlier periods, and thus should gradually improve after the end of the second quarter of 2010.

<i>(in millions of euros)</i>	1st quarter 2009	1st quarter 2010	Published variation	Comparable variation ⁽¹⁾
Revenue	221	227	2,9%	(0,4%)
Operating revenue	193	208	7,7%	3,8%
Financial revenue	28	19	(31,0%)	(29,5%)

(1) At constant scope of consolidation and exchange rates.

2.8.1.1. Europe

In the first quarter of 2010, issue volume in Europe grew by 4.8% at constant scope of consolidation and exchange rates.

In contrast, the Group's revenue in Europe declined by 1.7% at constant scope of consolidation and exchange rates (compared to a decline of 2.2% at constant scope of consolidation and exchange rates during the fourth quarter of 2009). This decline is attributable to a 23.4% decrease in financial revenues, which was partially offset by a 1.6% increase in operating revenues resulting from a 4.8% growth in issue volume at constant scope of consolidation and exchange rates. This slight overall decline is due to continued unemployment and low interest rates in Europe.

The business in Europe continues to be negatively affected by rising unemployment rates, partly offset by the launch or deployment of new products such as the EcoChèque® in Belgium and the Ticket CESU® in France.

In France, issue volume grew by 4.7% at constant scope of consolidation and exchange rates. Operating revenue grew by 4.2% while financial revenue declined by 27.9%. Overall, revenue generated in France declined slightly by 1.0% at constant scope of consolidation and exchange rates. The prepaid benefits products performed well, led by firm demand for the Ticket CESU®. At constant scope of consolidation and exchange rates, the issue volume and operating revenue attributable to the Ticket Restaurant® and Ticket CESU® generated in France grew respectively by 6.3% and 8.2%. The issue volume and operating revenue of gift vouchers, which perform more cyclically, declined by 3.0% and 1.5% respectively at constant scope of consolidation and exchange rates.

In Belgium, issue volume growth was strong at 19.0% at constant scope of consolidation and exchange rates. Revenues grew by 16.5% at constant scope of consolidation and exchange rates, as a result of a 19.3% growth of operating revenue, offset slightly by a 4.5% decline in financial revenue. Benefits products contributed to this strong growth, in particular due to the success of the new EcoChèque® product launched in June 2009. At constant scope of consolidation and exchange rates, the issue volume and the operating revenue of Ticket Restaurant® generated in Belgium grew by 3.2% and 4.3%, respectively.

In Italy, in a tough economic environment with rising unemployment and business failures (the negative impact of economic conditions on issue volume was 6.6%), revenues declined by 3.7% at constant scope of consolidation and exchange rates (representing a decline of 2.4% in operating revenues and 19.7% in financial revenues) despite a slight increase of 0.9% in issue volume at constant scope of consolidation and exchange rates.

2.8.1.2. Latin America and the Caribbean

In the first quarter of 2010, issue volume experienced strong growth of 10.6% in Latin America and the Caribbean at constant scope of consolidation and exchange rates.

Total revenues rose by 3.0% at constant scope of consolidation and exchange rates during the first quarter of 2010 (compared to a decline of 5.2% in the fourth quarter of 2009) which is attributable to a 9.1% increase in operating revenue, partially offset by a 38.7% decline in financial revenues. The favorable economic environment in Latin America and the Caribbean in the first quarter of 2010 resulted in significant job creation (particularly in Brazil) and explains the very strong growth of operating revenue in the first quarter of 2010.

In Brazil, revenues rose by 3.9% at constant scope of consolidation and exchange rates. This growth is attributable to a 7.8% increase in operating revenue, partially offset by a 32.0% decline of financial revenue. The increase in operating revenue is due to a 9.0% increase in issue volume at constant scope of consolidation and exchange rates. The Ticket Restaurant® and the Ticket Alimentation® performed very well with a 9.8% increase of issue volume and 10.8% of operating revenues, at constant scope of consolidation and exchange rates. The Ticket Car® also contributed to this performance, with growth in issue volume of 3.9% at constant scope of consolidation and exchange rates.

In Hispanic Latin America, revenues, which rose by 2.0% at constant scope of consolidation and exchange rates, were still impacted by the change in prepaid benefits in Argentina. The overall revenue growth is attributable to a 10.8% increase in operating revenues, partially offset by a 42.9% decline of financial revenue. Outside of Argentina, issue volume in Hispanic Latin America rose by 16.7% at constant scope of consolidation and exchange rates and operating revenue rose by 16.5%. The effect of the negative basis of comparison in Argentina will end in August 2010.

2.9. Statement on working capital

The Company believes that the consolidated working capital of the Group is sufficient (i.e., the Group has sufficient liquidity and capital resources) to fulfill its obligations during the 12 months following the date of the AMF's visa on this prospectus.

2.10. Shareholders' equity and indebtedness

In accordance with the CESR (Committee of European Securities Regulators) recommendations of February 2005 (CESR/05-054b, paragraph 127), the following table presents the Group's *pro forma* shareholders' equity and indebtedness as of December 31, 2009 and March 31, 2010 based on the related IFRS line items.

<i>(in millions of euros)</i>	<i>Pro forma</i> 31/12/2009	<i>Pro forma</i> 31/03/2010
SHAREHOLDERS' EQUITY AND INDEBTEDNESS		
CURRENT DEBT	51	45
<i>Guaranteed</i>	-	-
<i>Secured</i>	-	-
<i>Unsecured</i>	51	45
NON-CURRENT DEBT	1,515	1,514
<i>Guaranteed</i>	-	-
<i>Secured</i>	-	-
<i>Unsecured</i>	1,515	1,514
SHAREHOLDERS' EQUITY (GROUP SHARE) EXCLUDING PROFIT AS OF 03.31.2010⁽¹⁾	(1,204)	(1,138)⁽²⁾
<i>Share capital</i>	451	451
<i>Legal reserve</i>	-	-
<i>Other reserves including 2009 results</i>	(1,655)	(1,589)
ANALYSIS OF NET FINANCIAL DEBT		
<i>A. Cash</i>	41	60
<i>B. Cash equivalents</i>	-	-
<i>C. Marketable securities</i>	1,222	1,100
D. Liquidity (A) + (B) + (C)	1,263	1,160
E. Current financial debt	-	-
<i>F. Current bank debt</i>	41	34
<i>G. Current portion of non-current debt</i>	-	-
<i>H. Other current financial debt</i>	10	11
I. Total current financial debt (F) + (G) + (H)	51	45
J. Net current financial debt (I) – (E) – (D)	(1,212)	(1,115)
<i>K. Borrowings due in over one year</i>	900	900
<i>L. Bonds issued (Bridge to Bonds)</i>	600	600
<i>M. Other borrowings due in over one year</i>	15	14
N. Non-current financial debt (K) + (L) + (M)	1,515	1,514
O. Net debt (J) + (N)	303	399⁽²⁾

(1) The variation reflects a €29 million exchange rate effect and a €35 million offset to the *pro forma* adjustments to net income.

(2) Based on the unconsolidated financial statements, the historical shareholders' equity excluding profit and net indebtedness as of March 31, 2010 amounted to €22,000 and €29,000, respectively.

2.11. Related party transactions

The transactions entered into by the Company with related parties (as defined in Section 9.4 of this prospectus) consist of agreements to be entered into with Accor that are described in Section 6.3.1.1(d) and in Note 29 to the *pro forma* financial statements presented in Section 10.2.1 of this prospectus.



3 Risk Factors

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3.1. Legal risks

Changes in laws and regulations governing special tax treatment of the Group's employee and public benefits products

In certain countries, some of the Group's products benefit from special tax regimes. These tax regimes relate mainly to its employee and public benefits products, including the Ticket Restaurant® and the Ticket Alimentación®. Employee and public benefits products accounted for approximately 88% of Group issue volume in 2009, a significant portion of which was generated in three principal countries – France, Italy and Brazil.

These laws and regulations could change in a manner that would have an adverse effect on the Group. Recently, for example, in response to growing budget deficits, some governments have reduced income tax or social security charge exemptions on these types of products. These actions, often in response to difficult economic conditions, could continue. Because the tax exemption is important to the development and profitability of these products, a change in laws or regulations could cause a decrease in issue volumes. For more information on the impacts of recent changes to the applicable tax regime in Argentina, see sections 2.4.1.1, 2.4.2.1, 2.4.2.2, 2.5.1.1 and 2.5.2.2 of this prospectus.

See Section 1.11 of this prospectus for a more detailed description of the various regulations to which the Group and its products are subject and, in particular, the presentation of French and Brazilian regulations included in sections 1.11.1.2 and 1.11.1.3 of this prospectus.

Increasing regulation of certain of the Group's products

Group products are subject to varying degrees of regulation depending on the country in which they are sold. The shift from paper-based to electronic product formats (which the Company expects will represent the majority of its products in the long-term) could increase the number of Group products that are subject to these regulations.

The regulatory framework is evolving in certain countries, towards increased protection of the beneficiaries of these products. Regulations governing gift cards and other payment cards, for example, are becoming broader, in particular with respect to (i) information required to be given to customers at the time of sale, (ii) commissions and contributions billed to customers and (iii) the treatment of partially-used cards on expiration. In certain countries, the issuer has to reimburse the customer for all or part of amounts outstanding at expiration. The Group's activities are also subject to personal data protection regulations as well as computer and data security regulations.

Increased regulation could have a negative impact on the Group's ability to develop its business. Regulatory changes are difficult to predict and responding to such changes could require considerable resources and investment that could negatively impact the Group's results of operations and financial position.

Protection of the Group's trademarks

The Group's success has been based in part on its portfolio of well-known trade names such as Ticket Restaurant® and Ticket Alimentación®. The Group's trade names are registered trademarks in some, but not all, of the countries where it currently operates or intends to do business. If companies in other countries already use trade names similar to the Group's, they could oppose the Group's registration of its trademarks. If another company with a legally protected right to one of the Group's trade names succeeded in preventing the Group from using that trade name in certain markets, the Group's ability to distribute its products in new markets could be negatively affected. The Group could be forced to spend considerable sums to establish new or alternative trade names. The Group's actions to protect its trademarks and other intellectual property rights in the countries where it operates may not be sufficient to provide full protection. Moreover, in certain countries trademark protection laws are not as strong as in Europe and North America.

3.2. Operating risks

3.2.1. RISKS SPECIFIC TO THE GROUP'S BUSINESS

Economic conditions

The Group's results of operations depend, partly, on the economic environment in the main countries in which it operates. Although the Group's business is less exposed to economic cycles than some other industries, a worsening economy would, nevertheless, have a negative impact on issue volumes and results of operations. An economic recession causing businesses to file for bankruptcy or otherwise shut down operations would reduce the Group's customer base. Higher unemployment rates would reduce, for each customer, the number of employees receiving the Group's products. In addition, increases in the face value of the Group's vouchers are influenced by the rate of inflation. Finally, the Group's financial revenue (interest received on cash invested during the period between the voucher purchase and voucher redemption) depends on both issue volumes, which are sensitive to economic factors, and market interest rates (see Section 3.3.2. of this prospectus, "Interest rate risk").

The prospect of economic recovery from the recent global recession offers an opportunity for the Group. However this recovery may be a lengthy process and levels of economic growth could prove lower than in the past. If the economic crisis persists, the Group could fail to meet its growth targets, which would negatively impact its results of operations and financial position.

Competition

The Group's various businesses face competition from major international operators (primarily the Sodexo Group) as well as from small regional rivals (see Section 1.10 of this prospectus for a description of the Group's main competitors). New entrants may also begin doing business in one or more markets. This competitive pressure could drive down commission levels (which has been occurring in France for several years), increase the risk of non-renewal of contracts at their expiration, and make it more difficult to win new business. If the Group is unable to respond to this competition effectively, it could lose market share and its business or profitability could be negatively affected.

In addition, in countries where New Services has a leadership position, certain competitors or commercial partners could be accuse the Group of using its competitive position to circumvent regulations or distort the market. For instance, the French competition authority is currently investigating a complaint of one of Accentiv' Kadéos' competitors related to the length of exclusive product acceptance and distribution arrangements entered into with certain of the Group's affiliated merchants for some of the Group's products. On March 2, 2010, the French competition authority rejected the competitor's request for an injunction. At this stage, the Group is not able to predict the outcome of the investigation.

Voucher counterfeiting and theft

The distribution of counterfeit vouchers and voucher theft present several risks for the Group. New Services could be required to redeem counterfeit or stolen vouchers. In addition, even though incidences of counterfeiting and theft are relatively infrequent, and the amounts involved are generally small, the Group's investment in fraud prevention can be considerable.

Transition from paper to electronic product formats

The Group is making the transition to the use of electronic formats (contactless cards, internet, mobile phones) for a number of its products. While this transition offers an opportunity to increase issue volumes and to sell higher value-added services, it also carries some risks. This transition could mean a drop in financial revenue because the time between the issuance and the redemption of electronic products is generally shorter than for paper-based products. The Group could also lose a portion of its revenues that it currently earns from lost or destroyed paper vouchers. Processing of payments for electronic products is often carried out through third party networks, principally those of large banking groups, which charge transaction commissions and impose their own procedures. Finally, in certain cases, until commissions can be collected automatically, the Group will have to bill its affiliated merchants for its commissions after redemption, running the risk of non-payment.

International activities

The Group operates on a global basis, with operations in several emerging market countries, particularly in Latin America, and, to a lesser extent in Central Europe. In 2009, Latin America accounted for approximately 41% of issue volumes.

Among the many risks the Group faces in its international businesses, the most important are:

- ▶ unexpected and arbitrary changes in regulations, especially tax regimes;
- ▶ limits on the repatriation of profits (such constraints exist, for example, in Venezuela);
- ▶ nationalization without adequate compensation;
- ▶ exchange rate fluctuations;
- ▶ corruption in certain countries;
- ▶ insufficient electronic data protection; and
- ▶ political or economic policy changes affecting a region or country.

The occurrence of one or several of these events could have a material adverse effect on the Group's results of operations and financial position. For instance, Venezuela's decision to devalue the Bolivar by 50% in January 2010 caused a €39 million loss recorded in 2009 *pro forma* net income before tax and non-recurring items.

Information systems

In the course of the Group's business, the Group and its service providers use various software programs and IT systems, especially in the management of the Group's card-based products and in its Prepaid Services business (see Section 1.9.3 of this prospectus). Even though the Group and its service providers maintain database backup systems, if the databases and their back-ups were destroyed or damaged in any way in the event of an IT system failure, the Group's business could be disrupted.

3.2.2. RISKS ARISING FROM THE GROUP'S GROWTH STRATEGY

Organic growth strategy

The Group's organic growth strategy is based on the leveraging of its existing strengths through initiatives that could prove difficult to implement. The Group may not be able to reproduce its historic growth rates for a number of reasons, including the following:

- ▶ some of the Group's markets could become saturated;
- ▶ the Group may not be able to persuade customers to choose higher voucher face values;
- ▶ new regional markets may prove less attractive than countries where the Group has been operating up to this point;
- ▶ the products the Group markets in one country may not have the same commercial success in other countries; and
- ▶ the increase in issue volumes resulting from the introduction of electronic product formats may be less than expected.

Geographic Expansion

The Group's ability to successfully implement its geographic expansion strategy is subject to several obstacles and uncertainties, the most important being possible regulatory and political changes over which the Group has no control. In order to sell the Group's employee and public benefits products in new countries, the Group must convince governments to set up an appropriate tax regime, which normally requires specific legislation. The Group may need to make significant upfront investments to establish its business in a new market without any guarantee that such a tax regime will be created.

Successful penetration of a new market requires the Group to develop a network of affiliated merchants in order to make its products attractive to customers and their employees. During the first few years of operation in a new country, the Group could realize losses due to the lack of economies of scale. Once established in a new country, the Group's market share could decline due to the arrival of new entrants that would be able to benefit from the Group's upfront investment without bearing the associated risks and costs.

Development of performance products

The Group faces different risks with respect to performance products than with respect to its employee and public benefits products. In general, no income tax or social security tax exemption applies to performance products. When the Group introduces a new Performance product for which no established market exists, the Group will be exposed to the risks of an emerging product market. In addition, the Group might not be able to develop new revenue sources, such as fees and commissions for related services, strategy conception or the management of incentives and rewards programs for its customers.

External growth strategy

The Group's strategy depends partly on external growth, especially through acquisitions. However, the Group may not be able to identify promising acquisition targets or may fail to conduct acquisitions at the right time or under favorable conditions.

Moreover, in order to receive the approval of the competition authorities for its acquisitions in certain countries, New Services may be required to accept conditions, such as the divestment of certain assets or business segments.

The main risks attached to growth by acquisition are as follows: (i) the business plan assumptions underlying the Group's valuations may not be appropriate, especially those relating to synergies and consumer demand; (ii) the Group may not be able to successfully integrate the acquired companies, their technologies, their product ranges and/or their employees; (iii) the Group may be unable to hold on to key staff and customers of the acquired company and (iv) the Group may need to increase its level of debt to finance these acquisitions. As a result, the Group may not realize the expected returns on future or current acquisitions in the projected timeframe or at expected levels.

3.2.3. RISKS ARISING FROM THE GROUP'S STRUCTURE

Intangible assets

The Group conducts annual impairment tests on goodwill and other intangible assets. As of December 31, 2009, net intangible assets on the Group's *pro forma* balance sheet totaled €99 million and goodwill amounted to €557 million. The Group believes its 2009 *pro forma* financial statements fairly and accurately reflect its assets and its financial condition. However, the Group cannot rule out that future events that are, by definition, unpredictable and could cause the Group to write-down certain of these intangible assets, will not occur. Due to the value of the intangible assets on its balance sheet, significant write-downs could have a negative effect on the Group's financial position and results of operations for the fiscal year in which such expenses are recognized.

Tax risks

As a global company, the Group is subject to tax legislation in a large number of countries, and it conducts its business under a variety of regulatory regimes. Because tax regulations in the countries where the Group does business are sometimes unclear or imprecise, it must base decisions related to its organizational structure, conduct of business and tax status on its interpretation of local tax regulations, with no guarantee that such interpretations will not be called into question by the local tax authorities. Although the Group is not subject to any tax audits as of the date of this prospectus that would challenge its interpretation of these regulations, the Group cannot guarantee that the tax authorities will not challenge these interpretations in the future.

3.3. Market risks

3.3.1. EXCHANGE RATE RISK

The Group is subject to exchange rate risk arising from the translation for accounting purposes of its issue volumes, revenue and operating profit in each country. These exchange rate risks are not covered by hedging instruments.

A 10% variation in the exchange rate of major currencies would have the following impact on Group EBIT: Brazil (BRL) €8.1 million, Venezuela (VEF) €3.3 million, Mexico (MXP) €1.7 million and Romania (RON) €1.4 million. In 2009, exchange rate variations had a significant impact on the Company's financial statements (see Section 2.4 of this prospectus, "Comparison of fiscal years ended December 31, 2009 (*pro forma*) and December 31, 2008 (*pro forma*)").

A large portion of the Group's business is carried out in countries whose functional currency is not the euro, the Group's reporting currency. Group policy is to invest cash generated by activities in the currency of the country in which the associated products are issued.

Real cash flows from non-euro countries mainly involve dividends paid by subsidiaries to the parent company, which can be subject to fluctuations between the currency of the originating country and the euro. The Company does not, as of the date of the admission of its shares for trading on Euronext Paris, have hedging instruments to cover currency rate fluctuations. However, the Group may decide to hedge such exposure, mainly through the use of currency futures.

As of December 31, 2009, the Group was not party to any exchange rate hedging agreements.

3.3.2. INTEREST RATE RISK

Interest rate fluctuations directly affect the Group's financial revenue. Based on a float at December 31, 2009 of €2,032 million (see Note 23.1 to the *pro forma* financial statements in Section 10.2.1 of this prospectus), an average fluctuation of 100 basis points would have a €20.3 million impact on financial revenue.

At December 31, 2009, the Group's *pro forma* net financial debt was €303 million (see Note 20 to the *pro forma* financial statements in Section 10.2.1 of this prospectus and, for a description of the conditions of the Company's credit agreements, see Section 2.6.6.2 of this prospectus). An average fluctuation of 100 basis points would have a €3 million impact on the Group's pre-tax operating income, including the impact on financial revenue indicated above.

The Company does not, as of the date of the admission of its shares for trading on Euronext Paris, have hedging instruments to cover interest rate risk.

3.3.3. CREDIT RISK AND COUNTERPARTY RISK

The Group is exposed to the credit risk of banks and financial institutions in which it invests its cash. The failure or deterioration in the financial position of one of its counterparties could result in a financial loss. In order to reduce counterparty risk, New Services:

- ▶ carries out transactions with counterparties the Group perceives to be of the highest quality in the relevant country;
- ▶ diversifies its counterparty portfolio;
- ▶ sets credit ceilings for each counterparty; and
- ▶ carries out a monthly reporting procedure to track the different types of counterparties and their credit worthiness (based on their credit ratings).

The Group's policy is to invest cash in the currency in which Tickets Restaurant® and its other products are issued. As a result the Group is subject to country risk, which could have an impact in the event of a financial crisis affecting one or several of the countries in which New Services operates.

In the past, a large proportion of Group cash was deposited in the current accounts of Accor SA, as part of the Accor Group's overall cash management system. Following the Transaction, New Services will manage its treasury autonomously. This will have the effect of increasing its exposure to the credit risk of the banks and other financial institutions in which its cash is invested.

3.4. Risks related to the Transaction

The Group has no track record as an independent entity

New Services's activities were previously carried out within the Accor Group, which maintained an internal system adapted to its status as a listed company. The separation of New Services's activities from Accor Group's other businesses could cause some disruption at the operating level while the systems needed for the new company to function as an independent listed entity are being implemented.

After the Transaction, Accor Hospitality will continue to provide the Group with certain support services (such as office systems, management tools, accounting and payroll services, IT systems and cash management). It will not, therefore, have its own capability with respect to some of these services. The expiration or cancellation of one or several of these support services agreements could disrupt the Group's business if it cannot yet provide these services in-house, or the Group could face significant replacement costs (related to extra staff or outsourcing to another provider).

The *pro forma* consolidated financial statements are not representative

The purpose of the *pro forma* financial statements is to present the balance sheet, income statement, statement of cash flows and statement of changes in equity of New Services, as if the Transaction had taken place on January 1, 2007. These *pro forma* financial statements are based on a number of assumptions and do not necessarily give a true picture of what New Service's results would have been if the Transaction had, in fact, taken place on January 1, 2007. Moreover, the trends reflected in the *pro forma* consolidated financial statements are not necessarily indicative of the Group's future performance and results.

Consequences of the Transaction on change of control clauses

The Group has a variety of customer, license and partnership contracts as well as other agreements containing change of control clauses. Some of these clauses could be triggered when the Accor Group ceases to be New Services's controlling shareholder. In such cases, its counterparties will have the right to either terminate the relevant contract or ask for performance guarantees. Although the Group believes that no particular contract is material, if a large number of contracts are terminated following the Transaction, this could have a negative effect on its business and results of operations.

No trading history for New Services shares

Until they are listed on the Euronext Paris market, none of the shares of New Services will have been listed on a regulated market. The opening price of the shares on Euronext Paris will be determined by the purchase and sale orders that are placed, which will depend on several factors, including prevailing market and economic conditions, the Group results of operations, the perceived health of the Group's business, investor interest as well as any sales by Accor shareholders who have received shares as part of the Transaction (particularly the sale by the Accor employee savings plan of the New Services shares it will receive as part of the Transaction, which it is required to do as quickly as possible). In addition, some Accor shareholders may be interested in holding shares of a hotel company but not necessarily shares of a company in this type of services business. Those shareholders could decide to sell the New Services shares they receive in the Transaction. In addition, if the U.S. tax regime applicable to the holding of the Company's shares changes, it could become disadvantageous for U.S. persons to hold the Company's shares. If U.S. shareholders do not remain shareholders of the Company, the global market for the Company's shares would be reduced and the share price could be affected. The initial share price may not accurately reflect the market price of these shares in the months following the Transaction, before the various market participants have acquired a better understanding of the Group's business.

While New Services has requested that its shares be listed on the Euronext Paris market, there is no guarantee that a liquid market for the shares will develop, or that such a market will be sustainable if it does develop. If no liquid market for the New Services shares develops, the market price of the shares will suffer.

Credit rating sensitivity risks

The financial terms of some of the credit agreements that New Services will execute before the completion of the Transaction were negotiated on the assumption of a solid investment grade credit rating. If the Company's credit is downgraded after the signature of these agreements, the applicable interest rate will increase, and a leverage ratio test (Net Consolidated Debt to EBITDA of at least 3 to 1), will automatically become part of these agreements. However, none of these credit agreements will contain an acceleration clause triggered by solely by a credit ratings downgrade (see Section 2.6.6.2 of this prospectus, "Conditions of the Group's future financing agreements").

Any deterioration in the Group's reputation and financial strength and, by implication, a decline in its credit rating, would adversely affect business levels.

3.5. Risk management

The Group's risk management policy involves the identification and assessment of the risks facing the Group and the implementation of appropriate action and mitigation plans with respect to these risks.

The Group is working to establish an integrated company risk management policy aimed at providing a complete overview of the risk portfolio, by using standardized and coherent risk evaluation and management procedures its all of its subsidiaries and department. Coordination of this integrated approach is the responsibility of the legal, tax and Risk Management Department, which is in charge of applying risk evaluation and risk management methods in a consistent and coherent manner at the subsidiary level. This network will be under the direction of a specifically appointed manager.

The Group is developing a Group-wide risk identification system. Risks will be identified and categorized as strategic, financial, operational or legal and action plans at different levels of the business will be assigned to each risk.

Management of market risks (interest rate risk, exchange rate risk, credit and counterparty risk) rests with the Group finance department. The finance department manages market risks taking into account financial security as well as profitability. Because it has a significant amount of investments, the Group pays special attention to the management of counterparty risk by:

- ▶ carrying out transactions with counterparties the Group perceives to be of the highest quality in the relevant country;
- ▶ diversifying its counterparty portfolio;
- ▶ setting credit ceilings for each counterparty; and
- ▶ carrying out a monthly reporting procedure to track the different types of counterparties and their credit worthiness (based on their credit ratings).

The Group also pays special attention to exchange rate risks, in particular by investing cash generated by activities in the currency of the country in which the associated products are issued and putting in place currency hedges with respect to the dividends paid by subsidiaries to the parent company, which can be subject to fluctuations between the currency of the originating country and the euro.

Apart from market risk management, the Group's subsidiaries will be responsible for implementing the risk management policy best suited to their specific activities. However, risks affecting multiple functional areas within a department will be managed directly by the heads of the departments concerned. For example, the internal audit department will draw up an annual audit plan based on the analysis of operating and financial risks run by all Group companies, and this plan will be submitted to senior management for approval. The aim of the internal audits is to assess the contribution of the audited entities relative to their stated purpose, to approve their risk analysis and control systems, and to verify that Group procedures, directives and charters have been respected. At the end of each assignment, the internal audit department will report its conclusions and recommend any appropriate corrective measures.

Given the global nature of its activities, together with an increasingly complex regulatory environment, the Group pays particular attention to legal risks. In particular, the Group has established internal rules of legal compliance for different types of operating entities and their affiliates. These rules mainly concern third-party contracting procedures but also address the upward reporting of litigation risk (to allow for centralized management of these risks) and major developments in ongoing litigation.

4 Social responsibility

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The launch of the Ticket Restaurant® meal voucher in France in 1962 created a revolution in the area of employee and public benefits by providing subsidized meals to all employees regardless of their position within an organization. This desire to act as an agent of social change is fundamental to New Services's business, which seeks to develop innovative solutions that enhance corporate performance.

New Services's vision of corporate responsibility reflects the social, cultural, economic, and environmental environment in which it operates. It is manifested in a proactive human resources strategy that is designed to help its employees grow professionally, a sustainable development program and programs that benefit local communities.

4.1. Men and women at New Services

New Services's workforce and customer service standards have always been at the center of its winning strategy, and represent its most valuable assets.

4.1.1. KEY FIGURES

Employees by geographic region, as at December 31, 2009

France	Europe (excluding France)	Latin America & Caribbean	Rest of world
18%	30%	37%	15%

Human resources report, as at December 31, 2009

	France	Europe (excluding France)	Latin America & Caribbean	Rest of world	Total 2009	Total 2008	Total 2007
Employees	1,096	1,808	2,286	914	6,104	5,826	5,355
% women	63%	59%	50%	47%	54%	54%	52%
% men	37%	41%	50%	53%	46%	46%	48%
% employees under permanent contracts	94%	92%	94%	79%	91%	89%	88%
% women	63%	59%	50%	44%	54%	52%	53%
% men	37%	41%	50%	56%	46%	48%	47%
Management							
% of total workforce ⁽¹⁾	32%	18%	14%	19%	19%	21%	17%
% women	58%	44%	40%	28%	45%	44%	45%
% men	42%	56%	60%	72%	55%	56%	55%
Training							
Training expenditure as a% of total payroll (training costs/total payroll)	1.9%	1.9%	4.0%	1.3%	2.3%	4.0%	2.6%
Number of days of training	1,172	6,815	8,128	789	16,904	23,601	15,056
Number of employees having attended at least one training course	452	1,381	1,785	359	3,977	4,364	3,635
Number of managers having attended at least one training course	206	278	391	95	970	899	771
Number of non-managers having attended at least one training course	246	1,103	1,394	264	3,007	3,465	2,864
Occupational accidents							
Lost-time incident frequency rate (LTF) ⁽²⁾	7.4	2.1	8.7	0	4.3	3.4	3.5
Number of workplace accidents resulting in employee death	0	0	0	0	0	0	0

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

(2) Frequency: number of workplace accidents with lost time (as defined in accordance with local legislation)/ per million hours worked.

Human Resources at New Services

By becoming the global leader in the market for service vouchers, New Services has proven its ability to “create” entrepreneurs, motivate employees who are willing to take risks, and train “champions” who deliver outstanding performance and provide products that are innovative and responsive to the needs of its customers.

These strengths are deeply rooted in New Services’s corporate culture. New Services has expanded its range of services since the launch of its Ticket Restaurant® in order to pursue its three main goals of facilitating everyday life, enhancing well-being, and improving the performance of its customers.

Each of these goals is consistent with the values that drive over 6,000 employees of New Services each day: an entrepreneurial spirit, innovation, performance, simplicity and sharing.

These values impact the day-to-day routine of New Services’s employees, and allow the company to improve employees’ well-being and motivation, as well as the performance of organizations such as companies, associations and public authorities.

These values are also the foundations of a company-wide plan known as EDEN (*Entreprendre Différemment Ensemble*, or Working Together, Differently) launched in January 2010 to support New Services’s efforts to become the global leader in the market for employee and public benefits, and a leading player in the market for performance products, meaning prepaid products and services that improve the performance of organizations such as companies, associations and public authorities.

This objective is incorporated in New Services’s human resources strategy, which seeks recognition for the Company’s ability to reconcile business performance targets with employees’ personal aspirations. New Services’s approach is unique in that it believes employee satisfaction to be a central component of its growth strategy.

In this spirit, the Company's human resources strategy for 2009 to 2012 is based on the following five principles:

- ▶ working at New Services is enjoyable, as evidenced by the Company's many awards such as "Best Place To Work" or other international distinctions;
- ▶ geographic and job mobility is an important part of the corporate culture, enhancing the career development potential of each employee;
- ▶ the Company maintains a strong relationship with its employees: each employee is able to recognize his/her contribution towards the Company's larger goals. The quality of the work environment is evaluated on a regular basis through surveys (e.g., company-wide survey conducted every two years, and local surveys conducted based upon the recommendations of senior managers in each country), the monitoring of certain indicators (e.g., turnover and absenteeism);
- ▶ training, which is strongly encouraged at New Services, is considered to be a necessary investment, as it has an impact on employees' professional growth and the Company's preparation for the future, facilitates the integration of new employees. The principle that "every employee will complete one training session per year" has become one of the Company's human resources priorities and an announced goal for 2010;
- ▶ "Doing well" is a management principle that is applied to the actions of all managers and employees. This principle takes on a special meaning in the context of projects relating to Social Responsibility and, even more so, the Group's management of its business in accordance with a specific ethics code.

New Services has established the following action plan in connection with its human resources strategy:

- ▶ cultivating the loyalty of talented people through skill development and internal promotion.

This is a "historical" principle at New Services, which has become all the more pertinent in the current economic environment characterized by strong competition and limited resources. The following steps represent part of New Services's efforts to retain employees, which remains a high priority:

- annual evaluations and meetings to define employees' objectives,
- implementation in 2009 of an analytic process to identify 120 outstanding young managers with the necessary skills to move up within the company,
- widespread local use of formal progress reports (quarterly, semi-annually) to recognize progress made and guide individual action,
- widespread use of reward programs encouraging loyalty to New Services. One such example is the "Bernaches" program at the Group level, or the "monthly employee" initiatives used in the United States, Australia, United Kingdom and China ;
- ▶ identifying and promoting talent and prudently managing mobility.

Choosing a manager is a decisive factor in the Company's future. The Company places nearly equal weight on internal promotion as it does outside hiring: a certain amount of time is required to train and observe potential replacements;

- ▶ promoting local resources on a global scale.

This is determinative of the Group's survival within a given market and ensures that the Company's message is understood. Local managers who are promoted in other countries are trained through their involvement with international projects or their visits to other New Services locations, which allows them to better understand the Company's culture, values and best practices;

- ▶ globalizing teams in local and head offices.

Because New Services's employees are often exposed to different cultures, customers and nationalities, the Company must promote its international profile in order to remain in tune with and ensure brand recognition in these markets. Accordingly:

- international experience is prioritized as a criteria for hiring and internal promotion,
- the transfer of young managers from the Company's headquarters to the local branches is encouraged in order to improve their familiarity with other cultures; and
- managers with diverse ethnic backgrounds are promoted to key positions within headquarters.
- ▶ monitoring the quality of the benefits offered to each of the Group's employees.

New Services's goal is to enhance the well-being of the public and its customers. This is the driving force behind every service and solution that the Group develops and sells. New Services strives to offer its teams high-quality benefits (i.e., medical, retirement, etc.) that are consistent with its more general goal to improve the quality of life;

- recognizing Group and individual achievement using objective criteria.

Given the size of the Group and its diversity, a common language must be used to address matters relating to professional and performance standards. In practical terms, this results in an objective and fact-based approach to management. New Services's performance evaluation process and compensation policy are two major examples of this approach.

4.1.2. EMPLOYMENT

Hiring is an important part of New Services's human resources strategy: new talent must be recruited in order to reach the Group's growth targets. In order to prepare for the future in terms of human resources management, New Services dedicates a great deal of time to teaching its business as part of an "entrepreneurial" hiring policy in each country. The goal is to enhance the company's image, recruit young employees, and attract the best professionals in the areas of development, marketing, and new technology.

4.1.2.1. Partners in education

For the past three years, New Services has partnered with universities and ministries of education in several countries to help combine business with education.

New Services's partnerships reflect the goal of providing young people their first jobs, regardless of their qualifications.

This collaboration with the academic world promotes the social mission of New Services's activities and the support that New Services wishes to provide to employees and the public. This outlook is shared by all of New Services's entities and has resulted in several educational partnerships:

- New Services Mexico's teams have entered into a series of agreements with universities in the Federal District of Mexico for the cooperative education of interns. New Services has also been selected twice to serve on a panel of businesses evaluating the quality of work performed at Ibero-Americana University. In 2009, this participation generated some 500 walk-in applicants;
- the Group's Australian subsidiary, the Davidson Trahaire Institute, works closely with the psychology departments of several universities to prepare studies and meets with students as part of their research projects.

4.1.2.2. Job fairs

Other hiring venues include job forums, which offer the opportunity to meet with potential applicants and promote New Services's image. New Services's local managers have significantly increased their attendance at these job fairs. In 2009, New Services's Mexico teams attended seven job fairs at Expo Bumeran, a virtual job fair that attracted about 500,000 visitors.

New Services Czech Republic's teams often attend job fairs, which provide job seekers with the opportunity to meet with the hiring departments of numerous Czech businesses.

4.1.2.3. Internship programs

New Services strongly supports internship programs, which are also an important source of potential applicants, in all of the countries in which it operates. Helping young people learn about the business, placing them in the driver's seat, and supporting them are the objectives of its local educational policies:

- the internship program offered by New Services Brazil was recognized in 2009 by the *Centre d'Intégration Ecole Entreprise* (School-Business Integration Center) as one of the best in the country. New Services hires an average of 30% of its interns under permanent contracts. Moreover, the Brazilian branch has developed a "young citizen" program, in partnership with the government of the State of Sao Paulo, to help disadvantaged youth enter the job market after completing a six-month fixed-term contract. New Services Brazil also brings in 12 young people aged 14 to 24 who are enrolled in the government program "*Menor aprendiz*" dedicated to young interns, whose objective is to motivate them to learn and improve their skills;
- New Services Turkey, an active member of the Turkish Human Resources Association, has teamed up with a global investor Group in Turkey to launch an important project providing internships to 200 outstanding students living in impoverished areas of Anatolia.

4.1.3. SKILL DEVELOPMENT AND TRAINING

4.1.3.1. Policy principles

Skill development is a component of New Services's human resources management methodology. The priority given to in-house training via New Services Academy, or externally, is a major factor in the Group's day-to-day operations.

Each zone and/or country has a training plan, consisting of a structured program, reflecting the country's strategic targets and needs identified each year, while preserving a common foundation that focuses on the company's values and general knowledge. Training is targeted to respond to the needs of business divisions while supporting the teams in the field.

The implementation of this training policy that is adapted to the needs of a target audience means that the required skills must first be identified for each position, and an evaluation of a candidate's existing skills must be prepared. This upstream assessment of employee skills guarantees that any training efforts will be effective. In 2009, this approach was adopted by many entities in their training processes.

4.1.3.2. Skill assessment

Skill assessment is one of the management practices implemented by New Services's subsidiaries. It is useful in determining precisely what types of training, hiring and internal mobility initiatives to pursue. For instance, in Uruguay, skills assessment involves a detailed analysis of all positions in terms of required skills and comparisons to existing skills in order to determine the appropriate training needs.

In Brazil, where promotion from within is a priority, a comprehensive skill assessment process was initiated in 2008 in respect of all 800 employees. The goal is to ensure that the Company has employees with the necessary skills for the success of a given business as well as guide employees in their career paths.

4.1.3.3. Training processes

► *globally*, New Services has established three separate training programs:

- management ethics is aimed at all Chief Executive Officers of countries, business units, and their key employees. The main theme of this program is business ethics. The objective is to raise awareness and prepare management teams for managing various risks, particularly when faced with corruption, and enable them to take appropriate preventive measures. Three sessions were organized in 2008 and 2009 in Europe, Asia and Latin America, which were attended by 100 managers,
- programs for promising young employees: New Services has established a specific program for this key sector of the population. The first two editions of Talent Weeks were held in October 2009 and early 2010. Eighty employees from 30 countries (of a total target of 120 managers) addressed topics such as managing change, intercultural management and New Services strategic guidelines,
- methods of implementing card programs: This is a priority for New Services's business units. A help kit to implement card products was provided in all countries to prepare and support New Services's teams to use this new technology.

► *locally*, each subsidiary considers training to be a priority investment:

- New Services Greece, New Services Austria, and New Services Uruguay have a common objective: to offer at least one training session to all of their employees each year,
- New Services USA funds study programs for its employees, up to \$1,000 per employee per year, for secondary education, and \$2,000 per employee per year for graduate studies. In 2009, 15% of its employees took advantage of this program.

These local efforts are consistent with global human resources management priorities: "To share company values and fully integrate new employees," "Support the development of business divisions," and "Improve management quality.";

► *share Company values and fully integrate new employees.*

- to better disseminate information about the company and adherence to its values, New Services Asia Pacific has launched a training program for the zone's 850 employees. In Singapore, New Services organizes sessions to promote exchanges among the seven Accentiv' SurfGold countries in the Asia-Pacific region,
- as part of the acquisition of the Exit Group's companies in 2009, New Services in the Czech Republic organized training sessions led by the subsidiary's employees for the 65 employees of Exit's 12 companies.

► *improve management quality.*

- in 2009, the "Central Europe and Scandinavia" zone implemented a training program dedicated to communication, crisis management, and media relations with senior management in each country,
- since 2008, New Services Chile has organized specific programs to improve its managers' leadership skills and offers coaching that is tailored to the needs of employees.

► *support the development of business divisions and new technology.*

- in 2009, 161 training days were offered by New Services Germany to 97 employees' expertise in new technologies,
- New Services France established an extensive training program for call center operators, with the goal of supporting business line development and improving customer relations.

4.1.4. MOBILITY

New Services encourages internal mobility in order to promote its employees' career development.

International mobility is a necessary, but not exclusive, condition for advancement at New Services. It is a major factor in career management. Since 2006, more than 120 New Services employees have been transferred internationally (across several continents or regionally).

By encouraging international mobility within the division, New Services aims to:

- prepare young managers to assume responsibility;
- promote transfer and exchange of knowledge and good practices;
- spread a common culture and improve internal coherence; and
- promote the image and values attached to the brand.

4.1.5. WELL-BEING IN THE WORKPLACE

Ensuring employee well-being is an integral part of New Services's mission and one of the cornerstones of its human resources strategy. This ambition is reflected in a wide variety of solutions, value-added services and support programs.

Improvement of public and employee well-being is common to the various New Services teams, and is manifested through a series of local programs, including:

"Great Place To Work" certifications:

- the Great Place To Work Institute, a management consulting company operating in many countries, regularly conducts surveys of businesses and, by granting an award, recognizes those that offer an outstanding workplace,
- the "Best Place to Work" label has become a recognized symbol of employees' appreciation for their company. Obtaining this award, which is a testament to the quality of human resources management, is one of the Group's local human resources strategy objectives. The Great Place to Work Institute's surveys are based on many criteria, such as pride in being employed by a company, enjoying teamwork, trust, communication, professional development opportunities and the treatment of women;

Due to this label, several countries have improved their image:

- ▶ New Services Spain was awarded the *WorkPlace* 2009 trophy for businesses with 50-100 employees (9th out of 50 companies). The company was also certified as a "family-responsible business" in 2008,
- ▶ New Services Uruguay is working its way up the *Great Place To Work* honor roll: it earned 12th place in 2007, 5th in 2008 and 3rd in 2009,
- ▶ New Services Brazil has earned high rankings on the *Great Place To Work* list for 12 years,
- ▶ New Services Mexico earned the *Great Place To Work* prize in 2009 (30th out of 100 companies and 15th for companies with over 500 employees). New Services Mexico was recognized as one of the 36 companies in Mexico that shows concern for the health of its employees, seeks to maintain a balance between private and professional life, promotes equality between genders, and allows women to hold key positions,
- ▶ New Services Venezuela (Cestaticket) was certified as a *Great Place To Work* in 2010, earning 7th place in the ranking;

Other certifications:

- ▶ New Services Italy is certified as a level SA8000. This is a standard that guarantees the rights of workers all over the world,
- ▶ New Services UK participates regularly in media surveys regarding the "*best companies to work in the UK*" based on employee satisfaction and human resources practices. In 2010, New Services was certified as "*one to watch*" out of the "*best companies helping to make the world a better workplace*."

Employee pride

For 40 years, employee pride has strengthened relationships among New Services's employees. Many initiatives have been created to promote team spirit, promote Group and individual commitment and develop a sense of sharing and reward for the most deserving employees:

- ▶ on a global scale, the Bernaches: Since 1989, New Services's employees have been honored by the Accor Group via the "Bernaches" awarded to those employees whose exemplary actions and behavior embody the Accor spirit. In 2009, 18 Gold and Silver Bernaches were awarded to New Services employees,
- ▶ regionally and locally, recognition initiatives are consistent with the Bernaches principle. In Latin America, seven countries (Argentina, Brazil, Chile, Peru, Uruguay and Venezuela) adapted the Bernaches system for their teams. The objective is to celebrate Group and individual initiatives that heighten the quality of customer relations, innovation and internal cooperation. In the same vein, the "*Accor Achievers Awards*" in the United Kingdom are annual trophies awarded to employees in different categories who embody the company's values.

In every country, communication between teams and exchanging information and experiences is encouraged (open-house days, knowledge exchange, integration of new employees, etc.);

Health

Local health initiatives undertaken in various countries are part of a plan to respond to the health concerns of public authorities. That policy has three main focuses:

- ▶ screening and prevention: free medical exams are offered to employees in many countries (Germany, Netherlands, Italy and China) on a regular basis,
- ▶ crisis procedures: there are specific crisis-management plans in place for natural catastrophes and epidemics. In every country where New Services has an office, there are units to provide H1N1 prevention, counseling and patient support, particularly in Mexico, one of the first countries to be affected by the virus,
- ▶ balancing private and professional life: this is a primary goal of the benefits system in many companies, regardless of the corresponding economic sector or country. At New Services, this balance is encouraged through the implementation of viable solutions. The most significant plans introduced in 2009 were a project dedicated to "Mothers and Fathers", the professional/family life balance in Italy, a program to help young mothers reenter the workforce in Hungary, a "Ticket Junior" for child care centers in Austria and the "Viva Melhor" platform set up by New Services Brazil, integrated into the comprehensive Employee Benefits system focused on employee health. Other countries, such as the United States, promote flexible work hours or encourage part-time work. That is how New Services Sweden encourages people who have small children to work. New Services India has also reduced weekly working hours from six to five days per week.

4.1.6. COMPENSATION AND BENEFITS

In order to meet its employees' expectations throughout the world, New Services has defined a compensation package policy that is adapted locally in order to be consistent with the specific practices of each country.

Fairness and competitiveness

Since employees are central to the company's success, New Services does everything in its power to offer attractive compensation packages, and reward skills and performance while respecting the principles of fairness and non-discrimination.

To ensure that compensation remains competitive, surveys are conducted on a regular basis in local markets by specialized firms.

Individualization

Starting at the first level of management, compensation packages include a variable component based on their performance. This bonus reflects the achievement of both personal and collective objectives, as well as a manager's contribution to the company's success. Individual salary increases reward skills and experience.

Benefits

New Services, which is concerned with the well-being, health, and safety of its teams, endeavors to pay close attention to its employees and their families. To this end, depending on applicable labor laws and the relevant country and market practices, the Group provides health insurance, life insurance and retirement plans to help its employees secure their futures.

4.1.7. DIVERSITY

New Services is committed to reversing all forms of discrimination.

Diversity and the respect of cultural differences are an integral part of New Services's corporate culture and a priority in the Group's human resources strategy. New Services abides by all procedures launched by the Accor Group in this area, specifically the Group Hiring Policy and the Group Agreement on Diversity in France. New Services uses annual surveys to assess its practices in this area.

New Services enforces respect of all forms of diversity on a day-to-day basis, regardless of an individual's hierarchical level, as illustrated by these examples in 2009:

- ▶ in its hiring policy, New Services Brazil sets forth the following fundamental principle: "New Services Brazil does not discriminate on the basis of race, appearance, religion, gender, socioeconomic status, nationality or any other factor. On the contrary, it encourages the hiring of employees with whom customers can identify." Each year, the Brazilian subsidiary conducts an opinion poll to identify areas that need improvement in terms of diversity practices;
- ▶ New Services Italy was one of the first entities to sign the Charter for equal opportunity at work ("*Carta per le pari opportunità e l'uguaglianza sul lavoro*"), developed in concert with the Ministry of Labor and the Ministry of Equal Opportunity. This is a statement of intention, voluntarily signed by businesses of all sizes, to spread an innovative corporate culture and human resources strategy without discrimination or prejudice.

At New Services, diversity is also expressed by the number of different nationalities represented within a single team. For example, New Services Germany has over 100 employees, representing 14 different nationalities. At New Services USA, 45 employees speak 12 different languages.

In 2009, New Services France developed a series of training sessions on the prevention of discrimination, in which the recruitment teams participated.

Integration of disabled individuals

- ▶ In 2008-2009, New Services France paid particular attention to hiring and training disabled individuals. To offset the integration challenges faced by people with disabilities, a "custom" training for the customer manager, inside sales executive, and remote sales executive positions was developed with the assistance of the training agency LB Formation. 80% of the individuals who attended this training were hired under permanent contracts in October 2009.
- ▶ As a socially responsible company, New Services Belgium has a strong commitment to the integration of disabled individuals within its various departments. The Group's Belgian subsidiary's consideration for disabled people is reflected in the non-physical nature of its products.
- ▶ New Services organizes training sessions for its employees on a regular basis to improve their understanding of disability. In 2009, sessions devoted to deaf employees were organized.

Senior support

A support plan for seniors was implemented by New Services France in December 2009. The main commitments are the following:

- ▶ widespread implementation of an interview process regarding the second career phase for employees 45 and older,
- ▶ more actions to prevent professional risks and stress: increased medical monitoring for production employees, "Gestures and Postures" training,
- ▶ facilitating transitions to part-time,
- ▶ improving tutoring responsibilities for employees who are 45 and older; and
- ▶ providing support transitioning from working life to retirement.

Gender equality in the workplace

At year-end 2009, 54% of New Services's workforce consisted of women, 63% of which were in France.

Over the past three years, gender equality has been respected in the company, with 52% women in 2007 and 54% in 2008.

New Services encourages gender equality within the company and pays particular attention to the role of women in the workforce. The company encourages women to take on key positions, in some cases by promoting flextime for working mothers. Women held 45% of the company's management positions in 2007, 44% in 2008 and 45% in 2009.

Women are most present in the areas of human resources, finance, marketing, sales and customer services.

Trends that originated in certain countries are now becoming more widespread:

- ▶ New Services Italy was one of the first to sign the Charter for equal opportunity at work developed with the Ministry of Labor and the Ministry of Equal Opportunity. 56% of New Services Italy's employees are women, with 45% holding management positions (three of them are members of the executive committee);
- ▶ New Services Mexico received an award for being one of the best companies for women. In October 2009, the Great Place To Work Institute and Mujer Executiva magazine published the list of companies with human resources policies that value and encourage working women. In 2009, the number of women in a management position increased 19% compared to 2008.

4.1.8. SOCIAL DIALOGUE

The social dialogue between New Services and employee representatives is part of the Group's overall human resources strategy.

Collective agreements

New Services adheres to the Accor Group's collective agreements, specifically the Human Resources Planning and Development agreement signed in December 2009 and effective as of January 2009.

This agreement is intended to facilitate, both for employees and the company, the need for changing skill sets based on the company's strategy, as well as to anticipate foreseeable economic, demographic and technological changes. It is a measure that is intended to secure the career paths of employees and ensure that the company remains responsive.

New Services was also a party to the Group agreement (including subsidiaries in France) on diversity signed on January 10, 2007 by all employee representatives.

Evaluation of the company's social climate

New Services is particularly attentive to the way employees perceive their working lives and expectations. The company has developed tools on both a global and local level that allow it to remain informed of the work environment and reflect the reality of office life. The results of these surveys and strategies for improvement are incorporated into each country's action plans.

Internal opinion surveys have been conducted on a global level

Every two years since 2005, New Services has reached out to all of its employees through an opinion survey conducted simultaneously in all countries in which the Group operates. Everyone is asked to provide opinions confidentially, freely and anonymously concerning their role and motivation, relations with co-workers and managers and their professional growth expectations. The results, analyzed by the Davidson Trahaire Institute, a New Services subsidiary, are quite useful. They form the basis of the action plans developed by the corresponding division's management.

In 2009, 72% of employees answered the survey. Despite a difficult economic context, more than 80% of employees stated that they were pleased to perform their duties and were satisfied in the workplace and were proud to work for New Services. They indicated that they were particularly pleased with the attention given to customers, performance management, and the sharing of know-how among business units.

New Services countries also organize opinion surveys once a year within their business units using methods similar to those used by Great Place to Work. New Services Brazil surveys its employees about their perception of values on a regular basis.

4.1.9. EMPLOYEE DATA - FRANCE - SUMMARY TABLES

4.1.9.1. Consolidated corporate report - France

As of December 31, 2009, the consolidated workforce in France, regardless of the type of employment contract, totaled 392 employees. The consolidated workforce in 2009 represents the consolidated workforces of each subsidiary held 50% or more by New Services with less than 300 employees, as required by French law.

WORKFORCE	2009
Total number of employees ⁽¹⁾	392
Percentage of women	54%
Percentage of men	46%
Employees by age	
Under 25	6%
25 to 34 years	48%
35 to 44 years	28%
45 to 54 years	14%
Over 55	4%
Employees by seniority	
Under 6 months	10%
6 months to 2 years	20%
2 to 5 years	31%
Over 5 years	39%
Number of full-time employees with permanent contracts	334
Number of part-time employees with permanent contracts	17
Number of employees with fixed-term contracts	41
Number of non-French employees ⁽²⁾ (as a% of total number of employees)	0.06%
HIRING	
Number of persons hired under permanent contracts	30
Percentage of women	64%
Percentage of men	36%
Number of persons hired per fixed-term contracts	97
Number of new hires under 25	35
COMPENSATION	
Employee discretionary profit-shares paid in 2008 paid in 2009	
Number of beneficiaries ⁽³⁾	370
Average gross amount per beneficiary (in euros)	1,234
2008 non-discretionary profit shares paid in 2009	
Special employee profit sharing reserve, net (in euros)	310,826
Number of beneficiaries ⁽³⁾	365
Average net amount per beneficiary (in euros)	923
HEALTH AND SAFETY CONDITIONS	
Number of CHSCT meetings ⁽⁴⁾	7
Employees receiving onsite safety training	155
PROFESSIONAL RELATIONS	
Collective agreements signed in 2009	2
Total hours used for employee delegate activities of delegation hour credits used	2,100
Number of meetings with employee representatives	14

(1) Any employee working as of December 31, 2009, regardless of the type of employment contract.

(2) Number of foreign nationals working in France.

(3) Counting three months' seniority in the company.

(4) CHSCT: Comités d'Hygiène et de Sécurité des Conditions de Travail (Committee for Workplace Health and Safety).

4.1.9.2. Scope of New Services's influence in France

The scope of influence includes full time and part time employees with a contract of defined duration, a contract without a defined duration or an apprentice contract.

Employment	Dec. 31, 2009
Total number of employees	1,096
COMPENSATION	
Total gross payroll	40
Employer payroll taxes	17
TRAINING	
Training ratio ⁽¹⁾	1.9%
Average training days per employee	1.1 days

(1) Training costs/Total payroll.

4.2. Commitment to New Services's sustainable development

A commitment to sustainable development is at the heart of New Services, which attempts to limit the negative impacts and maximize the positive impacts of its activities. To this end, New Services acts to promote local well-being and protect the environment throughout the world.

4.2.1. NEW SERVICES IS COMMITTED TO LOCAL WELL-BEING

4.2.1.1. Promoting healthy, balanced eating

While more than 800 million people in the world suffer from chronic malnutrition ⁽²⁷⁾, in many countries health problems resulting from overeating represent an ever-growing threat. Because obesity continues to spread throughout the world, New Services strives to promote balanced eating through its catering affiliates, customers, beneficiaries and employees. This commitment is responsive to the several governments' adhesion to a World Health Organization European charter on fighting obesity, and the publication of the *Food at Work* ⁽²⁸⁾ magazine by the International Labor Organization, a study to which New Services contributed its observations.

This study highlights the importance of nutrition for employee health and productivity, and offers a comparative analysis of the various catering modes as part of the workday. It provides recommendations for governments, employers and labor unions, taking into account the constraints that are specific to all economies and the impact of any cultural particularities.

Food & Balance Program

Since 2005, New Services has been developing a nutritional program to help promote more balanced diets. This program, known as Food & Balance and represented by the mascot Gustino, was developed in partnership with nutrition experts, local public partners and food service representatives who oversee the validity of the process. The program's goal is to enable Ticket Restaurant® beneficiaries, via catering affiliates, to easily identify dishes that comply with the rules of varied and balanced diets. The scope of the food service network affiliated with the Ticket Restaurant®, combined with New Services's ability to reach millions of users every day, has resulted in a real improvement in balanced eating. This program affects both what is available to consumers, and their education with regard to eating habits. At the end of 2009, the Food & Balance program was rolled out in 13 countries.

(27) Source FAO (Food and Agriculture Organization).

(28) *Food at Work, Workplace Solutions for Malnutrition, Obesity and Chronic Diseases*, Christopher Wanjek

European FOOD (Fighting Obesity through Offer and Demand) Project

In 2007, New Services responded to a request for proposal from the European Commission in the context of its community action plan in the area of consumer health and protection (European Union Directorate General for Health and Consumers - SANCO), on the topic of fighting obesity and unequal access to balanced nutrition. All players in the resulting Consortium share a common interest: promoting healthy lifestyles and fighting obesity through better eating habits. Known as the FOOD Project (Fighting Obesity through Offer and Demand), this project will mobilize more than 20 public and private partners for two years in France, Belgium, Spain, Italy, Czech Republic and Sweden.

4.2.1.2. Preventing epidemics

More than 33 million people throughout the world are living with AIDS, and 90% of HIV positive people do not know that they are HIV positive. New Services promotes the fight against AIDS through awareness initiatives organized with its partners. During World AIDS Day in 2008 and 2009, 29 countries were mobilized to set up prevention initiatives, from conferences to screening tests.

In India, as a result of the success of the national awareness campaign related to World AIDS Day in December 2008, New Services was selected to participate in a public/private consortium to combat AIDS, tuberculosis and malaria. The mission of this organization, India-CCM (India-Country Coordinating Mechanism), is to coordinate the allocation of Global Fund subsidies to combat these three diseases. New Services, together with four other businesses, non-governmental organizations and government representatives, contributes to the review process and implementation of concrete actions to fight these epidemics in India. New Services has also used this opportunity to promote prevention in-house.

Some countries such as Venezuela and Greece have presented awareness messages in their Ticket Restaurant® booklets to mobilize customers and beneficiaries.

In South Africa and Brazil, AIDS is one of the national priorities in the area of employee safety and health.

4.2.1.3. Supporting local economic development

Ethical and socially responsible business

In light of the magnitude of social and economic imbalances in the world, New Services takes action for local economic development by supporting fair trade and promoting responsible, ethical buying. In Austria, New Services partners with brands that offer organic and/or fair trade products to the Ticket Restaurant®, Ticket Service® and Ticket Compliments® networks, thus reaching nearly 120,000 beneficiaries. In the Netherlands, Belgium, France and Spain, the different gift catalogues offer socially responsible products. This initiative originated in the Netherlands, which has included responsible products in the Tintelingen catalogue since 2007: fair trade (Max Havelaar textile line), organic (wines), and eco-friendly (energy savers). A symbol is placed on each page of the catalogue in which they appear to help beneficiaries identify these products. A solidarity section also helps beneficiaries donate some or all of their points to a good cause.

Buying local

In France, New Services was awarded the Predici label by the Arc-de-Seine community in Hauts-de-Seine department and the Chamber of Commerce and Industry, to reward its *"Well-Being à la Carte"* concierge service in the area of local development. The company is committed to buying 80% of its products from local suppliers and also offers services to Small and Medium Enterprises.

4.2.2. NEW SERVICES ACTS TO PROTECT THE EARTH

Protection of the environment is one of New Services's sustainable development priorities. Although its activity has a minor impact on the environment, the Group nonetheless strives to limit any such impact and to improve its environmental performance in all of the countries in which it operates.

The information presented in this section relates to 14 countries: Belgium, Brazil, the Czech Republic, France, Hungary, Italy, Mexico, Romania, Slovakia, Spain, Sweden, the United Kingdom, Turkey and Venezuela.

4.2.2.1. Energy

The energy consumption table presents the total quantity of energy consumed as well as its distribution by geographic area.

ENERGY	France	Europe (excluding France)	Latin America	Total 2009	Total 2008	Total 2007
Electricity consumption (in kilowatt-hours)	1,523,637	3,625,883	3,830,246	8,979,766	9,127,089	8,568,226
Gas consumption (in kilowatt-hours)	388,499	1,333,135	0	1,721,634	1,787,567	1,839,957
Fuel oil consumption (in kilowatt-hours)	0	0	7,358	7,358	7,310	7,306
District heating consumption (in kilowatt-hours)	0	0	0	0	0	0
Total consumption (in kilowatt-hours)	1,912,136	4,959,018	3,837,603	10,708,757	10,921,966	10,415,489

4.2.2.2. Water and wastewater

The water consumption table presents the total volume of water consumed as well as its distribution by geographic area.

WATER	France	Europe (excluding France)	Latin America	Total 2009	Total 2008	Total 2007
Water consumption (in cubic meters)	6,503	14,224	24,207	44,934	47,483	47,258

New Services's offices, most of which are located in cities, are generally connected to the municipal sewage systems.

4.2.2.3. Waste

The following table on waste production presents the total weight of waste produced as well as its distribution by geographic area.

WASTE	France	Europe (excluding France)	Latin America	Total 2009	Total 2008	Total 2007
Waste production (in metric tons)	1,274	893	499	2,666	2,144	2,098

One of New Services's main activities is the production of vouchers in paper format. An environmental priority for the Group is to establish practices that limit paper consumption and the impact on the lumber cycle (eco-design of products, use of eco-friendly paper). For instance, since 2007, New Services in Brazil has chosen to produce Ticket Restaurant® vouchers from recycled paper. This initiative saves 400 trees per month. In addition, a new format has been chosen for the Ticket Restaurant®, which reduces paper consumption by 45 metric tons per year.

4.2.2.4. Greenhouse gas emissions

GREENHOUSE GASES	France	Europe (excluding France)	Latin America	Total 2009	Total 2008	Total 2007
Direct greenhouse gas (metric ton CO ₂ equivalent)	71	244	2	317	329	339
Indirect greenhouse gas (metric ton CO ₂ equivalent)	129	1,386	998	2,514	2,506	2,307
Total greenhouse gas (metric ton CO ₂ equivalent)	201	1,630	1,000	2,831	2,835	2,646

Greenhouse gas emissions are calculated using previously supplied energy consumption data:

- direct emissions correspond to gas and fuel oils burned in hotels;
- indirect emissions concern electricity used by hotels as well as heating/cooling provided by urban networks.

Moreover, New Services in Brazil has joined 30 other large companies to create "Companies for Climate," a working Group that seeks solutions and pursues programs to reduce carbon emissions.

4.2.3. ENVIRONMENT MANAGEMENT

The offices' Environmental Charter

New Services bases its environmental management on Accor's Environmental Charter. In 2009, 29 countries applied the Environmental Charter in their offices and organized awareness actions for their employees.

ISO 14001 Certification

France, the United Kingdom, and the Netherlands are ISO 14001 certified. New Services France was the top meal voucher issuer to obtain environmental certification in 2005. Note that one of the priorities of the ISO 14001 Certification is regulatory compliance.

Rollout of the certification process within the business units should continue in 2010.

4.2.3.1. Organizing environmental policy

The environmental policy is defined by the Sustainable Development Department, which reports to the Human Resources Director.

The Sustainable Development Department defines the human resources, sustainable development and environmental policies of New Services, and coordinates cross-functional initiatives with the relevant units (human resources, purchasing, marketing, legal affairs, technical services, etc.). Close to 40 intermediaries (sustainable development contacts) promote New Services's sustainable development policy and exchange good practices.

4.2.3.2. Raising environmental awareness among employees

Since 2008, a network of "sustainable development contacts" has been established in each country. In certain countries, "Sustainable Development Committees" have also been created. This network is a way for good practices to be implemented in every hotel.

An intranet platform has also been designed to inform employees about and raise their awareness of sustainable development.

Each year, on Earth Day, employees are mobilized to implement initiatives that benefit the Earth and its inhabitants. In 2009, 29 countries, i.e., 5,900 employees, participated in this event.

Environmental awareness programs are carried out locally throughout the year. For example:

- in the United Kingdom, a Group of volunteers was formed - the Green Team - whose purpose is to organize environmental protection initiatives in partnership with the non-governmental organization Times 21;
- in Argentina, a campaign called "Small Gestures for the Planet" was launched, featuring a quiz to be taken by employees. The objective was to get employees involved in the company's environmental policy;
- Meanwhile, the IT Department created a "Green IT" section in its internal newsletter to promote good environmental practices in the area of information technology.

4.2.3.3. Increasing environmental awareness among customers and affiliates

Because it is central to its relationship with its stakeholders, New Services is in a privileged position to launch a dialog with them and involve them in sustainable development initiatives.

As a responsible company, New Services develops programs for its customers and affiliates to support them in their own sustainable development efforts. Some programs involve customers and affiliates, as well as beneficiaries. Here are some examples:

- in 2009, Ticket Clean Way® established an Eco-Pressing process to inspire not only its affiliates, but also the entire dry-cleaning profession in France, to reduce their impact on the environment, improve their practices, and thus help them meet the increasingly strong regulatory requirements. This program will be launched officially in 2010;
- in Brazil, Ticket Car® launched the Ticket Car Carbon Control program in 2009, which allows businesses to calculate the quantity of gas produced by their vehicle fleets. With this new solution, business customers can get detailed, accurate information on CO₂ emissions based on their vehicles' fuel consumption;

- in Venezuela, Cestaticket® set up the "Ecology year 2009" program, the purpose of which was to distribute one awareness-raising message per month concerning an environmental theme in its Tickets Restaurant® booklets.

In 2009, environmental spending included in the reporting scope amounted to €98,700.

4.2.3.4. Targets assigned to foreign subsidiaries

New Services's environmental policy applies to all of its hotels abroad.

4.2.4. NEW SERVICES, A SOCIALLY RESPONSIBLE COMPANY

New Services develops sponsorship actions by creating long-term partnerships to aid the most underprivileged. Employees who take action locally and promote the company's values are the foundations of this social responsibility. Employees support various local solidarity actions such as donating equipment to associations, providing technical and logistical support, and participating in local solidarity events.

These programs are decentralized, and correspond mainly to local initiatives, adapted to the needs of the people, such as supporting the non-governmental organization *Un techo para mi País* in Mexico, whose mission is to build houses for needy families in Latin America, supporting the association *Samtoul de Satu Mare* in Romania, which provides care to homeless children, and supporting the renowned Perkins School For the Blind in Boston by performing volunteer work.

Since 2006, an international employee mobilization day has been organized all over the world to support local communities: International Solidarity Day. On that day, which usually is scheduled during the month of December, employees organize the "*Collecte du Cœur*," in which donations are collected and offered to a local solidarity organization chosen in advance. In 2009, 21 countries participated in Solidarity Day.



5 Corporate governance

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5.1. Administrative, management, and supervisory bodies

5.1.1. COMPOSITION OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

5.1.1.1. Composition of the Board of Directors

The composition of the Board of Directors will be determined at a later date and will be submitted for the approval of the New Services Shareholders' Meeting, which will be held on June 29, 2010. The Board of Directors will be made up of 12 members including seven directors who are independent according to the December 2008 AFEP-MEDEF code of corporate governance for listed companies. The composition of the Board of Directors will be disclosed in a supplement to this prospectus (see Section 9.6 of this prospectus).

5.1.1.2. Members of New Services Executive Committee

The New Services Executive Committee will include the following members:

Jacques Stern

Chief Executive Officer, New Services

Jean-Louis Claveau

Chief Operating Officer, Hispanic Latin America and North America

Laurent Delmas

Chief Operating Officer, France

Philippe Dufour

Vice President, Strategy and Development

Arnaud Erulin

Chief Operating Officer, Central Europe and Scandinavia

Graziella Gavezotti

Chief Operating Officer, Italy

Loïc Jenouvrier

Vice President, Finance, Information Systems and Legal Affairs.

Philippe Maurette

Vice President, Human Resources

Oswaldo Melantonio Filho

Chief Operating Officer, Brazil

Laurent Pellet

Chief Operating Officer, Southern Europe and South Africa

Bernard Rongvaux

Chief Operating Officer, Northern Europe, Africa and Middle East

Eliane Rouyer-Chevalier

Vice President, Corporate Communication, Investor Relations and Corporate Social Responsibility

5.1.2. OPERATION OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

5.1.2.1. Operation and powers of the Board of Directors

Composition of the Board of Directors (Article 12 of the bylaws)

The Company will be managed by a Board of Directors that consists of at least three and at most eighteen members, subject to the exceptions provided for by law, particularly in the event of a merger.

No person over the age of 75 May be appointed as a director. If a director is over the age of 75, he or she shall be deemed to retire at the end of the first Shareholders' Meeting held after that date.

No more than one-third of the directors may be over the age of 70.

These rules also apply to the permanent representatives of any legal entity appointed as director.

If such proportion is exceeded as a result of a director reaching the age of 70, the oldest director shall be deemed to retire on this date.

Directors are appointed under legal conditions by the ordinary Shareholders' Meeting for four years. They can be re-appointed.

However, as an exception, the ordinary Shareholders' Meeting may nominate one or several directors for a term of less than four years in order to implement a staggered Board.

If one or more director positions become vacant, the Board of Directors may appoint directors to fill the vacant seats in accordance with applicable law. Such appointments will be subject to ratification by the ordinary Shareholders' Meeting in accordance with applicable law.

Any failure by the ordinary Shareholders' Meeting to ratify the appointment of a director shall not affect the validity of the decisions and actions of the Board during the intervening period.

Directors appointed by the Board to fill vacant seats shall remain in office until the expiration of their predecessor's term.

In the event that the Company's shares are admitted for trading on a regulated market, each director must hold 500 registered shares of the Company.

Powers of the Board of Directors (Article 13 of the bylaws)

The Board of Directors shall define the Company's strategy and oversee its implementation. It shall examine and make decisions on all matters concerning the Company's operation and management, consistent with the corporate purpose, except for those matters which by law are within the purview of the Shareholders' Meeting.

In addition to the decisions that are required by law to be submitted to the Board of Directors for consideration, the internal code of the Board of Directors identifies the decisions of the Chief Executive Officer or Deputy Chief Executive Officers that require authorization from the Board of Directors (see paragraph 5.1.2.2 of this prospectus).

The Board of Directors may decide to issue bonds in accordance with applicable law, and may delegate to one or several directors, the Chief Executive Officer or, with such Chief Executive Officer's agreement, to one or several corporate officers, for a period of one year, the necessary powers to conduct bond issuances and set the terms and conditions thereof.

The Board of Directors may entrust any permanent or temporary missions it sees fit to one or several of its members or to any persons chosen from outside the Board.

The Board of Directors may decide to establish committees responsible for examining and issuing recommendations on matters submitted to them by the Board or the Chairman. Any such committees shall report to the Board, which shall appoint their members and define their objectives. In this respect, the Company's Board of Directors meeting due to be held on June 29, 2010 will establish an Audit and Risks Committee, as well as a Commitments Committee and a Compensation and Appointments Committee (see paragraph 5.1.2.5 of this prospectus).

Quorum and majority (Article 15 of the bylaws)

The Board of Directors may validly deliberate only if at least half of its members are present.

The Board may decide that directors who participate in meetings by videoconference or any other appropriate telecommunications media in accordance with applicable laws and regulations shall be deemed to be physically present for purposes of calculating quorum and voting majority.

Any director may give a written proxy form to another director to represent him or her in a Board meeting; each director may only have one proxy form per session.

Decisions are made based on a majority vote of the members present or represented.

In the event of an even vote, the vote of the Chairman of the meeting will prevail.

Deliberations of the Board of Directors (Article 15 of the bylaws)

The Board of Directors shall meet as often as is required to serve Company's interests. Meetings shall be convened by the Chairman.

Meetings will be held either at the Company's head office or any other place specified in the meeting notice.

Meetings may be convened by any appropriate method, including orally, by the Chairman or by the Secretary of the Board at the Chairman's request.

Meetings may also be held at the request of at least one-third of the directors or of the Chief Executive Officer, to discuss a specific matter.

If the Chairman is prevented from convening a meeting, it may be convened by a director designated as acting Chairman, by the Vice-Chairman or Chairmen or by the Chief Executive Officer if he or she is a member of the Board.

Board meetings shall be chaired by the Chairman of the Board or, in his or her absence, the Vice-Chairman or Chairmen, or any other director designated by the Board.

On the initiative of the Chairman of the Board of Directors, the Chief Executive Officer, the Deputy Chief Executive Officers, members of management, the Statutory Auditors or any other persons with specific knowledge or experience concerning the matters to be discussed, may be invited to attend a Board meeting.

Directors as well as any person requested to attend the Board meeting must keep confidential any information given in the course of the discussion. They are also subject to a general obligation of discretion.

5.1.2.2. Board of Directors' internal code

It is expected that at its meeting of June 29, 2010, the Company's Board of Directors will adopt an internal code to define the terms and conditions of its operation, in addition to the Company's legal and regulatory provisions and bylaws. This internal code will define the organization and operation, powers and duties of the Board of Directors and the committees that have been established by it (see paragraph 5.1.2.5 "Board of Directors' committees" for a description of the different committees that will be set up).

Independent directors (Article 1 of the internal code of the Board of Directors)

At least half of the directors on the Board of Directors must be independent within the meaning of the criteria set forth in the AFEP/MEDEF Corporate Governance Code for listed companies as amended in December 2008.

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

Meetings of the Board of Directors (Article 2 of the internal code of the Board of Directors)

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

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

For the purpose of calculating quorum and majority, directors who participate in meetings by any means allowing them to be identified and enabling them to participate pursuant to current statutes and regulations shall be deemed to be in attendance.

Information of the Board of Directors (Article 3 of the internal code of the Board of Directors)

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

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

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

At least once a year, the Board shall be informed of the Group's strategy and main policies in the areas of human resources, organization and information systems and shall discuss them periodically. The Board of Directors is also regularly informed of the financial communication strategy adopted by the Company.

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

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

Limitations to the powers of the executive management (Article 4 of the internal code of the Board of Directors)

With the exception of the prior authorizations expressly required by law, particularly in Articles L. 225-35 and L. 225-38 of the French Commercial Code, the Board of Directors is expected to make the following decisions subject to its prior authorization:

- ▶ the approval of the annual budget;
- ▶ any financial commitment (i.e., the acquisition or sale of assets or shareholdings in companies, any direct property investment, any rental investment, any loan, any current account advance and any capital increase in companies in which there is no majority shareholding) of over €50 million. The Chairman and Chief Executive Officer may enter into, without the prior authorization of the Board of Directors, any bank loan for an amount equal to or less than €250 million as part of the Group's financing policy as approved by the Board of Directors;
- ▶ any operation affecting the Group's strategy or scope of business;
- ▶ any share buyback in an amount over €1 billion per year; and
- ▶ bond issuances pursuant to Article L. 228-40 of the French Commercial Code in an amount over €1 billion.

Vice-Chairman of the Board of Directors (Article 5 of the internal code of the Board of Directors)

Article 14 of the bylaws states that the Board of Directors may appoint, from among its members, one or two Vice-Chairmen who may preside over the meetings of the Board of Directors in the absence of the Chairman.

Article 5 of the Board of Directors' internal code is expected to provide that one or two Vice-Chairmen must be appointed from among its independent directors for his or her term of office as a Director.

In addition to the responsibilities provided in the Company's bylaws, the Vice-Chairman shall act as the key contact for the other independent directors. When he deems appropriate and at least once a year, he or she shall convene and chair a meeting reserved exclusively for independent directors during which such directors may discuss matters that they prefer to bring up outside of a full Board Meeting.

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

5.1.2.3. Chairmanship of the Board of Directors

Appointing the Chairman of the Board of Directors (Article 14 of the bylaws)

The Board of Directors elects a Chairman from among its members, a natural person who is appointed for the duration of their term as director. The Chairman can be reappointed.

Members over 70 years of age cannot be appointed as Chairman of the Board of Directors. If the Chairman turns 70 during his or her term, he or she shall be deemed to retire at the end of the first Shareholders' Meeting held after that date.

Tasks of the Chairman of the Board of Directors (Article 14 of the bylaws)

The Chairman shall have the powers and responsibilities vested in him or her under the law and the Company's bylaws.

He or she shall preside over, organize and lead meetings of the Board and shall report to the Shareholders' Meeting regarding the Board's activities.

The Chairman shall oversee the efficient and effective operation of the Company's corporate governance structures and shall ensure that the directors are able to carry out their duties.

The Chairman shall preside over Shareholders' Meetings and prepare the reports required by law. He or she may also act as Chief Executive Officer of the Company if the Board decides to combine these two functions at the time of the Chairman's appointment or subsequent thereto. In this case, the provisions of the Company's bylaws concerning the Chief Executive Officer shall apply to the Chairman.

5.1.2.4. Executive management

Terms and conditions of the executive management's operation (Article 17 of the bylaws)

Under applicable law, the Company may be managed on a day-to-day basis either by the Chairman of the Board of Directors or another person appointed by the Board who shall have the title of Chief Executive Officer.

The Board of Directors shall decide by a majority vote of the directors present or represented by proxy whether to combine or separate the positions of Chairman and Chief Executive Officer.

The organization selected may be maintained until the Board decides otherwise, pursuant to the same majority.

If the Board decides to combine the positions of Chairman and Chief Executive Officer, all of the following provisions concerning the Chief Executive Officer shall apply to the Chairman.

Appointing the Chief Executive Officer (Article 18 of the bylaws)

If the Board decides to separate the positions of Chairman and Chief Executive Officer, it shall appoint a Chief Executive Officer who may or may not be a director, set his or her term of office (provided that if the Chief Executive Officer is a member of the Board said term may not exceed his or her term as director), set the amount of his or her compensation and, if appropriate, impose certain restrictions on his or her powers.

Candidates for appointment as Chief Executive Officer may not be over 65 years of age. A Chief Executive Officer who reaches the age of 65 during the course of his or her term of office shall be deemed to retire at the end of the first ordinary Shareholders' Meeting held after he or she reaches this age.

Powers of the Chief Executive Officer (Article 18 of the bylaws)

The Chief Executive Officer shall have the broadest powers to act in all circumstances in the Company's name, within the limits of the corporate purpose and subject to those powers that are specifically vested in the Shareholders' Meeting and the Board of Directors under applicable law.

The Chief Executive Officer shall represent the Company in its dealings with third parties.

Any actions of the Chief Executive Officer involving third parties that fall outside the scope of the corporate purpose shall nevertheless be binding on the Company, unless it can be proven that, under the circumstances, the third party knew or should have known of this breach. Publication of these bylaws does not constitute adequate proof thereof.

The Board of Directors may authorize the Chief Executive Officer to issue guarantees and post collateral in the Company's name, up to a monetary limit to be decided by the Board. Any such authorization may not be given for a period in excess of one year, regardless of the term of the guaranteed commitment.

The Chief Executive Officer and the Deputy Chief Executive Officers may delegate their authority to any representatives of their choice, with or without the power of substitution, subject to the restrictions provided for under applicable law.

Chief Operating Officers (Article 19 of the bylaws)

Upon the recommendation of the Chief Executive Officer, the Board of Directors may appoint one or more Deputy Chief Executive Officers, who shall be individual(s), to assist the Chief Executive Officer.

The maximum number of Deputy Chief Executive Officers is five.

Persons of over 65 years of age may not be appointed as Deputy Chief Executive Officers. If a Deputy Chief Executive Officer turns 66 during his or her term of office, he or she shall be deemed to retire at the end of the first Shareholders' Meeting held after that date.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers granted to the Deputy Chief Executive Officers.

With regard to third parties, the Deputy Chief Executive Officers have the same powers as the Chief Executive Officer.

If the Chief Executive Officer leaves the position or is unable to fulfill his or her duties, the Deputy Chief Executive Officers retain their positions and powers until a new Chief Executive Officer is appointed unless a decision to the contrary is made by the Board of Directors.

5.1.2.5. Board Committees

The Board of Directors may decide to create committees to provide opinions on matters submitted to them by the Board or its Chairman. The Board of Directors sets the composition and the powers of the committees that operate under its responsibility. The meeting of the Board of Directors that will be held on June 29, 2010 will establish an Audit and Risks Committee, a Commitments Committee and a Compensation and Appointments Committee. The rules governing their functioning will be set forth in the internal code of the Company's Board of Directors, which will be adopted at such meeting of the Board of Directors.

(a) The Audit and Risks Committee

Composition

The Audit and Risks Committee shall consist of three to five members, at least one of whom must possess financial or accounting expertise, and at least two-thirds of whom must be directors qualified as independent by the Board of Directors.

It shall be chaired by an independent director.

Duties

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

- reviewing the interim and annual consolidated financial statements and the financial statements of the Company prior to their examination by the Board of Directors. This includes reviewing draft results press releases and announcements to be issued by the Company;
- reviewing the scope of consolidation and the reasons for excluding any entities;
- examining exposure to risk and the efficiency of the Company's risk management system as well as significant off-balance sheet commitments, and receiving a detailed note from the Financial Director on these matters;
- ensuring the Group's internal control system is effective by reviewing the methods used to identify risks and the organizational principles and procedures of the Internal Audit Department. It is also informed of the work program and receives periodic reports on the tasks carried out by the Internal Audit Department;
- reviewing the Statutory Auditors' audit plan and the results of their audits. It receives a copy of the Statutory Auditors' post-audit letter setting out the main issues identified during their audit and describing the main accounting options selected;
- when the Statutory Auditors' appointment is due to expire, overseeing the Auditor selection process and reviewing the proposals submitted by various candidates, expressing an opinion on the proposed fee budgets for statutory audit work and making recommendations to the Board of Directors on the choice of candidate;
- validating the categories of additional audit-related work that the Statutory Auditors and the members of their networks may be asked to perform in accordance with applicable laws and regulations;
- at the end of each year, being informed of the fees paid by Group companies to the Statutory Auditors and the members of their networks during the year, including a detailed breakdown by type of engagement, and reporting to the Board of Directors on these fees, as well as on its assessment of the Statutory Auditors' level of independence.

Organization of work

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

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

Meeting convocations shall be issued by the Committee Chairman and shall include the meeting agenda.

Meetings to review the interim and annual financial statements shall be held at least three days prior to the Board meeting convened to approve the financial statements.

The members of the Audit and Risks Committee must receive all necessary documents on a timely basis. When members are first appointed to the Committee, they shall be given detailed information about accounting, financial and operational issues that are specific to the Group. The Chairman and Chief Executive Officer, the Chief Financial Officer and the Statutory Auditors shall attend Audit Committee meetings, as permanent guests.

(b) The Commitments Committee

Composition

The Commitments Committee shall be comprised of no more than five members.

Duties

The Commitments Committee is responsible for preparing Board meetings and making recommendations to the Board on the following matters:

- ▶ any and all transactions that may affect the Group's strategy or lead to a material change in the Group's scope of operations (mainly entry into a new business or withdrawal from an existing business) regardless of the amount of the transaction;
- ▶ any mergers, spinoffs or asset transfers;
- ▶ any amendments to the Company's corporate purpose;
- ▶ any and all immediate or deferred financial commitments representing more than €100 million per transaction. "Financial commitments" are defined as:
 - acquisitions or disposals of assets (even minority stakes) in other companies, the amount of the commitment being determined by reference to the entity's enterprise value,
 - direct investments in property, (creation of a business/technological development investments),
 - rental investments, (the amount of the commitment corresponding to the market value of the leased asset),
 - any loans, current account advances and capital increases for entities that are not majority-held by the Company or one of its subsidiaries (in share capital and voting rights); and
 - any bilateral or syndicated loan in an amount over €250 million.

Organization of work

Commitments Committee meetings may be called at any time by its Chairman or by the Chief Executive Officer in writing or verbally.

The recommendations made by the Commitments Committee must be subject to deliberation by the Board of Directors before the relevant commitments may be implemented by the Group.

(c) The Compensation and Appointments Committee

Composition

The Compensations and Appointments Committee shall be comprised of three to five members, the majority of which must be directors qualified as independent by the Board of Directors.

It shall be chaired by an independent director.

Duties

The Compensation and Appointments Committee's role is to prepare the Board of Directors' decisions pertaining to the compensation of executive directors and the policy for granting options to purchase new or existing shares of the Company (also, if applicable, the performance-based share distribution policy) and prepare changes in the composition of the Company's management bodies.

To this end, it carries out the following tasks:

- ▶ in respect of appointments, the Committee:
 - prepares recommendations, in liaison with the Chairman and Chief Executive Officer, regarding the succession of the executive directors and the selection of new directors. In selecting possible directors, the Compensation and Appointments Committee shall consider the desirable balance in the Board's composition, ensure that each candidate has the required capabilities and availability and ensure that the directors have a wide array of experiences and skills necessary to enable the Board of Directors to carry out its duties effectively with the required objectivity and independence vis-à-vis both senior management and a given shareholder or Group of shareholders; and
 - shall be informed of the succession plan concerning members of the Group's Executive Committee;
- ▶ in respect of compensation, the Committee:
 - studies and prepares recommendations regarding both the salary and variable portions of the executive directors' short-term compensation, the granting of medium and long-term incentives such as the distribution of performance-based shares and stock options, and all the provisions regarding their retirement plans and all other in-kind benefits,
 - defines and implements the rules for setting the variable portion of the executive directors' compensation while ensuring that said rules are consistent with the annual appraisal of executive directors' performance and with the Group's medium-term strategy,
 - gives the Board of Directors an opinion on the general stock option allocation and/or share purchase policies and performance-based shares policy and on any plans proposed by the Chairman and Chief Executive Officer. It is informed of and gives an opinion on the compensation policy for members of the Group's executive committee and reviews the consistency of this policy,
 - issues a recommendation to the Board on the overall amount of directors' fees, which is submitted to shareholders for approval. It proposes to the Board the distribution of said directors' fees and the individual amounts of the payments to be made as fees to the directors based on their attendance at Board and Committee meetings,
 - reviews the policy and the projects proposed by the Chief Executive Officer regarding employee share issuances,
 - reviews the insurance coverage taken out by the Company regarding the civil liability of executive directors; and
 - approves the information provided to shareholders in the Annual Report regarding (i) executive director compensation; (ii) the principles and procedures used to set such compensation; and (iii) the granting of stock options to executive directors and the exercise of such options.

Organization of work

The Compensation and Appointments Committee meets at least three times per year. Notices of meeting are issued by the Committee Chairman and include the meeting agenda.

5.1.2.6. Board of Directors' code of conduct

To comply with the best practices of corporate governance, the Company's Board of Directors will adopt a Director's Charter that will apply to every director, irrespective of whether he or she meets the independence criteria set out in the AFEP/MEDEF code of December 2008.

Duty of due care

Directors shall perform their duties in a manner that they consider to be in the best interest of the Company. They shall continuously strive to improve their knowledge of the Group and its business divisions, and shall agree to be bound by a vigilance and reporting duty. They shall devote the appropriate amount of time and attention to their mandate, in particular by attending the meetings of the Committees to which they belong, the meetings of the Board of Directors, and the Shareholders' Meetings.

In addition to complying with the laws and regulations that apply to the holding of multiple directorships, each director is responsible for determining whether his or her duties as a director of the Company are compatible with the directorships or positions that he or she holds in other companies, particularly in light of the amount of work required. Each director shall periodically inform the Company of the directorships that he or she holds in any other company in order to allow the Company to comply with its statutory disclosure obligations in this regard.

Duty of information

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

When a new director is appointed, the Board Secretary shall provide him or her with an information package containing the Company's bylaws, the Directors' internal code, the Directors' Code of Conduct, and the main legal statutes defining the liability of directors.

Directors may consult the Board Secretary at any time regarding the application of these statutes and regulations and the rights and obligations incumbent upon him or her.

Independence of directors and conflicts of interest

Directors shall strive to remain independent at all times with respect to their analysis, judgment, decisions and actions.

Directors agree not to seek out or accept any benefit that may compromise their independence.

Any director who is – even potentially – in a position that is in direct or indirect conflict with the interests of the company as a result of the positions that he/she holds, and/or any other interests in his/her possession, shall inform the Chairman and Chief Executive Officer or any individual designated by the Chairman and Chief Executive Officer. He/she shall not participate in the deliberations and if applicable, the vote, concerning these matters and may be asked to leave the Board meeting when such matters are under deliberation.

Upon his or her appointment, and every year thereafter by January 31 at the latest, each director must prepare a sworn statement disclosing any existing relationships between him or her and the Group's companies, managers, suppliers, customers, partners or competitors. This statement must be sent to the Chief Executive Officer with a copy to the Secretary of the Board of Directors.

Duty of discretion and confidentiality

Directors shall be bound by a general duty of discretion and confidentiality in the interest of the Company. To that end, they agree to be responsible for maintaining the professional secrecy of all the confidential information to which they have access, the resolutions and the operation of the Board of Directors and of any Committees to which they may belong, as well as the content of the opinions issued or votes cast during Board or Committee meetings.

In addition, the directors, other than the Chief Executive Officer or Deputy Chief Executive Officer who, in these capacities, are required to speak on behalf of the Company, must liaise with the Chief Executive Officer prior to engaging in any personal communications with the media on matters concerning or which are likely to affect the Group, the Company or its governing bodies.

Trading in Company securities by the directors

Directors have access to insider information. Such information, if made public, could impact the price of the Company's shares or any other securities issued by the Company. Pursuant to the applicable statutes and regulations, the directors must:

- ▶ refrain from using insider information to trade such securities either directly or via an intermediary;
- ▶ not knowingly allow a third party to carry out such trading;
- ▶ not disclose such information to third parties even unintentionally.

In addition, without prejudice to the statutes and regulations that apply to insider trading, periods known as "blackout periods" are identified each year. During such periods, directors must not trade the Company's shares or any other securities issued by the Company (including the exercise of stock options), either directly or via an intermediary, even via the trading of derivatives. These periods shall cover (i) 30 calendar days prior to the date of publication of the annual and interim consolidated financial statements, as well as the date of these publications and the following day, and (ii) 15 calendar days prior to the date of the publication of quarterly revenue figures, as well as the date of these publications and the following day.

The exact dates of the "blackout periods" shall be disclosed each year to the directors by the Board Secretary. If specific "blackout periods" are set up in connection with financial or strategic transactions, the directors shall be informed immediately thereof by the Board Secretary.

Directors may not hedge the risks of losses on the Company shares or stock options they own.

Each director shall be responsible for reporting to the French securities regulator (*Autorité des Marchés Financiers*) and the Company (through of the Board Secretary) any trading involving the Company's shares or any other securities issued by the Company and carried out by him or her or individuals that are closely related to him or her, pursuant to applicable statutes and regulations.

Directors may consult the Board Secretary at any time regarding the scope of the "negative windows" system and the conditions of its application to any specific case.

5.2. Shareholders' Meetings

5.2.1. NOTICE OF SHAREHOLDERS' MEETINGS (ARTICLE 23 OF THE BYLAWS)

Shareholders' Meetings shall be convened as provided for by law.

Pursuant to applicable laws and regulations, all shareholders may participate in Meetings in person or by proxy, provided that they submit evidence of ownership of their shares. Share ownership is evidenced by an entry in the Company's share register in the name of the shareholder, or if the Company's shares are admitted for trading on a regulated market, of the intermediary acting on his/her behalf in accordance with the seventh paragraph of Article L. 228-1 of the French Commercial Code on the third business day prior to the date of the meeting at 0:00 (Paris time), or if the Company's shares are admitted for trading on a regulated market, in the register of bearer shares held by one of the accredited intermediaries mentioned in paragraphs 2 to 7 of Article L. 542-1 of the French Monetary and Financial Code.

In the case of bearer shares, the accredited intermediary shall provide a certificate attesting to the shareholders' ownership of the shares, in accordance with applicable laws and regulations.

The meetings shall take place at the Company's registered office or at any other venue specified in the notice of meeting.

5.2.2. ORGANIZATION OF SHAREHOLDERS' MEETINGS (ARTICLE 24 OF THE BYLAWS)

All shareholders have the right to attend or be represented at Shareholders' Meetings, as provided by law.

They may vote by proxy in accordance with Article L. 225-107 of the Commercial Code. The proxy and postal voting form may be sent to the Company or to the Company's registrar in paper form or, by decision of the Board of Directors published in the notice of meeting, by electronic mail in accordance with applicable laws and regulations.

In addition, if the Board of Directors so decides when the Meeting is called, shareholders may take part in the Meeting via videoconference or any other form of telecommunication means that enables them to be identified, as provided for in the applicable laws and regulations. Such shareholders will be deemed to be physically present for purposes of calculating the quorum and voting majority.

To cast a vote or execute a proxy by electronic means, shareholders or their duly authorized representative or attorney must either:

- ▶ provide a secure electronic signature fulfilling the requirements of applicable laws and regulations;
- ▶ enter a unique username and password on the Company's website, if such a website exists, in accordance with applicable laws and regulations. This type of electronic signature shall be considered a reliable mechanism for identifying shareholders and their votes, in compliance with the first sentence of the second paragraph of Article 1316-4 of the French Civil Code.

Meetings are chaired by the Chairman of the Board of Directors or, in his or her absence, by a director designated by the Board. Otherwise, the meeting elects its own Chairman.

The function of Scrutineer (*censeur*) of the Meeting is fulfilled by the two shareholders present at the Meeting who represent the largest number of voting rights directly or as representatives and who accept such function. The Bureau thus formed appoints a Secretary, who may or may not be a shareholder.

An attendance register is kept, as required by law.

Copies or excerpts of the Meeting minutes shall be certified by the Chairman of the Board of Directors, the Chairman of the meeting, or the meeting Secretary.

Ordinary and Extraordinary Shareholders Meetings fulfilling the relevant quorum and majority voting requirements exercise the powers vested in them by law.

5.3. Interests and compensation

5.3.1. COMPENSATION OF MANAGEMENT AND CORPORATE OFFICERS

No compensation was paid to the members of the Company's Board of Directors in connection with the fiscal year ended December 31, 2009.

In furtherance of good governance policies, the compensation of Mr Jacques Stern in his capacity as Chief Executive Officer of the Company and the compensation of the corporate officers will be set by the Board of Directors appointed by the General Meeting of Shareholders of June 29, 2010 which will include seven independent directors within the meaning of the 2008 AFEP-MEDEF code of corporate governance for listed companies.

For the 2010 fiscal year, other than the payment of the compensation owed to him by Accor up to the date of the Transaction, the compensation of Mr Jacques Stern who will be appointed Chairman and Chief Executive Officer after the Transaction is complete, will be as determined by the Board of Directors.

This compensation should include a fixed component and a variable component based on the attainment of specific Company financial performance objectives which will be determined by the Board of Directors on June 29, 2010.

The table below is a summary of the compensation, options and performance shares accounted for by Accor SA purposes of Mr Jacques Stern's compensation in his capacity as Deputy Chief Executive Officer of Accor⁽²⁹⁾ for 2008 and 2009:

	2008	2009
Annual compensation	N/A	1,206,697
Of which		
Fixed compensation	N/A	580,303
Variable compensation	N/A	400,000
Bonuses	N/A	200,000
Attendance fees	N/A	19,218
Benefits in kind	N/A	7,176
Value of options granted during the fiscal year	N/A	144,500
Value of performance-related shares granted during the fiscal year	N/A	151,625
TOTAL	N/A	1,502,822

The compensation terms that will apply to the members of the Company's Board of Directors for the 2010 fiscal year will be described in the 2010 reference document that will be filed by the Company with the *Autorité des Marchés Financiers*, and in the Board of Director's report to the Company's Shareholders' Meeting, in accordance with the provisions of Articles L. 225-102 and L. 225-102-1 of the French Commercial Code.

(29) Deputy Chief Executive Officer as of March 12, 2009.

5.3.2. INTERESTS OF MANAGEMENT AND EMPLOYEES IN THE SHARE CAPITAL OF NEW SERVICES

As of the date hereof, the Company has not implemented any stock option plan or other incentive scheme for its managers and employees. In furtherance of good governance policies, an incentive plan consistent with its new principal financial indicators will be voted on during the Combined General Shareholders' Meeting scheduled to take place on June 29, 2010 and will be implemented by the Board of Directors appointed by this General Meeting, which will include seven independent directors within the meaning of the 2008 AFEP-MEDEF code of corporate governance for listed companies.

5.4. Internal control policy

The Company expects to adopt an internal control policy substantially similar to the one that Accor currently maintains (see Section 4 "Internal control procedures" in the Accor 2009 Registration Document).

Like the Accor Group, New Services has adopted the definition of internal control proposed by the *Committee of Sponsoring Organizations of the Treadway Commission* (COSO), the one most commonly used on an international level, i.e., internal control as a process implemented by the Board of Directors, the managers and the employees of an organization, intended to provide reasonable assurance that the following goals will be achieved:

- ▶ effectiveness and efficiency of operations;
- ▶ the reliability of financial reporting; and
- ▶ compliance with applicable laws and regulations.

This definition is consistent with the one adopted by the Group established pursuant to AMF guidance which specifies that internal control is a company obligation, defined and implemented under its responsibility, which is intended to ensure:

- ▶ compliance with laws and regulations;
- ▶ the application of the instructions and guidelines established by the general management;
- ▶ the proper operation of the company's internal processes, in particular those relating to the protection of its assets;
- ▶ the reliability of financial reporting,

and in general, contributes to the oversight of its business, the efficiency of its operations, and the efficient use of its resources.

The Company has already formed an internal audit team comprised of several internal auditors working under the leadership of an internal audit director, who was a member of the Accor Group's internal audit team and which will be operational on the date of admission of the Company shares for trading on Euronext Paris.

5.5. Corporate governance

In furtherance of good governance policies, the rules of governance that are intended to be applied to the Company's operations as of the admission of its shares for trading on Euronext Paris will be established by the Board of Directors by the combined general Shareholders' Meeting on June 29, 2010, which will include seven independent directors within the meaning of the AFEP-MEDEF code of corporate governance for listed companies published in December 2008.

The Board of Directors' meeting that will take place following the Shareholders' Meeting on June 29, 2010 will vote on the applicability of the AFEP-MEDEF code of corporate governance for listed companies published in December 2008.

In addition to the press releases that will be published, more detailed information concerning the Company's corporate governance will be published in its half-year financial report.



6 Presentation and terms of the transaction

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6.1. General overview of the transaction

The admission of the Company's shares for trading on Euronext Paris is part of the creation of an autonomous Group made up of the various components of the Accor Group's services business (as defined in Section 6.3.2.1 of this prospectus) with the Company as the parent of the Group.

This creation of the Group will be achieved through a contribution by Accor, under the legal regime for spinoffs, of the entire services business, followed by the spinoff by Accor to its shareholders (other than Accor itself) of the shares issued as consideration for the contribution (together, the "**Transaction**"). The completion of the Transaction is subject to the satisfaction of certain conditions precedent described below in Section 6.1.2 of this prospectus.

The Transaction will be carried out within the framework of the separation plan approved by Accor's Board of Directors on February 23, 2010. As discussed in greater detail in Section 6.3.1.2 of this prospectus, The Transaction and the admission of the Company's shares for trading on Euronext Paris will increase the Company's visibility, provide it with direct access to financial markets, and ensure that it has the support of a stable ownership structure to pursue its growth strategy.

The agreement setting forth the terms of the Transaction (the "**Contribution Agreement**") is a private deed (*acte sous seing privé*) that was executed by Accor and the Company on April 19, 2010.

Subject to the satisfaction or the waiver of the conditions precedent described in further detail in Section 6.1.2 of this prospectus, the contribution of assets will be completed on the date that the Company's Combined General Meeting records the final completion of the contribution (the "**Completion Date**"). This meeting is scheduled to take place on June 29, 2010.

The contribution of the Contributed Business (as defined in Section 6.3.2.1) will be followed by the spinoff of the Company's shares issued as consideration for the contribution to Accor's shareholders (other than Accor itself) and the admission of the Company's shares for trading on Euronext Paris on July 2, 2010 (the "**Ex-Date**").

6.1.1. PROJECTED TIMETABLE OF THE TRANSACTIONS

Execution of the Contribution Agreement	April 19, 2010
AMF's visa on the prospectus	May 12, 2010
Publication in the BALO of the notice of Accor's Combined General Meeting	May 21, 2010
Visa on the prospectus supplement	Within the first 15 days of June 2010
Combined General Meetings of the shareholders of Accor and the Company	
Completion Date of the contribution of assets (Completion Date)	June 29, 2010
Ex-Date for the spinoff of the Company's shares and Accor's cash dividend (Ex-Date)	
Delivery of the Company's shares to Accor's shareholders (other than Accor itself)	
Admission of the Company's shares for trading on Euronext Paris	
Payment of Accor's cash dividend	July 2, 2010

6.1.2. CONDITIONS PRECEDENT

As of the date of this prospectus, the completion of the Transaction is subject to the satisfaction of the following conditions precedent:

- the final completion of the Preliminary Transactions (as defined in Section 1.2 of this prospectus);
- the approval by an extraordinary resolution of the Combined General Meeting of Shareholders of Accor of the Contribution Agreement, and of the Transaction described therein, including the spinoff by Accor to its shareholders (other than Accor itself) of the New Services shares issued as consideration for the contribution;
- the approval by an extraordinary resolution of the Combined General Meeting of Shareholders of the Company of the Contribution Agreement, and of the Transaction, including the capital increase that will be carried out in consideration for the contribution and the distribution by Accor to its shareholders of the New Services Holding shares issued as consideration for the contribution;

- the execution of a term loan agreement in a principal amount of €900,000,000 between the Company as borrower and a Group of lending banks and the delivery to the Company of the amount drawn down pursuant to such agreement no later than the day before the date of the Combined General Meeting of Shareholders of Accor called to approve the Contribution Agreement and the Transaction, in order to reimburse the current account granted by Accor that is excluded from the contribution of assets; and
- the execution of a term loan agreement in a principal amount of €600,000,000 between the Company as borrower and a Group of lending banks, and the delivery to the Company of the amount drawn down pursuant to such agreement no later than the day before the date of the Combined General Meeting of Shareholders of Accor called to approve the Contribution Agreement and the Transaction, in order to reimburse the current account granted by Accor that is excluded from the contribution of assets.

6.2. Preliminary transactions

The Transaction requires the implementation of certain preliminary transactions involving the transfer of interests, assets or activities, and refinancing in order to separate the services business (as defined in Section 1.3.2.1 of this prospectus) and to optimize the organization of the future New Services Group and of the Accor Group following the Transaction, which are summarized below and described in greater detail in a schedule to the Contribution Agreement (the “**Preliminary Transactions**”).

6.2.1. REORGANIZATION OF BUSINESSES AND EQUITY HOLDINGS

As a general matter, the businesses that make up the services business are carried out by distinct *ad hoc* subsidiaries within the Accor Group. At the beginning of 2010, only two companies (in Argentina and Switzerland) had combined operations (i.e., hotel and services businesses). These operations were separated in each of these countries during the first quarter of 2010:

- in Argentina, the separation was achieved through a spinoff of the Argentine company's hotel business;
- In Switzerland, the separation was achieved through a sale by Accor Gestion Hôtelière et Services SA of its services business to a special purpose vehicle, New Services Suisse SA.

The separation of the hotel and services businesses also requires certain of the Accor Group's equity holdings to be transferred, either because these equity holdings are held through companies that are involved in hotel operations, or in order to optimize the organization of the future Group and of the Accor Group following the Transaction. The main transfers, which are expected to occur prior to the Completion Date, are:

- the sale by the holding company that controls the Accor Group's Italian businesses of its interest in the Italian services subsidiary to Accor Services France (42.28%), to the Spanish services subsidiary (11.38%) and to the Belgian services subsidiary (44.64%);
- the sale by the holding company that controls the Accor Group's United Kingdom businesses of its interest in the United Kingdom services subsidiary to the Italian services subsidiary;
- the contribution by the holding company that controls the Accor Group's Belgian businesses of its 39.25% interest in the Brazilian services holding company to the Belgian services subsidiary, followed by the sale of the Belgian services subsidiary to a French holding company (“**ASH**”) that is expected to be contributed to the Company;
- the purchase by ASH of the interest in the share capital of the U.S. services subsidiary from the holding company that controls the Accor Group's U.S. businesses, and of the interest in the Australian services subsidiary held by the holding company that controls the Australian business;
- the sale by Accor of its interest in two Swedish services companies to the main Swedish services subsidiary, and of its interest in the Uruguayan services subsidiary to the Belgian services subsidiary; and
- the transfer to the Italian services subsidiary of certain interests that are currently held by the Belgian services subsidiary (Romania, Slovakia, Turkey).

The transfer transactions were carried out through sales and contributions. The purchases of securities by the Services Entities (as defined below) represented net indebtedness of €2.1 billion (see the note “Basis for preparation of *pro forma* financial statements – Main *pro forma* adjustments – *Pro forma* adjustments to the balance sheets” to the *pro forma* financial statements included in Section 10.2.1 of this prospectus). New Services Holding and the Services Entities benefit (directly and indirectly) from a loan extended by Accor until all amounts due to Accor have been refinanced as provided for in Section 6.2.2 of this prospectus.

In order to simplify the organizational structure of the Group, ASH is expected to be dissolved into the Company following the completion of the Transaction, within the framework of a winding-up without liquidation pursuant to Article 1844-5 of the French Civil Code.

6.2.2. RESTRUCTURING OF THE INTRA-GROUP FINANCINGS

It is expected that prior to the Completion Date, all of the existing intra-Group financings (borrowings, loans as well as any ancillary hedging transactions, other than debit or credit current accounts, the dividends payable and any accrued interest relating thereto) between Accor and the entities that are expected to remain within the scope of the Accor Group of entities (collectively the "**Accor Group Entities**") on the one hand, and the entities whose shares will be in whole or in part, directly or indirectly transferred to New Services Holding pursuant to the Transaction (collectively the "**Services Entities**") on the other hand, will be restructured in order to maintain a single global financing arrangement between the Accor Group Entities and the Services Entities by way of a current account between Accor and the Company (the Company is expected to become the central entity for all of the loans and advances granted to or by the Services Entities, replacing the Accor Group Entities as the lender or borrower for such Services Entities). The Company intends to enter into (and has already entered into, in some cases) cash management, hedging, placement and financing transactions (both as a lender and/or borrower) prior to the Completion Date.

The current account granted to the Company by Accor will be reimbursed prior to the completion of the contribution through a draw on the financing facilities that will be made available to the Company and described in Section 2.6.6.2 of this prospectus.

6.3. The Transaction

6.3.1. ECONOMIC ASPECTS OF THE TRANSACTION

6.3.1.1. Existing relationship between the companies

(a) Capital links

As of the date of this prospectus, Accor holds substantially all of the Company's share capital and voting rights.

(b) Common corporate officers

As of the date of this prospectus, Accor and the Company do not have any corporate officer in common other than Mr Jacques Stern, who is both Deputy Chief Executive Officer of Accor and Chairman of the Board of Directors and Chief Executive Officer (*Président Directeur Général*) of the Company.

(c) Common subsidiaries

None.

(d) Technical and commercial agreements

Pursuant to the Contribution Agreement, the Company and Accor have agreed to enter into various service and assistance agreements in the areas of office administration, management, accounting and payroll tools, information technology and cash management, for terms ranging from three months to five years, depending on the relevant areas, under arm's length financial terms to be agreed upon between the parties. The amount to be paid based on the Company's appraisals, the re-invoiced items, and future claims paid by the Company to Accor as compensation for these service and assistance agreements amounts to €0.8 million and is accounted for in the *pro forma* financial statements (see note "Basis for preparation of the *pro forma* financial statements" and Note 29 "Related Parties" to the *pro forma* financial statements presented in Section 10.2.1 of this prospectus).

The Transaction will not include the contribution of the "Accor Services" brands, logos and domain names, but Accor will grant an exclusive license to the Company to use these intellectual property rights free of charge for a period of 24 months. This license is intended to allow the Company and the Services Entities to continue to use such rights for the time required to remove the reference to "Accor" in the intellectual property rights in question.

Finally, Accor will conclude a tax consolidation exit agreement with each of the French Services Entities that were included in the scope of the Accor tax consolidation for 2009, which will govern the consequences of the exit of such companies from the scope of Accor's tax consolidation as a result of the Transaction.

(e) Securities and guarantees

Accor is expected to provide a guarantee to the banks of up to the global amount of €1.5 billion with respect to the bank financings described in Section 2.6.6.2 of this prospectus. This guarantee will be released on the Completion Date, so that as of such date, Accor will no longer be the guarantor of the commitments of the Group's companies.

6.3.1.2. Purpose and objectives of the transaction

The Transaction is part of a plan to separate the Accor Group's hotel business from the services business in order to create an autonomous Group dedicated exclusively to the services business (as defined in Section 6.3.2.1 of this prospectus).

Each of these two businesses, which are currently the leaders in their respective markets, has reached a critical size and earned an international reputation allowing it to act independently in evolving markets.

With 4,100 hotels in 90 countries and 145,000 employees, the hotel operations division is a European market leader and global hotel manager, with a unique foundation in the midscale to economy segments.

Likewise, due to its presence in 40 countries with 33 million users, 490,000 companies and public authorities as customers and 1.2 affiliated merchants and an issue volume of €12.4 billion in 2009, the services business (as defined below) is now the global leading provider of employee and public benefits products and a leading player in the performance products market.

Today, it is clear that:

- ▶ the hotel and services businesses require specific skills and expertise, and operate in different business environments;
- ▶ backed by sufficient independent financial resources, the hotel and services operations will be better positioned in today's increasingly competitive global marketplace; and
- ▶ separately, the two businesses, each with its own business model, should attract a larger number of investors;

The purpose of the separation of the two businesses is to allow the resulting entities to:

- ▶ pursue two corporate missions, led by dedicated management teams, strengthening team spirit,
- ▶ become "pure players", listed separately without any capital ties, with targeted investors for each business, which will enhance each entity's visibility, and
- ▶ benefit from new opportunities for partnerships, strategic alliances and financial transactions in order to finance future growth, in particular through the ability to pay in shares.

6.3.2. LEGAL ASPECTS OF THE TRANSACTION

6.3.2.1. The Transaction

The Transaction consists of:

- (i) the contribution by Accor to the Company of its complete and autonomous business division consisting of the following activities: (x) the provision of employee and public benefits products and services, and (y) the provision of prepaid products and services that enhance the performance of organizations such as companies, associations, and public authorities (the "**Services Business**"), through a contribution of assets under the legal regime applicable to spinoffs; followed by
- (ii) the spinoff by Accor to its shareholders (other than Accor itself) of the shares of New Services issued as consideration for the contribution. The New Services shares will be listed on Euronext Paris concurrently with their delivery to the Accor shareholders.

The contribution of assets and the distribution by Accor to its shareholders of the New Services shares issued as consideration for the contribution contemplated in the Contribution Agreement are two related transactions deemed to be a single transaction.

Subject to the satisfaction of the conditions precedent set forth in Section 6.1.2 of this prospectus and the stipulations set forth below, Accor shall contribute to the Company all of the assets and liabilities relating to the Accor Group's services business (the "**Contributed Business**")

in their existing condition on the Completion Date, taking account in particular the Preliminary Transactions. The Company will own and take possession of the rights and assets relating to the Contributed Business and will be liable for the debts and obligations attached to the Contributed Business as of the Completion Date. The contribution of assets contemplated in the Contribution Agreement will imply the universal transfer of the Contributed Business, with no joint liability between Accor and the Company.

The contribution will not include:

- the loans and advances (other than debit or credit current accounts, dividends payable and any accrued interest relating thereto) extended by Accor to the Services Entities or by the Services Entities to Accor, nor the related hedging transactions, since these financings and transactions are expected to be unwound in connection with the Preliminary Transactions;
- the securities held by Accor in the share capital of the Company as of the date hereof; and
- rights and obligations that relate to the service agreements described in Section 6.3.1(d) of this prospectus.

As far as the intellectual property rights are concerned:

- the contribution will include all of the brands, logos and domain names, copyrights, know-how, software, and other intellectual property rights exclusively attached to the Contributed Business that do not include a reference to "Accor Services" or "Accor";
- the contribution will include all of the brands, logos and domain names attached to the Contributed Business that combine a reference to "Accor Services" or to "Accor" with a reference to a brand, name or logo specific to the Contributed Business; provided, however, that the Company undertakes to take certain measures in connection with the substitution of its new name; and
- the contribution will not include the "Accor Services" brands, logos and domain names; provided, however, that Accor (i) will grant an exclusive license to the Company to use these intellectual property rights free of charge for a period of 24 months, and (ii) undertakes to maintain the "Accor Services" domain names at the Company's expense for a period of ten (10) years (see Section 6.3.1.1(d) of this prospectus).

Pursuant to Article L. 1224-1 of the French Labor Code, the employment contracts of the employees shall be automatically transferred to the Company on the Completion Date, along with all of the individual rights accrued under such contracts.

The Transaction is subject to the provisions of Articles L. 236-16 through L. 236-21 of the French Commercial Code, in accordance with the election provided for in Article L. 236-22 of such Code. Accordingly, the Transaction will result in the Company being substituted for Accor in all its rights and obligations in respect of the Contributed Business as of the Completion Date.

Pursuant to the Contribution Agreement, Accor and the Company have expressly waived any joint liability between them, particularly with regard to the liabilities of Accor, in accordance with the provisions of Article L. 236-21 of the French Commercial Code. Accordingly, as of the Completion Date, solely the Company will be responsible for the liabilities transferred pursuant to the contribution of assets contemplated in the Contribution Agreement.

Given the absence of joint liability, and pursuant to the provisions of Articles L. 236-14 and L. 236-21 of the French Commercial Code, creditors (other than bondholders) of Accor and the Company whose claims arise prior to the publication of the Contribution Agreement are entitled to object to the Transaction within thirty (30) days of the last publication date of the announcements issued pursuant to articles R. 236-2 and R. 236-8 of the French Commercial Code. Any opposition concerning Accor must be filed with the Commercial Court of Evry, which may either reject it, order the repayment of the debts in question, or the delivery of guarantees if Accor so offers and if such guarantees are considered to be sufficient. Any opposition concerning the Company must be filed with the Commercial Court of Nanterre, which may either reject it, order the repayment of the debts in question, or the delivery of guarantees if the Company so offers and if such guarantees are considered to be sufficient. Pursuant to Article L. 236-14 of the French Commercial Code, an objection filed by a creditor (who is not a bondholder) of Accor or the Company shall not prevent the completion of the Transaction.

Moreover, pursuant to Article L. 236-18 of the French Commercial Code, the Transaction will be submitted to the Accor bondholders. The Accor bondholders have been convened to meetings that will take place on May 25, 2010 in order to render an opinion on the Transaction. If the quorum requirements are not met at this meeting, the Accor bondholders will be reconvened. If the Accor bondholders do not approve the Transaction at their meetings, or if they cannot validly decide because the quorum requirements are not met, the Board of Directors of Accor may disregard their opposition as provided by applicable laws and regulations. If they do not approve the Transaction, the general meetings of the bondholders may grant their representatives (*représentants des masses*) the authority to oppose the Transaction as provided in Article L. 236-14 of the French Commercial Code. The opposition of the bondholders as provided for above shall not prevent the Transaction from being completed.

The Company will publish a press release in the event that bondholders raise a significant opposition to the Transaction.

(a) Date of the Contribution Agreement

The Contribution Agreement was executed on April 19, 2010.

(b) Date of the financial statements used to determine the values of the contribution

Accor's Financial Statements: The terms of the Transaction are based on the financial statements of Accor as at December 31, 2009, which were adopted by Accor's Board of Directors on February 23, 2010, and which will be submitted for the approval of the shareholders on June 29, 2010, and the projected accounting position of the Contributed Business as of the Completion Date (the "**Projected Contribution Statement**").

The Company's Financial Statements: The terms of the Transaction are based on the financial statements of the Company as at December 31, 2009, adopted by the Chairman on February 15, 2010 and approved by the Company's sole shareholder on March 15, 2010 (prior to the conversion of the Company into a *société anonyme*). The impact of certain recapitalization transactions that took place on April 9, 2010, (prior to the conversion of New Services Holding into a *société anonyme*) has also been taken into account.

(c) Completion and effective dates of the Transaction

The Transaction will be completed on the Completion Date. The distribution of the Company shares to the Accor shareholders (other than itself) will occur on the Ex-Date. The contribution of assets will be effective (including for both tax and accounting purposes) as of the Completion Date.

(d) Dates of the Board of Directors' meetings approving the Transaction

The principle and the terms of the Transaction were approved at the meetings of the Board of Directors of Accor and the Company that were held on April 19, 2010.

(e) Filing date of the Contribution Agreement with the Commercial Court

The Contribution Agreement was filed with the clerks of the Commercial Courts of Evry and Nanterre on April 20, 2010.

(f) Tax regime applicable to Accor and the Company

Accor and the Company have agreed that the Transaction will be implemented under the standard tax regime (*régime de droit commun*) for corporate income tax purposes. As for the registration fees, the Transaction will be registered subject to the sole payment of a €500 fixed duty.

6.3.2.2. Approval and Evaluation of the Transaction**(a) Date of the Combined General Meetings called to approve the Transaction**

The Transaction will be submitted for the approval of the combined extraordinary general meetings of the shareholders of Accor and the Company that will take place on June 29, 2010.

(b) Statutory Appraisers

Names and addresses Mr Jean-Jacques Dedouit
 19, rue Clément Marot – 75008 Paris
 Mr Alain Abergel
 143, rue de la Pompe – 75116 Paris

Appointed by an order of the Presiding Judge of the Commercial Court of Nanterre dated March 1, 2010.

Date of the reports Report on the value of the contributions dated May 11, 2010 (a copy of which is attached to this prospectus)
 Report on the consideration for the contribution dated May 11, 2010 (a copy of which is attached to this prospectus)

The conclusions of the statutory appraisers of the contribution are as follows:

"Following our appraisal, we are of the opinion that the value of the contribution of €1,099,185,385.63 is not excessive and, consequently, that the net asset value contributed is at least equal to the value of the capital increase of New Services Holding, plus the contribution premium."

The conclusions of the statutory appraisers of the consideration for the contribution are as follows:

Following our appraisal, we are of the opinion that the compensation offered for the contribution, resulting in the issuance of one share of New Services Holding SA for each share of Accor SA that has the right to receive the subsequent distribution of shares of New Services Holding SA, is fair. Based on information available as of the date of this report, both companies have acknowledged that the number of shares to be issued by New Services Holding SA in consideration for the contribution shall be 225,878,896.

(c) Expert appraisal

None.

6.3.2.3. Consideration for the Transaction**(a) Consideration terms of the Transaction**

Given that Accor currently holds and intends to retain almost all of the shares of the Company until the Completion Date, the terms of the consideration of the contribution of assets contemplated in the Contribution Agreement were established so as to achieve a ratio of one (1) Company share for every Accor share granting rights to the distribution of the Company's shares. This results in a contractual allocation of the amount of the capital increase and the contribution premium.

(b) Amount of the capital increase

As consideration for the contribution of assets contemplated in the Contribution Agreement, the Company will issue a number of new shares to Accor corresponding to the number of Accor shares giving right to the distribution of the Company's shares, i.e., the number of outstanding Accor shares on the Ex-Date (other than those held by Accor itself).

For purposes of the Contribution Agreement, Accor and the Company have agreed upon a provisional number of shares to be issued based on the estimate of the number of Accor shares granting rights to distribution of the Company's shares as of the date of the Contribution Agreement, but have agreed that this number will be adjusted once the required information is available. The meetings of the Board of Directors of Accor and the Company held on May 11, 2010 applied these principles and set the final number of shares of the Company to be issued as consideration for the contribution of assets such that this number corresponds exactly to the number of Accor shares giving right to the distribution of the Company's shares (i.e., 225,878,896 shares).

Accordingly, as consideration for the contribution of assets contemplated in the Contribution Agreement, the Company will increase its capital by a nominal amount of €451,757,792 through the issue of 225,878,896 new shares with a par value of €2 each. This amount assumes that *Société d'Exploitation et d'Investissement Hôtelier* - SEIH held by Accor will be wound-up prior to the Completion Date.

Based on the foregoing, the share capital of the Company will be increased by a nominal amount of €451,757,792, from €37,000, its current nominal amount, to the nominal amount of €451,757,792, divided into 225,897,396 shares, fully paid-up and all of the same class.

The new shares will be entirely fungible with the existing shares and will be subject to all of the provisions of the Company's bylaws. They will have a right to all of the distributions declared after the Completion Date and will be admitted for trading on Euronext Paris as of the Ex-Date.

6.3.3. ACCOUNTING FOR THE TRANSACTION

6.3.3.1. Valuation principles

Because the Transaction is an indivisible transaction involving a contribution of assets at book value among companies that are members of the same Group followed by a share spinoff (and not a sale) to the Accor shareholders, which should be treated in a consistent manner for accounting purposes, the Transaction will be carried out at book value. This book value shall correspond to the net book value of the transferred items on the Completion Date, as such items will be recorded in the Contribution Statement (defined below).

6.3.3.2. Description and valuation of the contributed assets and assumed liabilities**(a) Description and valuation of the contributed assets**

Subject to the provisions of Section 6.3.2.1 above, the contributed assets shall include all of the assets and rights of the Contributed Business, in their existing condition on the Completion Date (whether or not they are recorded in the reference accounts or the Projected Contribution Statement, and including all of the unknown or future rights related to the operation of the Contributed Business arising prior to the Completion Date), other than the assets sold or destroyed between January 1, 2010 and the Completion Date, but increased to reflect any assets relating to the Contributed Business acquired by Accor during such period. They will also include, if applicable, a claim of the Company against Accor, the

amount of which will be determined as provided below, which is intended to ensure that the book value of the net assets of the Contributed Business on the Completion Date recorded in the Contribution Statement (defined below) is equal to the net assets recorded in the Projected Contribution Statement (€1,099,185,385.63).

On the basis of the reference accounts, the Projected Contribution Statement and the items mentioned in the Contribution Agreement, and given that the Transaction will be carried out at net book value, the breakdown of the book value of the net assets of the Contributed Business is as follows:

<i>(in euros)</i>	Net book value
<i>Concessions, patents, similar rights</i>	270,759.70
<i>Other intangible assets</i>	164,303.34
INTANGIBLE ASSETS	435,063.04
<i>Property, plant and equipment</i>	18,272.65
<i>Other tangible assets</i>	517,707.77
<i>Current assets</i>	406,006.34
TANGIBLE ASSETS	941,986.76
<i>Participating Interests – French Company 5% to 100%</i>	1,026,194,287.64
<i>Participating Interests – Foreign Company 5% to 100%</i>	70,581,982.09
<i>Related interest receivable</i>	1,128,032.71
<i>Dividends receivable</i>	11,444,016.52
<i>Other financial assets</i>	19,802.00
FINANCIAL ASSETS	1,109,368,120.96
TOTAL FIXED ASSETS	1,110,745,170.76
<i>Trade receivables</i>	467,400.00
<i>Prepaid expenses</i>	182,781.17
<i>Current accounts</i>	4,746,000.00
<i>Various debtors</i>	54,081.69
TOTAL CURRENT ASSETS	5,450,262.86
TOTAL OF THE CONTRIBUTED ASSETS	1,116,195,433.62

(b) Description and valuation of assumed liabilities

Subject to the provisions of Section 6.3.2.1 below, the liabilities assumed by the Company shall include all of the liabilities and obligations of the Contributed Business, in their existing condition on the Completion Date (whether or not they are recorded in the reference accounts and including all unknown or future liabilities related to the operation of the Contributed Business arising prior to the Completion Date), other than any liabilities discharged between January 1, 2010 and the Completion Date, but increased by any new liability incurred during such period. They will also include, if applicable, a claim of Accor against the Company, the amount of which will be determined as provided below, which is intended to ensure that the book value of the net assets of the Contributed Business on the Completion Date recorded in the Contribution Statement (defined below) is equal to the net assets recorded in the Projected Contribution Statement (€1,099,185,385.63).

On the basis of the reference accounts, the Projected Contribution Statement and the items mentioned in the Contribution Agreement, and given that the Transaction will be carried out at net book value, the breakdown of the book value of the assumed liabilities of the Contributed Business is as follows:

<i>(in euros)</i>	Historical net carrying amount
<i>Provisions for contingencies</i>	2,612,953.00
<i>Provisions for expenses</i>	8,931,386.00
PROVISIONS FOR RISKS AND EXPENSES	11,544,339.00
<i>Current accounts</i>	167,000.00
<i>Trade payables and related accounts</i>	2,520,239.54
<i>Tax and social security liabilities</i>	2,778,469.45
DEBTS	5,465,708.99
TOTAL OF THE ASSUMED LIABILITIES	17,010,047.99

(c) Calculation of the contributed net asset book value

On the basis of the foregoing elements, the book value of the net assets contributed by Accor to the Company pursuant to the Transaction amounts to €1,099,185,385.63.

<i>(in euros)</i>	Net value
Total of the assets contributed	1,116,195,433.62
Total of the liabilities assumed	17,010,047.99
Net assets contributed	1,099,185,385.63

As a result of the mechanism provided for in Section 6.3.3.2(d) of this prospectus, the amount of the contributed net assets contributed will remain unchanged despite the fact that the Company will assume the assets and liabilities relating to the Contributed Business at their net book value on the Completion Date.

(d) Preparation of the Contribution Statement

Within thirty (30) days of the Completion Date, Accor will deliver the balance sheet of the Contributed Business as at the Completion Date (the "**Contribution Statement**") to the Company. The Contribution Statement will be prepared using the same accounting principles as those used to prepare the Projected Contribution Statement, provided, however, that this Contribution Statement will show, if applicable, a claim of the Company against Accor (on the asset side) or, alternatively, a claim of Accor against the Company (on the liability side), in an amount such that the book value of the net assets of the Contributed Business recorded in the Contribution Statement, incorporating the negative or positive amount of the claim, as applicable, will be equal to the book value of the net assets of the Contributed Business recorded in the Projected Contribution Statement (€1,099,185,385.63).

New Services will have a period of thirty (30) days from the date on which it receives the Contribution Statement (the "**Opposition Period**") to notify Accor of its objection to any of the elements included in the Contribution Statement by delivering a notice of opposition (the "**Opposition Notice**") to Accor at the latest on the last day of the Opposition Period. If Accor does not receive any Opposition Notice within this time frame, the Company will be deemed to have accepted the Contribution Statement without any reservations, and it will become final with no possibility of further objection.

If an Opposition Notice is sent to Accor, and if the Parties cannot reach an agreement on the principle and/or the amount of the proposed adjustments, the disputed items will be submitted to an expert (the "**Auditor**"). The Auditor will settle any disputes in accordance with the principles set forth in this article with respect only to those items that the Accor and New Services are unable to agree upon, and will then prepare the final Contribution Statement. Accor and the Company will use their best efforts to allow the Auditor to render its decision within a period of thirty (30) days from its appointment. The Auditor's decision will be binding on the Parties and may not be appealed. The Auditor's fees will be borne equally by Accor and the Company.

Any claim recorded on the asset or liability side of the Contribution Statement will be paid by the Party liable for such payment within five (5) days of the date on which the final Contribution Statement is established.

6.3.3.3. Expert Appraisal

None.

6.3.3.4. Contribution premium

The difference between the amount of the net assets contributed and the nominal amount of the share capital increase of New Services will be accounted for as the "contribution premium". The amount of the contribution premium that will be submitted for the approval of the Company's General Meeting was established by the Company's Board of Directors pursuant to the provisions of Article 5.2 of the Contribution Agreement at the meeting that was held on May 11, 2010.

On the basis of a net asset value of €1,009,185,385.63, and assuming a share capital increase of €451,757,792.00, the contribution premium would amount to €647,427,593.63.

The contribution premium to which the existing and new shareholders of New Services will be entitled will be recorded on the liability side in the balance sheet of New Services. It may be allocated as decided by the Company's Shareholders' Meeting, in accordance with the principles in force.

6.3.4. DISTRIBUTION OF THE COMPANY'S SHARES TO THE ACCOR SHAREHOLDERS

The new Company shares issued as consideration for the Transaction, 225,878,896 Company shares, which represent 99.99% of the share capital of the Company on the Completion Date after the completion of the Transaction, will be distributed by Accor to its shareholders (other than Accor itself), in proportion to their equity interest in the share capital of Accor, at the rate of one (1) New Services share for each Accor share.

The Transaction will be submitted to the shareholders of Accor and New Services Holding for their approval at the combined (ordinary and extraordinary) general meetings that will be held on June 29, 2010. Subject to the recording of the final completion of the contribution of assets contemplated in the Contribution Agreement by the Combined General Meeting of New Services on June 29, 2010, the spinoff of the New Services shares and the distribution of the cash dividend that will be submitted for the approval of the Accor shareholders at the General Meeting of June 29, 2010 will occur before the start of trading on the Ex-Date. The delivery of the New Services shares and the payment of the cash dividend will also occur on the Ex-Date.

6.3.4.1. Beneficiaries of the distribution of Company shares

Each Accor share that is outstanding on the Ex-Date (other than any share held by Accor itself) will give its holder the right to one New Services share.

The beneficiaries of the spinoff of New Services shares will be the Accor shareholders (other than Accor itself) whose shares are recorded in their name at the close of the accounting day preceding the Ex-Date, i.e., after the close of business on July 1, 2010, (after trades made during business hours on July 1, 2010 have been executed, even if the settlement of these orders takes place after the Ex-Date).

In other words, any person (other than Accor itself) who has acquired Accor shares (without having resold them) prior to the Ex-Date will receive the distribution of New Services shares in accordance with the applicable market rules described below.

The same rules apply for the cash dividend, provided, however, that the Accor shares with dividend rights only as of January 1, 2010 listed under the ISIN code FR0010840819 will not be entitled to such dividends.

6.3.4.2. Exchange ratio of the Company shares

Accor will distribute one New Services share for each Accor share as part of the Transaction.

6.3.4.3. Mechanics of the Spinoff

The spinoff of the Company shares and Accor's annual cash dividend will occur simultaneously, before the start of trading on the Ex-Date.

The payment of the cash dividend and the delivery of the Company shares spun-off pursuant to the Transaction will also occur simultaneously on the Ex-Date.

For the Accor shares in bearer form or in administered registered form:

- as of the Ex-Date, the financial intermediaries who are members of Euroclear France will credit the cash dividend to the accounts of their customers who are entitled to it;
- on the Ex-Date, the financial institution in charge of centralizing the transactions relating to the Transaction (the "**Centralizing Bank**"), will cause, through the intermediary of Euroclear France, all of the financial intermediaries who are members of Euroclear France to credit, automatically and without the intervention of their customers, on behalf of the Accor shareholders for whom they handle the accounts who will have Accor shares recorded in their name at the end of the accounting day prior to the Ex-Date, a number of New Services shares corresponding to the number of Accor shares recorded in the accounts of such customers; and
- for those shares that are subject to a purchase with a deferred settlement-payment ("**OSRD**"), the Company shares spun-off from such shares will benefit the trader (*négociateur*) who will register them in the account of the purchaser as of the Ex-Date. The trader will also benefit from the cash dividend and will pay the purchaser the exact cash equivalent after the OSRD. The same rules will apply with respect to OSRD sale orders.

For those shareholders holding shares of Accor in pure registered form:

- as of the Ex-Date, the cash dividend will be credited to the accounts of each of the shareholders entitled thereto; and
- as of the Ex-Date, the entire number of shares of the Company to which the shareholders in the share registry are entitled, in the name of each shareholder in pure registered form.

6.3.4.4. Accor's accounting treatment of the Transaction

Accor's accounting treatment of the Transaction is discussed in Accor's update of the 2009 annual report (*Document de Référence*), which will be filed with the AMF under number D.10-0201-A01 (it being specified that this update is not incorporated by reference herein).

6.3.5. CONSEQUENCES OF THE TRANSACTION

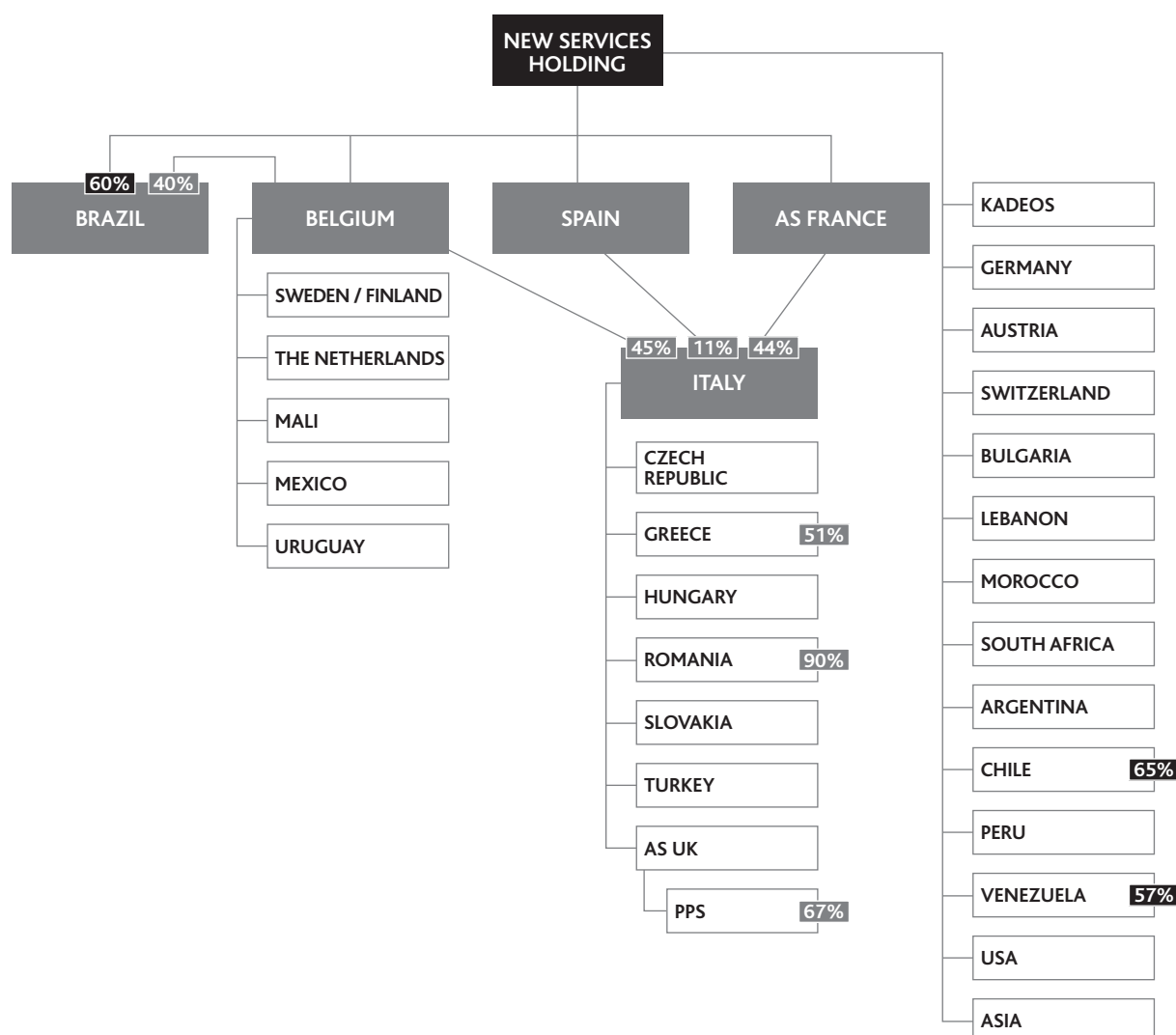
6.3.5.1. Impact of the Transaction for Accor and its shareholders

The impact of the Transaction for Accor and its shareholders and holders of rights or securities giving access to the share capital are presented in the update of Accor's 2009 annual report, which will be filed with the AMF under number D.10-0201-A01 (it being specified that this update is not incorporated by reference herein).

6.3.5.2. Impact of the Transaction for the Company and its shareholders

(a) Impact on shareholders' equity of the Company

	Number of financial instruments	Share capital	Contribution premium
Starting position	18,500	€37,000	€ -
Consequence of the total number of financial instruments created	225,878,896	€ 451,757,792	€ 647,427,593.63
POSITION AFTER THE TRANSACTIONS	225,897,396	€ 451,794,792	€ 647,427,593.63

(b) Organizational chart after the Transaction

A simplified organizational chart indicating the capital links and voting rights of the main entities of the Group is presented in Note 33 of the *pro forma* financial statements included in Section 10.2.1 of this prospectus.

(c) Impact on the Company's ownership structure and voting rights

See Section 7.3.1.1 of this prospectus.

(d) Expected change in the composition of the corporate bodies and management of the Company

The information concerning the composition of the governing bodies and management of the Company following the completion of the Transaction is described in greater detail in Section 5.1.1 of this prospectus.

(e) Change to the market capitalization

None. The Company will not be admitted for trading until the Ex-Date.

(f) Impact on the calculation of the net earnings per share

The Company's *pro forma* financial statements (see Section 10.2.1 of this prospectus) include detailed information concerning the impact of the Transaction on the Company.

(g) New strategies under consideration

See Section 1.3 of this prospectus.

(h) Short and medium-term projections concerning the business and any future reorganizations, results and the dividend distribution policy.

This prospectus does not contain any short-term or medium-term projections concerning the business and any future restructurings. The financial objectives pursued by the Group are presented in Section 1.3.3 of this prospectus.

See Section 7.3.2 of this prospectus for more information concerning the Company's dividend distribution policy.

6.3.6. FACTORS CONSIDERED IN THE VALUATION OF THE COMPANY FOLLOWING THE TRANSACTION

The price of the New Services shares following the Transaction will be determined on the basis of the orders placed on Euronext Paris during the first trading sessions, which is expected to occur on July 2, 2010 (the "**Initial Admission Date**"), subject to the approval of the Transaction by Accor's General Meeting of Shareholders. The Transaction does not involve a public offer, private placement, or a subscription or acquisition of New Services shares by investors; if such a transaction had occurred, it could have provided an indication of the market's potential valuation of the New Services shares. It is recalled that the exchange ratio used for the distribution of New Services shares is one New Services share for each Accor share, and that the transaction will be carried out on the basis of book values.

Euronext will indicate in a notice, published prior to the Initial Admission Date of the New Services shares, the price that will be used as a technical reference for the initial listing. This reference price will be used only for purposes of establishing circuit-breaker thresholds and will have no effect on the price at which the New Services shares will actually be traded.

The following valuation factors are provided on a purely indicative basis, and will not necessarily have an impact on the price at which the New Services shares will actually be traded.

The information used to prepare the valuation factors presented below was taken from public documents. In particular, historical information and the forward-looking statements concerning certain companies in the services and employee and public benefits sections was found in annual reports and recent research reports prepared by financial analysts, or data bases; this information has not been and will not be independently verified.

Among the standard valuation methods is the comparable listed company (*comparable boursière*) method, which involves comparing New Services Holding to a sample of listed companies, comparable in terms of (i) business profile, (ii) revenue generation, (iii) underlying markets, and (iv) size.

Sodexo, through its "Checks and Service Cards" division, is New Services's main competitor, offering a range of products and a geographic presence that is very similar to that of New Services. However, this division represents only a very small portion of the Sodexo Group's overall business (i.e., 4.7% of its consolidated revenues in 2008-09) and its other divisions are not comparable to New Services Holding, in particular the catering (*restauration collective*) and the facilities management divisions, and therefore a comparable listed company valuation of New Services based on Sodexo is not useful.

There are no listed companies that conduct business exclusively in the services and employee benefits sector, but the following American listed companies were used on the basis of the criteria described above: Visa, MasterCard, Paychex and ADP. Although, based on their company profiles, none of these companies is exactly comparable to New Services, they nevertheless have the following similar features:

- Visa and MasterCard are not exactly comparable to New Services because (i) they are only active in the payment sector and not in the employee and public benefits sector, and (ii) they do not operate with a structurally negative working capital balance which regularly generates financial revenue. However, their business model is similar to that of New Services for several reasons: (i) they use a "B2B" commission model and with no credit risk on the ultimate end user, (ii) they have a presence in numerous countries, (iii) their businesses are generally correlated with the growth of GDP, (iv) some of their growth is linked to the development of e-money payment methods and online solutions, and (v) their revenue growth is derived from factors similar to those of New Services;
- Paychex and ADP are also not exactly comparable to New Services because these companies offer services to companies of a different nature (mainly payroll management and Human Resources Departments). However, their revenue sources, their presence in B2B markets, their underlying growth drivers (the relation to GDP and to the development of salaried employment in general) and their management of negative working capital requirements, generating financial revenues, may in some ways be considered similar to New Services.

New Services generates negative working capital requirements that in turn generate financial proceeds on a recurring basis that are reported, pursuant to IFRS standards, in revenue, and accordingly as EBIT. The companies mentioned above that were chosen as potential comparables to New Services have no, or few, similar features, and furthermore are subject to U.S. GAAP. For this reason, to the extent that their application to comparable aggregates is not possible unless significant adjustments are made, the multiples established as the ratio between the enterprise value and the EBIT were not used. Revenue multiples were not used because they did not take into account different profitability levels of the companies included in the sample.

Accordingly, only the Price Earning Ratios are mentioned in the chart below. This multiple is defined as of May 4, 2010 as (i) the average price at which the shares of the companies in question are traded over a period of 30 days and (ii) the net earnings per share published by each company (for 2009) or resulting from the consensus of analysts' forecasts concerning such companies (for 2010).

Company	PER 09A	PER 10E
ADP	16.5x	16.7x
MasterCard	22.9x	18.9x
Paychex	23.0x	22.6x
Visa	27.2x	22.6x

Note: Net EPS at December 31 for Automatic Data Processing (for the period ended June 30). Paychex (for the period ended May 31) and Visa (for the period ended September 30)

Source: Datastream, CapIQ as at May 4, 2010, 10-K annual reports and 10-Q quarterly reports available on May 4, 2010.

7

Information about the Company and its share capital

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7.1. Information about the Company

7.1.1. COMPANY NAME

New Services Holding (previously Deutsche Dauphine).

7.1.2. TRADE REGISTRY

The Company is registered with the Registry of Commerce and Companies of Nanterre under number 493 322 978.

7.1.3. DATE OF INCORPORATION AND TERM

The Company was incorporated on December 14, 2006 as a *société par actions simplifiée* for a term of 99 years, and was converted into a *société anonyme* on April 9, 2010.

7.1.4. REGISTERED OFFICE, LEGAL FORM AND GOVERNING LAW

166-180, boulevard Gabriel Péri, 92240 Malakoff, France.

Telephone number: +33 1 74 31 75 00.

The Company is a *société anonyme* with a Board of Directors governed by French law and the French Commercial Code.

7.1.5. CORPORATE PURPOSE

The corporate purpose of the Company, both in France and abroad, on its own behalf or on behalf of third parties, is:

- ▶ the development, implementation, promotion, marketing, and management of service vouchers (*titres de service*) in any format, whether physical or not, and, more generally, any service relating to employee and public benefits, rewards and loyalty, and expense management;
- ▶ advising, creating, promoting and operating the information systems required for the development and implementation of the service vouchers and transactions referred to above, along with the management of financial transactions relating thereto;
- ▶ the provision of consulting services, analysis and expertise to evaluate the administrative, technical, and financial means required for the development and implementation of service voucher policies, as well as the transactions referred to above;
- ▶ the acquisition of any interest, by any means, in French or foreign companies or groups with a similar or related corporate purpose;
- ▶ public relations and communications management, seminar and conference organization as well as meetings, conventions, performances and events relating to the transactions described above;
- ▶ the financing and management of the short, medium or long-term cash flow of the companies that it controls or that are under common control with it and, in this regard, entering into any loans in France or abroad, in euros or otherwise, the granting of any loans and advances, in euros or otherwise, and the execution of any cash, placement and hedging transactions; and
- ▶ any commercial, industrial, financial, property or real estate transaction that may relate, directly or indirectly, to its corporate purpose and to all purposes that are similar or related and may expedite the execution of any such transaction.

In order to achieve this purpose, the Company may take any actions or conduct any transactions, regardless of their nature or size, including creating new companies, subscribing for or purchasing new securities or equity interests or conducting any acquisitions or mergers, if they

contribute to or facilitate the activities described above, or if they directly or indirectly protect the commercial, industrial or financial interests of the Company, its subsidiaries, or the companies with which it conducts business.

7.2. Information concerning the Company's shares

7.2.1. DESCRIPTION OF THE COMPANY'S SHARES

7.2.1.1. Type, class and dividend rights date (*date de jouissance*) of shares admitted for trading – ISIN code

As of the Completion Date of the Transaction, the Company's share capital will consist of 225,897,396 fully paid-up shares with a par value of €2 each. An application has been made for admission of these shares on the Euronext Paris market (compartment A).

The 225,878,896 new shares distributed as part of the Transaction will be ordinary shares of the same class as the existing shares of the Company. They will entitle their holders to any distributions of dividends, interim dividends, reserves or other amounts distributed after they are issued.

The Company's ISIN code, which will be used to trade its shares on Euronext Paris, and its ticker symbol will be provided at a later date and will be included in a supplement to this prospectus.

7.2.1.2. Applicable law and competent courts

The Company's shares are subject to French law.

The courts having jurisdiction in the event of a dispute are those where the registered office of the Company is located when the Company is the defendant and, in other cases, are designated according to the nature of the dispute, unless otherwise provided by the French Code of Civil Procedure (*Code de procédure civile*).

7.2.1.3. Form of shares and account registration procedures

The Company's shares may be held in registered or bearer form, at the option of the shareholder.

Regardless of their form, in accordance with Article L. 211-3 of the French Monetary and Financial Code (*Code monétaire et financier*), the shares are required to be held in book-entry form in accounts held, as the case may be, by:

- ▶ Société Générale (32, rue du Champ-de-Tir, BP 81236-44312 Nantes Cedex 3), acting on behalf of the Company, in respect of fully registered shares (*nominatif pur*);
- ▶ an authorized financial intermediary selected by the shareholder, and by Société Générale (32, rue du Champ-de-Tir, BP 81236-44312 Nantes Cedex 3) acting on behalf of the Company, in respect of shares in administered registered form (*nominatif administré*); or
- ▶ an authorized financial intermediary selected by the shareholder in respect of shares in bearer form (*au porteur*).

Application has been made for the admission of the Company's shares for clearance and settlement through Euroclear France.

Shares are transferred electronically from one account to another. Ownership is transferred through securities accounts, as provided in Articles L. 211-15 and L. 211-17 of the French Monetary and Financial Code (*Code monétaire et financier*).

As part of the Transaction, the Company's shares will be registered automatically on behalf of those shareholders who are entitled to such distribution in registered or bearer form, depending on whether such shareholders hold their Accor shares in registered or bearer form.

Share registration and related services will be performed by Société Générale (32, rue du Champ-de-Tir, BP 81236-44312 Nantes Cedex 3).

7.2.1.4. Rights attached to shares

Once they are issued, the Company's shares will be subject to the Company's by-laws adopted by the Shareholders' Meeting on April 9, 2010. Under currently applicable French law and regulations and the Company's by-laws, the main rights to which holders of the shares are entitled are as follows:

Dividend rights

At least 5% of the Company's net profits, less any losses carried forward from previous years (if applicable), must first be allocated to its legal reserve. This is no longer required once the legal reserve is equal to one-tenth of share capital. However, if the legal reserve should fall below this amount for any reason, the 5% allocation will again be required.

In accordance with applicable law, the resulting balance (increased, if applicable, by any retained earnings carried forward) is the amount available for distribution of dividends to shareholders.

When approving the financial statements for a fiscal year, the Shareholders' Meeting may grant a dividend to all shareholders.

The general Shareholders' Meeting can offer shareholders the option to receive all or part of distributed dividends or interim dividends either in cash or shares issued by the Company. Unclaimed dividends become the property of the French State after five years.

The Shareholders' Meeting may deduct any amounts from profits before distributing dividends, either to carry forward such amounts to the following fiscal year or allocate to one or several reserve funds in its discretion.

The Shareholders' Meeting may distribute reserves in accordance with applicable law. Any decision to do so must expressly indicate the reserve accounts from which the distributions will be made.

However, other than in the case of a capital reduction, no distribution may be made to shareholders when shareholders' equity is, or would become as a result of such distribution, lower than the minimum amount of share capital plus reserves required by law or the by-laws.

Dividends paid to individuals who do not reside in France for tax purposes are subject to a withholding tax (see Section 7.2.1.10 of this prospectus).

New shares will grant rights to the distribution of dividends and will be entirely fungible with existing shares. They will entitle their holders to any distributions of dividends, interim dividends, reserves or similar amounts.

Voting rights

The voting rights attached to the shares are proportional to the percentage of the share capital that such shares represent. At par, each share grants the right to one vote.

However, Article 24 of the Company's by-laws provides that, in certain circumstances, a double voting right may be conferred upon certain shares based on the proportion of share capital they represent.

Accordingly, a double voting right is attached to all fully paid-up shares that have been held in a registered share account in the name of a single shareholder for at least two years.

In addition, in the event of a capital increase through capitalization of reserves, profits or issuance premiums, double voting rights attach to shares distributed in respect of shares that carry double voting rights immediately upon issuance.

Registered shares converted into bearer shares or sold to a different holder lose their double voting rights. However, transfers through inheritance, liquidation of marital assets, *inter vivos* transfers to a spouse or relative, whether parent or descendent, do not cause double voting rights to be lost or disrupt the two-year qualifying period. Mergers of the Company have no impact on double voting rights, which may be exercised in the absorbing company if its by-laws so provide.

Article 24 of the Company's by-laws provides that when shares are held by beneficial and non-beneficial owners, voting rights in ordinary and Extraordinary Shareholders Meetings are exercised only by beneficial owners, although non-beneficial owners retain the right to vote in person when a unanimous shareholder vote is required by law.

Preferential subscription rights

Under current French law, any capital increase through an issuance of shares for cash gives shareholders a preferential right to subscribe for the new shares in proportion to their existing interest.

A Shareholders' Meeting that authorizes a capital increase may separate the preferential subscription right for the entire capital increase or any number of its tranches, and may establish a priority subscription period for existing shareholders. When shares are issued through a public offer or through a private placement under part II of Article L. 411-2 of the Monetary and Financial Code (*Code monétaire et financier*), without any preferential subscription rights and within the annual limit of 20% of share capital, the issue price must be determined in accordance with Article L. 225-136 of the French Commercial Code (*Code de commerce*).

Furthermore, a Shareholders' Meeting that approves a capital increase may reserve it for designated and named individuals, or for a specific category of persons who meet certain criteria pursuant to Article L. 225-138 of the French Commercial Code (*Code de commerce*).

A Shareholders' Meeting that approves a capital increase may also reserve it for shareholders of another company with which the Company seeks to conduct an exchange offer pursuant to Article L. 225-148 of the French Commercial Code (*Code de commerce*). When a capital increase is subscribed by way of contributions in kind for the benefit of the contributors, it is subject to a different procedure under Article L. 225-147 of the French Commercial Code (*Code de commerce*).

Throughout the subscription period, rights in respect of listed shares may be traded once they are detached from such shares. Otherwise, it may be sold in the same way as the share itself. Individual shareholders may waive their preferential subscription rights pursuant to Articles L. 225-132 and L. 228-91 of the French Commercial Code (*Code de commerce*).

Right to share in the Company's profits

The Company's shareholders are entitled to profits as provided in Articles L. 232-10 *et seq.* of the French Commercial Code.

Right to share in any surplus in the event of liquidation

All shares, regardless of their class, grant certain rights in respect of the Company's assets. Any shareholders' equity remaining in the event of liquidation will be shared among the shareholders in proportion to their percentage interest in the Company's share capital.

Shares are indivisible with respect to the Company.

Buyback or conversion clauses

The Company's by-laws do not contain any share buyback or conversion clauses.

Shareholder identification

The Company shall stay informed of the identity of its shareholders as provided by applicable law. The Company is authorized to use any means consistent with applicable law to identify the holders of its securities that carry immediate or future voting rights at the Shareholders' Meetings.

Ownership thresholds

So long as the Company's shares are admitted for trading on a regulated market, all shareholders who, alone or jointly with other shareholders, acquire or sell shares representing a statutorily-defined percentage of the share capital or voting rights must inform the Company in accordance with applicable law and regulations, subject to the penalties provided therein.

In addition, any shareholder who, alone or jointly with other shareholders, comes to hold more than 1% of the share capital or voting rights of the Company must notify the Company within four trading days of the date on which such threshold was exceeded. The notification must include details regarding the total number of shares and/or share equivalents and voting rights held.

Once this 1% threshold is crossed, the same disclosure rules apply to any increase in a shareholder's interest by 0.50% of the share capital or voting rights, and any reduction in a shareholder's interest by multiple of 1% of the share capital or voting rights. In the event that these

disclosure rules are not respected, one or several shareholders representing at least 3% of the Company's share capital or voting rights, as recorded in the minutes of the Shareholders' Meeting, may request that the undisclosed shares be stripped of their voting rights for all Shareholders' Meetings held in the two years following the date on which the omission is cured.

Furthermore, so long as Company's shares are admitted for trading on a regulated market, and in addition to the thresholds provided by law, any shareholder that comes to hold, alone or jointly with other shareholders, more than 5% of the Company's share capital or voting rights, must indicate in the notification to the Company its intentions for the following 12-month period, including the specifications set out in the second paragraph of section VII of Article L. 233-7 of the French Commercial Code (*Code de Commerce*).

At the end of each successive 12-month period, any shareholder that still holds a number of shares or voting rights equal to or in excess of the thresholds described above will be required to notify the Company of its intentions for the following 12 months.

The Company will have the right to inform the public and shareholders of such shareholder's disclosed intentions or such shareholder's failure to comply with this requirement.

For purposes of the applying these rules, the shares or voting rights referred to in Article L. 233-9 I of the French Commercial Code (*Code de Commerce*) are treated in the same way as the shares and voting rights held by the person required to make the declaration.

7.2.1.5. Authorization

The issue of new shares as part of the Transaction will be approved at the Shareholders' Meeting of June 29, 2010.

7.2.1.6. Expected settlement date of shares distributed to Accor shareholders

The shares distributed to Accor shareholders following the transactions described in Section 6.3.4 of this prospectus shall be credited in financial intermediaries' accounts on July 2, 2010.

7.2.1.7. Restrictions on transferability of shares

There are no restrictions on the transferability of the Company's shares. The Company and certain shareholders have agreed to certain restrictions in relation to their shares, which are set out in Section 7.2.2.4 of this prospectus.

7.2.1.8. French regulations governing public tender offers

Following the admission of its shares to trade on Euronext Paris, the Company will be subject to French laws and regulations relating to mandatory public offers, buyout offers and squeeze-outs.

Mandatory tender offers

Article L. 433-3 of the French Monetary and Financial Code and Articles 234-1 *et seq.* of the AMF General Regulations set forth the conditions for the mandatory filing of a proposed tender offer targeting all of the capital securities and securities entitling their holders to receive shares or voting rights of a company whose shares are admitted to trading on a regulated market.

Standing offer

Article L. 433-3 of the French Monetary and Financial Code and Articles 235-1 *et seq.* of the AMF General Regulations set forth the conditions under which a proposed standing offer (*garantie de cours*) bearing on the capital securities of a company whose shares are admitted to trading on a regulated market must be filed.

Public buyout offers and public squeeze-out offerings

Article L. 433-4 of the French Monetary and Financial Code and Articles 236-1 *et seq.* (buyout offers), 237-1 *et seq.* (squeeze-out following a buyout offer) and 237-14 *et seq.* (squeeze-out following any public offer) of the AMF General Regulations set forth the conditions for filing a public buyout offer and for implementing a procedure to squeeze out minority shareholders of a company whose shares are admitted to trading on a regulated market.

7.2.1.9. Public tender offers initiated by third parties in respect of the issuer's share capital during the previous fiscal year and the current fiscal year

Because the Company's shares are not listed on a regulated market as of the date of the AMF's approval of this prospectus, no third parties have made any public tender offers for the share capital of the Company during the current or prior fiscal year.

7.2.1.10. Taxation of shares

On the basis of current French law, the following sets out the French tax consequences that may be applicable to shareholders who are not residents of France for tax purposes and who receive dividends in connection with their shares of the Company. Shareholders should nonetheless consult their usual tax advisor for details of the tax consequences that may apply to their particular situation. Non-residents of France for tax purposes must also comply with the tax law in force in their state of residence, as may be modified by any international tax treaty signed between France and such state. French residents for tax purposes should also comply with applicable French tax laws.

(a) Withholding tax

Dividends distributed by the Company are generally subject to withholding by the paying agent, whenever the tax residence or registered office of the actual beneficiary is located outside France. The rate of withholding is (i) 18% if the beneficiary is an individual who is resident of a Member State of the European Union, Iceland or Norway and (ii) 25% in other cases.

This withholding tax may be reduced or eliminated in particular under Article 119 *ter* of the French Tax Code, which is applicable, subject to certain conditions, to legal entity shareholders residing in the European Union, and under international tax treaties.

Furthermore:

- ▶ if they satisfy the criteria set forth in the tax guideline (*instruction fiscale*) of January 15, 2010 (BOI 4 H-2-10), non-profit organizations whose parent company is located in a Member State of the European Union, Iceland or Norway may qualify for the reduced withholding tax rate of 15%;
- ▶ if they satisfy the criteria set forth in the tax guideline (*instruction fiscale*) of May 10, 2007 (BOI 4 C-7-07) and July 12, 2007 (BOI 4 C-8-07), legal entities that hold at least 5% of the share capital and voting rights of the Company may, subject to certain conditions, qualify for a tax exemption if their parent company is located in a Member State of the European Union, Iceland or Norway. Such shareholders should consult with their usual tax advisor in order to determine to what extent and under which conditions they may qualify for this exemption.

However, the dividends distributed by the Company will be subject to a withholding tax at the rate of 50% regardless of the tax residence of the shareholder (subject, as the case may be, to more favorable terms in international tax treaties) if they are paid outside of France in a "non-cooperative state or territory" (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French General Tax Code. The list of non-cooperative states and territories is fixed and updated annually by the French tax authorities.

Shareholders should consult their usual tax advisor in order to determine whether they may be subject to the new legislation applicable to non-cooperative states and territories, and/or qualify for a reduction or tax exemption. Shareholders are also urged to obtain information concerning the consequences of international tax treaties, particularly the guideline of February 25, 2005 (BOI 4 J-1-05) relating to the "normal" or "simplified" procedure relating to the reduction or exemption of the withholding tax.

Individual shareholders benefiting from a tax treaty with France providing for the transfer of the tax credit (*avoir fiscal*) will be entitled to a tax credit attached to dividends paid by the Company, provided that they qualify for the transfer under the terms of the treaty and comply with the procedures required to receive this tax credit. The tax credit is equal to 50% of the amount of the dividends received, capped at €230 per annum for married couples or members of a civil union contract ("PACS") who are filing jointly and €115 for individuals who are single, widowed, divorced or married, or members of a PACS who are filing separately. When this tax credit is paid to the non-resident shareholder, a tax will be withheld at the rate provided for in the applicable tax treaty.

(b) Corporate withholdings

Dividends distributed to individuals in France are also subject to the following taxes that are withheld and added to income tax:

- ▀ a general social contribution (*contribution sociale généralisée*) at the rate of 8.2%, 5.8% of which is deductible for income tax purposes in respect of the year of payment of the CSG;
- ▀ the surcharge for the repayment of the social security debt at the rate of 0.5%, which is not deductible for income tax purposes;
- ▀ a social levy of 2%, which is not deductible for income tax purposes;
- ▀ an additional contribution to the social levy of 0.3%, which is not deductible for income tax purposes; and
- ▀ the RSA contribution at the rate of 1.1%, which is not deductible for income tax purposes.

Shareholders should consult with their usual tax advisor regarding income tax laws.

7.2.2. ADMISSION OF THE COMPANY'S SHARES FOR TRADING AND TRADING PROCEDURES

7.2.2.1. Admission for trading

An application for admission for trading on Euronext Paris (compartment A) has been made in respect of the Company's shares.

The conditions for listing the Company's shares will be determined in a notice by NYSE Euronext Paris to be published no later than such shares' first trading day, i.e., July 2, 2010.

As of the date hereof, no other listing on any other market has been undertaken the Company.

7.2.2.2. Place of listing

As of the date of this prospectus, the shares of the Company are not approved for listing on any regulated market.

7.2.2.3. Liquidity agreement

None.

7.2.2.4. Lock-up

On May 4, 2008, a memorandum of understanding was signed by Colony Capital (represented by ColTime⁽³⁰⁾ and ColDay⁽³¹⁾) and Eurazeo (represented by Legendre Holding 19⁽³²⁾), in connection with their action in concert pursuant to the memorandum of understanding relating to their investment in Accor, which had been signed on January 27, 2008. The terms of this memorandum of understanding were described in a notice published on the site of the AMF on May 13, 2008.

On December 18, 2009, the memorandum was amended following the Accor Board of Directors' approval of the separation of the Accor Group's Hotels and Services businesses. The purpose of the amendment, assuming that the two core businesses are effectively separated, is to (i) extend the provisions of the May 2008 memorandum of understanding to the shares of the two new companies until May 4, 2013, and (ii) extend the lock-up concerning the shares of Accor and New Services until January 1, 2012.

As a result of the amended memorandum, Colony Capital and Eurazeo may not sell their interests in New Services until January 1, 2012 unless a public takeover bid is initiated by a third party or by one of the two partners. This restriction will not apply to ColTime in order to satisfy Colony's fiduciary duties towards its investors.

⁽³⁰⁾ ColTime SARL is controlled by the investment funds Colony Investors VI, L.P. and Colyzeo Investors L.P., which are managed by Colony Capital, LLC.

⁽³¹⁾ ColDay SARL is controlled by the investment funds Colony Investors VIII, L.P. and Colyzeo Investors II, L.P., which are managed by Colony Capital, LLC.

⁽³²⁾ Controlled by Eurazeo SA.

7.2.2.5. Transaction expenses

The legal and administrative fees incurred by the Group in connection with all of the transactions described in this prospectus are estimated to be approximately €58 million.

This estimate reflects the breakdown agreed upon by the Company and Accor SA in the Contribution Agreement.

7.3. Ownership structure

7.3.1. DISTRIBUTION OF SHARE CAPITAL AND VOTING RIGHTS

7.3.1.1. Key shareholders

As of the date of this prospectus, the share capital and voting rights of the Company are held almost entirely by Accor.

On the listing date of the Company's shares for trading on Euronext Paris expected to occur on July 2, 2010, based on the holdings of the share capital of Accor as at April 30, 2010, and taking into consideration the increase recorded on May 11, 2010⁽³³⁾, of the Company's share capital and of its allocation on May 11, 2010, and assuming that the winding-up without liquidation of SEIH is completed, the distribution of the Company's share capital will be as follows:

	Number of shares	Percentage of share capital	Percentage of voting rights
ColTime/ColDay/Legendre Holding 19 ⁽¹⁾	65,844,245	29.15%	29.15%
FSI/CDC ⁽²⁾	19,549,239	8.65%	8.65%
Southeastern Asset Management ⁽³⁾	15,035,427	6.66%	6.66%
Franklin Resources, Inc. ⁽⁴⁾	12,544,058	5.55%	5.55%
Founders ⁽⁵⁾	6,001,083	2.66%	2.66%
Accor	18,500	0.01%	0.01%
Other shareholders	106,904,844	47.32%	47.32%
TOTAL	225,897,396	100.00%	100.00%

(1) ColTime (Colony Capital, LLC), ColDay (Colony Capital, LLC) and Legendre Holding 19 (controlled by Eurazeo) are parties to a shareholders' agreement.

(2) Interest held jointly by FSI and CDC based on their declaration of July 21, 2009.

(3) Based on the declarations of June 17 and July 15, 2009, as updated by Accor SA.

(4) Based on the declarations of April 15 and 20, 2010, as updated by Accor SA.

(5) Founders of the Accor Group: Paul Dubrule, Gérard Pélisson and their families.

7.3.1.2. Voting rights of the key shareholders

As of the date of this prospectus, each share of the Company grants the right to one vote.

The double voting rights of certain Accor SA shareholders will not apply to the shares of the Company that they will receive.

7.3.1.3. Agreement that may result in a change of control

None.

(33) The Board of Directors of Accor SA that was held on May 11, 2010 recorded a capital increase in the nominal amount of €1,027,770 through the creation of 342,590 shares due to the acknowledgement of the exercises of stock options (including share subscription warrants).

7.3.2. DIVIDEND POLICY

Subject to any needs that may arise, New Services will seek to implement a dividend distribution policy that is consistent with its strong ability to generate cash, while maintaining its ability to finance growth. These dividends are expected to be proposed at the Shareholders' Meeting convened to approve the financial statements for the fiscal year ending as at December 31, 2010. This dividend policy will be established by the Board of Directors appointed by the general meeting of shareholders of June 29, 2010, which will include seven directors who are independent within the meaning of the criteria set forth in the 2008 AFEP-MEDEF code of corporate governance for listed companies.

8 Shareholders' Meeting

8.1. Presentation of the Shareholders' resolutions 148

8.2. Special Statutory Auditors' report 149

8.1. Presentation of the Shareholders' resolutions

The table below presents the resolutions that were adopted by the combined ordinary and Extraordinary Shareholders Meeting that was held on May 10, 2010, subject to the non-retroactive condition precedent of the admission of the Company shares for trading on Euronext Paris.

Resolution	Purpose of the resolution	Maximum amount	Duration of the authorization (as of May 10, 2010)
2 nd	Authorization to purchase the Company's own shares on the market	€22.5million under no circumstances more than 10% of the Company's share capital after the Transaction is completed Maximum repurchase price: average volume weighted share price during the first 20 trading days following the admission of the Company's shares for trading on Euronext Paris, increased by 50%	18 months
3 rd	Authorization to reduce the Company's share capital through a cancellation of shares	10% of the Company's share capital after the Transaction is completed	24 months
4 th	Capital increase with maintenance of preferential subscription rights through the issue of shares or securities giving immediate or future access to the share capital of the Company or its subsidiaries or granting rights to the distribution of debt securities	€225 million for capital increases €2,250 million for debt securities	26 months
5 th	Capital increase by way of a public offering with cancellation of preferential subscription rights, through the issue of shares or securities giving access to the share capital of the Company or its subsidiaries or granting rights to the distribution debt securities, including for use as payment for the shares contributed as part of a public exchange offer (OPE)	€112.5 million for capital increases, to be applied to the overall limit of €225 million €1,125 million for capital increases, to be applied to the overall limit €2,250 million	26 months
6 th	Capital increase by way of a private placement with a cancellation of preferential subscription rights, through the issue of shares or securities granting rights to the distribution of debt securities, including for use as payment for the shares contributed as part of a public exchange offer (OPE)	€90 million, and in any case never more than 20% of the Company's share capital after the completion of the Transaction per year, to be applied to the overall limit of €112.5 million for capital increases €900 million for capital increases, to be applied to the overall limit on top of the limit of €1,125 million	26 months
7 th	Increase of offerings in the event of over-subscriptions	15% of each offering, up to the overall limits that apply to each offering.	26 months
8 th	Capital increase through the issue of shares or securities giving access to share capital to be used as payment for in-kind contributions to the Company, without preferential subscription rights	10% of the Company's share capital after the completion of the Transaction, to be applied to the overall limit of €225 million for capital increases	26 months
9 th	Capital increase through the incorporation of reserves, profits, premiums or any other amounts that may be capitalized under applicable law and the bylaws	€225 million for capital increases, to be applied to the overall limit of €225 million for capital increases	26 months
10 th	Capital increase reserved for employees who contribute to the savings plan of the Company or the Group, without preferential subscription rights	2% of the Company's share capital after the Transaction is completed, to be applied to the overall limit of €225 million for capital increases	26 months
11 th	Authorization of the Board of Directors to issue share subscription or purchase options	7% of the Company's share capital after the Transaction is completed, the nominal amount of the capital increases resulting from the exercises of share subscription options being applied to the overall limit of €225 million.	38 months
12 th	Authorization to distribute (existing or new) free performance shares to the Group's employees and corporate officers or to certain individual employees or corporate officers	4% of the Company's share capital after the Transaction is completed, the nominal amount of the capital increases resulting from the exercises of share subscription options being applied to the overall limit of €225 million.	38 months

8.2. Special Statutory Auditors' report

None.

9 Other information

9.1. Investor relations and documents available to the public	152	9.5. Information provided by third parties	154
9.2. Persons responsible for the prospectus	152	9.6. Prospectus supplement	154
9.2.1. Responsible persons	152	9.7. Cross-reference table for information in this prospectus	154
9.2.2. Statutory Auditor	153	9.8. Glossary	162
9.3. Statutory Auditors' fees	153		
9.4. Information concerning the Company's investments	154		

9.1. Investor relations and documents available to the public

The Company's press releases and historical financial information are available on the website of Accor at www.accor.com and on the website of the *Autorité des marchés financiers* at www.amf-france.org. Copies may also be obtained at the Company's registered office located at 166-180 boulevard Gabriel Péri, 92240 Malakoff, France. Hard copies of the Company's bylaws and the minutes of Shareholders' Meetings, the corporate and consolidated financial statements, the Statutory Auditors' reports and all other corporate documentation may be reviewed at the Company's registered office.

In addition to the meetings that are held to present the Company's annual results, and the shareholders' general meeting of June 29, 2010, New Services will promptly inform its private and institutional shareholders of any new developments affecting the Company on an ongoing basis. The Company's communication strategy is adapted to the individual needs of various types of shareholders and financial analysts, thus ensuring that any pertinent information is transmitted fairly and efficiently.

9.2. Persons responsible for the prospectus

9.2.1. RESPONSIBLE PERSONS

9.2.1.1. Person responsible for the prospectus

Mr Gilles Pélisson, Chief Executive Officer of Accor, and Mr Jacques Stern, Chief Executive Officer of New Services Holding.

9.2.1.2. Certification of the persons responsible for the prospectus

"We certify, after taking all reasonable measures to this effect, that the information in this prospectus is, to our knowledge, true and accurate and no information has been omitted that would alter the contents of the document.

We have obtained a "*lettre de fin de travaux*" from the Statutory Auditors in which they indicate that they have verified the information concerning the financial position and the financial statements included in this prospectus, and they have read the prospectus in its entirety.

The Statutory Auditors prepared reports concerning the annual historical combined financial statements for the fiscal years ending December 31, 2007, December 31, 2008 and December 31, 2009, which are presented in Section 10.1.1 "historical combined financial statements" of this prospectus, and the annual *pro forma* financial statements for the fiscal years ending December 31, 2007, December 31, 2008 and December 31, 2009 which are presented in Section 10.2.1 of this prospectus. These reports appear respectively in Section 10.1.2 "Statutory Auditors' report concerning the historical combined financial statements" and in Section 10.2.2 "Statutory Auditors' report concerning the historical *pro forma* financial statements" of this prospectus. The report concerning the *pro forma* financial statements contains the following observations:

"Without calling into question the conclusion set forth above, we direct your attention to paragraph " B – Restatement of the *pro forma* financial statements" of our schedule entitled "Basis for the preparation of the *pro forma* financial statements" which presents, in particular, the methods used to allocate a portion of the Accor Group's net financial indebtedness to New Services Holding, and where it is specified that:

- an identical amount of debt was allocated to New Services Holding for each of the three prior fiscal years presented;
- the related financial expense generated by this date was recorded as income for each of the three fiscal years presented and as an offset to shareholders' equity."

Gilles Pélisson
Chief Executive Officer of Accor SA

Signed in Paris, May 12, 2010

Jacques Stern
Président-Directeur Général of New Services Holding

Signed in Paris, May 12, 2010

9.2.2. STATUTORY AUDITOR

Appointed Statutory Auditor

Deloitte & Associés

Mr David Dupont-Noël
185, avenue Charles-de-Gaulle – BP 136
92203 Neuilly-sur-Seine cedex

Date of first appointment: March 15, 2010

Appointed until the end of the annual ordinary general Shareholders' Meeting called to approve the financial statements for the fiscal year ending as at December 31, 2011

Cabinet Didier Kling & Associés

Mr Didier Kling
41, avenue de Friedland
75008 Paris

Appointed for six fiscal years by the general Shareholders' Meeting of April 9, 2010

Alternate Statutory Auditor

Cabinet BEAS

Mr William Di Cicco
7-9, Villa Houssay
92200 Neuilly-sur-Seine

Appointed under the same conditions and for the same term as the Cabinet Deloitte & Associés

Cabinet CREA

Mr Bernard Roussel
41, avenue de Friedland
75008 Paris

Appointed under the same conditions and for the same term as Cabinet Didier Kling & Associés

9.3. Statutory Auditors' fees

The table below breaks down the fees paid by the Group to its Statutory Auditors for the 2007, 2008 and 2009 fiscal years:

<i>(in millions of euros)</i>	2007	2008	2009
Fees in connection with audit of financial statements	(2)	(2)	(2)
Fees for services provided in connection with the diligence directly relating to the audit assignment	(0)	(0)	(0)
TOTAL FEES OF THE STATUTORY AUDITORS	(2)	(2)	(2)

9.4. Information concerning the Company's investments

Information concerning the companies in which the Company is a shareholder that are likely to have a significant impact on the appraisal of its assets, financial condition or results of operations is set forth in Note 33 "Key subsidiaries and combined shareholdings as at December 31, 2009" of the schedule to the *pro forma* financial statements in Section 10.2.1 of this prospectus.

9.5. Information provided by third parties

Some of the market data presented in Section 1.10 of this prospectus has been provided by third parties. The Company certifies that all such information is accurately presented and that no fact was omitted that would render such information inaccurate or misleading.

9.6. Prospectus supplement

A supplement to this prospectus will be submitted for the approval of the AMF during the first half of June 2010. This supplement will include the following information:

- ▶ the permanent name of the Company;
- ▶ the composition of the Board of Directors and the biographies of the Directors;
- ▶ the Group's credit rating; and
- ▶ the ISIN code under which the Company's shares will be traded on Euronext Paris and the mnemonic code of the Company shares.

9.7. Cross-reference table for information in this prospectus

The table below indicates the sections and pages of this prospectus that provide key information under the headings required by Annex I of European Commission Regulation (EC) no. 809/2004 of April 29 2004.

No.	Item in the Regulation	Section(s)	Page(s)
1	Persons responsible		
1.1	Persons responsible for the information contained in this prospectus	9.2 (Persons responsible for the Prospectus)	
1.2	Declaration by the persons responsible for the prospectus	9.2 (Persons responsible for the Prospectus)	
2	Statutory Auditors		
2.1	Name and address of the issuer's Statutory Auditors	9.2 (Persons responsible for the Prospectus)	
2.2	Statutory Auditors who have resigned or whose contracts have not been renewed during the period covered	Not applicable.	

No.	Item in the Regulation	Section(s)	Page(s)
3	Selected financial information		
3.1	Selected historical financial information	Summary, Section 2.1 (introduction)	
3.2	Selected financial data for interim and quarterly periods and comparable data covering the same year-earlier periods	Not applicable.	
4	Risk factors	3 (Risk Factors)	
5	Information regarding the Company		
5.1	History and development of the Company	1.4 (History)	
5.1.1	<i>Corporate and commercial name</i>	7.1.1 (Company name)	
5.1.2	<i>Place of registration and registration number</i>	7.1.2 (Trade registry)	
5.1.3	<i>Date of incorporation and term</i>	7.1.3 (Date of incorporation and term)	
5.1.4	<i>Registered head office and legal status of the issuer, jurisdiction governing its activities, country of origin, address and telephone number</i>	7.1.4 (Registered office, legal form and governing law); 1.11 (Regulation)	
5.1.5	<i>Important events in the development of the issuer's business</i>	Not applicable.	
5.2	Investments		
5.2.1	<i>Principal investments made by the issuer during each financial year of the period covered by the historical financial data</i>	2.6.2.3 (Net cash from (used in) in investing activities)	
5.2.2	<i>Principal issuer investments currently in progress</i>	2.6.2.3 (Net cash from (used in) in investing activities)	
5.2.3	<i>Information concerning the main investments that the issuer plans to make in the future and which are subject to a formal undertaking</i>	Not applicable.	
6	Business overview		
6.1	Principal activities	1.1 (Company Overview); 1.5 (Group products and services)	
6.1.1	<i>Nature of the operations performed by the issuer and its principal activities</i>	1.1 (Company Overview); 1.5 (Group products and services)	
6.1.2	<i>New major product or service launched on the market</i>	1.3.1.2(a) Create new products; 1.5.2.1.(b) (Ecochèque); 1.5.3(b) New markets; 1.13 (Research and development)	
6.2	Principal markets	1.10.1.2 (Size of target market); 1.10.1.3 (Growth potential); 1.10.2.2 (Current size of target market); 1.10.2.3 (Growth potential)	
6.3	Events that have influenced the information provided in accordance with points 6.1 and 6.2	2.4.1.1 (Issue volume by region); 2.4.2.1 (Operating revenue); 2.4.2.2 (Operating revenue by region); 2.5.1.1 (Issue volume by region); 2.5.2.2 (Operating revenue by region);	
6.4	Extent to which the issuer is dependent on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	1.12 (Intellectual property)	
6.5	The basis for any statements made by the issuer regarding its competitive position	1.10.1.1 (Leadership position); 1.10.2.1 (A solid position); Summary 2.7; 6.3.5.2(b) (Organizational chart after the Transaction);	
7	Organization chart		
7.1	Description of the Group and the issuer's position within the Group	6.1 (General overview of the transaction); 2.6.5 (Cash management)	
7.2	List of the issuer's significant subsidiaries	6.3.5.2(b) (Organizational chart after the Transaction); 9.4 (Information concerning the Company's investments)	
8	Property, plant and equipment		
8.1	Significant existing or planned tangible fixed assets including rented real estate assets	1.14 (Property, Plant and Equipment)	
8.2	Environmental issues that may impact the issuer's utilization of its tangible fixed assets	Not applicable.	

No.	Item in the Regulation	Section(s)	Page(s)
9	Analysis of the P&L and financial situation		
9.1	Financial situation of the issuer, evolution of this financial situation and results of operations conducted during each year and interim period for which historical financial information is required	2.4 (Comparison for fiscal years ended December 31, 2009 <i>(pro forma)</i> and December 31, 2008 <i>(pro forma)</i>)	
9.2	Operating income	2.4.3 (EBIT); 2.5.3 (EBIT);	
9.2.1	<i>Important factors, including unusual or infrequent events or new developments that have or could have a significant impact on the issuer's operating income</i>	2.4 (Comparison of fiscal years ended December 31, 2009 <i>(pro forma)</i> and December 31, 2008 <i>(pro forma)</i>); 2.5 (Comparison of fiscal years ended December 31, 2008 <i>(pro forma)</i> and December 31, 2007 <i>(pro forma)</i>)	
9.2.2	<i>Evolution of revenue and explanation of the evolution</i>	2.4.2 (Revenue); 2.5.2 (Revenue)	
9.2.3	<i>Government strategy or policy, whether economic, budgetary, monetary or political, that has had or could have a significant impact on the issuer's operations</i>	2.4.1 (Issue volume); 2.4.3 (EBIT); 2.4.4 (Net financial expense); 2.4.7 (Net profit (loss))	
10	Capital resources		
10.1	Information on the issuer's capital resources (short- and long-term)	2.6.7 (Equity)	
10.2	Sources and amounts of the issuer's cash flows	2.6.2 (Cash Flow); 2.6.3 (Funds from operations)	
10.3	Information on the issuer's borrowing requirements and funding structure	2.6.6 (Debt)	
10.4	Information concerning any restrictions on the use of its capital	2.6.2.1 (Cash flow from operating activities); 2.6.5 (Cash Management)	
10.5	Information on expected sources of funding	2.6.6.2 (Conditions of the Company's future financing agreements).	
11	Research and development, patents and licenses		
	Description of the R&D policies implemented by the issuer and information on the cost of R&D activities sponsored by the issuer	1.13 (Research and development)	
12	Trend information		
12.1	Principal trends that have affected production, revenue, inventories, costs and sale prices between the end of the last financial year and the date of the Registration Document	2.8 (Significant events of early 2010)	
12.2	Known trend, uncertainty, demand, commitment or event that is reasonably likely to have a significant influence on the issuer's outlook, at least regarding the current financial year.	2.8 (Significant events of early 2010)	
13	Profit forecasts or estimates of earnings		
14	Administrative, management and supervisory bodies and executive management	5.1 (Administrative, management and supervisory bodies)	
14.1	Information on the activities, the absence of criminal convictions and the corporate mandates of: — members of the issuer's governing bodies (Board of Directors, Executive Committee, Supervisory Board); and — of any chief executive whose name may be mentioned to prove that the issuing company has the appropriate expertise and experience to manage its own business	5.1.1 (Composition of the administrative and management bodies)	
14.2	Conflicts of interest at the level of the issuer's governing bodies (Board of Directors, Executive Committee, Supervisory Board) and its senior management	Not applicable	
	Arrangement or agreement concluded with principal shareholders, customers, suppliers or others, by virtue of which any person referred to at point 14.1 has been appointed as a member of a governing body or as a member of the senior management of another company	Not applicable.	
	Details of any restrictions accepted by the persons referred to at point 14.1 regarding the sale, before the expiry of a given time-frame, of their interest in the share capital of the issuer	7.2.2.4 (Lock-up)	

No.	Item in the Regulation	Section(s)	Page(s)
15	Remuneration and benefits awarded to persons referred to at point 14.1		
15.1	Amount of remuneration paid and benefits in kind awarded by the issuer and its subsidiaries	5.3.1 (Compensation of management and corporate officers)	
15.2	Total amounts provisioned or otherwise recognized by the issuer or its subsidiaries for the purpose of providing pension, retirement or similar benefits	Not applicable	
16	Board practices	5.1.2 (Operation of the administrative and management bodies)	
16.1	Expiry dates of the current mandates of members of the issuer's governing, executive and supervisory bodies	Not applicable.	
16.2	Information on service contracts linking members of the issuer's governing bodies	5.1.2 (Operation of the administrative and management bodies)	
16.3	Information on the issuer's Audit and Compensation Committees	5.1.2 (Operation of the administrative and management bodies)	
16.4	Declaration indicating whether or not the issuer complies with existing corporate governance regulations	5.5 (Corporate governance)	
17	Employees		
17.1	Number of employees at the end of the period covered by the historical financial information or the average number during each year in that period, and indication of the distribution of employees per business activity	4.1 (Men and women at New Services)	
17.2	Interests and stock options: For each person referred to at point 14.1, information on ownership of the issuer's share capital and any options to acquire the issuer's capital	5.3.2 (Interests of management and employees in the share capital of New Services)	
17.3	Arrangements for the offer or distribution of the issuer's shares to employees	5.3.2 (Interests of management and employees in the share capital of New Services)	
18	Major shareholders		
18.1	Name of any person who is not a member of one of the issuer's governing or executive bodies and who holds directly or indirectly a percentage of the issuer's share capital or voting rights that must be declared under applicable national legislation	7.3.1.1 (Key shareholders).	
18.2	Existence of different voting rights	7.3.1.2 (Voting rights of the key shareholders)	
18.3	Information on the ownership and control of the issuer and measures taken to prevent control abuse	Not applicable	
18.4	Agreements which may modify the control structure of the issuer	7.3.1.3 (Agreement that may result in a change of control)	
19	Related-party transactions	2.11 (Related party transactions)	
20	Financial information concerning the issuer's assets and liabilities, financial position and profits and losses		
20.1	Historical financial information	10.1.1 (Historical consolidated financial statements and notes)	
20.2	<i>Pro forma</i> financial information and description of the impact of restructuring	10.2.1 (<i>Pro forma</i> financial statements and notes thereto)	
20.3	Annual financial statements (company and consolidated accounts)	Not applicable.	
20.4	Auditing of historical annual financial information	10.1.2 (Statutory Auditor's report)	
20.4.1	<i>Declaration that the historical financial information has been audited</i>	10.1.2 (Statutory Auditor's report)	
20.4.2	<i>Other information contained in the Registration Document audited by the Statutory Auditors</i>		
20.4.3	<i>When financial information appearing in the Registration Document is not taken from the issuer's audited financial statements, identify the source and indicate that it has not been audited</i>	Not applicable	
20.5	Date of most recent audited financial information	10 (Financial Statements)	
20.6	Interim and other financial information	Not applicable.	
20.7	Dividend policy	7.3.2 (Dividend policy)	
20.7.1	<i>Dividend per share</i>	Not applicable.	
20.8	Litigation and arbitration	1.16 (Legal and arbitrations proceedings)	
20.9	Significant changes in the financial or commercial situation of the issuer that have occurred since the end of the most recent financial year	2.8 (Significant events of early 2010)	

No.	Item in the Regulation	Section(s)	Page(s)
21	Additional information		
21.1	Share capital	Not Applicable	
21.1.1	Amount of subscribed capital, number of shares issued, nominal value per share and statement of the number of shares outstanding at the start and end of the financial year	7.2.2.1 (Admission for trading)	
21.1.2	Shares not representing the issuer's capital	Not applicable.	
21.1.3	Number, book value and nominal value of shares held by the issuer and by its subsidiaries	Not applicable.	
21.1.4	Securities that are convertible, exchangeable or with subscription rights attached	Not applicable.	
21.1.5	Information on the conditions governing any attached acquisition rights or bonds or subscribed but not paid-up capital, and on any initiative designed to raise the issuer's capital	Not applicable.	
21.1.6	Information on the capital of any member of the Group that is subject to an option or to an agreement that will place its capital under option	Not applicable.	
21.1.7	History of the share capital during the period covered by the historical financial information	Not applicable.	
21.2	Memorandum and articles of association	5.1.2 (Operation of the administrative and management bodies)	
21.2.1	Corporate purpose	7.1.5 (Corporate purpose)	
21.2.2	Provisions contained in the issuer's articles of association or in any internal regulation concerning the members of the issuer's governing bodies	5.1.2 (Operation of the administrative and management bodies)	
21.2.3	Rights, privileges and restrictions attached to each category of existing shares	7.2.1 (Description of the company's shares)	
21.2.4	Number of shares required to modify shareholders' rights	5.2.2 (Organization of the Shareholders' Meetings (Article 24 of the bylaws))	
21.2.5	Notice and admission to annual general Shareholders' Meetings and Extraordinary Shareholders Meetings	5.2.1 (Notice of the Shareholders' Meetings (Article 23 of the bylaws))	
21.2.6	Any provision(s) of the issuer's articles of association, internal charters or regulations that could delay, postpone or prevent a modification of the control exercised over the issuer company	Not applicable.	
21.2.7	Any provision(s) of the issuer's articles of association, internal charters or regulations that stipulate(s) percentage thresholds for the declaration of holdings in the issuer's capital	7.1.2.4 (Rights attached to shares)	
21.2.8	Conditions imposed by the articles of association, internal charters or regulations governing modifications of the issuer's capital, when such conditions are stricter than those provided for by law	Not applicable.	
22	Material contracts	2.7 (Material contracts)	
23	Information supplied by third parties, statements by independent experts and "declarations of interests"	9.5 (Information provided by third parties)	
24	Documents available to the public	9.1 (Investor relations and documents available to the public)	
25	Information on holdings Information concerning the companies in which the issuer holds a capital interest whose value or derived income could have a significant impact on the issuer's own valuation, net worth, financial situation or earnings	9.4 (Information concerning the Company's investments)	

The table below indicates the sections and pages of this prospectus that provide the key information required under Annex III of European Commission Regulation (EC) no. 809/2004 of April 29 2004.

No.	Heading in the Regulation	Section(s)	Page(s)
1	Persons responsible		
1.1	Persons responsible for the information contained in this prospectus	9.2 (Persons responsible for the prospectus)	
1.2	Declaration by the persons responsible for the prospectus	9.2 (Persons responsible for the prospectus)	
2	Risk factors	3 (Risk factors)	
3	Basic information		
3.1	Declarations on net working capital	2.9 (Declarations on net working capital)	
3.2	Shareholder capital and debts	2.10 (Shareholder capital and debts)	
3.3	Financial or other interests declared by the individuals or companies participating in this issue	Not applicable	
3.4	Motives for the share offer and intended use of the capital raised therefrom	Not applicable.	
4	Information on the securities that will be admitted to the operation	7.2.1 (Description of the Company's shares)	
4.1	Nature and category of the securities admitted to the operation, with ISIN codes (International Securities Identification Numbers) or any other identification codes	7.2.1.1 (Type, class and rights date of shares admitted for trading)	
4.2	Jurisdiction under which the securities were created	7.2.1.2 (Applicable law and competent courts)	
4.3	Form of the securities issued	7.2.1.3 (Form of shares and account registration procedures)	
4.4	Currency of the issue	7.2.1.1 (Type, class and rights date of shares admitted for trading)	
4.5	Rights attached to the securities, including any applicable restrictions, and terms and conditions for the exercise of these rights	7.2.1.4 (Rights attached to the shares)	
4.6	Declaration containing the resolutions, authorizations and approvals by virtue of which the securities were or will be created and issued	6.3.2.3(b) (Amount of the capital increase)	
4.7	Expected issue date	6.1.1.1 (Projected timetable of the transactions)	
4.8	Restriction imposed on free trade of the securities	7.2.1.7 (Restrictions on transferability of shares)	
4.9	Rule applicable to obligatory public share offers, obligatory withdrawal and obligatory buybacks of securities	7.2.1.8 (French regulations governing public tender offers)	
4.10	Public offers launched by third parties for the issuer's capital during the most recent and current financial year, and the prices or terms of exchange offered and the results of these offers	7.2.1.9 (Public tender offers initiated by third parties in respect of the issuer's share capital during the previous fiscal year and the current fiscal year)	
4.11	Information on any withholding tax applicable to the income from the securities and on any arrangements made to deduct the appropriate sums	7.2.1.10 (Taxation of shares)	
5	Terms and conditions of the offer	Not applicable.	
5.1	Conditions, offer statistics, expected timetable and action required to apply for the offer	Not applicable.	
5.1.1	<i>Conditions to which the offer is subject</i>	<i>Not applicable.</i>	
5.1.2	<i>Total amount of the issue/offer</i>	<i>Not applicable.</i>	
5.1.3	<i>The time period during which the offer will be open and description of the application process</i>	<i>Not applicable.</i>	
5.1.4	<i>Revocation and suspension of the offer</i>	<i>Not applicable.</i>	
5.1.5	<i>Possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants</i>	<i>Not applicable.</i>	
5.1.6	<i>Minimum and maximum subscription amounts</i>	<i>Not applicable.</i>	
5.1.7	<i>Period during which an application may be withdrawn, provided that investors are allowed to withdraw their subscription</i>	<i>Not applicable.</i>	
5.1.8	<i>Method and time limits for paying up the securities and for delivery of the securities</i>	<i>Not applicable.</i>	
5.1.9	<i>Method of publication of the results of the offer and date on which results will be made public</i>	<i>Not applicable.</i>	

No.	Heading in the Regulation	Section(s)	Page(s)
5.1.10	<i>Procedure for the exercise of any preferential subscription rights; the negotiability of such subscription rights, and the treatment of un-exercised subscription rights</i>	Not applicable.	
5.2	Distribution and allocation plans for the securities	Not applicable.	
5.2.1	<i>The various categories of potential investors to which the securities are offered</i>	Not applicable.	
5.2.2	<i>To the extent that such information may be known to the issuer, indicate whether major shareholders or members of the issuer's governing bodies or executive management intend to subscribe to the offer, or whether any person intends to subscribe to more than 5% of the offer</i>	Not applicable.	
5.2.3	<i>Information on pre-allocations</i>	Not applicable.	
5.3	Pricing	Not applicable.	
5.3.1	<i>Price at which the securities will be offered</i>	Not applicable.	
5.3.2	<i>Process for the publication of the offer price</i>	Not applicable.	
5.3.3	<i>If the issuer's shareholders have preferential subscription rights and these rights are restricted or withdrawn, indicate the basis for the issue price if the issue is for cash, together with the reasons for any such restriction or withdrawal and the potential beneficiaries of any such restriction or withdrawal</i>	Not applicable.	
5.3.4	<i>Where there is or could be a significant disparity between the public offer price and the effective cash cost to members of the issuer's governing bodies and executive management or affiliated persons of any securities they acquired in transactions during the past year or which they have the right to acquire, include a comparison of the price offered to the public in the proposed public offer and the effective cash price paid by such persons in those transactions</i>	Not applicable.	
5.4	Placing and Underwriting	Not applicable.	
5.4.1	<i>Name and address of the coordinator(s) of the global offer and of its different parts, and, to the extent known to the issuer or to the offerer, of the placers in the different countries where the offer is being marketed</i>	Not applicable.	
5.4.2	<i>Name and address of any paying agents and depository agents in each country</i>	7.2.1.3 (Form of shares and account registration procedures)	
5.4.3	<i>Name and address of the entities agreeing to underwrite the issue on a firm commitment basis, and name and address of the entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements. Indication of the principal features of the agreements, including the quotas.</i>	Not applicable.	
5.4.4	<i>Indicate when the underwriting agreement has been or will be honored.</i>		
6	Admission to trading	7.2.2 (Admission of the Company's shares for trading and trading procedures)	
6.1	Application for admission to trading of the securities offered	7.2.2.1 (Admission for trading)	
6.2	All regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class as the securities to be offered or admitted to trading are already admitted to trading	7.2.2.2 (Place of listing)	
6.3	If simultaneously or almost simultaneously with the creation of the securities for which admission to a regulated market is being sought, securities of the same class are subscribed for or placed privately or if securities of other classes are created for public or private placing, give details of the nature of such operations and of the number and characteristics of the securities to which they relate	Not applicable.	
6.4	Details of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment	Not applicable.	

No.	Heading in the Regulation	Section(s)	Page(s)
6.5	Stabilization and over-allocation option	Not applicable.	
6.5.1	<i>Mention the fact that stabilization may be undertaken, that there is no assurance that it will be undertaken and that it may be interrupted at any time</i>	Not applicable.	
6.5.2	<i>Beginning and the end of the period during which stabilization may occur</i>	Not applicable.	
6.5.3	<i>The identity of the stabilization manager for each relevant jurisdiction unless this is not known at the time of publication</i>	Not applicable.	
6.5.4	<i>Mention the fact that stabilization transactions may result in a market price that is higher than would otherwise prevail</i>	Not applicable.	
7	Holders of securities wishing to sell	Not applicable.	
7.1	Name and business address of the person or entity offering to sell the securities, the nature of any position, office or other material relationship that the selling persons has had within the past three years with the issuer or any of its predecessors or affiliates	Not applicable.	
7.2	The number and class of securities being offered by each of the holders of securities wishing to sell	Not applicable.	
7.3	Lock-up agreements	Not applicable.	
8	Expenses related to admission		
8.1	The total net proceeds of the issue and provide an estimate of the total expenses related to the issue/offer	7.2.2.5 (Transaction expenses)	
9	Dilution		
9.1	Indicate the amount and percentage of immediate dilution resulting from the offer	Not applicable.	
9.2	In the case of a subscription offer to existing shareholders, indicate the amount and percentage of dilution that would result immediately from their not subscribing to the new offer	Not applicable.	
10	Other information		
10.1	If any financial advisors connected with the issue are mentioned in the Securities Note, include a statement of the capacity in which the advisors have acted	Not applicable.	
10.2	Provide an indication of other information in the Securities Note which has been audited or reviewed by Statutory Auditors and when the auditors have produced a report.	Not applicable.	
10.3	Where a statement or report attributed to a person as an expert is included in the Securities Note, provide such persons' name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to the effect that such statement or report is included, in the form and context in which it is included, with the consent of the person who has authorized the contents of that part of the Securities Note	Not applicable.	
10.4	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information	Not applicable.	

9.8. Glossary

Term	Definition
Beneficiaries	End user of the prepaid benefit or service, who receives the vouchers from their employer or a public institution.
Normative growth	Objective that the Group considers to be attainable in a context in which unemployment does not rise.
Service providers' commission	Reimbursement commission paid by the service providers affiliated with New Services, indexed on the face value of the products (when the products are redeemed, New Services pays the service providers an amount equal to the face value minus its commission).
Customer commission	Commission invoiced to customers of New Services (companies, associations and communities), including a variable component defined as a percentage of the issue volume
Float	Net working capital requirements, structurally negative, which is broken down as follows: <div><div><div>Inventory</div><div>Trade receivables</div><div>Other receivables and accruals</div><div>Working capital items - assets</div><div>Trade payables</div><div>Other payables</div><div>Prepaid Services vouchers in circulation</div><div>Working capital items - liabilities</div><div>FLOAT</div></div></div>
Affiliated service provider	Commercial party/merchant that accepts the vouchers of the issue as a payment method. The affiliation is framed by a contract.
Acceptance network	Network of affiliated service providers who accept the vouchers issued by the issuer as a method of payment. There are three types of acceptance networks: filtered, open, closed.
Entry rate	Ratio between the number of beneficiaries of a service voucher and the active eligible population, the latter depending on each country's regulations
Face value (Notion specific to employee benefits)	Amount of the payment voucher, determined at the employer's discretion, but influenced by the limits imposed by the States on the financial contribution of employers in order to be eligible for exemptions from tax and/or social security liabilities.

10

Financial statements

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10.1. Historical consolidated financial statements and notes

10.1.1. HISTORICAL CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

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HISTORICAL COMBINED INCOME STATEMENTS

<i>(in € millions)</i>	Notes	2007	2008	2009
ISSUE VOLUME	3	11,437	12,696	12,407
Operating revenue		741	817	808
Financial revenue		96	129	94
TOTAL REVENUE	3	837	946	902
Operating expense	4	(482)	(542)	(534)
EBITDA	5	355	404	368
Depreciation, amortization and provision expense	6	(25)	(31)	(36)
EBIT	7	330	373	332
Net financial expense	8	(1)	(10)	(20)
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS		329	363	312
Non-recurring income and expenses, net	9	(26)	(15)	(211)
OPERATING PROFIT BEFORE TAX		303	348	101
Income tax expense	10	(97)	(111)	(83)
NET PROFIT		206	237	18
Net profit, Group share		189	212	11
Net Profit, Minority interests	17	17	25	7
Weighted average number of shares outstanding <i>(in thousands)</i>	15	225,458	225,458	225,458
EARNINGS PER SHARE (IN EUROS)		0.84	0.94	0.05
Diluted earnings per share <i>(in euros)</i>	15	0.84	0.94	0.05
OPERATING PROFIT BEFORE NON-RECURRING ITEMS		203	227	222
Earnings per share before non-recurring items <i>(in euros)</i>		0.90	1.01	0.98
Earnings per share from continuing operations <i>(in euros)</i>		0.84	0.94	0.05
Diluted earnings per share from continuing operations <i>(in euros)</i>		0.84	0.94	0.05

HISTORICAL COMBINED STATEMENTS OF COMPREHENSIVE INCOME

<i>(in € millions)</i>	Notes	2007	2008	2009
NET PROFIT		206	237	18
Currency translation adjustment		(2)	(56)	66
Actuarial gains and losses on defined benefit plans		2	(2)	(2)
Other comprehensive income, net of tax	18	(0)	(58)	64
TOTAL COMPREHENSIVE INCOME		206	179	82
Comprehensive income, Group share		190	152	76
Comprehensive income, Minority interests		16	27	6

HISTORICAL COMBINED BALANCE SHEETS

Assets

<i>(in € millions)</i>	Notes	December 31, 2007	December 31, 2008	December 31, 2009
GOODWILL	11	680	645	557
INTANGIBLE ASSETS	12	101	110	99
PROPERTY, PLANT AND EQUIPMENT	13	29	37	37
Other non-current financial assets		17	4	3
NON-CURRENT FINANCIAL ASSETS		17	4	3
Deferred tax assets	10	11	19	24
TOTAL NON-CURRENT ASSETS		838	815	720
Trade receivables	14	1,095	846	894
Inventories and other receivables and accruals	14	159	243	251
Restricted cash	24	392	441	565
Short-term loans	19 & 20	1,221	1,341	1,044
Marketable securities	19 & 20	548	630	754
Cash and cash equivalents	19 & 20	131	45	41
TOTAL CURRENT ASSETS		3,546	3,546	3,549
TOTAL ASSETS		4,384	4,361	4,269

Equity and Liabilities

<i>(in € millions)</i>	Notes	December 31, 2007	December 31, 2008	December 31, 2009
Combined retained earnings		727	509	207
Cumulative compensation costs - share-based payments		2	4	6
Cumulative fair value adjustments to financial instruments	16	-	-	-
Cumulative actuarial gains (losses) on defined benefit plans		3	1	(1)
Currency translation reserve		(1)	(59)	8
Net profit, Group share		189	212	11
SHAREHOLDERS' EQUITY, GROUP SHARE		920	667	231
Minority interests	17	12	24	19
TOTAL EQUITY		932	691	250
Long-term financial debt	19 & 20	47	34	15
Deferred tax liabilities	10	52	66	62
Long-term provisions	22	8	12	16
TOTAL NON-CURRENT LIABILITIES		1,039	803	343
Short-term provisions	22	44	17	59
Short-term financial debt	19 & 20	136	457	641
Vouchers in circulation	24	2,895	2,587	2,883
Trade payables	14	92	196	140
Other payables and income tax payable	14	175	290	162
Bank overdrafts	19 & 20	3	11	41
TOTAL CURRENT LIABILITIES		3,345	3,558	3,926
TOTAL EQUITY AND LIABILITIES		4,384	4,361	4,269

HISTORICAL COMBINED CASH FLOWS STATEMENTS

<i>(in € millions)</i>	Notes	2007	2008	2009
+ EBITDA	5	355	404	368
- Net financial expenses	8	(1)	(10)	(20)
- Income tax paid		(108)	(109)	(98)
- Elimination of non-cash revenue and expenses included in EBITDA		2	9	3
- Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes		(11)	(18)	(1)
= Funds from ordinary activities	23	237	276	252
+ Decrease (increase) in working capital	24.1	189	154	111
+ Recurring decrease (increase) in restricted cash	24.2	(19)	(49)	(13)
= Net cash from operating activities		407	381	350
+ Non-recurring gains (losses) (including restructuring costs and tax on non-recurring items)		(5)	(17)	(32)
+ Non-recurring decrease (increase) in restricted cash (*)	24.2	-	-	(114)
= Net cash from (used in) operating activities including non-recurring transactions (A)		402	364	204
- Recurring expenditure		(18)	(24)	(30)
- Development expenditure		(125)	(23)	(41)
+ Proceeds from disposals of assets		8	2	17
= Net cash from (used in) investing activities (B)		(135)	(45)	(54)
+ Minority interests in share issues by subsidiaries		4	(1)	7
- Dividends paid		(149)	(176)	(165)
- Repayment of long-term debt		(1)	(0)	(1)
+ Proceeds from issue of long-term debt		1	3	1
= Increase (Decrease) in long-term debt		-	3	-
+ Increase (Decrease) in short-term debt		(213)	118	341
+ Technical demerger impact		273	(5)	(4)
+ Impact on equity of transfers between the Hospitality and New Services businesses		(80)	(240)	(367)
+ Impact on short-term debt of transfers between the Hospitality and New Services businesses		16	(11)	166
= Impact of the demerger and inter-business transfers		209	(256)	(205)
= Net cash from (used in) financing activities (C)		(149)	(312)	(22)
- Effect of changes in foreign exchange rates (D)		(40)	(19)	(38)
Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)	20	78	(12)	90
+ Cash and cash equivalents at beginning of period		598	676	664
- Cash and cash equivalents at end of period		676	664	754
= Net change in cash and cash equivalents	20	78	(12)	90

(*) Reclassification from cash and cash equivalents to restricted cash.

CHANGES IN HISTORICAL COMBINED EQUITY

(in € millions)	Currency trans- lation reserve ⁽¹⁾	Cum- lative actuarial gains (losses) on defined benefit plans	Cum- lative compen- sation costs - share based pay- ments	Retained earnings and profit for the period	Tran- sactions with Accor ⁽²⁾	External changes in com- bination scope ⁽³⁾	Share- holders' equity	Minority interests	Tran- sactions with Accor ⁽²⁾	Total minority interests	Total equity
January 1, 2007	0	1	-	668	-	-	669	10	-	10	679
Issue of share capital											
▸ in cash	-	-	-	-	-	-	-	4	-	4	4
Dividends paid ⁽⁴⁾	-	-	-	(134)	-	-	(134)	(15)	-	(15)	(149)
Effect of changes in scope of combination	-	-	-	-	(80)	273	193	(2)	(1)	(3)	190
Compensation costs for the period - share-based payments	-	-	2	-	-	-	2	-	-	-	2
Other comprehensive income	(1)	2	-	-	-	-	1	(1)	-	(1)	-
Net profit for the period	-	-	-	189	-	-	189	17	-	17	206
Total comprehensive income	(1)	2	-	189	-	-	190	16	-	16	206
December 31, 2007	(1)	3	2	723	(80)	273	920	13	(1)	12	932
Capital reduction											
▸ in cash	-	-	-	-	-	-	-	(1)	-	(1)	(1)
Dividends paid ⁽⁴⁾	-	-	-	(162)	-	-	(162)	(14)	-	(14)	(176)
Effect of changes in scope of combination	-	-	-	-	(240)	(5)	(245)	1	(1)	-	(245)
Compensation costs for the period - share-based payments	-	-	2	-	-	-	2	-	-	-	2
Other comprehensive income	(58)	(2)	-	-	-	-	(60)	2	-	2	(58)
Net profit for the period	-	-	-	212	-	-	212	25	-	25	237
Total comprehensive income	(58)	(2)	-	212	-	-	152	27	-	27	179
December 31, 2008	(59)	1	4	773	(320)	268	667	26	(2)	24	691
Issue of share capital											
▸ in cash	-	-	-	-	-	-	-	7	-	7	7
Dividends paid ⁽⁴⁾	-	-	-	(143)	-	-	(143)	(22)	-	(22)	(165)
Effect of changes in scope of combination	-	-	-	-	(367)	(4)	(371)	8	(4)	4	(367)
Compensation costs for the period - share-based payments	-	-	2	-	-	-	2	-	-	-	2
Other comprehensive income	67	(2)	-	-	-	-	65	(1)	-	(1)	64
Net profit for the period	-	-	-	11	-	-	11	7	-	7	18
TOTAL COMPREHENSIVE INCOME	67	(2)	-	11	-	-	76	6	-	6	82
DECEMBER 31, 2009	8	(1)	6	641	(687)	264	231	25	(6)	19	250

(1) The €67 million favorable net exchange difference on translating foreign operations in 2009 is mainly attributable to the appreciation against the euro of the Brazilian real (€59 million positive impact), the Swedish kronor (€2 million positive impact) and the Mexican peso (€2 million positive impact) partly offset by the fall against the euro of the Argentinean peso (€4 million negative impact).

Year-end euro exchange rates used to translate foreign operations in the combined financial statements were as follows:

	GBP	BRL	MXN	ARS	SEK	VEF/VEB*
December 31, 2007	0.7334	2.6144	16.0700	4.6364	9.4415	3,161.0
December 31, 2008	0.9525	3.2436	19.2330	4.8062	10.8700	2.9880
December 31, 2009	0.8881	2.5113	18.9220	5.4725	10.2520	6.1900

* On January 1, 2008, the Venezuelan bolivar (VEB) was replaced by the Venezuelan bolivar fuerte (VEF) which represents the equivalent of 1,000 VEBs.

(2) Transactions with Accor

These correspond for the most part to the impact of acquiring New Services entities previously owned by Accor. The accounting treatment of these transactions is described in the paragraph "Companies owned by Accor entities as of January 1, 2007" of the "Basis of Preparation" note.

(3) External changes in combination scope

These are mainly Prepaid Services companies acquired by the Accor Group. The accounting treatment of these transactions is described in the paragraph "Acquisitions" of the "Basis of Preparation" note.

(4) Dividends paid

This corresponds to dividends paid by the Services entities to Hospitality entities, mainly Accor SA.

NOTES TO THE HISTORICAL COMBINED FINANCIAL STATEMENTS

BASIS OF PREPARATION

In 2009, the Accor Group initiated a major strategic project involving the demerger of its two core businesses, Hospitality and Services. As part of this process, on August 26, 2009 the Board of Directors approved the recommendation made by Gilles Pelisson, Chairman and Chief Executive Officer, to conduct a review of the potential benefits of demerging the two businesses into two self-managing companies, each with their own strategy and resources for growth. On December 15, 2009, based on the review conducted by senior management, the Board of Directors concluded that the project would offer real benefits and on February 23, 2010, it presented the process for demerging the businesses and creating two new listed companies, Accor Hospitality and New Services (name temporarily given to the Accor Services businesses), without any capital ties between them.

The demerger is subject to approval at the Shareholders' Meeting of June 29, 2010.

In order to create a separate, self-managing Group, a certain number of assets have been or will be transferred between Accor Group entities prior to New Services being listed.

The New Services Group will thus be created by transferring shares between holding companies that are subsidiaries of Accor SA without modifying Accor's direct or indirect interests in the companies concerned. These business combinations between companies under common control – some of which have already been carried out – are excluded from the scope of application of IFRS 3 – Business Combinations and are therefore accounted for at the net book value of these companies' assets and liabilities in the Accor Group's consolidated financial statements.

In connection with the initial public offering of New Services shares, to present an economic view of the New Services business as a whole, historical combined financial statements have been prepared for the years 2007, 2008 and 2009 based on the financial statements historically included in the consolidated financial statements of the Accor Group.

IFRSs do not include any guidance on preparing combined financial statements and the combination principles and conventions described below are therefore based primarily on section VI of France's Comité de la Réglementation Comptable standard CRC 99-02. This section (Basis of preparation) describes how the IFRSs adopted by the European Union have been applied to prepare the historical combined financial statements.

These combined financial statements are not necessarily indicative of the consolidated financial statements that would have been prepared if New Services had been created at an earlier date than the actual or planned creation date.

They provide an indicative view of the New Services businesses' historical operations within the Accor Group and do not reflect the post-merger economic situation as presented in the *pro forma* financial statements, particularly as regards the level of debt.

Scope of combination

The historical combined financial statements include the companies owned directly or indirectly by New Services entities and companies owned by Accor Hospitality entities that operate in the services sector. Following the same logic, companies owned by New Services entities that do not operate in the services sector have been excluded from the scope of combination.

Some Accor Group companies – mainly in Argentina and Switzerland – were engaged in both New Services businesses and hospitality businesses during the period presented. In order to combine only their New Services operations, the other businesses were carved out of the individual financial statements of the companies concerned.

The method used to allocate their Prepaid Services operations to the New Services Group was as follows:

- ▀ assets and liabilities corresponding to the New Services business were identified and recognized in the combined financial statements by adjusting equity;
- ▀ income and expenses were allocated by reference to existing cost accounting data that was already analyzed by operating activity, with the amounts directly attributable to the New Services business identified separately. Certain items of income and expense not directly attributable to the New Services business (mainly general and administrative expenses) that were recorded in a New Services reporting entity by Accor SA, were analyzed in detail and allocated on a basis consistent with the assumptions used to allocate assets and liabilities to each business. The expenses do not include the additional corporate costs that New Services will incur as an independent listed Group and that will be recorded in the *pro forma* accounts;

- New Services cash flows were also analyzed on a basis consistent with the assumptions used to allocate assets and liabilities to each business.

Income tax expense

French Prepaid Services subsidiaries were members of the tax Group set up by Accor SA under French Group relief rules (Article 223-A of the General Tax Code). Under the Group relief agreement between the tax Group members, Accor SA is not required to repay to the other tax Group members any tax benefits derived from the use of their tax losses generated up to December 31, 2009.

The same applies to certain international subsidiaries included in local tax groups set up between New Services and Accor Hospitality entities.

As a result, current and deferred taxes were determined without taking into account the effects of any tax consolidations within Accor or any future tax consolidations that may be performed at the level of the New Services Group.

Transactions between New Services entities and other Accor Group entities

All balances arising from routine transactions between New Services entities and other Accor Group entities are presented in the historical combined balance sheets as receivables from and payables to third parties outside the combined Group.

All loans and borrowings between New Services entities and other Accor Group entities are presented in the historical combined balance sheets as financial assets and liabilities.

Equity

The historical combined financial statements include the financial statements of companies that did not have any capital ties at January 1, 2007 and exclude the financial statements of companies owned by New Services entities as of January 1, 2007 that were not engaged in Prepaid Services operations at that date. The adjustments were recorded as follows in the combined financial statements:

Acquisitions

Companies owned by Accor entities as of January 1, 2007

Acquisitions of New services companies not owned by New Services entities were all treated as having been carried out on January 1, 2007. They were recognized in the opening combined balance sheet at that date at their value on initial recognition in the Accor Group consolidated financial statements by increasing combined equity, and any goodwill recorded on their acquisition by the Accor Group was recognized in full in the historical combined financial statements.

For acquisitions by New Services entities from the Accor Group between January 1, 2007 and December 31, 2009 of companies that were already included in the opening combined balance sheet at January 1, 2007, the price paid by New Services was treated as an exceptional dividend payment to the Accor Group and recorded as a deduction from equity on the acquisition date.

Post-January 1, 2007 acquisitions

Acquisitions of Prepaid Services companies were considered as having been carried out by New Services at the original date of acquisition by the Accor Group. They were treated as an exceptional contribution by the Accor Group to New Services and recognized by adjusting equity, in accordance with the principles applied to entities historically owned by Accor entities as described above.

Recognition of dividends

Certain New Services companies not historically owned by New Services entities paid dividends to Accor Hospitality entities between January 1, 2007 and December 31, 2009. These dividend payments have been maintained in the historical combined financial statements and treated as distributions by the New Services Group recognized as deductions from equity.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General framework

As required by European Commission regulation 1606/2002/EC dated July 19, 2002, the "Basis of Preparation" note above describes how the International Financial Reporting Standards (IFRSs) adopted by the European Union have been applied for the preparation of the historical combined financial statements at December 31, 2009. These historical combined financial statements include comparative financial information for 2008 and 2007, prepared in accordance with the same standards.

New Services has prepared its financial statements for the year ended December 31, 2009 in accordance with IFRS 1 – First-Time Adoption of International Financial Reporting Standards.

When, as in the case of New Services, a subsidiary becomes a first-time adopter after its parent, IFRS 1 stipulates that the carrying amounts of its assets and liabilities should be the same in both its own opening IFRS balance sheet and in its parent's consolidated balance sheet (except for adjustments for consolidation procedures). Alternatively, the subsidiary may measure all its assets or liabilities based on its own date of transition to IFRSs. In this latter case, the options applied by the subsidiary under IFRS 1 May be different from those applied by its parent.

New Services has chosen to prepare its opening IFRS financial statements based on the carrying amounts of its assets and liabilities in Accor's consolidated balance sheet (except for adjustments for consolidation procedures). Consequently, New Services has selected the same options under IFRS 1 as those applied by the Accor Group.

The following transitional provisions of IFRS 1 have been applied on first-time adoption of IFRSs:

- ▶ **business combinations:** Business combinations recorded prior to January 1, 2004 – the date of the Accor Group's transition to IFRS – have not been restated;
- ▶ **cumulative translation differences:** New Services's cumulative translation differences were reset to zero by adjusting retained earnings in the Accor Group's opening balance sheet at the IFRS transition date. Consequently, the translation reserve included in equity corresponds to cumulative translation differences for the period from January 1, 2004;
- ▶ **financial instruments:** New Services's financial instruments were designated as either financial assets at fair value through profit or loss or available-for-sale financial assets at the date of the Accor Group's transition to IFRS.

The following exemptions from other IFRSs were not applied in the opening balance sheet at the IFRS transition date:

- ▶ property, plant and equipment and intangible assets were not measured at fair value at the transition date;
- ▶ IFRS 2 was not applied to equity instruments granted before November 7, 2002 or to equity instruments granted after November 7, 2002 that had not vested at January 1, 2005.

Currently applicable standards, amendments and interpretations

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 SIC and IFRIC Interpretations) published by the International Accounting Standards Board ("IASB") and applicable at that date, with the exception of:

- ▶ IAS 39, which was only partially adopted;
- ▶ IFRIC 12 – Service Concession Arrangements, which is applicable for annual periods beginning after March 29, 2009;
- ▶ IFRIC 15 – Agreements for the Construction of Real Estate, which is applicable for annual periods beginning after December 31, 2009;
- ▶ IFRIC 16 – Hedge of a Net Investment in a Foreign Operation, which is applicable for annual periods beginning after June 30, 2009;
- ▶ IFRIC 18 – Transfers of Assets from Customers, which is applicable for annual periods beginning after October 31, 2009.

These differences between the standards and interpretations published by the IASB and those adopted by the European Union do not have a material impact on New Services'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.

Consequently, New Services's financial statements have been prepared in accordance with International Financing Reporting Standards as published by the IASB.

The following new standards, amendments to or revisions of existing standards and interpretations had been adopted by the European Union and were applicable from January 1, 2009:

- IFRS 8 – Operating Segments, which replaces IAS 14 – Segment Reporting. While IAS 14 required segment information to be presented in two reporting formats (the business segment and the geographical segment), IFRS 8 requires disclosure of information about the Group's operating segments as defined for internal reporting purposes. An operating segment is a component of an entity whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. Application of IFRS 8 has not led to any change in the definition of geographic segments compared with that applied under IAS 14. Similarly, the indicators tracked by management correspond to those already presented for the purpose of applying IAS 14. Consequently, applying the new standard has no impact on the presentation of New Services's historical combined financial statements or on the allocation of goodwill to cash-generating units (CGUs):
- IAS 1 revised – Presentation of Financial Statements: application of this revised standard led to the following changes in the structure of New Services's financial statements without any effect on its financial position:

 - the statement of changes in equity only shows transactions with shareholders. Other items are now included in the statement of comprehensive income,
 - changes in assets and liabilities during a period are presented in two statements, a statement displaying components of profit or loss (separate income statement) and a second statement beginning with profit or loss and displaying components of other comprehensive income (statement of comprehensive income).

New Services has decided to not to change the titles of its financial statements based on the titles used in IAS 1 (revised),
- IFRIC 13 – Customer Loyalty Programmes: application of this interpretation had no effect on reported comparative information as New Services does not have any customer loyalty programmes,
- Amendment to IAS 23 – Borrowing Costs: Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset were already capitalized as part of the cost of that asset and the amendment therefore had no impact on the financial statements,
- Amendment to IFRS 2 – Vesting Conditions and Cancellations: this amendment clarifies that all non-vesting conditions should be taken into account in the estimate of the fair value of equity instruments granted under share-based payment plans. It also stipulates that if an entity or the grantee can choose whether to meet a non-vesting condition, the entity's or grantee's failure to meet that non-vesting condition during the vesting period should be treated as a cancellation. Application of this amendment had no effect on the financial statements for the periods presented,
- Amendment to IAS 32 and IAS 1 – Puttable Financial Instruments and Obligations Arising on Liquidation: the amendment requires financial instruments puttable at fair value and obligations arising on liquidation to be classified in equity and not in debt, as was previously the case. This amendment does not apply to puts and calls on minority interests. Application of this interpretation had no effect on reported comparative information as New Services did not have any puttable financial instruments at December 31, 2008,
- Amendment to IFRS 1 and IAS 27 – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate: this amendment only applies to the separate financial statements and its application therefore had no effect on New Services's historical combined financial statements,
- IFRIC 11 – IFRS 2: Group and Treasury Share Transactions: New Services early adopted this interpretation at January 1, 2008. Its application had no impact on the financial statements,
- IFRIC 14 – IAS 19: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction: application of this interpretation had no effect on the financial statements for the periods presented,
- Revised amendment to IAS 39 and IFRS 7 – Reclassification of Financial Assets: Effective Date and Transition. New Services has not applied the amendment to IAS 39 and IFRS 7 that allows the reclassification of certain financial assets, as it would have no effect on the historical combined financial statements for the periods presented;
- Amendments to IFRIC 9 and IAS 39 "Embedded Derivatives". New Services 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 22). 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

New Services 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)	Estimate of the possible impact on New Services's consolidated financial statements in the period of initial application
Amendment to IAS 39	Eligible Hedged items	July 1, 2009	No material impact on New Services's consolidated financial statements is expected
IFRS 1 (revised)	Revised version of IFRS 1 – First-time Adoption of International Financial Reporting Standards	July 1, 2009	
Amendment 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	
	Improvements to IFRS (April 2009)	January 1, 2010	
IFRIC 17	Distributions of Non-cash Assets to Owners	October 31, 2009	
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	July 1, 2010	
IAS 24 (revised)	Related Party Disclosures	January 1, 2011	
IFRS 9	Financial Instruments: Classification and Measurement	January 1, 2013	
IFRS 3 (revised)	Business Combinations	July 1, 2009	These revised standards, which are applicable prospectively, concern business combinations and changes in percentage ownership occurring on or after January 1, 2010. New Services will change the accounting treatment of future business combinations and of future transactions relating to minority interests in line with the revised standards.
IAS 27 (revised)	Consolidated and Separate Financial Statements	July 1, 2009	

Preparation of the financial statements

The financial statements of combined companies prepared in accordance with local accounting principles have been restated to conform to Group policies prior to combination. All combined companies have a December 31 year-end.

The preparation of combined financial statements implies the use of estimates and assumptions that can affect the reported amount of certain assets and liabilities, income and expenses, as well as 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. Reported amounts 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 preparing the financial statements concern the amount of provisions for contingencies and the assumptions underlying the calculation of impairment of assets 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 during 2009 and, as a result, the 2009 combined financial statements have been prepared by reference to the current environment, particularly for the purpose of estimating the value of financial instruments and non-current assets.

Management of the Group's capital structure

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 optimized to keep pace with changes in economic conditions by adjusting dividends, returning capital to shareholders or issuing new shares. Capital management policies and procedures were unchanged during all the three years presented.

The Group has set a target of obtaining a better-than-investment-grade rating.

The main accounting policies and methods are presented below.

A. Combination methods

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

Companies controlled and operated jointly by New Services and a limited number of partners under a contractual agreement are proportionally combined.

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, liabilities and contingent 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, potential voting rights held by New Services that are currently exercisable (call options) are taken into account to determine the existence of control over the company concerned.

B. Goodwill

In the year following the acquisition of a combined 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". 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.4. 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 expenses 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 "Other financial income and expenses, net".

D. Non-current assets

D.1. Intangible assets

Intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses, in accordance with IAS 38 – Intangible Assets.

The Group's main brands 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 recoverable amount 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.4).

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

- ▶ licenses: life of the license;
- ▶ contractual customer relationships: 3 to 15 years;
- ▶ software: 2 to 7 years.

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:

- ▶ building improvements, fixtures and fittings: 5 to 15 years;
- ▶ equipment and furniture: 4 to 7 years.

D.3. Other non-current financial assets

Investments in non-combined companies are classified as "Available-for-sale financial assets" and are therefore measured at fair value. Gains and losses arising from remeasurement at fair value are recognized directly in equity (under "Cumulative fair value adjustments to financial instruments") and are reclassified to the income statement when the investment is sold. In the case of a significant or prolonged decline in value, an irreversible impairment loss is recognized in profit.

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.4.

D.4. Recoverable amount of assets

In accordance with IAS 36 – Impairment of Assets, the carrying amounts of property, plant and equipment, intangible assets and goodwill are tested for impairment when there is any indication that they may be impaired. Assets with an indefinite useful life – corresponding solely to goodwill and brands – are tested at least once a year.

Indications of impairment

Indications of impairment include:

- ▶ a 15% drop in like-for-like revenue, or
- ▶ a 20% drop in like-for-like EBITDA based on unchanged refinancing terms.

Cash-generating Units

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 CGU.

Goodwill is tested for impairment at the level of the CGU to which it belongs. CGUs include not only goodwill but also all the related property, plant and equipment and intangible assets. CGUs defined for goodwill impairment testing purposes are identified by country and by business segment for the main countries. Exceptionally, for countries that generate revenues of less than €50 million, they are identified by country only. Each identified CGU is tested for impairment at least once a year.

Assets that are not allocated to a CGU are tested individually.

Methods used to determine recoverable amounts

Impairment tests consist of comparing the carrying amount of an asset or CGU with its recoverable amount.

Goodwill and property, plant and equipment

The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value in use. The recoverable amount of all the assets or CGUs is determined by comparing the results obtained by two methods, the EBITDA multiples method (fair value approach) and the discounted cash flows method (value in use approach).

1. Valuation by the EBITDA multiples method

The EBITDA multiples method is considered to be the best method of calculating fair value less costs to sell, representing the best estimate of the price at which a CGU or an asset could be sold on the market on the valuation date.

The method consists of calculating the CGU's or the asset's average EBITDA for the last two years and applying a multiple based on the CGU's or the asset's geographic location and the specific country risk.

The multiples applied correspond to the average transaction multiples observed on the market.

If the recoverable amount is less than the carrying amount, it is recalculated using the discounted cash flows method.

2. Valuation by the discounted cash flows method

The projection period is limited to five years, unless the use of a longer period is justified such as at the bottom of the economic cycle. Cash flows are discounted at a rate corresponding to the year-end weighted average cost of capital. The perpetuity growth rate is aligned with the economic outlook in each of the countries concerned. For 2009, a rate of 2% was used for developed countries.

In addition, all goodwill in excess of €10 million is tested for impairment each year by the discounted cash flows method.

Intangible assets not included in a CGU (other than goodwill)

The recoverable amount of intangible assets is determined solely by the discounted cash flows method (described above), due to the absence of an active market and comparable transactions.

Measurement of impairment losses

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 "Non-recurring income and expenses" (see Note 1.S.9).

Reversal of impairment losses

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 licenses and software, are irreversible. Losses on property, plant and equipment and on intangible assets with an indefinite useful life, such as brands, are reversible in the case of a change in estimates used to determine their recoverable amount.

E. 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. Receivables

Trade and other receivables are initially recognized at fair value. They are subsequently measured at amortized cost, net of any impairment losses recorded in the income statement. An impairment loss is recognized when the total amount receivable is not recoverable in accordance with the originally agreed terms.

G. Restricted cash

Restricted cash corresponds to service voucher reserve funds. These funds, which are equal to the face value of service vouchers in circulation, are subject to specific regulations in some countries such as France for the meal voucher and human services voucher businesses and Romania. In particular, use of the funds is restricted and they must be clearly segregated from the Group's other cash. The funds remain New Services's property and are invested in interest-bearing financial instruments.

H. Prepaid expenses

Prepaid expenses correspond to expenses paid during the period that relate to subsequent periods. They are reported in the balance sheet under "Other receivables and accruals".

I. Employee benefits expense

Employee benefits expense includes all amounts paid or payable to employees, including profit-sharing and the cost of share-based payments.

J. 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.

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.

Provisions for losses due to voucher theft are calculated for reported thefts based on a percentage of the stolen vouchers' aggregate face value corresponding to the Group's best estimate of the proportion of those vouchers that will be cashed in.

K. Pensions and other post-employment benefits

The Group operates various supplementary pension, length-of-service award and other post-employment benefit plans in accordance with the laws and practices of the countries where it operates.

These plans are either defined contribution or defined benefit plans.

Under defined contribution plans, the Group pays fixed contributions into a separate fund and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay benefits. Contributions to these plans are recognized immediately as an expense.

For defined benefit plans, 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 macroeconomic situation and other specific circumstances in each host country.

Pension and other retirement benefit obligations recognized in the balance sheet correspond 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 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 "Long-term provisions".

L. 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 exchange rate on the balance sheet date (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 "Other financial income and expenses, net", except for gains and losses on financial liabilities measured at fair value which are recognized in equity.

M. Deferred tax

In accordance with IAS 12 "Income Taxes", deferred taxes are recognized for temporary differences between the carrying amount of assets and liabilities and their tax base using 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 change is announced.

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

A deferred tax liability is recognized for all taxable temporary differences associated with investments in subsidiaries, associates and 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.

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, New Services has therefore decided to consider that the CVAE falls within the scope of IAS 12. The analyses performed by the Group nevertheless showed that the deferred tax liability to be recognized at December 31, 2009 was not material. Consequently, no deferred tax liability was recorded at that date.

N. Share-based payments

N.1. Stock option plans

In accordance with the transitional provisions of IFRS 1 – First-time Adoption of International Financial Reporting Standards, compensation cost is recognized only for grants of shares, stock options or other equity instruments that were made after November 7, 2002 and had not yet vested at January 1, 2005. No compensation cost is recognized for plans dating back prior to November 7, 2002.

IFRS 2 applies to twelve stock option plans set up between 2003 and December 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 exercise period. One plan is a performance option plan with vesting conditions other than market conditions. As for the other plans, grantees must still be employed by the Group at the starting date of the exercise period.

The service cost representing consideration for the stock options is recognized as an expense over the vesting period by adjusting equity. The expense recognized in each period corresponds to the fair value of the 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 and corresponds to the date 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 services received. However, they 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 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”.

N.2. Employee stock ownership plan

IFRS 2 also applies to employee benefits granted through the employee stock ownership plans 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 stock at a discounted price. The share purchase price before the 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 five 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.

N.3. Performance share plans

Performance share plans are also accounted for in accordance with IFRS 2. The recognition and measurement principles are the same as those applied to stock option plans except for the measurement of the performance share plan cost which corresponds:

- ▶ for the 2007 and 2008 plans, to the average of the 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, to the opening share price on the grant date less the discounted present value of unpaid dividends, multiplied by the number of shares granted under the plan.

O. Service vouchers in circulation

Service vouchers in circulation or returned to New Services but not yet reimbursed to affiliates are recognized as short-term liabilities at face value.

P. 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.

P.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-combined 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 expected cash flows discounted using the original effective interest rate) – is recognized in the income statement. This loss may be reversed if the recoverable amount increases in a subsequent period;
- ▶ "Held-to-maturity investments" mainly comprise bonds and other marketable securities intended to be held to maturity. They are initially recognized at fair value and are subsequently measured at amortized cost at each balance-sheet date. If there is an objective indication of impairment, an impairment loss is recognized at the balance-sheet date. The impairment loss – corresponding to the difference between the carrying amount and the recoverable amount (i.e. the present value of expected cash flows discounted using the original effective interest rate) – is recognized in the income statement. This loss may be reversed if the recoverable amount increases in a subsequent period.

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

- ▶ "Available-for-sale financial assets" mainly comprise investments in non-combined companies, 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 that of mutual funds corresponds to their published 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 valuation techniques that are not based on observable data (level 3 valuation technique). 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.

P.2. Bank borrowings

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

P.3. 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.

Q. 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 generally have maturities of less than three months and are readily convertible into known amounts of cash; their exposure to changes in value is minimal.

R. Minority puts

IAS 32 – Financial Instruments: Disclosures and Presentation requires that the value of the financial commitment represented by put options granted by New Services to minority shareholders of subsidiaries, be recognized as a debt. The difference between the debt and the related minority interests in the balance sheet, corresponding to the portion of the subsidiary's net assets represented by the shares underlying the put, is recognized as goodwill. When the exercise price is equal to the fair value of the shares, the amount of the debt is determined based on a multiple of the EBITDA reflected in the subsidiary's 5-year business plan and is discounted. Changes in the debt arising from business plan adjustments are recognized in goodwill. Discounting adjustments are recognized in financial expense.

S. Income statement and statement of cash flows presentation**S.1. Issue volume**

Issue volume corresponds to the face value of prepaid vouchers issued during the period plus the amount loaded on prepaid cards.

It is tracked for all vouchers and cards in circulation that are managed by New Services.

S.2. Operating revenue

In accordance with IAS 18 – Revenue, operating revenue corresponds to the value of goods and services sold in the ordinary course of business by fully and proportionally combined companies.

It is measured at the fair value of the consideration received or receivable, net of all discounts and rebates, VAT and other sales taxes, in compliance with IAS 18.

Operating revenue is recognized when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably. If there is significant uncertainty about the collectibility of revenue, it is not recognized until the uncertainty is removed.

There are two types of operating revenue:

S.2.1. Operating revenue generated by issue volume

This corresponds to operating revenue generated by prepaid vouchers.

For all of these products, recognized revenue comprises:

- commissions received from client companies on the sale of prepaid vouchers and cards and all related amounts billed to clients such as delivery costs, card sales and voucher customization costs. These amounts are recognized in revenue when the prepaid vouchers and cards are issued and delivered to clients;

- ▶ affiliate contributions, corresponding to the margin deducted from the amount reimbursed to the affiliate that provides the service, and any related billings such as up-front payments, monthly subscription fees and electronic payment terminal sales or rentals. These contributions and billings are recognized in revenue when the vouchers or cards are issued to the extent that the processing transaction cannot be dissociated from the issuance transaction, and an accrual is booked for the future processing costs;
- ▶ profits on vouchers and cards that expire without being reimbursed. To take into account commercial practices in each country (refunds of expired service vouchers and other commercial gestures), these profits are recognized gradually once the vouchers have expired;
- ▶ revenue from advertisements printed on vouchers and cards. This revenue is recognized on the billing date to the advertiser.

S.2.2. Other operating revenue

Other operating revenue corresponds essentially to revenue from businesses integrated in the services business that do not involve the issue of prepaid vouchers. The corresponding revenue is the amount received or receivable from sales of products and is recognized on delivery of the voucher solutions, gift cards or other products.

S.3. Financial revenue

This is interest generated by investing restricted cash over the period between the vouchers' issue date and reimbursement date.

The interest represents a component of operating revenue and as such is included in the determination of combined revenue.

S.4. EBITDA

EBITDA includes operating income and expenses and rental expense.

S.5. Depreciation, amortization and provisions

Depreciation, amortization and provision expenses reflect the operating costs of holding assets.

S.6. EBIT

EBIT corresponds to EBITDA after the operating costs of holding mainly non-tangible assets. It is used as the benchmark for determining senior management and other executive compensation, as it reflects the economic performance of the business.

S.7. Net financial expense

This item includes:

- ▶ interest expense or income on borrowings, other financial liabilities and loans and receivables;
- ▶ exchange gains and losses on financial transactions;
- ▶ movements on financial provisions.

S.8. 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 represents an integral part of combined operating profit before tax and non-recurring items.

S.9. Non-recurring income and expenses

Non-recurring income and expenses include:

- ▶ restructuring costs, corresponding to all the costs incurred in connection with restructuring operations;
- ▶ impairment losses and provisions recorded in accordance with IAS 36 – Impairment of Assets;
- ▶ gains and losses on disposals of fixed assets, non-operating provision movements and other non-operating gains and losses.

The transactions concerned are not directly related to the management of continuing operations.

S.10. Operating profit before tax

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

S.11. Statement of cash flows

The statement of cash flows 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 ordinary activities, 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:

- ▶ recurring 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 combined subsidiaries and additions to fixed assets of existing subsidiaries;
- ▶ proceeds from disposals of assets.

Cash flows from financing activities include:

- ▶ changes in equity;
- ▶ changes in debt;
- ▶ dividend payments.

T. Earnings per share

The average number of shares used to calculate earnings per share for the three years presented corresponds to the number of shares resulting from applying the one-for-one exchange ratio to the number of Accor SA shares outstanding at December 31, 2009.

Diluted earnings per share is the same as earnings per share as no dilutive instruments have been issued by New Services.

U. Segment Information

New Services operates in four separate geographic segments, as follows:

- ▶ France;
- ▶ rest of Europe;
- ▶ latin America & Caribbean;
- ▶ rest of the world.

Items that are not specific to a geographic segment are included in the "Worldwide Structures" segment.

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

Based on this organization, the Group considers that its four geographic segments meet the definition of operating segments under IFRS 8, as the segment information presented is 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:

- ▶ issue volume;

- revenue;
- EBITDA;
- EBIT.

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

- Note 3 for issue volume;
- Note 3 for revenue;
- Note 5 for EBITDA;
- Note 7 for EBIT.

Balance sheets by geographic segment are presented in Note 26.

V. 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 of Accor approved these financial statements for publication on May 11, 2010.

NOTE 2. SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF COMBINATION

A. Organic growth and acquisitions

Since 2007, New Services has expanded its business base through the following acquisitions and strategic partnerships:

A.1. 2007 acquisitions

In January 2007, New 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, New 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 an €1 million earn-out payment paid in 2009.

In March 2007, New Services acquired **Kadéos**, the PPR Group's gift card and voucher business. This acquisition positions New 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 reported €29 million in revenue in 2007.

In June 2007, New Services acquired **Surfgold**, Asia's leading provider of marketing services, for €10 million paid in cash. By providing access to Surfgold's portfolio of leading Asian companies and to its incentive and loyalty program management platform, the acquisition enables New Services to professionalize and broaden the scope of its rewards and loyalty programs. 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" and €4 million under "goodwill". A €5 million earn-out payment was made in first-half 2009. This amount was added to the initially-recognized goodwill.

In September 2007, New Services acquired **PrePay Technologies Ltd**, the UK's leading issuer of prepaid card solutions, for €57 million paid in cash plus an €3 million earn-out payment paid in the second half of 2009. This acquisition strengthened New Services's leadership position and diversified its portfolio of products and 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 license".

In December 2007, New 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 management team retained a 36% interest in the company. The acquisition further strengthened New Services's position as a leading provider of solutions in the area of employee benefits and incentives. The cost of the acquisition was €6 million, paid 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 €3 million in revenue in 2008.

A.2. 2008 acquisitions

In January 2008, New 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 under "brands". Quasar reported €11 million in revenue in 2008.

A.3. 2009 acquisitions and strategic partnerships

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

The new company will combine the prepaid and electronic payments expertise of both organizations. PrePay Solutions markets prepaid card-based solutions that enable public and private organizations to reduce costs and enhance efficiency.

In October 2009, New Services acquired **Exit Group**, the fourth largest provider of meal vouchers in the Czech Republic, and its eight customer lists. With their strong synergies in terms of geographic coverage and customer bases, New Services Czech Republic and Exit Group will combine to make New 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. Combination rate of the Venezuelan bolivar

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

During 2009, the official authorization to convert their bolivars Fuertes into dollars at the official rate was withdrawn from New Services's local subsidiaries.

Until then, New Services has used the official rate to translate the financial statements of its Venezuelan subsidiaries into euros for the preparation of the combined financial statements.

At December 31, 2009, the Group decided to translate the contributions of its Venezuelan subsidiaries at the rate expected to apply when the local currency is repatriated, 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.

NOTE 3. ANALYSIS OF ISSUE VOLUME AND TOTAL REVENUE BY GEOGRAPHIC SEGMENT

3.1. Issue volume

<i>(in € millions)</i>	2007	2008	2009
France	2,158	2,391	2,570
Rest of Europe	3,836	4,332	4,372
Latin America & Caribbean	5,148	5,624	5,111
Rest of the world	295	349	354
TOTAL ISSUE VOLUME	11,437	12,696	12,407

Issue volume for 2009 totaled €12,407 million, compared with €12,696 million for the previous year, representing a decrease of €289 million. This decrease breaks down as follows:

▸ Organic growth	+719€M	+5.7%
▸ Changes in combination scope	(225)€M	(1.8)%
▸ Currency effect	(783)€M	(6.2)%
Decrease in 2009 issue volume	(289)€M	(2.3)%

Change in 2009 issue volume by geographic segment

	2009 vs 2008 Reported	2009 vs 2008 Like-for-like	
	<i>(in € millions)</i>	<i>(in € millions)</i>	%
France	+179	+178	+7.5%
Rest of Europe	+40	+209	+4.8%
Latin America & Caribbean	(513)	+302	+5.4%
Rest of the world	+5	+30	+8.5%
GROUP TOTAL	(289)	+719	+5.7%

3.2. Total revenue

Total revenue breaks down as follows:

<i>(in € millions)</i>	2007	2008	2009
Operating revenue generated by issue volume	619	673	661
Other operating revenue	122	144	147
OPERATING REVENUE	741	817	808
Financial revenue/unrestricted cash	81	110	72
Financial revenue/restricted cash	15	19	22
FINANCIAL REVENUE	96	129	94
TOTAL REVENUE	837	946	902

Total revenue by geographic segment

<i>(in € millions)</i>	2007	2008	2009
France	152	168	168
Rest of Europe	310	346	335
Latin America & Caribbean	325	367	337
Rest of the world	50	63	62
Worldwide Structures ⁽¹⁾	-	2	-
TOTAL REVENUE	837	946	902

(1) "Worldwide Structures" correspond to total revenue that is not specific to a single geographic segment.

Combined total revenue for 2009 totaled €902 million, compared with €946 million for the previous year, representing a decrease of €44 million.

This decrease breaks down as follows:

▸ organic growth	+9 €M	+1.0%
▸ changes in combination scope	(2) €M	(0.2)%
▸ currency effect	(51) €M	(5.4)%
DECREASE IN 2009 TOTAL REVENUE	(44) €M	(4.7)%

Change in 2009 total revenue by geographic segment

	2009 vs 2008 Reported	2009 vs 2008 Like-for-like	
	<i>(in € millions)</i>	<i>(in € millions)</i>	%
France	-	(1)	(0.3)%
Rest of Europe	(11)	-	-
Latin America & Caribbean	(30)	+9	+2.3%
Rest of the world	(1)	+1	+1.4%
Worldwide Structures	(2)	-	-
GROUP TOTAL	(44)	+9	+1.0%

3.3. Operating revenue by geographic segment

<i>(in € millions)</i>	2007	2008	2009
France	127	138	144
Rest of Europe	279	302	299
Latin America & Caribbean	289	316	306
Rest of the world	46	59	59
Worldwide Structures ⁽¹⁾	-	2	-
TOTAL OPERATING REVENUE	741	817	808

(1) "Worldwide Structures" correspond to operating revenue that is not specific to a single geographic segment.

Operating revenue for 2009 totaled €808 million, compared with €817 million for the previous year, representing a decrease of €9 million.

This decrease breaks down as follows:

▸ Organic growth	+28€M	+3.4%
▸ Changes in combination scope	+7€M	+0.9%
▸ Currency effect	(44)€M	(5.4)%
Decrease in 2009 operating revenue	(9)€M	(1.1)%

Change in 2009 operating revenue by geographic segment:

	2009 vs 2008 Reported	2009 vs 2008 Like-for-like	
	(in € millions)	(in € millions)	%
France	+6	+6	+4.2%
Rest of Europe	(3)	+5	+1.7%
Latin America & Caribbean	(10)	+15	+4.9%
Rest of the world	0	+2	+3.6%
Worldwide Structures	(2)	-	-
GROUP TOTAL	(9)	+28	+3.4%

3.3.1 Operating revenue generated by issue volume by geographic segment

(in € millions)	2007	2008	2009
France	93	102	112
Rest of Europe	231	251	243
Latin America & Caribbean	274	295	283
Rest of the world	21	25	23
Operating revenue generated by issue volume	619	673	661

3.3.2 Other operating revenue by geographic segment

(in € millions)	2007	2008	2009
France	34	36	32
Rest of Europe	48	51	56
Latin America & Caribbean	15	21	23
Rest of the world	25	34	36
Worldwide Structures ⁽¹⁾	-	2	-
Other operating revenue	122	144	147

(1) "Worldwide Structures" correspond to other operating revenue that is not specific to a single geographic segment.

3.4. Financial revenue by geographic segment

(in € millions)	2007	2008	2009
France	25	30	24
Rest of Europe	31	44	36
Latin America & Caribbean	36	51	31
Rest of the world	4	4	3
TOTAL FINANCIAL REVENUE	96	129	94

Financial revenue for 2009 totaled €94 million, compared with €129 million for the previous year, representing a decrease of €35 million.

This decrease breaks down as follows:

▸ Organic growth	(19) €M	(15.0)%
▸ Changes in combination scope	(9) €M	(7.0)%
▸ Currency effect	(7) €M	(5.4)%
Decrease in 2009 financial revenue	(35) €M	(27.4)%

Change in 2009 financial revenue by geographic segment:

	2009 vs 2008 Reported	2009 vs 2008 Like-for-like	
	(in € millions)	(in € millions)	%
France	(6)	(6)	(21.4)%
Rest of Europe	(8)	(5)	(11.3)%
Latin America & Caribbean	(20)	(7)	(13.3)%
Rest of the world	(1)	(1)	(28.1)%
GROUP TOTAL	(35)	(19)	(15.0)%

NOTE 4. OPERATING EXPENSES

(in € millions)	2007	2008	2009
Employee benefits expense ⁽¹⁾	(204)	(245)	(246)
Other operating expenses ⁽²⁾	(278)	(297)	(288)
TOTAL OPERATING EXPENSES	(482)	(542)	(534)

(1) Average employee benefits expense per full-time equivalent employee is presented below:

	2007	2008	2009
Full-time equivalent employees			
Full-time equivalent employees (FTE) ^(*)	4,967	5,659	5,771
Average employee benefits expense per FTE (€ thousands)	(41)	(43)	(43)

(*) Full-time equivalent employees are calculated based on the ratio between the number of hours worked during the period and the total legal working hours for the period. For proportionally combined companies, employee numbers are prorated based on the Group's interest in the company's capital.

(2) Other operating expenses consist mainly of information systems, marketing, advertising and promotional costs. The total also includes various fee payments and rental expenses.

NOTE 5. EBITDA BY GEOGRAPHIC SEGMENT

<i>(in € millions)</i>	2007	2008	2009
France	51	59	54
Rest of Europe	163	178	150
Latin America & Caribbean	154	177	167
Rest of the world	13	16	15
Worldwide Structures ⁽¹⁾	(26)	(26)	(18)
TOTAL EBITDA	355	404	368

(1) "Worldwide Structures" correspond to entities whose revenue and costs are not specific to a single geographic segment.

EBITDA for 2009 totaled €368 million compared with €404 million the previous year, representing a decrease of €36 million.

The decrease breaks down as follows:

▸ Organic growth ^(*)	(1) €M	(0.3)%
▸ Changes in combination scope	(7) €M	(1.7)%
▸ Currency effect	(28) €M	(6.9)%
Decrease in 2009 EBITDA	(36) €M	(8.9)%

(*) Of which the impact of changes in financial revenue for €(19) million.

Change in 2009 EBITDA by geographic segment

	2009 vs 2008 Reported	2009 vs 2008 Like-for-like	
	<i>(in € millions)</i>	<i>(in € millions)</i>	%
France	(5)	(4)	(7.2)%
Rest of Europe	(28)	(20)	(11.1)%
Latin America & Caribbean	(10)	+16	+8.9%
Rest of the world	(1)	+1	+7.9%
Worldwide Structures	+8	+6	(21.7)%
GROUP TOTAL	(36)	(1)	(0.3)%

NOTE 6. DEPRECIATION, AMORTIZATION AND PROVISION EXPENSE

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

<i>(in € millions)</i>	2007	2008	2009
Depreciation and amortization	(25)	(32)	(33)
Provisions	-	1	(3)
TOTAL	(25)	(31)	(36)

NOTE 7. EBIT BY GEOGRAPHIC SEGMENT

<i>(in € millions)</i>	2007	2008	2009
France	43	50	42
Rest of Europe	157	167	138
Latin America & Caribbean	146	168	159
Rest of the world	11	13	12
Worldwide Structures ⁽¹⁾	(27)	(25)	(19)
TOTAL EBIT	330	373	332

(1) "Worldwide Structures" correspond to entities whose revenue and costs are not specific to a single geographic segment.

Combined EBIT for 2009 totaled €332 million compared with €373 million the previous year, representing a decrease of €41 million.

The decrease breaks down as follows:

▸ Organic growth ^(*)	(8) €M	(2.1)%
▸ Changes in combination scope	(7) €M	(1.9)%
▸ Currency effect	(26) €M	(7.0)%
Decrease in 2009 EBIT	(41) €M	(11.0)%

(*) Of which the impact of changes in financial revenue for €(19) million.

Change in 2009 EBIT by geographic segment

	2009 vs 2008 Reported	2009 vs 2008 Like-for-like	
	<i>(in € millions)</i>	<i>(in € millions)</i>	%
France	(8)	(8)	(15.3)%
Rest of Europe	(29)	(23)	(13.7)%
Latin America & Caribbean	(9)	+17	+10.3%
Rest of the world	(1)	+1	+3.7%
Worldwide Structures	+6	+5	(18.6)%
GROUP TOTAL	(41)	(8)	(2.1)%

NOTE 8. NET FINANCIAL EXPENSE

<i>(in € millions)</i>	2007	2008	2009
Finance costs, net ⁽¹⁾	(3)	(10)	3
Other financial income and expenses, net ⁽²⁾	2	-	(23)
Net financial expense	(1)	(10)	(20)

(1) Finance costs, net correspond to interest on loans, receivables and debt measured at amortized cost. The total corresponds in full to interest paid or received during the period.

(2) Other financial income and expenses consist solely of exchange gains and losses, mainly on foreign currency debt measured at amortized cost and on various dividend and capital flows in foreign currencies. In 2009, the total corresponds mainly to exchange losses arising from the devaluation of the Venezuelan currency (see Note 2.B).

NOTE 9. NON-RECURRING INCOME AND EXPENSES

Non-recurring income and expenses can be analyzed as follows:

<i>(in € millions)</i>	2007	2008	2009
Movements on restructuring costs	(9)	3	(1)
Restructuring costs	(7)	(7)	(14)
Restructuring costs	(16)	(4)	(15)
Impairment of goodwill	(12)	(2)	(120)
Impairment of intangible assets	-	-	(18)
Total impairment losses	(12)	(2)	(138)
Provision movements	(1)	1	(41)
Non-recurring gains and losses, net	3	(10)	(17)
Other non-recurring income and expenses, net	2	(9)	(58)
TOTAL NON-RECURRING INCOME AND EXPENSE, NET	(26)	(15)	(211)

9.1. Restructuring costs

Restructuring costs in 2007, 2008 and 2009 correspond mainly to Group reorganization costs, including the cost of the voluntary separation program announced in June 2009.

9.2. Impairment losses

The main assets for which impairment losses were recognized in 2007, 2008 and 2009 were as follows:

- ▶ In 2007, impairment losses resulted mainly from reviews of the value of the business in Argentina (€10 million);
- ▶ In 2008, impairment losses resulted mainly from reviews of the recoverable amount of contractual customer relationships in Brazil;
- ▶ In 2009, impairment losses resulted mainly from reviews of the recoverable amount of goodwill and intangible assets related to Kadéos (impairment losses of €83 million and €17 million respectively) and a business in the United States (€ 16 million).

9.3. Other non-recurring income and expenses

Other non-recurring income and expenses were as follows:

- ▶ In 2007, losses on sales of shares;
- ▶ In 2008, mainly an €8.5 million provision for moving costs in France;
- ▶ In 2009, a €32 million loss arising from the devaluation of the bolivar fuerte and impairment losses on receivables and exchange losses for a total of €19 million.

NOTE 10. INCOME TAX

10.1. Income tax expense for the period

<i>(in € millions)</i>	2007	2008	2009
Current taxes	(108)	(108)	(98)
SUB-TOTAL: CURRENT TAXES	(108)	(108)	(98)
Deferred taxes on temporary differences arising or reversing during the period	7	(4)	15
Deferred taxes arising from changes in tax rates or rules	4	1	-
SUB-TOTAL: DEFERRED TAXES	11	(3)	15
TOTAL INCOME TAX EXPENSE	(97)	(111)	(83)

10.2. Effective tax rate

<i>(in € millions)</i>	2007	2008	2009
Operating profit before tax (a)	303	348	101
Non-deductible impairment losses	18	(13)	125
Elimination of intercompany capital gains	-	-	-
Other	4	4	8
Total permanent differences (non-deductible expense) (b)	22	(9)	133
Untaxed profit and profit taxed at a reduced rate (c)	(4)	12	29
Profit taxable at the standard rate (d) = (a) + (b) + (c)	321	351	263
Standard tax rate in France (e)	34.43%	34.43%	34.43%
Theoretical tax at standard rate (f) = (d) x (e)	(111)	(121)	(91)
Adjustments for:			
differences in foreign tax rates	15	18	15
unrecognized tax losses for the period	(3)	(3)	(3)
utilization of tax loss carryforwards	-	-	1
effect of changes in future tax rates	4	1	-
charges to/reversals of provisions for tax risks	13	-	-
technical transfers between New Services entities and Accor SA	(1)	(1)	-
financial transaction tax in Brazil and Argentina	(11)	-	-
other items	(3)	(5)	(5)
Total adjustments (g)	14	10	8
Actual tax at standard rate (h) = (f) + (g)	(97)	(111)	(83)
Tax at reduced rate (i)	-	-	-
Income tax expense (j) = (h) + (i)	(97)	(111)	(83)
Pre-tax operating profit taxed at standard rate	321	351	263
Income tax expense at standard rate	(96)	(103)	(76)
Group effective tax rate	29.8%	29.3%	28.7%

10.3. Details of recognized deferred tax assets and liabilities

<i>(in € millions)</i>	2007	2008	2009
Temporary differences between taxable and book profit of the individual entities	5	12	11
Temporary differences arising from combination adjustments	5	7	13
Recognized deferred tax assets on tax loss carryforwards	1	-	-
SUB-TOTAL: DEFERRED TAX ASSETS	11	19	24
Temporary differences between taxable and book profit of the individual entities	1	1	1
Temporary differences arising from combination adjustments	51	65	61
SUB-TOTAL: DEFERRED TAX LIABILITIES	52	66	62
Net deferred tax asset (liability)	(41)	(47)	(38)

10.4. Unrecognized deferred tax assets

Unrecognized deferred tax assets at December 31, 2009 amounted to €24 million (December 31, 2008: €19 million and December 31, 2007: €11 million).

At December 31, 2009, unrecognized deferred tax assets corresponded to tax losses in the amount of €24 million, including €1 million expiring in 2010, €1 million in 2012, €1 million in 2013, €3 million in 2014 and beyond and €18 million in evergreen losses.

NOTE 11. GOODWILL

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Goodwill	680	645	666
Less accumulated impairment losses	-	-	(109)
GOODWILL, NET	680	645	557

<i>(in € millions)</i>	Notes	Dec. 2007	Dec. 2008	Dec. 2009
Brazil		154	122	159
France (Ticket Cadeau)	2.A.1	181	181	115
United Kingdom		100	83	70
Romania		36	37	37
Italy		36	33	36
Mexico		35	31	31
Sweden		19	19	17
Australia		11	11	13
USA		33	33	13
Czech Republic		2	2	13
Germany		-	14	10
Asia		8	10	10
Other (individually representing less than €10 million)		65	69	33
GOODWILL, NET		680	645	557

Changes in the carrying amount of goodwill during the periods presented were as follows:

<i>(in € millions)</i>	Notes	Dec. 2007	Dec. 2008	Dec. 2009
Net goodwill at beginning of period		426	680	645
Goodwill recognized on acquisitions for the period and other increases		258	25	23
▸ Czech Republic	2.A.3	-	-	9
▸ France (Ticket Cadeaux)	2.A.1	181	-	-
▸ United Kingdom (Prepay acquisition)	2.A.1	53	-	-
▸ Other acquisitions		24	11	13
▸ Germany (Quasar acquisition)	2.A.2	-	8	-
▸ United Kingdom (Motivano acquisition)	2.A.1	-	7	-
▸ Brazil		-	(1)	1
Goodwill written off on disposals for the period		(4)	(4)	(11)
Impairment losses	9	(12)	(2)	(120)
Translation adjustments		(1)	(35)	39
Minority puts recognized/remeasured during the period		13	(19)	(19)
Net goodwill at period-end		680	645	557

NOTE 12. INTANGIBLE ASSETS

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Cost			
Kadéos brand ⁽¹⁾	19	19	19
Other brands	15	17	18
Contractual customer relationship ⁽²⁾	42	49	54
Licenses and software	70	76	96
Other	22	32	42
TOTAL COST	168	193	229
Accumulated amortization and impairment losses			
Brands	(4)	(3)	(4)
Contractual customer relationship	(5)	(11)	(30)
Licenses and software	(53)	(58)	(72)
Other	(5)	(11)	(24)
TOTAL ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	(67)	(83)	(130)
Intangible assets, net	101	110	99

(1) The Kadéos brand was recognized following the acquisition of this company in March 2007 (see Note 2.A.1).

(2) Of which €19 million corresponding to Kadéos customer lists.

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

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Net intangible assets at beginning of period	40	101	110
Additions	4	1	5
Internally-generated assets	7	9	14
Intangible assets of newly-consolidated companies ^(*)	68	7	2
Amortization for the period	(15)	(22)	(23)
Impairment losses for the period ^(**)	-	-	(18)
Disposals	(2)	-	3
Translation adjustment	(1)	(9)	5
Reclassifications	-	23	1
Net intangible assets at end of period	101	110	99

^(*) In 2007, the main newly-consolidated companies were Kadéos and PrePay Technologies Ltd (see Note 2.A.1).

^(**) For 2009, see Note 9.

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

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Kadéos brand	19	19	19
Rikskuponger brand	7	6	6
Tintelingen brand	2	2	2
Prepay brand	-	2	2
Other brands	2	4	4
Intangible assets with indefinite useful lives	30	33	33

Most brands 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.

NOTE 13. PROPERTY, PLANT AND EQUIPMENT

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Land	1	7	4
Buildings	5	5	3
Fixtures	16	15	17
Equipment and furniture	81	76	78
Assets under construction	1	-	1
Cost	104	103	103

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Buildings	(4)	(2)	(1)
Fixtures	(11)	(9)	(8)
Equipment and furniture	(60)	(55)	(57)
Assets under construction	-	-	-
ACCUMULATED DEPRECIATION	(75)	(66)	(66)
ACCUMULATED IMPAIRMENT LOSSES	-	-	-
Accumulated depreciation and impairment losses	(75)	(66)	(66)

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Land	1	7	4
Buildings	1	3	2
Fixtures	5	6	9
Equipment and furniture	21	21	21
Assets under construction	1	-	1
Property, plant and equipment, net	29	37	37

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

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Net property, plant and equipment at beginning of period	30	29	37
Property, plant and equipment of newly consolidated companies	1	-	1
Additions	10	15	16
Disposals	(1)	(1)	(4)
Depreciation for the period	(10)	(10)	(11)
Impairment losses for the period	-	-	-
Translation adjustment	(1)	(3)	(2)
Reclassifications	-	7	-
Net property, plant and equipment at end of period	29	37	37

NOTE 14. RECEIVABLES AND PAYABLES

14.1. Trade receivables and related provisions

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Gross	1,112	867	919
Provisions	(17)	(21)	(25)
Trade receivables, net	1,095	846	894

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.

14.2. Details of inventories, other receivables and accruals

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Inventories	10	11	14
Recoverable VAT	65	123	92
Employee advances and prepaid payroll taxes	2	2	3
Other prepaid and recoverable taxes	1	2	3
Other receivables	77	100	133
Other prepaid expenses	5	6	8
Gross	160	244	253
Provisions	(1)	(1)	(2)
Inventories and other receivables and accruals, net	159	243	251

14.3. Details of other payables and accruals

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
VAT payable	7	90	23
Wages and salaries and payroll taxes payable	38	43	43
Other taxes payable	66	68	32
Other payables	58	81	52
Deferred income	6	8	12
Other payables and accruals	175	290	162

14.4. Receivables and payables by maturity

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Dec. 2009
At December 31, 2009						
Inventories	10	11	13	-	-	13
Trade receivables	1,095	846	894	-	-	894
Recoverable VAT	65	123	22	70	-	92
Employee advances and prepaid payroll taxes	2	2	3	-	-	3
Other prepaid and recoverable taxes	1	2	3	-	-	3
Other receivables	76	99	132	-	-	132
Current assets	1,249	1,083	1,067	70	-	1,137
Trade payables	92	196	140	-	-	140
VAT payable	7	90	23	-	-	23
Wages and salaries and payroll taxes payable	38	43	43	-	-	43
Other taxes payable	66	68	32	-	-	32
Other payables	58	81	51	1	-	52
Current liabilities	261	478	289	1	-	290

NOTE 15. SHARE-BASED PAYMENTS

15.1. Earnings per share

The average number of shares used to calculate earnings per share for the three years presented corresponds to the number of shares resulting from applying the one-for-one exchange ratio to the number of Accor SA shares outstanding at December 31, 2009 (225.458.199 shares).

Diluted earnings per share is the same as earnings per share as no dilutive instruments have been issued by New Services.

The stock option plans and performance share plans described below have Accor shares as their underlying. These plans will continue to relate to Accor SA and New Services shares will not be substituted for Accor SA shares as the underlying.

15.2. Accor Stock option plans granted to New Services employees

Description of the main Accor stock option plans granted to New Services employees

The following table provides details of stock options outstanding at December 31, 2009 and options that expired or were cancelled during the period.

	Grant date	Life of plan	Number of options granted to New Services employees	Exercise date	Number of grantees	Exercise price	Cash-settled or equity settled
Plan 5	January 4, 2001	8 years	160,000	From 01/04/04 until 01/04/09	4	40.58 €	Equity settled
Plan 6	January 8, 2002	8 years	215,700	From 01/08/05 until 01/08/10	77	37.77 €	Equity settled
Plan 7 ^(*)	July 12, 2002	7 years	31,641	From 07/12/05 until 07/12/09	993	39.10 €	Equity settled
Plan 8	January 3, 2003	8 years	4,900	From 01/04/06 until 01/03/11	7	31.83 €	Equity settled
Plan 9	January 7, 2004	8 years	121,100	From 01/08/07 until 01/07/12	50	35.68 €	Equity settled
Plan 10 ^(*)	July 9, 2004	8 years	31,339	From 07/09/07 until 07/09/12	623	33.94 €	Equity settled
Plan 11	January 12, 2005	7 years	87,200	From 01/13/09 until 01/12/12	55	32.42 €	Equity settled
Plan 12	January 9, 2006	7 years	133,700	From 01/10/10 until 01/09/13	29	46.15 €	Equity settled
Plan 13	March 24, 2006	7 years	51,600	From 03/25/10 until 03/24/13	53	49.10 €	Equity settled
Plan 14	March 22, 2007	7 years	161,645	From 03/23/11 until 03/22/14	122	68.65 €	Equity settled
Plan 15	May 14, 2007	7 years	12,500	From 05/15/11 until 05/14/14	2	71.72 €	Equity settled
Plan 16 ^(*)	September 13, 2007	8 years	343	From 09/13/10 until 09/13/15	11	60.44 €	Equity settled
Plan 17	March 28, 2008	7 years	152,850	From 03/29/12 until 03/28/15	132	46.46 €	Equity settled
Plan 18	September 30, 2008	7 years	6,000	From 10/01/12 until 09/30/15	2	42.70 €	Equity settled
Plan 19	March 31, 2009	8 years	121,440	From 04/01/13 until 03/31/17	159	27.45 €	Equity settled

(*) Options under plans 7, 10 and 16 are stock savings warrants.

Options granted under Plan 15 are performance options. The 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 receive one quarter of the options included in the initial grant. If only one of the two targets is met, they receive one eighth of the options.

For all of the 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 is 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 3,515 options.

Changes in outstanding Accor stock options granted to New Services employees during 2007, 2008 and 2009 were as follows:

	December 31, 2007		December 31, 2008		December 31, 2009	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding at beginning of period	730,179	39.74 €	774,092	46.17 €	876,505	46.20 €
Options granted	174,145	68.87 €	159,193	46.35 €	121,440	27.45 €
Options cancelled or expired	(40,501)	41.64 €	(35,150)	51.87 €	(105,717)	40.72 €
Options exercised	(89,731)	40.03 €	(21,630)	37.00 €	(6,336)	39.10 €
Options outstanding at end of period	774,092	46.17 €	876,505	46.20 €	885,892	44.33 €
Options exercisable at end of period	335,097	37.43 €	299,012	37.48 €	281,689	34.99 €

Outstanding options at December 31, 2009 were as follows:

	Exercise price	Number of outstanding options	Remaining life of the options
Plan 6	37.77 €	66,150	8 days
Plan 8	31.83 €	900	1 year
Plan 9	35.68 €	98,750	2 years
Plan 10	33.94 €	31,339	2.5 years
Plan 11	32.42 €	84,550	2 years
Plan 12	46.15 €	131,200	3 years
Plan 13	49.10 €	46,600	3.3 years
Plan 14	68.65 €	148,175	4.3 years
Plan 15	71.72 €	8,985	4.5 years
Plan 16	60.44 €	343	5.8 years
Plan 17	46.46 €	145,350	5.3 years
Plan 18	42.70 €	6,000	5.8 years
Plan 19	27.45 €	117,550	7.3 years

Fair value of options

IFRS 1 allows companies to only recognize in their accounts equity-settled stock options that were granted after November 7, 2002 and had not yet vested at January 1, 2005.

As a result, IFRS 2 applies to options granted under twelve plans set up between 2003 and the end of 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
Risk-free interest rate ^(**)	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
Risk-free interest rate ^(**)	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.

(**) Weighted risk-free interest rate based on exercise periods.

(***) Weighted fair value of options based on exercise periods.

The dividend rate used to measure the fair value of options was:

- ▶ 3.03% for plans 8, 9 and 10;
- ▶ 3.22% for plans 11, 12 and 13;
- ▶ 2.29% for plans 14, 15 and 16;
- ▶ 2.53% for plans 17, 18 and 19.

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 assumed 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% after 5 years;
- ▶ 35% after 6 years;
- ▶ 5% after 7 years (10% for plans 11, 12, 13, 14, 15, 17 and 18);
- ▶ 5% after 8 years.

Maturities of 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, calculated from the grant date, have been applied to each maturity as presented above.

Cost of share-based payments recognized in the accounts

The total cost of share-based payments granted to New Services employees amounted to €2 million at December 31, 2009 (December 31, 2008: €2 million, December 31, 2007: €2 million). These amounts have been recognized in employee benefits expense with a corresponding adjustment to equity.

Employee Stock Ownership Plan

In April 2007, a leveraged employee rights issue was carried out under the Employee Stock Ownership Plan, whereby 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.

Details of the plan 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 77,450 new shares purchased by employees under the plan, including 77,107 shares acquired through corporate mutual funds and 343 purchased directly.

The fair value of the New Services's employee benefit, totaling €1 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 five years at a rate of 5.5% and amounted to €0.02 million. The cost of the lock-up was measured as 5.5% of the discounted subscription price.

15.3. Performance share plans granted to New Services employees

2007 Plan

On May 14, 2007, Accor granted performance shares to senior executives and certain employees, including 7,260 performance shares granted to New Services employees.

The performance shares were 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 would vest in each year if both performance targets were met. If only one of the performance targets was met, a quarter of the shares would vest.

For all of the shares to vest, ROCE and profit after tax and before non-recurring items would have 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 would 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 plan - corresponding to the fair value of the performance shares granted to New Services's employees - amounted to €0.5 million and was 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 performance shares 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 criteria were met in 2007.

At December 31, 2008

The performance criteria were only partly met in 2008. As a result, the fair value of the performance shares was recalculated and amounted to €0.4 million at December 31, 2008.

At December 31, 2009

The vesting period expired on May 14, 2009. Based on actual Group performance in relation to the performance criteria and on the grantees who were still on the Group's payroll as of May 14, 2009, a total of 6,092 shares vested.

The ultimate total fair value of the performance shares granted under the plan was €0.4 million.

2008 Plan

On May 28, 2008, Accor granted performance shares to senior executives and certain employees including 11,565 performance shares granted to New Services 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 vest in each year if both performance targets are met. If only one of the performance targets is met, a quarter of the shares vest.

For all of the shares to vest, ROCE and profit after tax and before non-recurring items 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 is 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 plan - corresponding to the fair value of the performance shares granted to New Services's employees - amounts to €0.5 million and is 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 performance shares 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 €0.12 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 €0.12 million, of which €0.06 million was recognized in the 2009 financial statements.

2009 Plan

On May 31, 2009, Accor granted performance shares to senior executives and certain employees including 30,367 performance shares granted to New Services employees, of which:

- ▶ 26,276 performance shares subject to a two-year vesting period followed by a two-year lock-up;
- ▶ 4,091 performance shares subject to a four-year vesting period and no lock-up period.

The performance shares are subject to three 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 vest in each year if the performance targets are met. If two of the three targets are met, they will receive roughly one-third of the shares and if only one of the three targets is met, they will receive around one-sixth of the shares.

For all of the shares to vest, all the indicators will have to increase by around 10% or more per year. If the indicators 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 granted to New Services's employees - representing €0.8 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 granted under the plan.

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 €0.4 million. Plan costs recognized in 2009 amounted to €0.1 million.

NOTE 16. CUMULATIVE FAIR VALUE ADJUSTMENTS TO FINANCIAL INSTRUMENTS

During the three years presented, no fair value adjustments to available-for-sale financial assets were recognized in equity and no cumulative fair value adjustments were reclassified from equity to the income statement.

NOTE 17. MINORITY INTERESTS

(in € millions)

At December 31, 2006	10
Minority interests in profit for the period	17
Dividends paid to minority interests	(15)
Issue of share capital	4
Translation adjustment	(1)
Changes in scope of combination	(3)
At December 31, 2007	12
Minority interests in profit for the period	25
Dividends paid to minority interests	(14)
Capital reduction	(1)
Translation adjustment	2
Changes in scope of combination	0
At December 31, 2008	24
Minority interests in profit for the period	7
Dividends paid to minority interests	(22)
Issue of share capital	7
Translation adjustment	(1)
Changes in scope of combination	4
At December 31, 2009	19

NOTE 18. COMPREHENSIVE INCOME

Tax on other comprehensive income can be analyzed as follows:

(in € millions)	Dec. 2007			Dec. 2008			Dec. 2009		
	Before tax	Tax	After tax	Before tax	Tax	After tax	Before tax	Tax	After tax
Currency translation adjustment	(2)	-	(2)	(56)	-	(56)	66	-	66
Gains and losses from remeasuring available-for-sale financial assets at fair value	-	-	-	-	-	-	-	-	-
Actuarial gains and losses on defined benefit plans	3	1	2	(2)	0	(2)	(2)	0	(2)
TOTAL OTHER COMPREHENSIVE INCOME	1	1	(0)	(58)	0	(58)	64	0	64

There were no reclassifications from other comprehensive income to the income statement in any of the three years presented.

NOTE 19. FINANCIAL DEBT BY CURRENCY AND MATURITY

19.A. Long and short-term financial debt

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

(in € millions)	Dec. 2007	Effective rate 2007 %	Dec. 2008	Effective rate 2008 %	Dec. 2009	Effective rate 2009 %
Long and short-term financial debt⁽¹⁾	2	8.75	4	4.74	11	5.98
Deposits	4	-	5	-	6	-
Purchase commitments	43	-	28	-	9	-
Bank overdrafts and other short-term financial liabilities	137	-	465	-	671	-
LONG AND SHORT-TERM FINANCIAL DEBT AND OTHER FINANCIAL LIABILITIES	186	-	502	-	697	-

(1) Including the equivalent of €8 million in INR at December 31, 2009.

There were no hedges outstanding at December 31, 2009.

(in € millions)	Dec. 2007	Dec. 2008	Dec. 2009
Long-term financial debt and other financial liabilities	47	34	15
Short-term debt and other financial liabilities ⁽¹⁾	139	468	682
TOTAL FINANCIAL DEBT AND OTHER FINANCIAL LIABILITIES	186	502	697

(1) Short-term financial debt and other financial liabilities include €631 million in loans from Accor to New Services subsidiaries (of which €568 million in loans to New Services Belgium), bank overdrafts of €41 million and other short-term debts of €10 million.

19.B. Maturities of financial debt

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

(in € millions)	Dec. 2007	Dec. 2008	Dec. 2009
Year Y + 1	139	468	682
Year Y + 2	18	12	10
Year Y + 3	4	8	-
Year Y + 4	17	8	2
Year Y + 5	-	1	-
Year Y + 6	-	-	-
Beyond	8	5	3
TOTAL FINANCIAL DEBT	186	502	697

This analysis of financial debt by maturity over the long-term is considered as providing the most meaningful liquidity indicator. Financial debt and short-term investments denominated in foreign currencies have been translated into euros at the rate on the balance sheet date.

At December 31, 2009, New Services did not have any lines of credit.

19.C. Financial instruments

1. Currency hedges

There were no currency hedges outstanding at December 31, 2009.

2. Interest rate hedges

There were no interest rate hedges outstanding at December 31, 2009.

3. Fair value of financial instruments

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

<i>(in € millions)</i>	December 31, 2009 Carrying amount	December 31, 2009 Fair value
FINANCIAL LIABILITIES	697	697
Bonds	-	-
Bank borrowings	10	10
Other financial liabilities	687	687
CURRENT FINANCIAL ASSETS	(1,839)	(1,839)
Marketable securities ⁽¹⁾	(754)	(754)
Cash	(41)	(41)
Other	(1,044)	(1,044)
NET DEBT	(1,142)	(1,142)

(1) Marketable securities break down as follows:

<i>(in € millions)</i>	December 31, 2009 Carrying amount	December 31, 2009 Fair value
Bonds and other negotiable debt securities ^(a)	(121)	(121)
Money market securities ^(b)	(628)	(628)
Mutual fund units convertible into cash in less than three months ^{(*) (c)}	(2)	(2)
Other	(3)	(3)
TOTAL MARKETABLE SECURITIES	(754)	(754)

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

(a) Held-to-maturity investments.

(b) Loans and receivables issued by the Group.

(c) Available-for-sale financial assets.

19.D. Financial Risk Management

Risk management objectives, policies and procedures (liquidity risk, credit risk, currency risk, interest rate risk and equity risk), and interest rate and currency sensitivity analyses are presented in Section 3 of this prospectus.

NOTE 20. NET DEBT AND NET CASH

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Other long-term financial debt	47	34	15
Short-term financial debt	136	457	641
Bank overdrafts	3	11	41
Derivatives	-	-	-
Total financial debt	186	502	697
Short-term loans	(1,221)	(1,341)	(1,044)
Marketable securities ⁽¹⁾	(548)	(630)	(754)
Cash	(131)	(45)	(41)
Derivatives	-	-	-
Short-term receivables on disposals of assets	-	-	-
Current financial assets	(1,900)	(2,016)	(1,839)
Net debt	(1,714)	(1,514)	(1,142)

(1) See Note 19.C.

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Net debt at beginning of period	(1,458)	(1,714)	(1,514)
Change in long-term financial debt	13	(13)	(18)
Change in short-term financial debt	97	320	185
Change in short-term loans	(287)	(120)	297
Change in cash and cash equivalents	(79)	13	(92)
Changes for the period	(256)	200	372
Net debt at end of period	(1,714)	(1,514)	(1,142)

The following table reconciles cash and cash equivalents in the balance sheet to cash and cash equivalents in the statement of cash flows.

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Cash and cash equivalents in the balance sheet	679	675	795
Bank overdrafts	(3)	(11)	(41)
Cash and cash equivalents in the statement of cash flows	676	664	754

NOTE 21. 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 New Services so that the amounts of fair value presented below are comparable with those of the Note 19.

At December 31, 2007, financial assets and liabilities broke down as follows by category:

	Balance sheet category							Fair value			
	Cash and cash equivalents	Res-tricted cash	Marketable securities	Loans	Other non-current financial assets	Trade receivables	Carrying amount	Level 1 valuation technique *	Level 2 valuation technique *	Level 3 valuation technique *	Fair value of the class
<i>(in € millions)</i>											
Held-to-maturity investments							145				145
Bonds and other negotiable debt securities			145				145		145		145
Loans and receivables							2,732				2,732
Short-term loans				1,221			1,221		1,221		1,221
Deposits					17		17		17		17
Trade receivables						1,095	1,095		1,095		1,095
Money market securities			397				397		397		397
Other			2				2		2		2
Available-for-sale financial assets							4				4
Mutual fund units convertible			4				4	4			4
Financial assets at fair value through profit or loss											
Interest rate derivatives											
Currency derivatives											
Cash	131	392					523		523		523
Total financial assets at December 31, 2007	131	392	548	1,221	17	1,095	3,404	4	3,400		3,404

	Balance sheet category							Fair value			
	Bank overdrafts	Other long-term financial debt	Vouchers in circulation	Short-term financial debt	Trade payables	Carrying amount		Level 1 valuation technique *	Level 2 valuation technique *	Level 3 valuation technique *	Fair value of the class
<i>(in € millions)</i>											
Financial liabilities at fair value											
Currency derivatives											
Interest rate derivatives											
Financial liabilities at amortized cost						3,170					3,170
Bank borrowings				2		2			2		2
Other borrowings		47		134		181			181		181
Trade payables					92	92			92		92
Vouchers in circulation			2,895			2,895			2,895		2,895
Bank overdrafts	3					3			3		3
Total financial liabilities at December 31, 2007	3	47	2,895	136	92	3,173			3,173		3,173

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

	Balance sheet category							Fair value			
	Cash and cash equivalents	Res-tricted cash	Marke-table securities	Loans	Other non-current financial assets	Trade receivables	Carrying amount	Level 1 valuation technique *	Level 2 valuation technique *	Level 3 valuation technique *	Fair value of the class
<i>(in € millions)</i>											
Held-to-maturity investments							158				158
Bonds and other negotiable debt securities			158				158		158		158
Loans and receivables							2,661				2,661
Short-term loans				1,341			1,341		1,341		1,341
Deposits					4		4		4		4
Trade receivables						846	846		846		846
Money market securities			466				466		466		466
Other			4				4		4		4
Available-for-sale financial assets							2				2
Mutual fund units convertible			2				2	2			2
Financial assets at fair value through profit or loss											
Interest rate derivatives											
Currency derivatives											
Cash	45	441					486		486		486
Total financial assets at December 31, 2008	45	441	630	1,341	4	846	3,307	2	3,305		3,307

	Balance sheet category							Fair value			
	Bank overdrafts	Other long-term financial debt	Vouchers in circulation	Short-term financial debt	Trade payables	Carrying amount		Level 1 valuation technique *	Level 2 valuation technique *	Level 3 valuation technique *	Fair value of the class
<i>(in € millions)</i>											
Financial liabilities at fair value											
Currency derivatives											
Interest rate derivatives											
Financial liabilities at amortized cost						3,274					3,274
Bank borrowings				3		3			3		3
Other borrowings		34		454		488			488		488
Trade payables					196	196			196		196
Vouchers in circulation			2,587			2,587			2,587		2,587
Bank overdrafts	11					11			11		11
Total financial liabilities at December 31, 2008	11	34	2,587	457	196	3,285			3,285		3,285

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

	Balance sheet category							Fair value			
	Cash and cash equivalents	Res-tricted cash	Marketable securities	Loans	Other non-current financial assets	Trade receivables	Carrying amount	Level 1 valuation technique *	Level 2 valuation technique *	Level 3 valuation technique *	Fair value of the class
<i>(in € millions)</i>											
Held-to-maturity investments							121				121
Bonds and other negotiable debt securities			121				121		121		121
Loans and receivables							2,572				2,572
Short-term loans				1,044			1,044		1,044		1,044
Deposits					3		3		3		3
Trade receivables						894	894		894		894
Money market securities			628				628		628		628
Other			3				3		3		3
Available-for-sale financial assets							2				2
Mutual fund units convertible			2				2	2			2
Financial assets at fair value through profit or loss											
Interest rate derivatives											
Currency derivatives											
Cash	41	565					606		606		606
Total financial assets at December 31, 2009	41	565	754	1,044	3	894	3,301	2	3,299		3,301

(in € millions)	Balance sheet category						Fair value			
	Bank overdrafts	Other long-term financial debt	Vouchers in circulation	Short-term financial debt	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										
Currency derivatives										
Interest rate derivatives										
Financial liabilities at amortized cost						3,679				3,679
Bank borrowings				10		10		10		10
Other borrowings		15		631		646		646		646
Trade payables					140	140		140		140
Vouchers in circulation			2,883			2,883		2,883		2,883
Bank overdrafts	41					41		41		41
Total financial liabilities at December 31, 2009	41	15	2,883	641	140	3,720		3,720		3,720

* The fair value hierarchies have the following levels:

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

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

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

For cash and cash equivalents, trade receivables, loans, deposits, restricted cash, held-to-maturity investments, as well as for other borrowings, vouchers in circulation and trade payables, New Services considers their carrying amount to be the best proxy for market value. The methods used to measure the fair value of mutual fund units and bonds are described in Note 19.

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

NOTE 22. PROVISIONS

Movements in long-term provisions between January 1, 2007 and December 31, 2009 can be analyzed as follows:

(in € millions)	December 31, 2006	Impact on equity ⁽¹⁾	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope ⁽¹⁾	December 31, 2007
• Provisions for pensions and loyalty bonuses	10	(2)	1	(1)	(1)	0	1	8
• Provisions for claims and litigation and other contingencies	-	-	-	-	-	-	-	-
TOTAL LONG-TERM PROVISIONS	10	(2)	1	(1)	(1)	0	1	8

(in € millions)	December 31, 2007	Impact on equity ^(*)	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope ^(*)	December 31, 2008
▸ Provisions for pensions and loyalty bonuses	8	3	1	(1)	(0)	(1)	2	12
▸ Provisions for claims and litigation and other contingencies	-	-	-	-	-	-	-	-
TOTAL LONG-TERM PROVISIONS	8	3	1	(1)	(0)	(1)	2	12

(in € millions)	December 31, 2008	Impact on equity ^(*)	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope ^(*)	December 31, 2009
▸ Provisions for pensions and loyalty bonuses	12	3	1	(1)	(0)	1	1	16
▸ Provisions for claims and litigation and other contingencies	-	-	-	-	-	-	-	-
TOTAL LONG-TERM PROVISIONS	12	3	1	(1)	(0)	1	1	16

(*) See Note 22.C.

Movements in short-term provisions between January 1, 2007 and December 31, 2009 can be analyzed as follows:

(in € millions)	December 31, 2006	Impact on equity ^(*)	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope ^(*)	December 31, 2007
▸ Tax provisions	35	-	-	-	(13)	-	-	22
▸ Restructuring provisions	3	-	13	(3)	(0)	(1)	-	12
▸ Provisions for claims and litigation and other contingencies	11	-	3	(3)	(0)	0	-	10
TOTAL SHORT-TERM PROVISIONS	49	-	16	(6)	(14)	(1)	-	44

(in € millions)	December 31, 2007	Impact on equity ^(*)	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope ^(*)	December 31, 2008
▸ Tax provisions	22	-	0	(22)	-	(0)	-	0
▸ Restructuring provisions	12	-	4	(7)	(0)	(1)	-	8
▸ Provisions for claims and litigation and other contingencies	10	-	3	(4)	(1)	-	-	9
TOTAL SHORT-TERM PROVISIONS	44	-	7	(33)	(1)	(1)	-	17

<i>(in € millions)</i>	December 31, 2008	Impact on equity ^(*)	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope ^(*)	December 31, 2009
▸ Tax provisions	0	-	0	-	-	0	-	0
▸ Restructuring provisions	8	-	8	(6)	(1)	0	-	9
▸ Provisions for claims and litigation and other contingencies	9	-	45	(4)	(1)	1	-	50
TOTAL SHORT-TERM PROVISIONS	17	-	53	(10)	(2)	1	-	59

At December 31, 2009, short-term provisions for claims and litigation and others mainly included a contingency provision in Venezuela (see Note 9).

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

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
EBIT	(2)	(1)	0
Net financial expense	-	-	-
Restructuring costs and impairment losses	10	(4)	41
Income tax expense	(13)	(22)	-
TOTAL	(5)	(27)	41

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) and long-term benefits (long-service awards, long-term disability benefits, loyalty bonuses and seniority bonuses), as well as various post-employment benefits provided under defined contribution and defined benefit plans (length-of-service awards payable on retirement, pension benefits).

Short-term benefit obligations are recognized in the balance sheets of the Group entities concerned.

Post-employment benefits are provided under either defined contribution or defined benefit plans.

Defined contribution plans

Obligations under these plans are funded by periodic contributions to external organizations that are responsible for the administrative and financial management of the plans. The external organization is responsible for all benefit payments and the Group has no liability beyond the payment of contributions. Examples of defined contribution plans include the government-sponsored basic pension and supplementary pension (ARRCO/AGIRC) schemes in France and defined contribution pension schemes in other countries.

Contributions to these plans are recognized in the period to which they relate.

Defined benefit plans

Benefit obligations under the Group's defined benefit plans are generally funded by plan assets, with any unfunded portion recognized as a liability at the balance sheet date.

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 New Services, 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 final 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 when they retire, resign or are laid off. They are determined by reference to the employee's years of service and final salary,
- the related obligation is covered by a provision;

- pensions: the main defined benefit pension plans are for employees in United Kingdom (42% of the obligation at December 31, 2009), in France and the Worldwide Structures (18% of the obligation at December 31, 2009), in Belgium (17% of the obligation at December 31, 2009) and in Italy (15% of the obligation at December 31, 2009). Pension benefit obligations are determined by reference to employees' years of service and final salary. They are funded by payments to external organizations that are legally separate from the New Services 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.

2009	France	Rest of Europe			Worldwide Structures	Rest of the world
		United Kingdom	Belgium	Italy		
Retirement age	65 years	65 years	65 years	65 years	65 years	55-65 years
Rate of future salary increase	3.0%	3.0%	3.0%	2.5%-3.5%	3%-4%	2%-10%
Payroll tax rate	46%	13%	36%	29%	46%	9%-45%
Discount rate	5.00%	5.60%	5.00%	5.00%	5.00%	4%-8.68%
Expected return on 2009 plan assets	2.20%-4.5%	5.5%	4.5%	N/A	4.5%	N/A
Expected return on 2010 plan assets	2.20%-4.5%	5.5%	4.5%	N/A	4.5%	N/A

2008	France	Rest of Europe			Worldwide Structures	Rest of the world
		United Kingdom	Belgium	Italy		
Retirement age	65 years	65 years	65 years	65 years	65 years	55-65 years
Rate of future salary increase	3.0%	3.0%	3.0%	2.5%-3.5%	3%-4%	2%-10%
Payroll tax rate	46%	13%	36%	29%	46%	9%-45%
Discount rate	5.50%	5.90%	5.50%	5.50%	5.50%	4%-8.68%
Expected return on 2008 plan assets	2.20%-4.5%	5.5%	4.5%	N/A	4.5%	N/A
Expected return on 2009 plan assets	2.20%-4.5%	5.5%	4.5%	N/A	4.5%	N/A

2007	Rest of Europe				Worldwide Structures	Rest of the world
	France	United Kingdom	Belgium	Italy		
Retirement age	65 years	65 years	65 years	65 years	65 years	55-65 years
Rate of future salary increase	3.0%	3.0%	3.0%	2.0%	3%-4%	2%-10%
Payroll tax rate	46%	13%	36%	29%	46%	9%-45%
Discount rate	5%-5.25%	5.8%	5.0%	5.0%	5.0%	4%-8.68%
Expected return on 2007 plan assets	2.20%-4.5%	5.5%	4.5%	N/A	4.5%	N/A
Expected return on 2008 plan assets	2.20%-4.5%	5.5%	4.5%	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 was based on an analysis of investment grade corporate bond yields in each region. The calculation method was designed to obtain a discount rate that was appropriate in light of the timing of cash flows under the plan.

The New Services 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).

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)	Pension plans	Other defined benefit plans ^(*)	Total
Present value of funded obligation	14	-	14
Fair value of plan assets	(6)	-	(6)
Excess of benefit obligation/(plan assets)	8	-	8
Present value of unfunded obligation	-	8	8
Unrecognized past service cost	-	-	-
Liability recognized in the balance sheet	8	8	16

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

At December 31, 2008

(in € millions)	Pension plans	Other defined benefit plans ^(*)	Total
Present value of funded obligation	10	-	10
Fair value of plan assets	(5)	-	(5)
Excess of benefit obligation/(plan assets)	5	-	5
Present value of unfunded obligation	-	7	7
Unrecognized past service cost	-	-	-
Liability recognized in the balance sheet	5	7	12

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

At December 31, 2007

<i>(in € millions)</i>	Pension plans	Other defined benefit plans ^(*)	Total
Present value of funded obligation	11	-	11
Fair value of plan assets	(8)	-	(8)
Excess of benefit obligation/(plan assets)	3	-	3
Present value of unfunded obligation	-	5	5
Unrecognized past service cost	-	-	-
Liability recognized in the balance sheet	3	5	8

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

Funded status of post-employment defined benefit plans by region

<i>(in € millions)</i>	Pension plans							Other plans			
	2009							2009	2009	2008	2007
	Rest of Europe							Other plans	Total 2009	Total 2008	Total 2007
	France	United Kingdom	Belgium	Italy	Worldwide Structures	Other	Total				
Projected benefit obligation at beginning of period	2	6	2	2	3	0	15	1	17	16	18
Service cost	0	0	0	0	0	0	1	0	1	1	1
Interest cost	0	0	0	0	0	0	1	0	1	1	1
Employee contributions	-	-	0	-	-	-	0	-	0	0	0
Past service cost	-	-	-	-	-	-	-	-	-	-	-
Curtailments and settlements	-	-	-	-	-	(0)	(0)	(0)	(0)	-	(1)
Acquisitions/(Disposals)	-	-	-	-	-	-	-	-	-	-	0
Benefits paid	(0)	(0)	(0)	(0)	(0)	(0)	(1)	(0)	(1)	(1)	(1)
Actuarial (gains) losses	0	1	0	(0)	1	(0)	2	0	2	2	(2)
Total translation adjustment	-	0	-	-	-	0	0	0	1	(2)	(1)
Total other	(0)	(0)	-	-	0	1	0	(0)	0	1	(0)
Projected benefit obligation at end of period	2	7	3	2	5	1	19	2	21	17	16

(in € millions)	Rest of Europe							Other plans	Total 2009	Total 2008	Total 2007
	France	United Kingdom	Belgium	Italy	Worldwide Structures	Other	Total				
Fair value of plan assets at beginning of period	-	4	1	-	(1)	0	5	-	5	8	8
Actual return on plan assets	-	0	0	-	(0)	(0)	0	-	0	(1)	1
Employer contributions	-	0	0	-	-	0	1	-	1	1	0
Employee contributions	-	-	0	-	-	-	0	-	0	0	0
Benefits paid	-	(0)	(0)	-	-	(0)	(0)	-	(0)	(1)	(0)
Settlements	-	-	-	-	-	-	-	-	-	-	-
Acquisitions/(Disposals)	-	-	-	-	-	-	-	-	-	-	-
Total translation adjustment	-	0	-	-	-	0	0	-	0	(1)	(1)
Total other	-	(0)	-	-	-	-	(0)	-	(0)	(0)	(0)
Fair value of plan assets at end of period	-	4	2	-	(1)	0	6	-	6	5	8

(in € millions)	Rest of Europe						Other plans	Total 2009	Total 2008	Total 2007
	France	United Kingdom	Belgium	Italy	Worldwide Structures	Other				
Plan deficit at beginning of period	2	2	1	2	3	0	10	1	12	8
Reclassification to assets/liabilities held for sale	-	-	-	-	-	-	-	-	-	-
Plan deficit at end of period	2	2	1	2	5	1	14	2	16	8

(in € millions)	Rest of Europe						Other plans	Total 2009	Total 2008	Total 2007
	France	United Kingdom	Belgium	Italy	Worldwide Structures	Other				
Service cost	0	0	0	0	0	0	1	0	1	1
Interest cost	0	0	0	0	0	0	1	0	1	1
Expected return on plan assets	-	(0)	(0)	-	-	-	(0)	-	(0)	(0)
Amortization of past service cost	-	-	-	-	-	-	-	-	-	-
Curtailments and settlements	-	-	-	-	-	(0)	(0)	(0)	-	(1)
Amortization of actuarial gains and losses for long-term employee benefits	-	-	-	-	-	-	-	0	0	(0)
Cost for the period	0	0	0	0	0	0	1	0	1	2
Amortization of actuarial gains and losses for post-employment defined benefit plans	0	1	0	(0)	1	0	3	-	3	(2)

Changes in pension liabilities between January 1, 2007 and December 31, 2009

(in € millions)	Amount
Liability at January 1, 2007	10
Cost for the year	0
Benefits paid	(1)
Actuarial gains and losses for the period recognized in equity	(2)
Effect of changes in scope of combination	0
Translation adjustment	0
Other	0
Liability at December 31, 2007	8
Cost for the year	2
Benefits paid	(1)
Actuarial gains and losses for the period recognized in equity	3
Effect of changes in scope of combination	0
Translation adjustment	(1)
Liability at December 31, 2008	12
Cost for the year	1
Benefits paid	(1)
Actuarial gains and losses for the period recognized in equity	3
Effect of changes in scope of combination	-
Translation adjustment	1
Other	1
Liability at December 31, 2009	16

Actuarial gains and losses arising from changes in assumptions and experience adjustments

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Projected benefit obligation			
Actuarial gains and losses - experience adjustments	0	(0)	(1)
Actuarial gains and losses - changes in assumptions	(2)	2	3
Fair value of plan assets			
Actuarial gains and losses - experience adjustments	(1)	1	0

Details of plan assets

Detail of plan assets	United Kingdom	Belgium	Worldwide Structures
Equity	55%	15%-25%	15%-25%
Bonds	26%	75%-80%	75%-80%
Other	19%	0%-5%	0%-5%

Sensitivity analysis

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

At December 31, 2009, a 0.5-point increase (decrease) in the discount rate would lead to a €0.4 million decrease (increase) in the projected benefit obligation. The impact on the cost for the year would not be material.

NOTE 23. RECONCILIATION OF FUNDS FROM OPERATIONS

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Net profit, Group Share	189	212	11
Minority interests	17	25	7
Depreciation, amortization and provision expense	25	37	36
Deferred taxes	(11)	3	(15)
Change in financial provisions	13	(18)	182
Funds from operations	233	259	221
(Gains) losses on disposals of assets, net	(1)	-	(1)
(Gains) losses on non-recurring transactions (including restructuring costs and exceptional taxes)	5	17	32
Funds from ordinary activities	237	276	252

NOTE 24. WORKING CAPITAL, SERVICES VOUCHERS IN CIRCULATION AND RESTRICTED CASH

24.1. Net change in working capital and services vouchers in circulation

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009	Change 2007/2008	Change 2008/2009
Inventories	10	11	13	1	2
Trade receivables	1,095	846	894	(249)	48
Other receivables and accruals	149	232	238	83	6
Working capital items - assets	1,254	1,089	1,145	(165)	56
Trade receivables	92	196	140	104	(56)
Other payables	175	290	162	115	(128)
Vouchers in circulation	2,895	2,587	2,883	(308)	296
Working capital items - liabilities	3,162	3,073	3,185	(89)	112
Float (Working capital)	1,908	1,984	2,040	76	56

December 31, 2007 working capital	1,908
Change in working capital ⁽¹⁾	154
Development Expenditure	2
Disposals	-
Translation adjustment	(87)
Reclassifications	7
Net change in working capital	76
December 31, 2008 working capital	1,984
Change in working capital ⁽¹⁾	111
Development Expenditure	3
Disposals	-
Translation adjustment	(58)
Reclassifications	-
Net change in working capital	56
December 31, 2009 working capital	2,040

(1) See statement of cash flows.

24.2. Net change in restricted cash

Restricted cash corresponds mainly to Services voucher reserve funds whose use is regulated. The countries concerned are France (€486 million), Romania (€55 million) and the United Kingdom (€20 millions).

December 31, 2007 Restricted cash	392
Like-for-like change for the period ⁽¹⁾	49
Translation adjustment	-
Net change in restricted cash	49
December 31, 2008 Restricted cash	441
Like-for-like change for the period ⁽¹⁾	13
Reclassification from cash and cash equivalents to restricted cash ⁽¹⁾	114
Translation adjustment	(3)
Net change in restricted cash	124
December 31, 2009 Restricted cash	565

(1) See statement of cash flows.

NOTE 25. CAPITAL EXPENDITURE

Capital expenditure by the New Services Group in the last three years breaks down as follows:

<i>(in € millions)</i>	2007	2008	2009
Recurring expenditure	18	24	30
Development expenditure	125	23	41
TOTAL CAPITAL EXPENDITURE	143	47	71

NOTE 26. BALANCE SHEETS BY GEOGRAPHIC SEGMENT

A. At December 31, 2007

<i>(In € millions)</i>	France	Rest of Europe	Latin America & Caribbean	Rest of the world	Worldwide Structures	Total combined
Goodwill	200	214	201	62	3	680
Other non-current assets	59	49	24	14	12	158
Total non-current assets	259	263	225	76	15	838
Total current assets	1,024	1,537	878	85	22	3,546
TOTAL ASSETS	1,283	1,800	1,103	161	37	4,384
Total equity	306	292	303	44	(13)	932
Other non-current liabilities	17	56	9	14	11	107
Total non-current liabilities	323	348	312	58	(2)	1,039
Total current liabilities	960	1,452	791	103	39	3,345
TOTAL EQUITY AND LIABILITIES	1,283	1,800	1,103	161	37	4,384

B. At December 31, 2008

<i>(in € millions)</i>	France	Rest of Europe	Latin America & Caribbean	Rest of the world	Worldwide Structures	Total combined
Goodwill	200	203	167	63	12	645
Other non-current assets	54	53	27	17	19	170
Total non-current assets	254	256	194	80	31	815
Total current assets	1,105	1,380	940	86	35	3,546
TOTAL ASSETS	1,359	1,636	1,134	166	66	4,361
Total equity	302	18	335	48	(12)	691
Other non-current liabilities	16	55	9	11	21	112
Total non-current liabilities	318	73	344	59	9	803
Total current liabilities	1,041	1,563	790	107	57	3,558
TOTAL EQUITY AND LIABILITIES	1,359	1,636	1,134	166	66	4,361

C. At December 31, 2009

<i>(in € millions)</i>	France	Rest of Europe	Latin America & Caribbean	Rest of the world	Worldwide Structures	Total combined
Goodwill	115	193	203	40	6	557
Other non-current assets	35	61	29	12	26	163
Total non-current assets	150	254	232	52	32	720
Total current assets	1,169	1,262	933	112	73	3,549
TOTAL ASSETS	1,319	1,516	1,165	164	105	4,269
Total equity	194	(396)	404	35	13	250
Other non-current liabilities	17	51	2	3	20	93
Total non-current liabilities	211	(345)	406	38	33	343
Total current liabilities	1,108	1,861	759	126	72	3,926
TOTAL EQUITY AND LIABILITIES	1,319	1,516	1,165	164	105	4,269

NOTE 27. CLAIMS AND LITIGATION**Tax audit**

Following a tax audit of Accor Services France's 2003 and 2004 accounts, the tax authorities imposed various fines on the company concerning (i) VAT payments and (ii) failure to produce a schedule tracking capital gains qualifying for rollover relief.

After the tax authorities issued a notice to pay the fines – which totaled €21.8 million – the company settled this amount in April 2008, but also lodged an appeal in September 2009, claiming that the tax authorities' position was without merit. The appeal was rejected by the tax authorities on October 14, 2009. On December 10, 2009, the company applied to the Montreuil Administrative Tribunal for a ruling on the matter. The application is currently being considered.

This amount was recognized in profit in the 2008 financial statements.

Other claims and litigation

In the normal course of its business, the Group is exposed to various claims and litigations. The Company believes that these claims and litigations will not give rise to any material costs and will not have a material adverse effect on its financial position, business and/or results of operations.

NOTE 28. OFF-BALANCE SHEET COMMITMENTS

28.1. Off-balance sheet commitments given

Off-balance sheet commitments given amounted to €90 million at December 31, 2009, €83 million at December 31, 2008 and €69 million at December 31, 2007.

The December 31, 2009 amount breaks down as follows:

- ▶ voucher sale guarantees given to public sector entities in Italy for a total of €88 million, including €44 million expiring in less than one year, €21 million expiring in 1 to 5 years and €23 million expiring beyond 5 years (€81 million at December 31, 2008);
- ▶ bank bonds issued in France for €1 million, expiring within one year (€1 million at December 31, 2008);
- ▶ bid bonds issued in Spain for €1 million, expiring within one year (€1 million at December 31, 2008).

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.

28.2. Off-balance sheet commitments received

Off-balance sheet commitments received at December 31, 2009 were not material.

NOTE 29. ADDITIONAL INFORMATION ABOUT JOINTLY-CONTROLLED ENTITIES

At the end of each of the three years presented, New Services held shares in five jointly-controlled entities for which the current and non-current assets and liabilities, income and expenses attributable to the Group represented individually less than €14 million.

The companies concerned are:

- ▶ AS-GES;
- ▶ Workplace Benefits;
- ▶ EAR Ireland
- ▶ Employee Advisory R.L;
- ▶ BEA.

NOTE 30. RELATED PARTY TRANSACTIONS

For the purpose of applying IAS 24, the Group has identified the following related parties:

- ▶ all fully or proportionally combined companies;
- ▶ all members of the Executive Committee and the members of their direct families;
- ▶ all companies in which a member of the Executive Committee holds material voting rights;
- ▶ Accor SA.

All fully or proportionally combined companies.

Relations between the parent company and its subsidiaries and joint ventures are presented in Note 34. Transactions between the parent company and its subsidiaries - which constitute related party transactions - are eliminated in combination and are therefore not disclosed in these notes. Transactions between the parent company and its joint ventures were not material in the periods presented.

Members of the Executive Committee

Transactions with members of the Executive Committee are disclosed in full in Note 31.

Companies in which a member of the Executive Committee of New Services holds material voting rights

All transactions with companies in which a member of the Executive Committee holds material voting rights represent transactions carried out in the normal course of business on arm's length terms.

Accor

Transactions with Accor during each of the three years presented were as follows:

(in € millions)	Type of transaction	Transaction amount			Receivables			Payables			Off-balance sheet commitments		
		2007	2008	2009	2007	2008	2009	2007	2008	2009	2007	2008	2009
Accor SA	Inter-entity billings	(29)	(25)	(20)	8	10	2	21	39	55	-	-	-
	Loans	(7)	(8)	(10)	1,212	1,338	1,043	134	453	631	-	-	-

NOTE 31. COMPENSATION PAID TO CORPORATE OFFICERS

<i>(in € millions)</i>	December 31, 2007		December 31, 2008		December 31, 2009	
	Expense	Accrual	Expense	Accrual	Expense	Accrual
Short-term benefits	5	2	5	1	4	2
Post-employment benefits	-	-	-	-	-	-
Other long-term benefits	-	-	-	-	-	-
Termination benefits	-	-	-	-	1	-
Share-based payments	-	-	1	-	1	-
Total compensation	5	2	6	1	6	2

Corporate officers are the nine historical officers of the New Services business.

NOTE 32. AUDITORS' FEES

The table below shows the total fees billed by the Auditors that were recognized in the income statement for the periods presented.

<i>(in € millions)</i>	2007	2008	2009
Statutory and contractual audit fees	(2)	(2)	(2)
Fees for audit-related services	(0)	(0)	(0)
TOTAL FEES BILLED BY THE AUDITORS	(2)	(2)	(2)

NOTE 33. SUBSEQUENT EVENTS

There have been no reportable events since December 31, 2009.

NOTE 34. MAIN COMBINED COMPANIES AT DECEMBER 31, 2009

The main combined subsidiaries are presented below:

				REST OF EUROPE			
FRANCE				REST OF EUROPE			
Accor Services France	France	IG	99,70%	Accor Services Deutschland	Germany	IG	99,70%
Accor Caisse d'Epargne	France	IG	59,82%	Quasar Holding	Germany	IG	79,76%
Accentiv'Kadeos	France	IG	99,70%	Quasar Promotions	Germany	IG	79,76%
EAP	France	IG	99,70%	Quasar Event	Germany	IG	79,76%
Accentiv Travel	France	IG	99,70%	Quasar Competition	Germany	IG	79,76%
Servicarte	France	IG	95,83%	Quasar Marketing Services	Germany	IG	79,76%
Accor Services Formation	France	IG	99,70%	Quasar Pramien	Germany	IG	79,76%
AS-GES	France	IP	49,85%	Quasar Incentive travel	Germany	IG	79,76%
Fidétel	France	IP	50,00%	Calicado	Germany	IG	99,70%
WORLDWIDE STRUCTURES				Accor Services Austria	Austria	IG	99,87%
ASH	France	IG	100,00%	Accor T.R.B.	Belgium	IG	99,32%
ASM	France	IG	100,00%	Accor Services Empresariales	Spain	IG	97,71%
Deutsche Dauphine	France	IG	100,00%	Accor Services Hongrie	Hungary	IG	92,84%
				Accor Participation Italie	Italy	IG	94,64%
				Accor Services Italie	Italy	IG	94,43%
				Euro Servicios Alimentares	Portugal	IG	99,70%
				Fidelis	Portugal	IG	99,14%
				Accor Services CZ SRO	Czech Republic	IG	92,84%
				Exit Trebyc	Czech Republic	IG	92,84%
				Menu Service	Czech Republic	IG	92,84%
				Syas Spol	Czech Republic	IG	92,84%
				Exit	Czech Republic	IG	92,84%
				Accor Services Roumania	Romania	IG	90,78%
				Luncheon vouchers	United Kingdom	IG	99,70%
				Capital Incentives & Motivation	United Kingdom	IG	99,70%
				Employee Advisory Resource Limited	United Kingdom	IP	45,21%
				Motivano	United Kingdom	IG	65,86%
				Prepay	United Kingdom	IG	66,47%
				Clean Way	United Kingdom	IG	99,32%
				LV CET	United Kingdom	IG	99,29%
				Childcare Vouchers	United Kingdom	IG	94,60%
				AS Vouchers Handling	United Kingdom	IG	94,60%
				Capital Wiorld Travel	United Kingdom	IG	99,70%
				EAR	United Kingdom	IP	45,21%
				EAR	Ireland	IP	45,21%
				Vouchers Services Grèce	Greece	IG	47,95%
				Incentiv House Hellas	Greece	IG	67,21%
				Accor Services Slovakia	Slovakia	IG	99,40%
				Rikskuponger	Sweden	IG	99,40%
				Accor Suisse	Switzerland	IG	100,00%
				Académie Accor Services Turquie	Turkey	IG	99,70%
				Accor Services Turquie	Turkey	IG	99,36%
				Netser	Turkey	IP	49,68%
				Romeo & Juliet	Turkey	IG	90,42%
				Accor Services Maroc	Marroco	IG	50,85%
				Accor Services Liban	Liban	IG	79,70%
				Soltis BV	Netherlands	IG	86,13%
				Luncheck	Netherlands	IG	99,69%
				Accor Services Pays-Bas	Netherlands	IG	99,70%
				Tintelingen	Netherlands	IG	99,70%
				Lunch Company	Poland	IG	83,19%
				Corporate Insurance Broker	Hungary	IG	56,00%
				Accor Services Hongrie	Hungary	IG	92,84%
				Accor Services TR	Bulgaria	IG	99,70%
				Accor Services	Bulgaria	IG	96,70%
				Award Services	Belgium	IG	99,70%
				Accor Services Luxembourg	Luxembourg	IG	97,71%
				Accor Services Mali	Mali	IG	74,77%
				Delicard Group	Sweden	IG	99,70%
				Delicard Oy	Finland	IG	99,70%
				Delicard AB	Sweden	IG	99,70%
				Work Solutions	Sweden	IG	98,55%
				In-Actions	Sweden	IG	99,70%

IG: fully consolidated

IP: consolidated using the proportional method

MEE: accounted for by the equity method

NORTH AMERICA

Accor Services North America inc.	United States	IG	99,70%
Workplace Benefits	United States	IP	45,21%
Advantage 24	United States	IP	45,21%
Wirecommute	United States	IG	99,70%
Commuter Check Services Corporation	United States	IG	99,70%

LATIN AMERICA AND CARIBBEAN

Ticket Br�sil	Brazil	IG	99,70%
Ticket Seguros	Brazil	IG	49,65%
G LOG	Brazil	IG	99,31%
Build up	Brazil	IG	74,77%
Incentiv House	Brazil	IG	99,70%
Accor Services Chili	Chili	IG	74,13%
Accor Servicios Empresariales	Mexico	IG	99,40%
Servicios Accor	Mexico	IG	99,41%
Asesoria	Mexico	IG	99,70%
Servicios y Prestaciones	Mexico	IG	99,93%
Sedesa	Mexico	MEE	19,88%
Multibonos Y Servicios	Mexico	IG	99,40%
Accor Services Colombie	Colombia	IG	99,70%
Accor Services Perou	Peru	IG	66,80%
Accor Services Panama	Panama	IG	99,70%
Servicios Empresariales	Venezuela	IG	56,70%
Subsibono Dominicano	Dominican Republic	IG	49,96%
Luncheon Tickets	Uruguay	IG	99,69%
Promote SA	Uruguay	IG	99,69%
Westwell Group	Uruguay	IG	99,00%
Accor Argentina	Argentina	IG	100,00%

OTHER COUNTRIES

Accor Services Australia	Australia	IG	99,70%
Davidson & Trahaire	Australia	IG	99,70%
Royal Image Direct	India	IG	99,70%
Expert Services Mauritius	India	IG	100,00%
SRI Ganesh Hospitality	India	IG	100,00%
Accor Services Inde	India	IG	100,00%
Surfgold	Singapour	IG	99,70%
Surfgold	China	IG	99,70%
Surfgold	Taiwan	IG	99,70%
Surfgold	Korea	IG	99,70%
Surfgold	Hong Kong	IG	99,70%
Surfgold	Inde	IG	99,70%
Accentiv Shanghai Company	China	IG	100,00%
Accor Services Beijing	China	IG	88,52%
Accor Services Shanghai	China	IG	99,70%
Accor Corporate Services	China	IG	99,70%
Accor Services Chengdu	China	IG	50,85%
Accor services Card Vouchers	South Africa	IG	73,70%

10.1.2. STATUTORY AUDITOR'S REPORT

New Services Holding
Société anonyme
166-180 Boulevard Gabriel-Péri
92240 Malakoff

Statutory Auditor's report on the consolidated financial statements

Fiscal years ending as at December 31, 2009, 2008 and 2007

This is a free translation into English of the statutory auditor's report issued in the French language and is provided solely for the convenience of English speaking readers. Such report should be read in conjunction and construed in accordance with French law and French auditing professional standards.

To the Chief Executive Officer,

In our capacity as the Statutory Auditors of New Services Holding and in response to your request, we have audited the consolidated financial statements of New Services Holding, for the financial years ending December 31, 2009, 2008 and 2007, which are attached to this report and included in Section 10 of the prospectus dated May 12, 2010 prepared in connection with the planned listing of New Services Holding's shares on Euronext Paris as part of the spinoff of the Accor Group's services business.

These financial statements were prepared under your responsibility. Our role is to express an opinion on these combined financial statements based on our review.

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, the evidence supporting the amounts and information in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall presentation of the combined financial statements. We believe that the evidence that we have obtained is sufficient and appropriate to support our opinion.

In our opinion, for purposes of the prospectus prepared as described above, the combined financial statements are, in all material aspects, a true and fair depiction of the financial condition and the assets and liabilities of the persons and entities within the scope of consolidation as of December 31, 2009, 2008, and 2007, as well as the results of its operations for each of the years then ended, in accordance with the accounting principles described in the notes to the combined financial statements entitled "Basis for preparation" and "1. Accounting principles", specifying the manner in which the IFRS standards as adopted in the European Union were applied in the preparation of the combined financial statements.

This report is issued solely for the purposes of the public offering in France and in other countries of the European Union in which the prospectus approved by the AMF may be used, and may not be used for any other purpose.

Neuilly-sur-Seine, May 11, 2010

The Statutory Auditors

Deloitte & Associés

David Dupont-Noël

10.2. *Pro forma* financial statements and notes thereto

10.2.1. *PRO FORMA* FINANCIAL STATEMENTS AND NOTES THERETO

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PRO FORMA INCOME STATEMENTS

<i>(in € millions)</i>	Notes	2007	2008	2009
ISSUE VOLUME	3	11,437	12,696	12,407
Operating revenue		741	817	808
Financial revenue		96	129	94
TOTAL REVENUE	3	837	946	902
Operating expense	4	(492)	(550)	(539)
EBITDA	5	345	396	363
Depreciation, amortization and provision expense	6	(25)	(31)	(36)
EBIT	7	320	365	327
Net financial expense	8	(92)	(87)	(104)
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS		228	278	223
Non-recurring income and expenses, net	9	(26)	(15)	(211)
OPERATING PROFIT BEFORE TAX		202	263	12
Income tax expense	10	(68)	(86)	(62)
NET PROFIT		134	177	(50)
Net Profit, Group Share		117	152	(57)
Net Profit, Minority interests	17	17	25	7
Weighted average number of shares outstanding <i>(in thousands)</i>	15	225,458	225,458	225,458
EARNINGS PER SHARE (IN EUROS)		0.52	0.67	(0.25)
Diluted earnings per share (in euros)	15	0.52	0.67	(0.25)
OPERATING PROFIT BEFORE NON-RECURRING ITEMS		131	167	154
Earnings per share before non-recurring items <i>(in euros)</i>		0.58	0.74	0.68
Earnings per share from continuing operations <i>(in euros)</i>		0.52	0.67	(0.25)
Diluted earnings per share from continuing operations <i>(in euros)</i>		0.52	0.67	(0.25)

PRO FORMA STATEMENTS OF COMPREHENSIVE INCOME

<i>(in € millions)</i>	Notes	2007	2008	2009
NET PROFIT		134	177	(50)
Currency translation adjustment		(2)	(56)	66
Actuarial gains and losses on defined benefit plans		2	(2)	(2)
Other comprehensive income, net of tax	18	(0)	(58)	64
TOTAL COMPREHENSIVE INCOME		134	119	14
Comprehensive income, Group share		118	92	8
Comprehensive income, Minority interests		16	27	6

PRO FORMA BALANCE SHEETS

Assets

<i>(in € millions)</i>	Notes	December 31, 2007	December 31, 2008	December 31, 2009
GOODWILL	11	680	645	557
INTANGIBLE ASSETS	12	101	110	99
PROPERTY, PLANT AND EQUIPMENT	13	29	37	37
Other non-current financial assets		17	4	3
NON-CURRENT FINANCIAL ASSETS		17	4	3
Deferred tax assets	10	16	24	28
TOTAL NON-CURRENT ASSETS		843	820	724
Trade receivables	14	1,095	846	894
Inventories and other receivables and accruals	14	169	253	261
Restricted cash	23	392	441	565
Short-term loans	19 & 20	8	3	-
Marketable securities	19 & 20	984	1,179	1,222
Cash and cash equivalents	19 & 20	131	45	41
TOTAL CURRENT ASSETS		2,779	2,767	2,983
TOTAL ASSETS		3,622	3,587	3,707

Equity and Liabilities

<i>(in € millions)</i>	Notes	December 31, 2007	December 31, 2008	December 31, 2009
Share capital		451	451	451
Combined retained earnings		(1,785)	(1,708)	(1,611)
Cumulative compensation costs - share-based payments		2	4	6
Cumulative fair value adjustments to financial instruments	16	-	-	-
Cumulative actuarial gains (losses) on defined benefit plans		3	1	(1)
Currency translation reserve		(1)	(59)	8
Net profit, Group share		117	152	(57)
SHAREHOLDERS' EQUITY, GROUP SHARE		(1,213)	(1,159)	(1,204)
Minority interests	17	10	22	17
TOTAL EQUITY		(1,203)	(1,137)	(1,187)
Long-term financial debt	19 & 20	1,547	1,534	1,515
Deferred tax liabilities	10	52	66	62
Long-term provisions	21	8	12	16
TOTAL NON-CURRENT LIABILITIES		404	475	406
Short-term provisions	21	49	21	63
Short-term financial debt	19 & 20	2	4	10
Vouchers in circulation	23	2,895	2,587	2,883
Trade payables	14	92	196	140
Other payables and income tax payable	14	177	292	164
Bank overdrafts	19 & 20	3	12	41
TOTAL CURRENT LIABILITIES		3,218	3,112	3,301
TOTAL EQUITY AND LIABILITIES		3,622	3,587	3,707

PRO FORMA CASH FLOWS STATEMENTS

<i>(in € millions)</i>	Notes	2007	2008	2009
+ EBITDA	5	345	396	363
- Net financial expenses	8	(92)	(87)	(104)
- Income tax paid		(78)	(83)	(77)
- Elimination of non-cash revenue and expenses included in EBITDA		2	9	3
- Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes		(11)	(18)	(1)
= Funds from ordinary activities	22	166	217	184
+ Decrease (increase) in working capital	23.1	189	154	111
+ Recurring decrease (increase) in restricted cash	23.2	(19)	(49)	(13)
= Net cash from operating activities		336	322	282
+ Non-recurring gains (losses) (including restructuring costs and tax on non-recurring items)		(5)	(17)	(32)
+ Non-recurring decrease (increase) in restricted cash (*)	23.2	-	-	(114)
= Net cash from (used in) operating activities including non-recurring transactions (A)		331	305	136
- Recurring expenditure		(18)	(24)	(30)
- Development expenditure		(125)	(23)	(41)
+ Proceeds from disposals of assets		8	2	17
= Net cash from (used in) investing activities (B)		(135)	(45)	(54)
+ Minority interests in share issues by subsidiaries		4	(1)	7
- Dividends paid		(148)	(175)	(165)
- Repayment of long-term debt		(1)	-	(1)
+ Proceeds from issue of long-term debt		1	3	1
= Increase (Decrease) in long-term debt		-	3	-
+ Increase (Decrease) in short-term debt		(213)	118	341
+ Technical demerger impact		273	(5)	(4)
+ Impact on equity of transfers between the Hospitality and New Services businesses		(9)	127	92
+ Impact on short-term debt of transfers between the Hospitality and New Services businesses		16	(204)	(306)
= Impact of the demerger and inter-business transfers		280	(82)	(218)
= Net cash from (used in) financing activities (C)		(77)	(137)	(35)
- Effect of changes in foreign exchange rates (D)		(40)	(23)	(37)
= Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)	20	79	100	10
+ Cash and cash equivalents at beginning of period		1,033	1,112	1,212
- Cash and cash equivalents at end of period		1,112	1,212	1,222
= Net change in cash and cash equivalents	20	79	100	10

(*) Reclassification from cash and cash equivalents to restricted cash.

CHANGES IN PRO FORMA EQUITY

(in € millions)	Currency trans- lation reserve ⁽¹⁾	Cumu- lative actuarial gains (losses) on defined benefit plans	Cumu- lative compen- sation costs - share based pay- ments	Retained earnings and profit for the period	Tran- sactions with Accor ⁽²⁾	External changes in com- bination scope ⁽³⁾	Share- holders' equity	Minority interests	Tran- sactions with Accor ⁽²⁾	Total minority interests	Total equity
January 1, 2007	0	1	-	(1,464)	-	-	(1,463)	8	-	8	(1,455)
Issue of share capital											
▪ in cash	-	-	-	-	-	-	-	4	-	4	4
Dividends paid ⁽⁴⁾	-	-	-	(134)	-	-	(134)	(15)	-	(15)	(149)
Effect of changes in scope of combination	-	-	-	-	(9)	273	264	(2)	(1)	(3)	261
Compensation costs for the period - share-based payments	-	-	2	-	-	-	2	-	-	-	2
Other comprehensive income	(1)	2	-	-	-	-	1	(1)	-	(1)	-
Net profit for the period	-	-	-	117	-	-	117	17	-	17	134
TOTAL COMPREHENSIVE INCOME	(1)	2	-	117	-	-	118	16	-	16	134
December 31, 2007	(1)	3	2	(1,481)	(9)	273	(1,213)	11	(1)	10	(1,203)
Capital reduction											
▪ in cash	-	-	-	-	-	-	-	(1)	-	(1)	(1)
Dividends paid ⁽⁴⁾	-	-	-	(162)	-	-	(162)	(14)	-	(14)	(176)
Effect of changes in scope of combination	-	-	-	-	127	(5)	122	1	(1)	-	122
Compensation costs for the period - share-based payments	-	-	2	-	-	-	2	-	-	-	2
Other comprehensive income	(58)	(2)	-	-	-	-	(60)	2	-	2	(58)
Net profit for the period	-	-	-	152	-	-	152	25	-	25	177
TOTAL COMPREHENSIVE INCOME	(58)	(2)	-	152	-	-	92	27	-	27	119
December 31, 2008	(59)	1	4	(1,491)	118	268	(1,159)	24	(2)	22	(1,137)
Issue of share capital											
▪ in cash	-	-	-	-	-	-	-	7	-	7	7
Dividends paid ⁽⁴⁾	-	-	-	(143)	-	-	(143)	(22)	-	(22)	(165)
Effect of changes in scope of combination	-	-	-	-	92	(4)	88	8	(4)	4	92
Compensation costs for the period - share-based payments	-	-	2	-	-	-	2	-	-	-	2
Other comprehensive income	67	(2)	-	-	-	-	65	(1)	-	(1)	64
Net profit for the period	-	-	-	(57)	-	-	(57)	7	-	7	(50)
TOTAL COMPREHENSIVE INCOME	67	(2)	-	(57)	-	-	8	6	-	6	14
December 31, 2009	8	(1)	6	(1,691)	210	264	(1,204)	23	(6)	17	(1,187)

(1) The €67 million favorable net exchange difference on translating foreign operations in 2009 is mainly attributable to the appreciation against the euro of the Brazilian real (€59 million positive impact), the Swedish kronor (€2 million positive impact) and the Mexican peso (€2 million positive impact) partly offset by the fall against the euro of the Argentinean peso (€4 million negative impact).

Year-end euro exchange rates used to translate foreign operations in the combined financial statements were as follows:

	GBP	BRL	MXN	ARS	SEK	VEF/VEB*
December 31, 2007	0.7334	2.6144	16.0700	4.6364	9.4415	3,161.0
December 31, 2008	0.9525	3.2436	19.2330	4.8062	10.8700	2.9880
December 31, 2009	0.8881	2.5113	18.9220	5.4725	10.2520	6.1900

* On January 1, 2008, the Venezuelan bolivar (VEB) was replaced by the Venezuelan bolivar fuerte (VEF) which represents the equivalent of 1,000 VEBs.

(2) Transactions with Accor

These correspond for the most part to the impact of acquiring New Services entities previously owned by Accor. The accounting treatment of these transactions is described in the paragraph "Companies owned by Accor entities as of January 1, 2007" of the historical combined financial statement's "Basis of Preparation" note.

(3) External changes in consolidation scope

These are mainly Prepaid Services companies acquired by the Accor Group. The accounting treatment of these transactions is described in the paragraph "Acquisitions" of the historical combined financial statement's "Basis of Preparation" note.

(4) Dividends paid

This corresponds to dividends paid by the Services entities to Hospitality entities, mainly Accor SA.

KEY RATIOS AND INDICATORS

	Note	December 31, 2007	December 31, 2008	December 31, 2009
Like-for-like growth in issue volume		+11.0%	+13.5%	+5.7%
Operating margin EBIT/Issue volume		2.8%	2.9%	2.6%
Like-for-like growth in Funds from Operations	(a)	N/A	23.7%	13.2%
Unleveraged free cash flow	(b)	343	294	280

Note (a): Growth in funds from operations is calculated as follows:

(in € millions)	Notes	December 31, 2007	December 31, 2008	December 31, 2009
EBITDA	5	345	396	363
– Net financial expense	8	(92)	(87)	(104)
– Income tax expense	10	(78)	(83)	(77)
– Elimination of non-cash revenue and expenses included in EBITDA		2	9	3
– Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes		(11)	(18)	(1)
Funds from Operations		166	217	184
Growth in Funds from Operations		N/A	30.7%	(15.2)%
Like-for-like growth in Funds from Operations		N/A	23.7%	13.2%

Note (b): Unleveraged free cash flow is calculated as follows:

	Note	Dec. 2007	Dec. 2008	Dec. 2009
EBIT	7	320	365	327
Elimination of financial revenue from <i>unrestricted</i> float	3.2	(81)	(110)	(72)
Adjusted EBIT		239	255	255
Standard tax rate	10.2	30.5%	28.6%	31.0%
Tax on adjusted EBIT		(73)	(73)	(79)
Elimination of depreciation, amortization and provision expense	6	25	31	36
Recurring expenditure	24	(18)	(24)	(30)
Decrease (increase) in working capital	23.1	189	154	111
Recurring decrease (increase) in restricted cash	23.2	(19)	(49)	(13)
UNLEVERAGED FREE CASH FLOW		343	294	280
NET DEBT AT END OF PERIOD	20	(429)	(323)	(303)

BASIS OF PREPARATION OF PRO FORMA FINANCIAL STATEMENTS

In connection with the initial public offering of Accor New Services shares, to present an economic view of the New Services business as a whole, historical combined financial statements have been prepared for the years 2007, 2008 and 2009 based on the financial statements historically included in the audited consolidated financial statements of the Accor Group (see audit report presented in Section 10.1.2. of the prospectus).

These historical combined financial statements have been used as the basis for preparing *pro forma* financial statements for these three years (2007, 2008 and 2009). The main *pro forma* adjustments are presented below. The purpose of the *pro forma* financial statements is to present New Services's balance sheet, income statement, statement of cash flows and statement of changes in equity as if the demerger from Accor had been carried out on January 1, 2007 and therefore as if New Services had operated as a separate, self-managing listed Group as from that date.

This *pro forma* financial information is provided for illustrative purposes only. It is not necessarily representative of the financial position or performance that would have been reported if the demerger had taken place before the actual or planned date, nor is it indicative of New Services's financial position or performance at any future date or in any future period.

These *pro forma* financial statements for 2007, 2008 and 2009 have been prepared on the basis of New Services's historical combined financial statements for the years 2007, 2008 and 2009 prepared in accordance with the IFRSs adopted by the European Union at December 31, 2009. They should therefore be read in conjunction with those historical combined financial statements, which are presented in this prospectus.

Main *pro forma* adjustments

The *pro forma* adjustments described below are based on accounting conventions that, by definition, are simulations performed by applying the described method and conventions. The *pro forma* financial information cannot and should not be considered as representative of the results, financial position, liquid resources and performance that would have been reported by New Services if it had operated as a separate, self-managing listed Group as from January 1, 2007. The Group decided to make the *pro forma* adjustments that it considered necessary in order to provide the best possible indication of the impact that creating a separate Group would have had on the historical combined financial statements.

New Services's historical financial statements for the years 2007, 2008 and 2009 include the expenses directly allocable to New Services based on the cost allocation keys and inter-entity billing arrangements applied during these three years within the Accor Group. These expenses are not necessarily indicative of the costs that New Services would have incurred if it had operated as a separate, self-managing listed Group during this period.

a. *Pro forma* adjustments to the income statements

The *pro forma* income statements for the three years presented include estimates by New Services based on the combined financial statements of the additional recurring costs that New Services would have incurred if it had operated as a separate, self-managing listed entity as from January 1, 2007. These additional costs have been estimated on a full-year basis and taken into account for the following amounts:

- €101 million before tax (€72 million after tax) in 2007;
- €85 million before tax (€60 million after tax) in 2008;
- €89 million before tax (€68 million after tax) in 2009.

These additional recurring costs include:

- borrowing costs for the debt allocated to New Services as part of the reallocation of Accor Group debt (see below b. *Pro forma* adjustments to the balance sheets). These borrowing costs recognized in the income statement and the borrowing costs for existing debt carried in the historical combined financial statements, have been calculated using the same standard interest rate of 4.35% considered as being representative of the rate that would have been obtained by the New Services Group from its lenders in each of the three years presented.

The additional finance costs arising from the allocation of borrowing costs are estimated at approximately €91 million in 2007, €77 million in 2008 and €84 million in 2009;

- the additional costs of setting up the new organization, including the cost of a certain number of corporate functions that will be taken over in full by New Services. These functions are currently performed at the level of the Accor Group and are therefore not reflected in New Services's historical combined financial statements.

They include:

- support services, mainly in the areas of accounting, consolidation, reporting, internal, external and financial communications, internal audit, cash management, legal and tax affairs and human resources,
- the creation of a Board of Directors for the new company and the related costs.

The additional costs generated by the new organization are estimated at approximately €10 million in 2007, €8 million in 2008 and €5 million in 2009.

They have been determined on the basis of internal estimates that take account of corporate costs already recognized in the historical combined financial statements. These historical costs, which increased steadily over the three years presented, have been deducted from the *pro forma* adjustments recorded in each of these years.

No account has been taken of any additional costs resulting from the loss of economies of scale (such as higher purchasing costs due to the fact that purchases are no longer centralized at Accor Group level);

- ▶ the revenue that will be generated from the billing of costs and fees by Accor to New Services Holding under the service agreements that the two groups plan to sign.

Based on internal estimates, the revenue from these billings is expected to amount to €0.8 million for each of the three years, representing a reduction in recurring costs;

- ▶ the tax savings generated by the *pro forma* adjustments described above for each period, estimated at the tax rate in force in the country concerned.

The reduction in income tax expense arising from the *pro forma* adjustments is estimated at approximately €29 million in 2007, €25 million in 2008 and €21 million in 2009.

No account has been taken of any tax costs that may result from the exit of New Services entities from the French tax Group, or of any tax savings that may arise from the creation of new local tax groups within the New Services Group.

These *pro forma* adjustments have been prepared on the basis of estimates and assumptions determined by Group management and therefore cannot and do not reflect the results of future negotiations. Moreover, they cannot and do not take into account the effects of any subsequent decisions by the Group's administrative, management or supervisory bodies concerning share-based payments or components of management compensation. As a result, these additional recurring costs are not necessarily representative of the costs that would have been incurred in 2007, 2008 and 2009 based on the specific trading and market conditions prevailing in each of these three years.

b. *Pro forma* adjustments to the balance sheets

b.1. *Net debt*

The *pro forma* balance sheets for each of the three years presented include the net debt allocated to New Services as part of the reallocation of Accor Group debt, based on the amount thereof at December 31, 2009. The amount of €2,228 million at January 1, 2007 has been included on an identical basis in *pro forma* net debt for each of the three years presented.

The historical combined financial statements for each of these years include existing debt, which takes into account the impact on debt of the legal restructuring of the Hotels business in favor of New Services Holding during 2007 (€85 million), 2008 (€306 million) and 2009 (€392 million).

The net debt deemed to be allocated to New Services for the preparation of the *pro forma* financial statements amounts to €1,445 million in 2009, €1,837 million in 2008 and €2,143 million in 2007.

All of the debt allocation entries have been recorded by adjusting equity. The finance costs generated by this additional debt have been recorded in the *pro forma* income statements for these years also by adjusting equity.

These amounts break down as follows:

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Bonds	600	600	600
Other long-term financial debt	900	900	900
Long-term finance lease liabilities	-	-	-
Short-term financial debt	(134)	(453)	(631)
Bank overdrafts	-	1	-
Liabilities derivatives	-	-	-
TOTAL FINANCIAL DEBT	1,366	1,048	869
Short-term loans	1,213	1,338	1,044
Marketable securities	(436)	(549)	(468)
Cash	-	-	-
Asset derivatives	-	-	-
Short-term receivables on disposals of assets	-	-	-
CURRENT FINANCIAL ASSETS	777	789	576
TOTAL PRO FORMA ADJUSTMENTS	2,143	1,837	1,445

After deducting the Group's historical combined net cash position at the end of each year presented, New Services's total *pro forma* net debt amounts to €429 million in 2007, €323 million in 2008 and €303 million in 2009 (see Note 20).

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
HISTORICAL COMBINED NET DEBT	(1,714)	(1,514)	(1,142)
<i>Pro forma</i> adjustments	2,143	1,837	1,445
PRO FORMA NET DEBT	429	323	303

During the period presented, historical combined net debt was reduced by a total of €782 million (€85 million in 2007, €307 million in 2008 and €390 million in 2009) through the deduction of the proceeds from sales of shares in Services entities.

The *pro forma* balance sheets for the three years presented include the tax savings generated by the *pro forma* adjustments described above for each period, estimated at the tax rate in force in the country concerned.

b.2. Equity

In the *pro forma* financial statements, equity represents a negative amount of €1,137 million at December 31, 2008 and €1,187 million at December 31, 2009. This is due to the recognition of assets contributed or sold by the Accor Group in Contribution-Demerger transactions at their historical cost.

None of the legal restructuring operations, whether consisting of asset contributions or sales by Hotels entities to New Services Holding, qualify as business combinations under IFRS 3 because, whatever the legal method used to create the New Services Group, the transactions will not change the scope of the New Services Group as defined in the combined financial statements. Consequently, the contributions are analyzed as an internal restructuring of the New Services Holding entity without any effect on the New Services Group's consolidated financial statements, to the extent that all the contributed entities were already included in the scope of the combined financial statements. Similarly, the legal sale transactions between the Hotels and New Services entities do not constitute acquisitions by New Services entities, because all of the sold entities were included in the scope of the New Services combined financial statements prior to the legal sale transactions.

However, in the New Services Group's accounts, the sales lead to an outflow of cash to the shareholder, Accor, without any benefit being received in return. The cash outflow should therefore be recognized when it occurs as a distribution of reserves by New Services, giving rise to a reduction in equity.

RECONCILIATION OF THE HISTORICAL COMBINED FINANCIAL STATEMENTS TO THE PRO FORMA FINANCIAL STATEMENTS

Income Statements

A. At December 31, 2007

<i>(in € millions)</i>	Historical Combined Income Statements 2007	Pro forma adjustments	Pro forma Income Statements 2007
ISSUE VOLUME	11,437	-	11,437
Operating revenue	741	-	741
Financial revenue	96	-	96
TOTAL REVENUE	837	-	837
Operating expense	(482)	(10)	(492)
EBITDA	355	(10)	345
Depreciation, amortization and provision expense	(25)	-	(25)
EBIT	330	(10)	320
Net financial expense	(1)	(91)	(92)
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS	329	(101)	228
Non-recurring income and expenses, net	(26)	-	(26)
OPERATING PROFIT BEFORE TAX	303	(101)	202
Income tax expense	(97)	29	(68)
NET PROFIT	206	(72)	134
Net Profit, Group Share	189	(72)	117
Net Profit, Minority interests	17	-	17
Weighted average number of shares outstanding <i>(in thousands)</i>	225,458	225,458	225,458
EARNINGS PER SHARE (IN EUROS)	0.84	(0.32)	0.52
Diluted earnings per share <i>(in euros)</i>	0.84	(0.32)	0.52
OPERATING PROFIT BEFORE NON-RECURRING ITEMS	203	(72)	131
Earnings per share before non-recurring items <i>(in euros)</i>	0.90	(0.32)	0.58
Earnings per share from continuing operations <i>(in euros)</i>	0.84	(0.32)	0.52
Diluted earnings per share from continuing operations <i>(in euros)</i>	0.84	(0.32)	0.52

B. At December 31, 2008

<i>(in € millions)</i>	Historical Combined Income Statements 2008	<i>Pro forma adjustments</i>	<i>Pro forma</i> Income Statements 2008
ISSUE VOLUME	12,696	-	12,696
Operating revenue	817	-	817
Financial revenue	129	-	129
TOTAL REVENUE	946	-	946
Operating expense	(542)	(8)	(550)
EBITDA	404	(8)	396
Depreciation, amortization and provision expense	(31)	-	(31)
EBIT	373	(8)	365
Net financial expense	(10)	(77)	(87)
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS	363	(85)	278
Non-recurring income and expenses, net	(15)	-	(15)
OPERATING PROFIT BEFORE TAX	348	(85)	263
Income tax expense	(111)	25	(86)
NET PROFIT	237	(60)	177
Net Profit, Group Share	212	(60)	152
Net Profit, Minority interests	25	-	25
Weighted average number of shares outstanding <i>(in thousands)</i>	225,458	225,458	225,458
EARNINGS PER SHARE (IN EUROS)	0.94	(0.27)	0.67
Diluted earnings per share <i>(in euros)</i>	0.94	(0.27)	0.67
OPERATING PROFIT BEFORE NON-RECURRING ITEMS	227	(60)	167
Earnings per share before non-recurring items <i>(in euros)</i>	1.01	(0.27)	0.74
Earnings per share from continuing operations <i>(in euros)</i>	0.94	(0.27)	0.67
Diluted earnings per share from continuing operations <i>(in euros)</i>	0.94	(0.27)	0.67

C. At December 31, 2009

<i>(in € millions)</i>	Historical Combined Income Statements 2009	<i>Pro forma adjustments</i>	<i>Pro forma Income Statements 2009</i>
ISSUE VOLUME	12,407	-	12,407
Operating revenue	808	-	808
Financial revenue	94	-	94
TOTAL REVENUE	902	-	902
Operating expense	(534)	(5)	(539)
EBITDA	368	(5)	363
Depreciation, amortization and provision expense	(36)	-	(36)
EBIT	332	(5)	327
Net financial expense	(20)	(84)	(104)
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS	312	(89)	223
Non-recurring income and expenses, net	(211)	-	(211)
OPERATING PROFIT BEFORE TAX	101	(89)	12
Income tax expense	(83)	21	(62)
NET PROFIT	18	(68)	(50)
Net profit, Group share	11	(68)	(57)
Net Profit, Minority interests	7	-	7
Weighted average number of shares outstanding <i>(in thousands)</i>	225,458	225,458	225,458
EARNINGS PER SHARE (IN EUROS)	0.05	(0.30)	(0.25)
Diluted earnings per share <i>(in euros)</i>	0.05	(0.30)	(0.25)
OPERATING PROFIT BEFORE NON-RECURRING ITEMS	222	(68)	154
Earnings per share before non-recurring items <i>(in euros)</i>	0.98	(0.30)	0.68
Earnings per share from continuing operations <i>(in euros)</i>	0.05	(0.30)	(0.25)
Diluted earnings per share from continuing operations <i>(in euros)</i>	0.05	(0.30)	(0.25)

Statements of Comprehensive Income

A. At December 31, 2007

<i>(in € millions)</i>	Historical Combined Statement of Comprehensive Income 2007	<i>Pro forma adjustments</i>	<i>Pro forma</i> Statement of Comprehensive Income 2007
NET PROFIT	206	(72)	134
Currency translation adjustment	(2)	-	(2)
Actuarial gains and losses on defined benefit plans	2	-	2
Other comprehensive income, net of tax	(0)	-	(0)
TOTAL COMPREHENSIVE INCOME	206	(72)	134
Comprehensive income, Group share	190	(72)	118
Comprehensive income, Minority interests	16	-	16

B. At December 31, 2008

<i>(in € millions)</i>	Historical Combined Statement of Comprehensive Income 2008	<i>Pro forma adjustments</i>	<i>Pro forma</i> Statement of Comprehensive Income 2008
NET PROFIT	237	(60)	177
Currency translation adjustment	(56)	-	(56)
Actuarial gains and losses on defined benefit plans	(2)	-	(2)
Other comprehensive income, net of tax	(58)	-	(58)
TOTAL COMPREHENSIVE INCOME	179	(60)	119
Comprehensive income, Group share	152	(60)	92
Comprehensive income, Minority interests	27	-	27

C. At December 31, 2009

<i>(in € millions)</i>	Historical Combined Statement of Comprehensive Income 2009	<i>Pro forma adjustments</i>	<i>Pro forma</i> Statement of Comprehensive Income 2009
NET PROFIT	18	(68)	(50)
Currency translation adjustment	66	-	66
Actuarial gains and losses on defined benefit plans	(2)	-	(2)
Other comprehensive income, net of tax	64	-	64
TOTAL COMPREHENSIVE INCOME	82	(68)	14
Comprehensive income, Group share	76	(68)	8
Comprehensive income, Minority interests	6	-	6

Balance Sheets

A. At December 31, 2007

<i>(in € millions)</i>	Historical Combined Balance Sheet December 31, 2007	<i>Pro forma</i> adjustments	<i>Pro forma</i> Combined Balance Sheet December 31, 2007
GOODWILL	680	-	680
INTANGIBLE ASSETS	101	-	101
PROPERTY, PLANT AND EQUIPMENT	29	-	29
Other non-current financial assets	17	-	17
NON-CURRENT FINANCIAL ASSETS	17	-	17
Deferred tax assets	11	5	16
TOTAL NON-CURRENT ASSETS	838	5	843
Trade receivables	1,095	-	1,095
Inventories and other receivables and accruals	159	10	169
Restricted cash	392	-	392
Short-term loans	1,221	(1,213)	8
Marketable securities	548	436	984
Cash and cash equivalents	131	-	131
TOTAL CURRENT ASSETS	3,546	(767)	2,779
TOTAL ASSETS	4,384	(762)	3,622

<i>(in € millions)</i>	Historical Combined Balance Sheet December 31, 2007	<i>Pro forma</i> adjustments	<i>Pro forma</i> Combined Balance Sheet December 31, 2007
Share capital	-	451	451
Combined retained earnings	727	(2,512)	(1,785)
Cumulative compensation costs - share-based payments	2	-	2
Cumulative fair value adjustments to financial instruments	-	-	-
Cumulative actuarial gains (losses) on defined benefit plans	3	-	3
Currency translation reserve	(1)	-	(1)
Net profit, Group share	189	(72)	117
SHAREHOLDERS' EQUITY, GROUP SHARE	920	(2,133)	(1,213)
Minority interests	12	(2)	10
TOTAL EQUITY	932	(2,135)	(1,203)
Long-term financial debt	47	1,500	1,547
Deferred tax liabilities	52	-	52
Long-term provisions	8	-	8
TOTAL NON-CURRENT LIABILITIES	1,039	(635)	404
Short-term provisions	44	5	49
Short-term financial debt	136	(134)	2
Vouchers in circulation	2,895	-	2,895
Trade payables	92	-	92
Other payables and income tax payable	175	2	177
Bank overdrafts	3	-	3
TOTAL CURRENT LIABILITIES	3,345	(127)	3,218
TOTAL EQUITY AND LIABILITIES	4,384	(762)	3,622

B. At December 31, 2008

<i>(in € millions)</i>	Historical Combined Balance Sheet December 31, 2008	<i>Pro forma</i> adjustments	<i>Pro forma</i> Combined Balance Sheet December 31, 2008
GOODWILL	645	-	645
INTANGIBLE ASSETS	110	-	110
PROPERTY, PLANT AND EQUIPMENT	37	-	37
Other non-current financial assets	4	-	4
NON-CURRENT FINANCIAL ASSETS	4	-	4
Deferred tax assets	19	5	24
TOTAL NON-CURRENT ASSETS	815	5	820
Trade receivables	846	-	846
Inventories and other receivables and accruals	243	10	253
Restricted cash	441	-	441
Short-term loans	1,341	(1,338)	3
Marketable securities	630	549	1,179
Cash and cash equivalents	45	-	45
TOTAL CURRENT ASSETS	3,546	(779)	2,767
TOTAL ASSETS	4,361	(774)	3,587

<i>(in € millions)</i>	Historical Combined Balance Sheet December 31, 2008	<i>Pro forma</i> adjustments	<i>Pro forma</i> Combined Balance Sheet December 31, 2008
Share capital	-	451	451
Combined retained earnings	509	(2,217)	(1,708)
Cumulative compensation costs - share-based payments	4	-	4
Cumulative fair value adjustments to financial instruments	-	-	-
Cumulative actuarial gains (losses) on defined benefit plans	1	-	1
Currency translation reserve	(59)	-	(59)
Net profit, Group share	212	(60)	152
SHAREHOLDERS' EQUITY, GROUP SHARE	667	(1,826)	(1,159)
Minority interests	24	(2)	22
TOTAL EQUITY	691	(1,828)	(1,137)
Long-term financial debt	34	1,500	1,534
Deferred tax liabilities	66	-	66
Long-term provisions	12	-	12
TOTAL NON-CURRENT LIABILITIES	803	(328)	475
Short-term provisions	17	4	21
Short-term financial debt	457	(453)	4
Vouchers in circulation	2,587	-	2,587
Trade payables	196	-	196
Other payables and income tax payable	290	2	292
Bank overdrafts	11	1	12
TOTAL CURRENT LIABILITIES	3,558	(446)	3,112
TOTAL EQUITY AND LIABILITIES	4,361	(774)	3,587

C. At December 31, 2009

<i>(in € millions)</i>	Historical Combined Balance Sheet December 31, 2009	<i>Pro forma</i> adjustments	<i>Pro forma</i> Combined Balance Sheet December 31, 2009
GOODWILL	557	-	557
INTANGIBLE ASSETS	99	-	99
PROPERTY, PLANT AND EQUIPMENT	37	-	37
Other non-current financial assets	3	-	3
NON-CURRENT FINANCIAL ASSETS	3	-	3
Deferred tax assets	24	4	28
TOTAL NON-CURRENT ASSETS	720	4	724
Trade receivables	894	-	894
Inventories and other receivables and accruals	251	10	261
Restricted cash	565	-	565
Short-term loans	1,044	(1,044)	-
Marketable securities	754	468	1,222
Cash and cash equivalents	41	-	41
TOTAL CURRENT ASSETS	3,549	(566)	2,983
TOTAL ASSETS	4,269	(562)	3,707

<i>(in € millions)</i>	Historical Combined Balance Sheet December 31, 2009	<i>Pro forma</i> adjustments	<i>Pro forma</i> Combined Balance Sheet December 31, 2009
Share capital	-	451	451
Combined retained earnings	207	(1,818)	(1,611)
Cumulative compensation costs - share-based payments	6	-	6
Cumulative fair value adjustments to financial instruments	-	-	-
Cumulative actuarial gains (losses) on defined benefit plans	(1)	-	(1)
Currency translation reserve	8	-	8
Net profit, Group share	11	(68)	(57)
SHAREHOLDERS' EQUITY, GROUP SHARE	231	(1,435)	(1,204)
Minority interests	19	(2)	17
TOTAL EQUITY	250	(1,437)	(1,187)
Long-term financial debt	15	1,500	1,515
Deferred tax liabilities	62	-	62
Long-term provisions	16	-	16
TOTAL NON-CURRENT LIABILITIES	343	63	406
Short-term provisions	59	4	63
Short-term financial debt	641	(631)	10
Vouchers in circulation	2,883	-	2,883
Trade payables	140	-	140
Other payables and income tax payable	162	2	164
Bank overdrafts	41	-	41
TOTAL CURRENT LIABILITIES	3,926	(625)	3,301
TOTAL EQUITY AND LIABILITIES	4,269	(562)	3,707

Cash Flows Statements

A. At December 31, 2007

<i>(in € millions)</i>	Historical Combined Statement of Cash Flows 2007	<i>Pro forma</i> Adjustments	<i>Pro forma</i> Statement of Cash Flows 2007
+ EBITDA	355	(10)	345
- Net financial expenses	(1)	(91)	(92)
- Income tax paid	(108)	30	(78)
- Elimination of non-cash revenue and expenses included in EBITDA	2	-	2
- Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes	(11)	-	(11)
= Funds from ordinary activities	237	(71)	166
+ Decrease (increase) in working capital	189	-	189
+ Recurring decrease (increase) in restricted cash	(19)	-	(19)
= Net cash from operating activities	407	(71)	336
+ Non-recurring gains (losses) (including restructuring costs and tax on non-recurring items)	(5)	-	(5)
+ Non-recurring decrease (increase) in restricted cash (*)	-	-	-
= Net cash from (used in) operating activities including non-recurring transactions (A)	402	(71)	331
- Recurring expenditure	(18)	-	(18)
- Development expenditure	(125)	-	(125)
+ Proceeds from disposals of assets	8	-	8
= Net cash from (used in) investing activities (B)	(135)	-	(135)
+ Minority interests in share issues by subsidiaries	4	-	4
- Dividends paid	(149)	1	(148)
- Repayment of long-term debt	(1)	-	(1)
+ Proceeds from issue of long-term debt	1	-	1
= Increase (Decrease) in long-term debt	-	-	-
+ Increase (Decrease) in short-term debt	(213)	-	(213)
+ Technical demerger impact	273	-	273
+ Impact on equity of transfers between the Hospitality and New Services businesses	(80)	71	(9)
+ Impact on short-term debt of transfers between the Hospitality and New Services businesses	16	-	16
= Impact of the demerger and inter-business transfers	209	71	280
= Net cash from (used in) financing activities (C)	(149)	72	(77)
- Effect of changes in foreign exchange rates (D)	(40)	0	(40)
= Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)	78	1	79
+ Cash and cash equivalents at beginning of period	598	435	1,033
- Cash and cash equivalents at end of period	676	436	1,112
= Net change in cash and cash equivalents	78	1	79

(*) Reclassification from cash and cash equivalents to restricted cash.

B. At December 31, 2008

<i>(in € millions)</i>	Historical Combined Statement of Cash Flows 2008	<i>Pro forma Adjustments</i>	<i>Pro forma Statement of Cash Flows 2008</i>
+ EBITDA	404	(8)	396
- Net financial expenses	(10)	(77)	(87)
- Income tax paid	(109)	26	(83)
- Elimination of non-cash revenue and expenses included in EBITDA	9	-	9
- Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes	(18)	-	(18)
= Funds from ordinary activities	276	(59)	217
+ Decrease (increase) in working capital	154	-	154
+ Recurring decrease (increase) in restricted cash	(49)	-	(49)
= Net cash from operating activities	381	(59)	322
+ Non-recurring gains (losses) (including restructuring costs and tax on non-recurring items)	(17)	-	(17)
+ Non-recurring decrease (increase) in restricted cash (*)	-	-	-
= Net cash from (used in) operating activities including non-recurring transactions (A)	364	(59)	305
- Recurring expenditure	(24)	-	(24)
- Development expenditure	(23)	-	(23)
+ Proceeds from disposals of assets	2	-	2
= Net cash from (used in) investing activities (B)	(45)	-	(45)
+ Minority interests in share issues by subsidiaries	(1)	-	(1)
- Dividends paid	(176)	1	(175)
- Repayment of long-term debt	-	-	-
+ Proceeds from issue of long-term debt	3	-	3
= Increase (Decrease) in long-term debt	3	-	3
+ Increase (Decrease) in short-term debt	118	-	118
+ Technical demerger impact	(5)	-	(5)
+ Impact on equity of transfers between the Hospitality and New Services businesses	(240)	367	127
+ Impact on short-term debt of transfers between the Hospitality and New Services businesses	(11)	(193)	(204)
= Impact of the demerger and inter-business transfers	(256)	174	(82)
= Net cash from (used in) financing activities (C)	(312)	175	(137)
- Effect of changes in foreign exchange rates (D)	(19)	(4)	(23)
= Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)	(12)	112	100
+ Cash and cash equivalents at beginning of period	676	436	1,112
- Cash and cash equivalents at end of period	664	548	1,212
= Net change in cash and cash equivalents	(12)	112	100

(*) Reclassification from cash and cash equivalents to restricted cash.

C. At December 31, 2009

<i>(in € millions)</i>	Historical Combined Statement of Cash Flows 2009	<i>Pro forma Adjustments</i>	<i>Pro forma Statement of Cash Flows 2009</i>
+ EBITDA	368	(5)	363
- Net financial expenses	(20)	(84)	(104)
- Income tax paid	(98)	21	(77)
- Elimination of non-cash revenue and expenses included in EBITDA	3	-	3
- Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes	(1)	-	(1)
= Funds from ordinary activities	252	(68)	184
+ Decrease (increase) in working capital	111	-	111
+ Recurring decrease (increase) in restricted cash	(13)	-	(13)
= Net cash from operating activities	350	(68)	282
+ Non-recurring gains (losses) (including restructuring costs and tax on non-recurring items)	(32)	-	(32)
+ Non-recurring decrease (increase) in restricted cash (*)	(114)	-	(114)
= Net cash from (used in) operating activities including non-recurring transactions (A)	204	(68)	136
- Recurring expenditure	(30)	-	(30)
- Development expenditure	(41)	-	(41)
+ Proceeds from disposals of assets	17	-	17
= Net cash from (used in) investing activities (B)	(54)	-	(54)
+ Minority interests in share issues by subsidiaries	7	-	7
- Dividends paid	(165)	-	(165)
- Repayment of long-term debt	(1)	-	(1)
+ Proceeds from issue of long-term debt	1	-	1
= Increase (Decrease) in long-term debt	-	-	-
+ Increase (Decrease) in short-term debt	341	-	341
+ Technical demerger impact	(4)	-	(4)
+ Impact on equity of transfers between the Hospitality and New Services businesses	(367)	459	92
+ Impact on short-term debt of transfers between the Hospitality and New Services businesses	166	(472)	(306)
= Impact of the demerger and inter-business transfers	(205)	(13)	(218)
= Net cash from (used in) financing activities (C)	(22)	(13)	(35)
- Effect of changes in foreign exchange rates (D)	(38)	1	(37)
= Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)	90	(80)	10
+ Cash and cash equivalents at beginning of period	664	548	1,212
- Cash and cash equivalents at end of period	754	468	1,222
= Net change in cash and cash equivalents	90	(80)	10

(*) Reclassification from cash and cash equivalents to restricted cash.

Changes in Equity

A. At December 31, 2007

	Total Equity January 1, 2007	Total comprehensive Income	Effect of changes in scope of combination	Dividends paid	Other	Total Equity December 31, 2007
Changes in Historical Combined Equity	679	206	190	(149)	6	932
<i>Pro forma</i> adjustments	(2,134)	(72)	71	-	-	(2,135)
Changes in <i>pro forma</i> Equity	(1,455)	134	261	(149)	6	(1,203)

B. At December 31, 2008

	Total Equity January 1, 2008	Total comprehensive Income	Effect of changes in scope of combination	Dividends paid	Other	Total Equity December 31, 2008
Changes in Historical Combined Equity	932	179	(245)	(176)	1	691
<i>Pro forma</i> adjustments	(2,135)	(60)	367	-	-	(1,828)
Changes in <i>pro forma</i> Equity	(1,203)	119	122	(176)	1	(1,137)

C. At December 31, 2009

	Total Equity January 1, 2009	Total comprehensive Income	Effect of changes in scope of combination	Dividends paid	Other	Total Equity December 31, 2009
Changes in Historical Combined Equity	691	82	(367)	(165)	9	250
<i>Pro forma</i> adjustments	(1,828)	(68)	459	-	-	(1,437)
Changes in <i>pro forma</i> Equity	(1,137)	14	92	(165)	9	(1,187)

NOTES TO THE *PRO FORMA* FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The *pro forma* financial statements have been prepared in a format that is compatible with the accounting policies and methods that New Services will apply in its next financial statements.

General framework

As required by European Commission regulation 1606/2002/EC dated July 19, 2002, the "Basis of Preparation" note above, which should be read in conjunction with the same note on the historical combined financial statements, describes how the International Financial reporting Standards (IFRSs) adopted by the European Union have been applied for the preparation of the historical combined financial statements and the *pro forma* financial statements at December 31, 2009. These *pro forma* financial statements include comparative financial information for 2008 and 2007, prepared in accordance with the same combination principles and conventions and the same standards.

New Services has prepared its financial statements for the year ended December 31, 2009 in accordance with IFRS 1 – First-Time Adoption of International Financial Reporting Standards.

When, as in the case of New Services, a subsidiary becomes a first-time adopter after its parent, IFRS 1 stipulates that the carrying amounts of its assets and liabilities should be the same in both its own opening IFRS balance sheet and in its parent's consolidated balance sheet (except for adjustments for consolidation procedures). Alternatively, the subsidiary may measure all its assets or liabilities based on its own date of transition to IFRSs. In this latter case, the options applied by the subsidiary under IFRS 1 May be different from those applied by its parent.

New Services has chosen to prepare its opening IFRS financial statements based on the carrying amounts of its assets and liabilities in Accor's consolidated balance sheet (except for adjustments for consolidation procedures). Consequently, New Services has selected the same options under IFRS 1 as those applied by the Accor Group.

The following transitional provisions of IFRS 1 have been applied on first-time adoption of IFRSs:

- ▶ **business combinations:** Business combinations recorded prior to January 1, 2004 – the date of the Accor Group's transition to IFRS – have not been restated;
- ▶ **cumulative translation differences:** New Services's cumulative translation differences were reset to zero by adjusting retained earnings in the Accor Group's opening balance sheet at the IFRS transition date. Consequently, the translation reserve included in equity corresponds to cumulative translation differences for the period from January 1, 2004;
- ▶ **financial instruments:** New Services's financial instruments were designated as either financial assets at fair value through profit or loss or available-for-sale financial assets at the date of the Accor Group's transition to IFRS.

The following exemptions from other IFRSs were not applied in the opening balance sheet at the IFRS transition date:

- ▶ Property, plant and equipment and intangible assets were not measured at fair value at the transition date.
- ▶ IFRS 2 was not applied to equity instruments granted before November 7, 2002 or to equity instruments granted after November 7, 2002 that had not vested at January 1, 2005.

Currently applicable standards, amendments and interpretations

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 SIC and IFRIC Interpretations) published by the International Accounting Standards Board ("IASB") and applicable at that date, with the exception of:

- ▶ IAS 39, which was only partially adopted;
- ▶ IFRIC 12 – Service Concession Arrangements, which is applicable for annual periods beginning after March 29, 2009;
- ▶ IFRIC 15 – Agreements for the Construction of Real Estate, which is applicable for annual periods beginning after December 31, 2009;
- ▶ IFRIC 16 – Hedge of a Net Investment in a Foreign Operation, which is applicable for annual periods beginning after June 30, 2009;
- ▶ IFRIC 18 – Transfers of Assets from Customers, which is applicable for annual periods beginning after October 31, 2009.

These differences between the standards and interpretations published by the IASB and those adopted by the European Union do not have a material impact on New Services'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.

Consequently, New Services's financial statements have been prepared in accordance with International Financing Reporting Standards as published by the IASB.

The following new standards, amendments to or revisions of existing standards and interpretations had been adopted by the European Union and were applicable from January 1, 2009:

- ▶ IFRS 8 – Operating Segments, which replaces IAS 14 – Segment Reporting. While IAS 14 required segment information to be presented in two reporting formats (the business segment and the geographical segment), IFRS 8 requires disclosure of information about the Group's operating segments as defined for internal reporting purposes. An operating segment is a component of an entity whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. Application of IFRS 8 has not led to any change in the definition of geographic segments compared with that applied under IAS 14. Similarly, the indicators tracked by management correspond to those already presented for the purpose of applying IAS 14. Consequently, applying the new standard has no impact on the presentation of New Services's *pro forma* financial statements or on the allocation of goodwill to cash-generating units (CGUs).
- ▶ IAS 1 revised – Presentation of Financial Statements: application of this revised standard led to the following changes in the structure of New Services's financial statements without any effect on its financial position:
 - the statement of changes in equity only shows transactions with shareholders. Other items are now included in the statement of comprehensive income;
 - changes in assets and liabilities during a period are presented in two statements, a statement displaying components of profit or loss (separate income statement) and a second statement beginning with profit or loss and displaying components of other comprehensive income (statement of comprehensive income).

New Services has decided to not to change the titles of its financial statements based on the titles used in IAS 1 (revised).

- ▶ IFRIC 13 – Customer Loyalty Programmes: application of this interpretation had no effect on reported comparative information as New Services does not have any customer loyalty programmes,
- ▶ amendment to IAS 23 – Borrowing Costs: Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset were already capitalized as part of the cost of that asset and the amendment therefore had no impact on the financial statements,
- ▶ amendment to IFRS 2 – Vesting Conditions and Cancellations: this amendment clarifies that all non-vesting conditions should be taken into account in the estimate of the fair value of equity instruments granted under share-based payment plans. It also stipulates that if an entity or the grantee can choose whether to meet a non-vesting condition, the entity's or grantee's failure to meet that non-vesting condition during the vesting period should be treated as a cancellation. Application of this amendment had no effect on the financial statements for the periods presented,
- ▶ amendment to IAS 32 and IAS 1 – Puttable Financial Instruments and Obligations Arising on Liquidation: the amendment requires financial instruments puttable at fair value and obligations arising on liquidation to be classified in equity and not in debt, as was previously the case. This amendment does not apply to puts and calls on minority interests. Application of this interpretation had no effect on reported comparative information as New Services did not have any puttable financial instruments at December 31, 2008,
- ▶ amendment to IFRS 1 and IAS 27 - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate: this amendment only applies to the separate financial statements and its application therefore had no effect on New Services's historical *pro forma* financial statements,
- ▶ IFRIC 11 – IFRS 2: Group and Treasury Share Transactions: New Services early adopted this interpretation at January 1, 2008. Its application had no impact on the financial statements,
- ▶ IFRIC 14 – IAS 19: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction: application of this interpretation had no effect on the financial statements for the periods presented,
- ▶ revised amendment to IAS 39 and IFRS 7 – Reclassification of Financial Assets: Effective Date and Transition. New Services has not applied the amendment to IAS 39 and IFRS 7 that allows the reclassification of certain financial assets, as it would have no effect on the *pro forma* financial statements for the periods presented;
- ▶ amendments to IFRIC 9 and IAS 39 "Embedded Derivatives". New Services 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 22). 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

New Services 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)	Estimate of the possible impact on New Services's consolidated financial statements in the period of initial application
Amendment to IAS 39	Eligible Hedged items	July 1, 2009	No material impact on New Services's consolidated financial statements is expected
IFRS 1 (revised)	Revised version of IFRS 1 – First-time Adoption of International Financial Reporting Standards	July 1, 2009	
Amendment 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	These revised standards, which are applicable prospectively, concern business combinations and changes in percentage ownership occurring on or after January 1, 2010. New Services will change the accounting treatment of future business combinations and of future transactions relating to minority interests in line with the revised standards.
Amendment to IFRIC 14	"Prepayments of a Minimum Funding Requirement"	January 1, 2011	
	Improvements to IFRS (April 2009)	January 1, 2010	
IFRIC 17	Distributions of Non-cash Assets to Owners	October 31, 2009	
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	July 1, 2010	
IAS 24 (revised)	Related Party Disclosures	January 1, 2011	
IFRS 9	Financial Instruments: Classification and Measurement	January 1, 2013	
IFRS 3 (revised)	Business Combinations	July 1, 2009	
IAS 27 (revised)	Consolidated and Separate Financial Statements	July 1, 2009	

Preparation of the financial statements

The financial statements of combined companies prepared in accordance with local accounting principles have been restated to conform to Group policies prior to combination. All combined companies have a December 31 year-end.

The preparation of *pro forma* financial statements implies the use of estimates and assumptions that can affect the reported amount of certain assets and liabilities, income and expenses, as well as 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. Reported amounts 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 preparing the financial statements concern the amount of provisions for contingencies and the assumptions underlying the calculation of impairment of assets 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 during 2009 and, as a result, the 2009 *pro forma* financial statements have been prepared by reference to the current environment, particularly for the purpose of estimating the value of financial instruments and non-current assets.

Management of the Group's capital structure

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 optimized to keep pace with changes in economic conditions by adjusting dividends, returning capital to shareholders or issuing new shares. Capital management policies and procedures were unchanged during all the three years presented.

The Group has set a target of obtaining a better-than-investment-grade rating.

The main accounting policies and methods are presented below.

A. Combination methods

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

Companies controlled and operated jointly by New Services and a limited number of partners under a contractual agreement are proportionally combined.

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, liabilities and contingent 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, potential voting rights held by New Services that are currently exercisable (call options) are taken into account to determine the existence of control over the company concerned.

B. Goodwill

In the year following the acquisition of a combined 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". 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.4. 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 expenses 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 "Other financial income and expenses, net".

D. Non-current assets

D.1. Intangible assets

Intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses, in accordance with IAS 38 – Intangible Assets.

The Group's main brands 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 recoverable amount 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.4).

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

- ▶ licenses: life of the license;
- ▶ contractual customer relationships: 3 to 15 years;
- ▶ software: 2 to 7 years.

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:

- ▶ building improvements, fixtures and fittings: 5 to 15 years;
- ▶ equipment and furniture: 4 to 7 years.

D.3. Other non-current financial assets

Investments in non-combined companies are classified as "Available-for-sale financial assets" and are therefore measured at fair value. Gains and losses arising from remeasurement at fair value are recognized directly in equity (under "Cumulative fair value adjustments to financial instruments") and are reclassified to the income statement when the investment is sold. In the case of a significant or prolonged decline in value, an irreversible impairment loss is recognized in profit.

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.4.

D.4. Recoverable amount of assets

In accordance with IAS 36 – Impairment of Assets, the carrying amounts of property, plant and equipment, intangible assets and goodwill are tested for impairment when there is any indication that they may be impaired. Assets with an indefinite useful life – corresponding solely to goodwill and brands – are tested at least once a year.

Indications of impairment

Indications of impairment include:

- a 15% drop in like-for-like revenue, or
- a 20% drop in like-for-like EBITDA based on unchanged refinancing terms.

Cash-generating Units

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 CGU.

Goodwill is tested for impairment at the level of the CGU to which it belongs. CGUs include not only goodwill but also all the related property, plant and equipment and intangible assets. CGUs defined for goodwill impairment testing purposes are identified by country and by business segment for the main countries. Exceptionally, for countries that generate revenues of less than €50 million, they are identified by country only. Each identified CGU is tested for impairment at least once a year.

Assets that are not allocated to a CGU are tested individually.

Methods used to determine recoverable amounts

Impairment tests consist of comparing the carrying amount of an asset or CGU with its recoverable amount.

Goodwill and property, plant and equipment

The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value in use. The recoverable amount of all the assets or CGUs is determined by comparing the results obtained by two methods, the EBITDA multiples method (fair value approach) and the discounted cash flows method (value in use approach).

1. Valuation by the EBITDA multiples method

The EBITDA multiples method is considered to be the best method of calculating fair value less costs to sell, representing the best estimate of the price at which a CGU or an asset could be sold on the market on the valuation date.

The method consists of calculating the CGU's or the asset's average EBITDA for the last two years and applying a multiple based on the CGU's or the asset's geographic location and the specific country risk.

The multiples applied correspond to the average transaction multiples observed on the market.

If the recoverable amount is less than the carrying amount, it is recalculated using the discounted cash flows method.

2. Valuation by the discounted cash flows method

The projection period is limited to five years, unless the use of a longer period is justified such as at the bottom of the economic cycle. Cash flows are discounted at a rate corresponding to the year-end weighted average cost of capital. The perpetuity growth rate is aligned with the economic outlook in each of the countries concerned. For 2009, a rate of 2% was used for developed countries.

In addition, all goodwill in excess of €10 million is tested for impairment each year by the discounted cash flows method.

Intangible assets not included in a CGU (other than goodwill)

The recoverable amount of intangible assets is determined solely by the discounted cash flows method (described above), due to the absence of an active market and comparable transactions.

Measurement of impairment losses

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 "Non-recurring income and expenses" (see Note 1.5.9).

Reversal of impairment losses

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 licenses and software, are irreversible. Losses on property, plant and equipment and on intangible assets with an indefinite useful life, such as brands, are reversible in the case of a change in estimates used to determine their recoverable amount.

E. 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. Receivables

Trade and other receivables are initially recognized at fair value. They are subsequently measured at amortized cost, net of any impairment losses recorded in the income statement. An impairment loss is recognized when the total amount receivable is not recoverable in accordance with the originally agreed terms.

G. Restricted cash

Restricted cash corresponds to service voucher reserve funds. These funds, which are equal to the face value of service vouchers in circulation, are subject to specific regulations in some countries such as France for the meal voucher and human services voucher businesses and Romania. In particular, use of the funds is restricted and they must be clearly segregated from the Group's other cash. The funds remain New Services's property and are invested in interest-bearing financial instruments.

H. Prepaid expenses

Prepaid expenses correspond to expenses paid during the period that relate to subsequent periods. They are reported in the balance sheet under "Other receivables and accruals".

I. Employee benefits expense

Employee benefits expense includes all amounts paid or payable to employees, including profit-sharing and the cost of share-based payments.

J. 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.

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.

Provisions for losses due to voucher theft are calculated for reported thefts based on a percentage of the stolen vouchers' aggregate face value corresponding to the Group's best estimate of the proportion of those vouchers that will be cashed in.

K. Pensions and other post-employment benefits

The Group operates various supplementary pension, length-of-service award and other post-employment benefit plans in accordance with the laws and practices of the countries where it operates.

These plans are either defined contribution or defined benefit plans.

Under defined contribution plans, the Group pays fixed contributions into a separate fund and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay benefits. Contributions to these plans are recognized immediately as an expense.

For defined benefit plans, 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 macroeconomic situation and other specific circumstances in each host country.

Pension and other retirement benefit obligations recognized in the balance sheet correspond 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 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 "Long-term provisions".

L. 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 exchange rate on the balance sheet date (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 "Other financial income and expenses, net", except for gains and losses on financial liabilities measured at fair value which are recognized in equity.

M. Deferred tax

In accordance with IAS 12 "Income Taxes", deferred taxes are recognized for temporary differences between the carrying amount of assets and liabilities and their tax base using 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 change is announced.

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

A deferred tax liability is recognized for all taxable temporary differences associated with investments in subsidiaries, associates and 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.

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, New Services has therefore decided to consider that the CVAE falls within the scope of IAS 12. The analyses performed by the Group nevertheless showed that the deferred tax liability to be recognized at December 31, 2009 was not material. Consequently, no deferred tax liability was recorded at that date.

N. Share-based payments

N.1. Stock option plans

In accordance with the transitional provisions of IFRS 1 – First-time Adoption of International Financial Reporting Standards, compensation cost is recognized only for grants of shares, stock options or other equity instruments that were made after November 7, 2002 and had not yet vested at January 1, 2005. No compensation cost is recognized for plans dating back prior to November 7, 2002.

IFRS 2 applies to twelve stock option plans set up between 2003 and December 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 exercise period. One plan is a performance option plan with vesting conditions other than market conditions. As for the other plans, grantees must still be employed by the Group at the starting date of the exercise period.

The service cost representing consideration for the stock options is recognized as an expense over the vesting period by adjusting equity. The expense recognized in each period corresponds to the fair value of the 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 and corresponds to the date 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 services received. However, they 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 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”.

N.2. Employee stock ownership plan

IFRS 2 also applies to employee benefits granted through the employee stock ownership plans 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 stock at a discounted price. The share purchase price before the 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 five 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.

N.3. Performance share plans

Performance share plans are also accounted for in accordance with IFRS 2. The recognition and measurement principles are the same as those applied to stock option plans except for the measurement of the performance share plan cost which corresponds:

- ▶ for the 2007 and 2008 plans, to the average of the 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, to the opening share price on the grant date less the discounted present value of unpaid dividends, multiplied by the number of shares granted under the plan.

O. Service vouchers in circulation

Service vouchers in circulation or returned to New Services but not yet reimbursed to affiliates are recognized as short-term liabilities at face value.

P. 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.

P.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-combined 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 expected cash flows discounted using the original effective interest rate) – is recognized in the income statement. This loss may be reversed if the recoverable amount increases in a subsequent period;
- ▶ "held-to-maturity investments" mainly comprise bonds and other marketable securities intended to be held to maturity. They are initially recognized at fair value and are subsequently measured at amortized cost at each balance-sheet date. If there is an objective indication of impairment, an impairment loss is recognized at the balance-sheet date. The impairment loss – corresponding to the difference between the carrying amount and the recoverable amount (i.e. the present value of expected cash flows discounted using the original effective interest rate) – is recognized in the income statement. This loss may be reversed if the recoverable amount increases in a subsequent period.

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

- ▶ "available-for-sale financial assets" mainly comprise investments in non-combined companies, 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 that of mutual funds corresponds to their published 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 valuation techniques that are not based on observable data (level 3 valuation technique). 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.

P.2. Bank borrowings

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

P.3. 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.

Q. 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 generally have maturities of less than three months and are readily convertible into known amounts of cash; their exposure to changes in value is minimal.

R. Minority puts

IAS 32 – Financial Instruments: Disclosures and Presentation requires that the value of the financial commitment represented by put options granted by New Services to minority shareholders of subsidiaries, be recognized as a debt. The difference between the debt and the related minority interests in the balance sheet, corresponding to the portion of the subsidiary's net assets represented by the shares underlying the put, is recognized as goodwill. When the exercise price is equal to the fair value of the shares, the amount of the debt is determined based on a multiple of the EBITDA reflected in the subsidiary's 5-year business plan and is discounted. Changes in the debt arising from business plan adjustments are recognized in goodwill. Discounting adjustments are recognized in financial expense.

S. Income statement and statement of cash flows presentation

S.1. Issue volume

Issue volume corresponds to the face value of prepaid vouchers issued during the period plus the amount loaded on prepaid cards.

It is tracked for all vouchers and cards in circulation that are managed by New Services.

S.2. Operating revenue

In accordance with IAS 18 – Revenue, operating revenue corresponds to the value of goods and services sold in the ordinary course of business by fully and proportionally combined companies.

It is measured at the fair value of the consideration received or receivable, net of all discounts and rebates, VAT and other sales taxes, in compliance with IAS 18.

Operating revenue is recognized when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably. If there is significant uncertainty about the collectibility of revenue, it is not recognized until the uncertainty is removed.

There are two types of operating revenue:

S.2.1. *Operating revenue generated by issue volume*

This corresponds to operating revenue generated by prepaid vouchers.

For all of these products, recognized revenue comprises:

- commissions received from client companies on the sale of prepaid vouchers and cards and all related amounts billed to clients such as delivery costs, card sales and voucher customization costs. These amounts are recognized in revenue when the prepaid vouchers and cards are issued and delivered to clients;
- affiliate contributions, corresponding to the margin deducted from the amount reimbursed to the affiliate that provides the service, and any related billings such as up-front payments, monthly subscription fees and electronic payment terminal sales or rentals. These contributions and billings are recognized in revenue when the vouchers or cards are issued to the extent that the processing transaction cannot be dissociated from the issuance transaction, and an accrual is booked for the future processing costs;

- ▶ profits on vouchers and cards that expire without being reimbursed. To take into account commercial practices in each country (refunds of expired service vouchers and other commercial gestures), these profits are recognized gradually once the vouchers have expired;
- ▶ revenue from advertisements printed on vouchers and cards. This revenue is recognized on the billing date to the advertiser.

S.2.2. Other operating revenue

Other operating revenue corresponds essentially to revenue from businesses integrated in the services business that do not involve the issue of prepaid vouchers. The corresponding revenue is the amount received or receivable from sales of products and is recognized on delivery of the voucher solutions, gift cards or other products.

S.3. Financial revenue

This is interest generated by investing restricted cash over the period between the vouchers' issue date and reimbursement date.

The interest represents a component of operating revenue and as such is included in the determination of revenue.

S.4. EBITDA

EBITDA includes operating income and expenses and rental expense.

S.5. Depreciation, amortization and provisions

Depreciation, amortization and provision expenses reflect the operating costs of holding assets.

S.6. EBIT

EBIT corresponds to EBITDA after the operating costs of holding mainly non-tangible assets. It is used as the benchmark for determining senior management and other executive compensation, as it reflects the economic performance of the business.

It is also the basis for calculating the operating margin (EBIT/Issue volume ratio).

S.7. Net financial expense

This item includes:

- ▶ interest expense or income on borrowings, other financial liabilities and loans and receivables;
- ▶ exchange gains and losses on financial transactions;
- ▶ movements on financial provisions.

S.8. 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 represents an integral part of *pro forma* operating profit before tax and non-recurring items.

S.9. Non-recurring income and expenses

Non-recurring income and expenses include:

- ▶ restructuring costs, corresponding to all the costs incurred in connection with restructuring operations;
- ▶ impairment losses and provisions recorded in accordance with IAS 36 – Impairment of Assets;
- ▶ gains and losses on disposals of fixed assets, non-operating provision movements and other non-operating gains and losses.

The transactions concerned are not directly related to the management of continuing operations.

S.10. Operating profit before tax

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

S.11. Statement of cash flows

The statement of cash flows 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 ordinary activities, 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:

- ▶ recurring 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 combined subsidiaries and additions to fixed assets of existing subsidiaries;
- ▶ proceeds from disposals of assets.

Cash flows from financing activities include:

- ▶ changes in equity;
- ▶ changes in debt;
- ▶ dividend payments.

T. Earnings per share

The average number of shares used to calculate earnings per share for the three years presented corresponds to the number of shares resulting from applying the one-for-one exchange ratio to the number of Accor SA shares outstanding at December 31, 2009.

Diluted earnings per share is the same as earnings per share as no dilutive instruments have been issued by New Services.

U. Segment Information

New Services operates in four separate geographic segments, as follows:

- ▶ France;
- ▶ rest of Europe;
- ▶ Latin America & Caribbean;
- ▶ rest of the world.

Items that are not specific to a geographic segment are included in the "Worldwide Structures" segment.

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

Based on this organization, the Group considers that its four geographic segments meet the definition of operating segments under IFRS 8, as the segment information presented is 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:

- ▶ issue volume;
- ▶ revenue;
- ▶ EBITDA;
- ▶ EBIT.

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

- ▶ Note 3 for issue volume;
- ▶ Note 3 for revenue;
- ▶ Note 5 for EBITDA;
- ▶ Note 7 for EBIT.

Balance sheets by geographic segment are presented in Note 25.

V. 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 of Accor approved these financial statements for publication on May 11, 2010,

NOTE 2. SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF COMBINATION

A. Organic growth and acquisitions

Since 2007, New Services has expanded its business base through the following acquisitions and strategic partnerships:

A.1. 2007 acquisitions

In January 2007, New 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, New 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 an €1 million earn-out payment paid in 2009.

In March 2007, New Services acquired **Kadéos**, the PPR Group's gift card and voucher business. This acquisition positions New 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 reported €29 million in revenue in 2007.

In June 2007, New Services acquired **Surfgold**, Asia's leading provider of marketing services, for €10 million paid in cash. By providing access to Surfgold's portfolio of leading Asian companies and to its incentive and loyalty program management platform, the acquisition enables New Services to professionalize and broaden the scope of its rewards and loyalty programs. 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" and €4 million under "goodwill". A €5 million earn-out payment was made in first-half 2009. This amount was added to the initially-recognized goodwill.

In September 2007, New Services acquired **PrePay Technologies Ltd**, the UK's leading issuer of prepaid card solutions, for €57 million paid in cash plus an €3 million earn-out payment paid in the second half of 2009. This acquisition strengthened New Services's leadership position and diversified its portfolio of products and 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 license".

In December 2007, New 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 management team retained a 36% interest in the company. The acquisition

further strengthened New Services's position as a leading provider of solutions in the area of employee benefits and incentives. The cost of the acquisition was €6 million, paid 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 €3 million in revenue in 2008.

A.2. 2008 acquisitions

In January 2008, New 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 under "brands". Quasar reported €11 million in revenue in 2008.

A.3. 2009 acquisitions and strategic partnerships

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

The new company will combine the prepaid and electronic payments expertise of both organizations. PrePay Solutions markets prepaid card-based solutions that enable public and private organizations to reduce costs and enhance efficiency.

In October 2009, New Services acquired **Exit Group**, the fourth largest provider of meal vouchers in the Czech Republic, and its eight customer lists. With their strong synergies in terms of geographic coverage and customer bases, New Services Czech Republic and Exit Group will combine to make New 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. 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 fixed exchange rate against the US dollar to VEF 4.30 from VEF 2.15 pre-devaluation.

During 2009, the official authorization to convert their bolivars Fuertes into dollars at the official rate was withdrawn from New Services's local subsidiaries.

Until then, New Services has used the official rate to translate the financial statements of its Venezuelan subsidiaries into euros for the preparation of the *pro forma* financial statements.

At December 31, 2009, the Group decided to translate the contributions of its Venezuelan subsidiaries at the rate expected to apply when the local currency is repatriated, 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.

NOTE 3. ANALYSIS OF ISSUE VOLUME AND TOTAL REVENUE BY GEOGRAPHIC SEGMENT

Note 3.1. Issue volume

(in € millions)	2007	2008	2009
France	2,158	2,391	2,570
Rest of Europe	3,836	4,332	4,372
Latin America & Caribbean	5,148	5,624	5,111
Rest of the world	295	349	354
TOTAL ISSUE VOLUME	11,437	12,696	12,407

Issue volume for 2009 totaled €12,407 million, compared with €12,696 million for the previous year, representing a decrease of €289 million.

This decrease breaks down as follows:

▸ Organic growth	+719	€m	+5.7%
▸ Changes in combination scope	(225)	€m	(1.8)%
▸ Currency effect	(783)	€m	(6.2)%
Decrease in 2009 issue volume	(289)	€m	(2.3)%

Change in 2009 issue volume by geographic segment

	2009 vs 2008 Reported	2009 vs 2008 Like-for-like	
	€m	€m	%
France	+179	+178	+7.5%
Rest of Europe	+40	+209	+4.8%
Latin America & Caribbean	(513)	+302	+5.4%
Rest of the world	+5	+30	+8.5%
GROUP TOTAL	(289)	+719	+5.7%

Note 3.2. Total revenue

Total revenue breaks down as follows:

(in € millions)	2007	2008	2009
Operating revenue generated by issue volume	619	673	661
Other operating revenue	122	144	147
OPERATING REVENUE	741	817	808
Financial revenue/unrestricted cash	81	110	72
Financial revenue/restricted cash	15	19	22
FINANCIAL REVENUE	96	129	94
TOTAL REVENUE	837	946	902

Total revenue by geographic segment

(in € millions)	2007	2008	2009
France	152	168	168
Rest of Europe	310	346	335
Latin America & Caribbean	325	367	337
Rest of the world	50	63	62
Worldwide Structures ⁽¹⁾	-	2	-
TOTAL REVENUE	837	946	902

(1) "Worldwide Structures" correspond to total revenue that is not specific to a single geographic segment.

Pro forma total revenue for 2009 totaled €902 million, compared with €946 million for the previous year, representing a decrease of €44 million.

This decrease breaks down as follows:

▸ Organic growth	+9	€m	+1.0%
▸ Changes in combination scope	(2)	€m	(0.2)%
▸ Currency effect	(51)	€m	(5.4)%
Decrease in 2009 total revenue	(44)	€m	(4.7)%

Change in 2009 total revenue by geographic segment

	2009 vs 2008 Reported	2009 vs 2008 Like-for-like	
	€m	€m	%
France	-	(1)	(0.3)%
Rest of Europe	(11)	-	-
Latin America & Caribbean	(30)	+9	+2.3%
Rest of the world	(1)	+1	+1.4%
Worldwide Structures	(2)	-	-
GROUP TOTAL	(44)	+9	+1.0%

Note 3.3. Operating revenue by geographic segment

(in € millions)	2007	2008	2009
France	127	138	144
Rest of Europe	279	302	299
Latin America & Caribbean	289	316	306
Rest of the world	46	59	59
Worldwide Structures ⁽¹⁾	-	2	-
TOTAL OPERATING REVENUE	741	817	808

(1) "Worldwide Structures" correspond to operating revenue that is not specific to a single geographic segment.

Operating revenue for 2009 totaled €808 million, compared with €817 million for the previous year, representing a decrease of €9 million.

This decrease breaks down as follows:

▸ Organic growth	+28	€m	+3.4%
▸ Changes in combination scope	+7	€m	+0.9%
▸ Currency effect	(44)	€m	(5.4)%
Decrease in 2009 operating revenue	(9)	€m	(1.1)%

Change in 2009 operating revenue by geographic segment

	2009 vs 2008 Reported	2009 vs 2008 Like-for-like	
	€m	€m	%
France	+6	+6	+4.2%
Rest of Europe	(3)	+5	+1.7%
Latin America & Caribbean	(10)	+15	+4.9%
Rest of the world	0	+2	+3.6%
Worldwide Structures	(2)	-	-
GROUP TOTAL	(9)	+28	+3.4%

3.3.1 Operating revenue generated by issue volume by geographic segment

(in € millions)	2007	2008	2009
France	93	102	112
Rest of Europe	231	251	243
Latin America & Caribbean	274	295	283
Rest of the world	21	25	23
OPERATING REVENUE GENERATED BY ISSUE VOLUME	619	673	661

3.3.2 Other operating revenue by geographic segment

(in € millions)	2007	2008	2009
France	34	36	32
Rest of Europe	48	51	56
Latin America & Caribbean	15	21	23
Rest of the world	25	34	36
Worldwide Structures ⁽¹⁾	-	2	-
OTHER OPERATING REVENUE	122	144	147

(1) "Worldwide Structures" correspond to other operating revenue that is not specific to a single geographic segment.

Note 3.4. Financial revenue by geographic segment

(in € millions)	2007	2008	2009
France	25	30	24
Rest of Europe	31	44	36
Latin America & Caribbean	36	51	31
Rest of the world	4	4	3
TOTAL FINANCIAL REVENUE	96	129	94

Financial revenue for 2009 totaled €94 million, compared with €129 million for the previous year, representing a decrease of €35 million.

This decrease breaks down as follows:

▸ organic growth	(19)	€m	(15.0)%
▸ changes in combination scope	(9)	€m	(7.0)%
▸ currency effect	(7)	€m	(5.4)%
Decrease in 2009 financial revenue	(35)	€m	(27.4)%

Change in 2009 financial revenue by geographic segment

	2009 vs 2008 Reported	2009 vs 2008 Like-for-like	
	€m	€m	%
France	(6)	(6)	(21.4)%
Rest of Europe	(8)	(5)	(11.3)%
Latin America & Caribbean	(20)	(7)	(13.3)%
Rest of the world	(1)	(1)	(28.1)%
GROUP TOTAL	(35)	(19)	(15.0)%

NOTE 4. OPERATING EXPENSES

(in € millions)	2007	2008	2009
Employee benefits expense ⁽¹⁾	(208)	(249)	(248)
Other operating expenses ⁽²⁾	(284)	(301)	(291)
TOTAL OPERATING EXPENSES	(492)	(550)	(539)

(1) Average employee benefits expense per full-time equivalent employee is presented below:

Full-time equivalent employees	2007	2008	2009
Full-time equivalent employees (FTE) ^(*)	5,031	5,723	5,835
Average employee benefits expense per FTE (€ thousands)	(41)	(44)	(43)

(*) Full-time equivalent employees are calculated based on the ratio between the number of hours worked during the period and the total legal working hours for the period.
For proportionally combined companies, employee numbers are prorated based on the Group's interest in the company's capital.

(2) Other operating expenses consist mainly of information systems, marketing, advertising and promotional costs. The total also includes various fee payments and rental expenses.

NOTE 5. EBITDA BY GEOGRAPHIC SEGMENT

<i>(in € millions)</i>	2007	2008	2009
France	51	59	54
Rest of Europe	163	178	150
Latin America & Caribbean	154	177	167
Rest of the world	13	16	15
Worldwide Structures ⁽¹⁾	(36)	(34)	(23)
TOTAL EBITDA	345	396	363

(1) "Worldwide Structures" correspond to entities whose revenue and costs are not specific to a single geographic segment.

EBITDA for 2009 totaled €363 million compared with €396 million the previous year, representing a decrease of €33 million.

The decrease breaks down as follows:

▸ Organic growth ^(*)	+2	€m	+0.6%
▸ Changes in combination scope	(7)	€m	(1.8)%
▸ Currency effect	(28)	€m	(7.1)%
Decrease in 2009 EBITDA	(33)	€m	(8.3)%

(*) Of which the impact of changes in financial revenue for €(19) million.

Change in 2009 EBITDA by geographic segment

	2009 vs 2008 Reported	2009 vs 2008 Like-for-like	
	€m	€m	%
France	(5)	(4)	(7.2)%
Rest of Europe	(28)	(20)	(11.1)%
Latin America & Caribbean	(10)	+16	+8.9%
Rest of the world	(1)	+1	+7.9%
Worldwide Structures	+11	+9	(22.5)%
GROUP TOTAL	(33)	+2	+0.6%

NOTE 6. DEPRECIATION, AMORTIZATION AND PROVISION EXPENSE

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

<i>(in € millions)</i>	2007	2008	2009
Depreciation and amortization	(25)	(32)	(33)
Provisions	-	1	(3)
TOTAL	(25)	(31)	(36)

NOTE 7. EBIT BY GEOGRAPHIC SEGMENT

(in € millions)	2007	2008	2009
France	43	50	42
Rest of Europe	157	167	138
Latin America & Caribbean	146	168	159
Rest of the world	11	13	12
Worldwide Structures ⁽¹⁾	(37)	(33)	(24)
TOTAL EBIT	320	365	327

(1) "Worldwide Structures" correspond to entities whose revenue and costs are not specific to a single geographic segment.

Combined EBIT for 2009 totaled €327 million compared with €365 million the previous year, representing a decrease of €38 million.

The decrease breaks down as follows:

▸ Organic growth ^(*)	(5)	€m	(1.7)%
▸ Changes in combination scope	(7)	€m	(1.9)%
▸ Currency effect	(26)	€m	(7.1)%
Decrease in 2009 EBIT	(38)	€m	(10.4)%

(*) Of which the impact of changes in financial revenue for €(19) million.

Change in 2009 EBIT by geographic segment

	2009 vs 2008 Reported	2009 vs 2008 Like-for-like	
	€m	€m	%
France	(8)	(8)	(15.3)%
Rest of Europe	(29)	(23)	(13.7)%
Latin America & Caribbean	(9)	+17	+10.3%
Rest of the world	(1)	+1	+3.7%
Worldwide Structures	+9	+8	(20.1)%
GROUP TOTAL	(38)	(5)	(1.7)%

NOTE 8. NET FINANCIAL EXPENSE

(in € millions)	2007	2008	2009
Finance costs, net ⁽¹⁾	(94)	(87)	(81)
Other financial income and expenses, net ⁽²⁾	2	-	(23)
NET FINANCIAL EXPENSE	(92)	(87)	(104)

(1) Finance costs, net correspond to interest on loans, receivables and debt measured at amortized cost. The total corresponds in full to interest paid or received during the period.

(2) Other financial income and expenses consist solely of exchange gains and losses, mainly on foreign currency debt measured at amortized cost and on various dividend and capital flows in foreign currencies. In 2009, the total corresponds mainly to exchange losses arising from the devaluation of the Venezuelan currency (see Note 2.B).

NOTE 9. NON-RECURRING INCOME AND EXPENSES

Non-recurring income and expenses can be analyzed as follows:

<i>(in € millions)</i>	2007	2008	2009
Movements on restructuring costs	(9)	3	(1)
Restructuring costs	(7)	(7)	(14)
Restructuring costs	(16)	(4)	(15)
Impairment of goodwill	(12)	(2)	(120)
Impairment of intangible assets	-	-	(18)
Total impairment losses	(12)	(2)	(138)
Provision movements	(1)	1	(41)
Non-recurring gains and losses, net	3	(10)	(17)
Other non-recurring income and expenses, net	2	(9)	(58)
TOTAL NON-RECURRING INCOME AND EXPENSE, NET	(26)	(15)	(211)

Note 9.1. Restructuring costs

Restructuring costs in 2007, 2008 and 2009 correspond mainly to Group reorganization costs, including the cost of the voluntary separation program announced in June 2009.

Note 9.2. Impairment losses

The main assets for which impairment losses were recognized in 2007, 2008 and 2009 were as follows:

- ▶ in 2007, impairment losses resulted mainly from reviews of the value of the business in Argentina (€10 million);
- ▶ in 2008, impairment losses resulted mainly from reviews of the recoverable amount of contractual customer relationships in Brazil;
- ▶ in 2009, impairment losses resulted mainly from reviews of the recoverable amount of goodwill and intangible assets related to Kadéos (impairment losses of €83 million and €17 million respectively) and a business in the United States (€ 16 million).

Note 9.3. Other non-recurring income and expenses

Other non-recurring income and expenses were as follows:

- ▶ in 2007, losses on sales of shares;
- ▶ in 2008, mainly an €8.5 million provision for moving costs in France;
- ▶ in 2009: a €32 million loss arising from the devaluation of the bolivar fuerte and impairment losses on receivables and exchange losses for a total of €19 million.

NOTE 10. INCOME TAX

Note 10.1. Income tax expense for the period

<i>(in € millions)</i>	2007	2008	2009
Current taxes	(79)	(83)	(77)
SUB-TOTAL: CURRENT TAXES	(79)	(83)	(77)
Deferred taxes on temporary differences arising or reversing during the period	7	(4)	15
Deferred taxes arising from changes in tax rates or rules	4	1	-
SUB-TOTAL: DEFERRED TAXES	11	(3)	15
TOTAL INCOME TAX EXPENSE	(68)	(86)	(62)

Note 10.2. Effective tax rate

<i>(in € millions)</i>	2007	2008	2009
OPERATING PROFIT BEFORE TAX (A)	202	263	12
Non-deductible impairment losses	18	(13)	125
Elimination of intercompany capital gains	-	-	-
Other	4	4	8
TOTAL PERMANENT DIFFERENCES (NON-DEDUCTIBLE EXPENSE) (B)	22	(9)	133
UNTAXED PROFIT AND PROFIT TAXED AT A REDUCED RATE (C)	(4)	12	29
PROFIT TAXABLE AT THE STANDARD RATE (D) = (A) + (B) + (C)	220	266	174
STANDARD TAX RATE IN FRANCE (E)	34.43%	34.43%	34.43%
THEORETICAL TAX AT STANDARD RATE (F) = (D) X (E)	(76)	(92)	(60)
Adjustments for:			
▸ Differences in foreign tax rates	8	16	6
▸ Unrecognized tax losses for the period	(3)	(3)	(3)
▸ Utilization of tax loss carryforwards	-	-	1
▸ Effect of changes in future tax rates	4	1	-
▸ Charges to/reversals of provisions for tax risks	13	-	-
▸ Technical transfers between New Services entities and Accor SA	-	-	-
▸ Financial transaction tax in Brazil and Argentina	(11)	-	-
▸ Other items	(3)	(8)	(6)
TOTAL ADJUSTMENTS (G)	8	6	(2)
ACTUAL TAX AT STANDARD RATE (H) = (F) + (G)	(68)	(86)	(62)
TAX AT REDUCED RATE (I)	-	-	-
INCOME TAX EXPENSE (J) = (H) + (I)	(68)	(86)	(62)
Pre-tax operating profit taxed at standard rate	220	266	174
Income tax expense at standard rate	(67)	(76)	(54)
GROUP EFFECTIVE TAX RATE	30.5%	28.6%	31.0%

Note 10.3. Details of recognized deferred tax assets and liabilities

<i>(in € millions)</i>	2007	2008	2009
Temporary differences between taxable and book profit of the individual entities	8	17	14
Temporary differences arising from combination adjustments	7	7	13
Recognized deferred tax assets on tax loss carryforwards	1	-	1
SUB-TOTAL: DEFERRED TAX ASSETS	16	24	28
Temporary differences between taxable and book profit of the individual entities	1	1	1
Temporary differences arising from combination adjustments	51	65	61
SUB-TOTAL: DEFERRED TAX LIABILITIES	52	66	62
NET DEFERRED TAX ASSET (LIABILITY)	(36)	(42)	(34)

Note 10.4. Unrecognized deferred tax assets

Unrecognized deferred tax assets at December 31, 2009 amounted to €24 million (December 31, 2008: €19 million and December 31, 2007: €11 million).

At December 31, 2009, unrecognized deferred tax assets corresponded to tax losses in the amount of €24 million, including €1 million expiring in 2010, €1 million in 2012, €1 million in 2013, €3 million in 2014 and beyond and €18 million in evergreen losses.

NOTE 11. GOODWILL

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Goodwill	680	645	666
Less accumulated impairment losses	-	-	(109)
GOODWILL, NET	680	645	557

<i>(in € millions)</i>	Notes	Dec. 2007	Dec. 2008	Dec. 2009
Brazil		154	122	159
France (Ticket Cadeau)	2.A.1	181	181	115
United Kingdom		100	83	70
Romania		36	37	37
Italy		36	33	36
Mexico		35	31	31
Sweden		19	19	17
Australia		11	11	13
USA		33	33	13
Czech Republic		2	2	13
Germany		-	14	10
Asia		8	10	10
Other (individually representing less than €10 million)		65	69	33
GOODWILL, NET		680	645	557

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

<i>(in € millions)</i>	Notes	Dec. 2007	Dec. 2008	Dec. 2009
NET GOODWILL AT BEGINNING OF PERIOD		426	680	645
GOODWILL RECOGNIZED ON ACQUISITIONS FOR THE PERIOD AND OTHER INCREASES		258	25	23
▸ Czech Republic	2.A.3	-	-	9
▸ France (Ticket Cadeau)	2.A.1	181	-	-
▸ United Kingdom (Prepay)	2.A.1	53	-	-
▸ Other acquisitions		24	11	13
▸ Germany (Quasar acquisition)	2.A.2	-	8	-
▸ United Kingdom (Motivano acquisition)	2.A.1	-	7	-
▸ Brazil		-	(1)	1
GOODWILL WRITTEN OFF ON DISPOSALS FOR THE PERIOD		(4)	(4)	(11)
IMPAIRMENT LOSSES	9	(12)	(2)	(120)
TRANSLATION ADJUSTMENTS		(1)	(35)	39
MINORITY PUTS RECOGNIZED/ REMEASURED DURING THE PERIOD		13	(19)	(19)
NET GOODWILL AT PERIOD-END		680	645	557

NOTE 12. INTANGIBLE ASSETS

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
COST			
Kadéos brand ⁽¹⁾	19	19	19
Other brands	15	17	18
Contractual customer relationship ⁽²⁾	42	49	54
Licenses and software	70	76	96
Other	22	32	42
TOTAL COST	168	193	229
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES			
Brands	(4)	(3)	(4)
Contractual customer relationship	(5)	(11)	(30)
Licenses and software	(53)	(58)	(72)
Other	(5)	(11)	(24)
TOTAL ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	(67)	(83)	(130)
INTANGIBLE ASSETS, NET	101	110	99

(1) The Kadéos brand was recognized following the acquisition of this company in March 2007 (see Note 2.A.1).

(2) Of which €19 million corresponding to Kadéos customer lists.

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

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
NET INTANGIBLE ASSETS AT BEGINNING OF PERIOD	40	101	110
Additions	4	1	5
Internally-generated assets	7	9	14
Intangible assets of newly-consolidated companies ^(*)	68	7	2
Amortization for the period	(15)	(22)	(23)
Impairment losses for the period ^(**)	-	-	(18)
Disposals	(2)	-	3
Translation adjustment	(1)	(9)	5
Reclassifications	-	23	1
NET INTANGIBLE ASSETS AT END OF PERIOD	101	110	99

^(*) In 2007, the main newly-consolidated companies were Kadéos and PrePay Technologies Ltd (see Note 2.A.1).

^(**) For 2009, see Note 9.

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

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Kadéos brand	19	19	19
Rikskuponger brand	7	6	6
Tintelingen brand	2	2	2
Prepay brand	-	2	2
Other brands	2	4	4
INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES	30	33	33

Most brands 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.

NOTE 13. PROPERTY, PLANT AND EQUIPMENT

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Land	1	7	4
Buildings	5	5	3
Fixtures	16	15	17
Equipment and furniture	81	76	78
Assets under construction	1	-	1
COST	104	103	103

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Buildings	(4)	(2)	(1)
Fixtures	(11)	(9)	(8)
Equipment and furniture	(60)	(55)	(57)
Assets under construction	-	-	-
ACCUMULATED DEPRECIATION	(75)	(66)	(66)
ACCUMULATED IMPAIRMENT LOSSES	-	-	-
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES	(75)	(66)	(66)

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Land	1	7	4
Buildings	1	3	2
Fixtures	5	6	9
Equipment and furniture	21	21	21
Assets under construction	1	-	1
PROPERTY, PLANT AND EQUIPMENT, NET	29	37	37

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

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
NET PROPERTY, PLANT AND EQUIPMENT AT BEGINING OF PERIOD	30	29	37
Property, plant and equipment of newly combined companies	1	-	1
Additions	10	15	16
Disposals	(1)	(1)	(4)
Depreciation for the period	(10)	(10)	(11)
Impairment losses for the period	-	-	-
Translation adjustment	(1)	(3)	(2)
Reclassifications	-	7	-
NET PROPERTY, PLAND AND EQUIPMENT AT END OF PERIOD	29	37	37

NOTE 14. RECEIVABLES AND PAYABLES

Note 14.1. Trade receivables and related provisions

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Gross	1,112	868	920
Provisions	(17)	(22)	(26)
TRADE RECEIVABLES, NET	1,095	846	894

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 14.2. Details of inventories, other receivables and accruals

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Inventories	10	11	14
Recoverable VAT	65	123	92
Employee advances and prepaid payroll taxes	2	2	3
Other prepaid and recoverable taxes	1	2	3
Other receivables	87	110	143
Other prepaid expenses	5	6	8
GROSS	170	254	263
PROVISIONS	(1)	(1)	(2)
INVENTORIES AND OTHER RECEIVABLES AND ACCRUALS, NET	169	253	261

Note 14.3. Details of other payables and accruals

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
VAT payable	7	90	23
Wages and salaries and payroll taxes payable	38	43	43
Other taxes payable	67	69	33
Other payables	59	82	53
Deferred income	6	8	12
OTHER PAYABLES AND ACCRUALS	177	292	164

Note 14.4. Receivables and payables by maturity

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Dec. 2009
At December 31, 2009						
Inventories	10	11	13	-	-	13
Trade receivables	1,095	846	894	-	-	894
Recoverable VAT	65	123	22	70	-	92
Employee advances and prepaid payroll taxes	2	2	3	-	-	3
Other prepaid and recoverable taxes	1	2	3	-	-	3
Other receivables	86	109	142	-	-	142
CURRENT ASSETS	1,259	1,093	1,077	70	-	1,147
Trade payables	92	196	140	-	-	140
VAT payable	7	90	23	-	-	23
Wages and salaries and payroll taxes payable	38	43	43	-	-	43
Other taxes payable	67	69	33	-	-	33
Other payables	59	82	52	1	-	53
CURRENT LIABILITIES	263	480	291	1	-	292

NOTE 15. SHARE-BASED PAYMENTS

Note 15.1. Earnings per share

The average number of shares used to calculate earnings per share for the three years presented corresponds to the number of shares resulting from applying the one-for-one exchange ratio to the number of Accor SA shares outstanding at December 31, 2009 (225,458,199 shares).

Diluted earnings per share is the same as earnings per share as no dilutive instruments have been issued by New Services.

The stock option plans and performance share plans described below have Accor shares as their underlying. These plans will continue to relate to Accor SA and New Services shares will not be substituted for Accor SA shares as the underlying.

Note 15.2. Accor Stock option plans granted to New Services employees

Description of the main Accor stock option plans granted to New Services employees

The following table provides details of stock options outstanding at December 31, 2009 and options that expired or were cancelled during the period.

	Grant date	Life of plan	Number of options granted to New Services employees	Exercise date	Number of grantees	Exercise price	Cash-settled or equity settled
Plan 5	January 4, 2001	8 years	160,000	from 01/04/04 until 01/04/09	4	40.58 €	Equity settled
Plan 6	January 8, 2002	8 years	215,700	from 01/08/05 until 01/08/10	77	37.77 €	Equity settled
Plan 7 (*)	July 12, 2002	7 years	31,641	from 07/12/05 until 07/12/09	993	39.10 €	Equity settled
Plan 8	January 3, 2003	8 years	4,900	from 01/04/06 until 01/03/11	7	31.83 €	Equity settled
Plan 9	January 7, 2004	8 years	121,100	from 01/08/07 until 01/07/12	50	35.68 €	Equity settled
Plan 10 (*)	July 9, 2004	8 years	31,339	from 07/09/07 until 07/09/12	623	33.94 €	Equity settled
Plan 11	January 12, 2005	7 years	87,200	from 01/13/09 until 01/12/12	55	32.42 €	Equity settled
Plan 12	January 9, 2006	7 years	133,700	from 01/10/10 until 01/09/13	29	46.15 €	Equity settled
Plan 13	March 24, 2006	7 years	51,600	from 03/25/10 until 03/24/13	53	49.10 €	Equity settled
Plan 14	March 22, 2007	7 years	161,645	from 03/23/11 until 03/22/14	122	68.65 €	Equity settled
Plan 15	May 14, 2007	7 years	12,500	from 05/15/11 until 05/14/14	2	71.72 €	Equity settled
Plan 16 (*)	September 13, 2007	8 years	343	from 09/13/10 until 09/13/15	11	60.44 €	Equity settled
Plan 17	March 28, 2008	7 years	152,850	from 03/29/12 until 03/28/15	132	46.46 €	Equity settled
Plan 18	September 30, 2008	7 years	6,000	from 10/01/12 until 09/30/15	2	42.70 €	Equity settled
Plan 19	March 31, 2009	8 years	121,440	from 04/01/13 until 03/31/17	159	27.45 €	Equity settled

(*) Options under plans 7, 10 and 16 are stock savings warrants.

Options granted under Plan 15 are performance options. The 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 receive one quarter of the options included in the initial grant. If only one of the two targets is met, they receive one eighth of the options.

For all of the 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 is 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 3,515 options.

Changes in outstanding Accor stock options granted to New Services employees during 2007, 2008 and 2009 were as follows:

	December 31, 2007		December 31, 2008		December 31, 2009	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
OPTIONS OUTSTANDING AT BEGINNING OF PERIOD	730,179	39.74 €	774,092	46.17 €	876,505	46.20 €
Options granted	174,145	68.87 €	159,193	46.35 €	121,440	27.45 €
Options cancelled or expired	(40,501)	41.64 €	(35,150)	51.87 €	(105,717)	40.72 €
Options exercised	(89,731)	40.03 €	(21,630)	37.00 €	(6,336)	39.10 €
OPTIONS OUTSTANDING AT END OF PERIOD	774,092	46.17 €	876,505	46.20 €	885,892	44.33 €
OPTIONS EXERCISABLE AT END OF PERIOD	335,097	37.43 €	299,012	37.48 €	281,689	34.99 €

Outstanding options at December 31, 2009 were as follows:

	Exercise price	Number of outstanding options	Remaining life of the options
Plan 6	37.77 €	66,150	8 days
Plan 8	31.83 €	900	1 year
Plan 9	35.68 €	98,750	2 years
Plan 10	33.94 €	31,339	2,5 years
Plan 11	32.42 €	84,550	2 years
Plan 12	46.15 €	131,200	3 years
Plan 13	49.10 €	46,600	3.3 years
Plan 14	68.65 €	148,175	4.3 years
Plan 15	71.72 €	8,985	4.5 years
Plan 16	60.44 €	343	5.8 years
Plan 17	46.46 €	145,350	5.3 years
Plan 18	42.70 €	6,000	5.8 years
Plan 19	27.45 €	117,550	7.3 years

Fair value of options

IFRS 1 allows companies to only recognize in their accounts equity-settled stock options that were granted after November 7, 2002 and had not yet vested at January 1, 2005.

As a result, IFRS 2 applies to options granted under twelve plans set up between 2003 and the end of 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
Risk-free interest rate ^(**)	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
Risk-free interest rate ^(**)	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.

(**) Weighted risk-free interest rate based on exercise periods.

(***) Weighted fair value of options based on exercise periods.

The dividend rate used to measure the fair value of options was:

- ▶ 3.03% for plans 8, 9 and 10;
- ▶ 3.22% for plans 11, 12 and 13;
- ▶ 2.29% for plans 14, 15 and 16;
- ▶ 2.53% for plans 17, 18 and 19.

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 assumed 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% after 5 years;
- ▶ 35% after 6 years;
- ▶ 5% after 7 years (10% for plans 11, 12, 13, 14, 15, 17 and 18);
- ▶ 5% after 8 years.

Maturities of 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, calculated from the grant date, have been applied to each maturity as presented above.

Cost of share-based payments recognized in the accounts

The total cost of share-based payments granted to New Services employees amounted to €2 million at December 31, 2009 (December 31, 2008: €2 million, December 31, 2007: €2 million). These amounts have been recognized in employee benefits expense with a corresponding adjustment to equity.

Employee Stock Ownership Plan

In April 2007, a leveraged employee rights issue was carried out under the Employee Stock Ownership Plan, whereby 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.

Details of the plan 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 77,450 new shares purchased by employees under the plan, including 77,107 shares acquired through corporate mutual funds and 343 purchased directly.

The fair value of the New Services's employee benefit, totaling €1 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 five years at a rate of 5.5% and amounted to €0.02 million. The cost of the lock-up was measured as 5.5% of the discounted subscription price.

Note 15.3. Performance share plans granted to New Services employees

2007 Plan

On May 14, 2007, Accor granted performance shares to senior executives and certain employees, including 7,260 performance shares granted to New Services employees.

The performance shares were 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 would vest in each year if both performance targets were met. If only one of the performance targets was met, a quarter of the shares would vest.

For all of the shares to vest, ROCE and profit after tax and before non-recurring items would have 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 would 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 plan – corresponding to the fair value of the performance shares granted to New Services's employees – amounted to €0.5 million and was 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 performance shares 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 criteria were met in 2007.

At December 31, 2008

The performance criteria were only partly met in 2008. As a result, the fair value of the performance shares was recalculated and amounted to €0.4 million at December 31, 2008.

At December 31, 2009

The vesting period expired on May 14, 2009. Based on actual Group performance in relation to the performance criteria and on the grantees who were still on the Group's payroll as of May 14, 2009, a total of 6,092 shares vested.

The ultimate total fair value of the performance shares granted under the plan was €0.4 million.

2008 Plan

On May 28, 2008, Accor granted performance shares to senior executives and certain employees including 11,565 performance shares granted to New Services 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 vest in each year if both performance targets are met. If only one of the performance targets is met, a quarter of the shares vest.

For all of the shares to vest, ROCE and profit after tax and before non-recurring items 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 is 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 plan – corresponding to the fair value of the performance shares granted to New Services's employees – amounts to €0.5 million and is 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 performance shares 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 €0.12 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 €0.12 million, of which €0.06 million was recognized in the 2009 financial statements.

2009 Plan

On May 31, 2009, Accor granted performance shares to senior executives and certain employees including 30,367 performance shares granted to New Services employees, of which:

- ▶ 26,276 performance shares subject to a two-year vesting period followed by a two-year lock-up;
- ▶ 4,091 performance shares subject to a four-year vesting period and no lock-up period.

The performance shares are subject to three 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 vest in each year if the performance targets are met. If two of the three targets are met, they will receive roughly one-third of the shares and if only one of the three targets is met, they will receive around one-sixth of the shares.

For all of the shares to vest, all the indicators will have to increase by around 10% or more per year. If the indicators 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 granted to New Services's employees – representing €0.8 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 granted under the plan.

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 €0.4 million. Plan costs recognized in 2009 amounted to €0.1 million

NOTE 16. CUMULATIVE FAIR VALUE ADJUSTMENTS TO FINANCIAL INSTRUMENTS

During the three years presented, no fair value adjustments to available-for-sale financial assets were recognized in equity and no cumulative fair value adjustments were reclassified from equity to the income statement.

NOTE 17. MINORITY INTERESTS

(in € millions)

AT DECEMBER 31, 2006	8
Minority interests in profit for the period	17
Dividends paid to minority interests	(15)
Issue of share capital	4
Translation adjustment	(1)
Changes in scope of combination	(3)
AT DECEMBER 31, 2007	10
Minority interests in profit for the period	25
Dividends paid to minority interests	(14)
Capital reduction	(1)
Translation adjustment	2
Changes in scope of combination	0
AT DECEMBER 31, 2008	22
Minority interests in profit for the period	7
Dividends paid to minority interests	(22)
Issue of share capital	7
Translation adjustment	(1)
Changes in scope of combination	4
AT DECEMBER 31, 2009	17

NOTE 18. COMPREHENSIVE INCOME

Tax on other comprehensive income can be analyzed as follows:

(in € millions)	Dec. 2007			Dec. 2008			Dec. 2009		
	Before tax	Tax	After tax	Before tax	Tax	After tax	Before tax	Tax	After tax
Currency translation adjustment	(2)	-	(2)	(56)	-	(56)	66	-	66
Gains and losses from remeasuring available-for-sale financial assets at fair value	-	-	-	-	-	-	-	-	-
Actuarial gains and losses on defined benefit plans	3	1	2	(2)	0	(2)	(2)	0	(2)
TOTAL OTHER COMPREHENSIVE INCOME	1	1	(0)	(58)	0	(58)	64	0	64

There were no reclassifications from other comprehensive income to the income statement in any of the three years presented.

NOTE 19. FINANCIAL DEBT BY CURRENCY AND MATURITY

Note 19.A. Long and short-term financial debt

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

(in € millions)	Effective rate 2007		Effective rate 2008		Effective rate 2009	
	Dec. 2007	%	Dec. 2008	%	Dec. 2009	%
LONG AND SHORT-TERM FINANCIAL DEBT	1,368	4.35	1,051	4.34	880	4.35
Deposits	4		5		6	
Purchase commitments	43		28		9	
Bank overdrafts and other short-term financial liabilities	137		466		671	
LONG AND SHORT-TERM FINANCIAL DEBT AND OTHER FINANCIAL LIABILITIES	1,552	-	1,550	-	1,566	-

(in € millions)	Dec. 2007	Dec. 2008	Dec. 2009
Long-term financial debt and other financial liabilities	1,547	1,534	1,515
Short-term financial debt and other financial liabilities	5	16	51
TOTAL FINANCIAL DEBT AND OTHER FINANCIAL LIABILITIES	1,552	1,550	1,566

Note 19.B. Maturities of financial debt

At December 31, 2009, maturities of *pro forma* financial debt based on current negotiations with the banks would be as follows:

(in € millions)	Dec. 2007	Dec. 2008	Dec. 2009
Year Y + 1	5	16	51
Year Y + 2	18	12	10
Year Y + 3	4	8	-
Year Y + 4	17	8	302
Year Y + 5	-	301	300
Year Y + 6	300	300	300
Beyond	1,208	905	603
TOTAL FINANCIAL DEBT	1,552	1,550	1,566

This analysis of financial debt by maturity over the long-term is considered as providing the most meaningful liquidity indicator. Financial debt and short-term investments denominated in foreign currencies have been translated into euros at the rate on the balance sheet date.

At December 31, 2009, based on current negotiations with the banks, New Services would have access to €600 million worth of credit lines.

Note 19.C. Financial instruments

1. Currency hedges

There were no currency hedges outstanding at December 31, 2009.

2. Interest rate hedges

There were no interest rate hedges outstanding at December 31, 2009.

3. Fair value of financial instruments

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

<i>(in € millions)</i>	December 31, 2009 Carrying amount	December 31, 2009 Fair value
FINANCIAL LIABILITIES	1,566	1,566
Bonds	600	600
Bank borrowings	910	910
Other financial liabilities	56	56
CURRENT FINANCIAL ASSETS	(1,263)	(1,263)
Marketable securities ⁽¹⁾	(1,222)	(1,222)
Cash	(41)	(41)
NET DEBT	303	303

(1) Marketable securities break down as follows:

<i>(in € millions)</i>	December 31, 2009 Carrying amount	December 31, 2009 Fair value
Bonds and other negotiable debt securities ^(a)	(121)	(121)
Money market securities ^(b)	(1,096)	(1,096)
Mutual fund units convertible into cash in less than three months ^(c) ^(d)	(2)	(2)
Other	(3)	(3)
TOTAL MARKETABLE SECURITIES	(1,222)	(1,222)

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

(a) Held-to-maturity investments.

(b) Loans and receivables issued by the Group.

(c) Available-for-sale financial assets.

Note 19.D. Financial Risk Management

Risk management objectives, policies and procedures (liquidity risk, credit risk, currency risk, interest rate risk and equity risk), and interest rate and currency sensitivity analyses are presented in Section 3 of this prospectus.

NOTE 20. NET DEBT AND NET CASH

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Other long-term financial debt	1,547	1,534	1,515
Short-term financial debt	2	4	10
Bank overdrafts	3	12	41
Derivatives	-	-	-
TOTAL FINANCIAL DEBT	1,552	1,550	1,566
Short-term loans	(8)	(3)	-
Marketable securities ⁽¹⁾	(984)	(1,179)	(1,222)
Cash	(131)	(45)	(41)
Derivatives	-	-	-
Short-term receivables on disposals of assets	-	-	-
CURRENT FINANCIAL ASSETS	(1,123)	(1,227)	(1,263)
NET DEBT	429	323	303

(1) See Note 19.C.

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
NET DEBT AT BEGINNING OF PERIOD	685	429	323
Change in long-term financial debt	13	(13)	(19)
Change in short-term financial debt	96	2	6
Change in short-term loans	(286)	5	3
Change in cash and cash equivalents	(79)	(100)	(10)
CHANGES FOR THE PERIOD	(256)	(106)	(20)
NET DEBT AT END OF PERIOD	429	323	303

The following table reconciles cash and cash equivalents in the balance sheet to cash and cash equivalents in the statement of cash flows.

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
CASH AND CASH EQUIVALENTS IN THE BALANCE SHEET	1,115	1,224	1,263
Bank overdrafts	(3)	(12)	(41)
CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS	1,112	1,212	1,222

NOTE 21. PROVISIONS

Movements in long-term provisions between January 1, 2007 and December 31, 2009 can be analyzed as follows:

(in € millions)	December 31, 2006	Impact on equity ^(*)	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifi- cations and changes in scope ^(*)	December 31, 2007
▸ Provisions for pensions and loyalty bonuses	10	(2)	1	(1)	(1)	0	1	8
▸ Provisions for claims and litigation and other contingencies	-	-	-	-	-	-	-	-
TOTAL LONG-TERM PROVISIONS	10	(2)	1	(1)	(1)	0	1	8

(in € millions)	December 31, 2007	Impact on equity ^(*)	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifi- cations and changes in scope ^(*)	December 31, 2008
▸ Provisions for pensions and loyalty bonuses	8	3	1	(1)	(0)	(1)	2	12
▸ Provisions for claims and litigation and other contingencies	-	-	-	-	-	-	-	-
TOTAL LONG-TERM PROVISIONS	8	3	1	(1)	(0)	(1)	2	12

(in € millions)	December 31, 2008	Impact on equity ^(*)	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifi- cations and changes in scope ^(*)	December 31, 2009
▸ Provisions for pensions and loyalty bonuses	12	3	1	(1)	(0)	1	1	16
▸ Provisions for claims and litigation and other contingencies	-	-	-	-	-	-	-	-
TOTAL LONG-TERM PROVISIONS	12	3	1	(1)	(0)	1	1	16

(*) See Note 21.C.

Movements in short-term provisions between January 1, 2007 and December 31, 2009 can be analyzed as follows:

(in € millions)	December 31, 2006	Impact on equity	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifi- cations and changes in scope	December 31, 2007
▸ Tax provisions	37	-	-	-	(13)	-	-	24
▸ Restructuring provisions	3	-	13	(3)	(0)	(1)	-	12
▸ Provisions for claims and litigation and other contingencies	13	-	3	(2)	(0)	0	-	13
TOTAL SHORT-TERM PROVISIONS	53	-	16	(5)	(14)	(1)	-	49

(in € millions)	December 31, 2007	Impact on equity	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifi- cations and changes in scope	December 31, 2008
▸ Tax provisions	24	-	0	(23)	-	(0)	-	1
▸ Restructuring provisions	12	-	4	(7)	(0)	(1)	-	8
▸ Provisions for claims and litigation and other contingencies	13	-	3	(4)	(1)	-	-	12
TOTAL SHORT-TERM PROVISIONS	49	-	7	(34)	(1)	(1)	-	21

(in € millions)	December 31, 2008	Impact on equity	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifi- cations and changes in scope	December 31, 2009
▸ Tax provisions	1	-	0	-	-	0	-	1
▸ Restructuring provisions	8	-	8	(6)	(1)	0	-	9
▸ Provisions for claims and litigation and other contingencies	12	-	45	(4)	(1)	1	-	53
TOTAL SHORT-TERM PROVISIONS	21	-	53	(10)	(2)	1	-	63

At December 31, 2009, short-term provisions for claims and litigation and others mainly included a contingency provision in Venezuela (see Note 9).

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

(in € millions)	Dec. 2007	Dec. 2008	Dec. 2009
EBIT	(1)	(2)	0
Net financial expense	-	0	0
Restructuring costs and impairment losses	10	(4)	41
Income tax expense	(13)	(22)	-
TOTAL	(4)	(28)	41

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) and long-term benefits (long-service awards, long-term disability benefits, loyalty bonuses and seniority bonuses), as well as various post-employment benefits provided under defined contribution and defined benefit plans (length-of-service awards payable on retirement, pension benefits).

Short-term benefit obligations are recognized in the balance sheets of the Group entities concerned.

Post-employment benefits are provided under either defined contribution or defined benefit plans.

Defined contribution plans

Obligations under these plans are funded by periodic contributions to external organizations that are responsible for the administrative and financial management of the plans. The external organization is responsible for all benefit payments and the Group has no liability beyond the payment of contributions. Examples of defined contribution plans include the government-sponsored basic pension and supplementary pension (ARRCO/AGIRC) schemes in France and defined contribution pension schemes in other countries.

Contributions to these plans are recognized in the period to which they relate.

Defined benefit plans

Benefit obligations under the Group's defined benefit plans are generally funded by plan assets, with any unfunded portion recognized as a liability at the balance sheet date.

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 New Services, 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 final 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 when they retire, resign or are laid off. They are determined by reference to the employee's years of service and final salary,
- the related obligation is covered by a provision.

- ▮ pensions: the main defined benefit pension plans are for employees in United Kingdom (42% of the obligation at December 31, 2009), in France and the Worldwide Structures (18% of the obligation at December 31, 2009), in Belgium (17% of the obligation at December 31, 2009) and in Italy (15% of the obligation at December 31, 2009). Pension benefit obligations are determined by reference to employees' years of service and final salary. They are funded by payments to external organizations that are legally separate from the New Services 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.

2009	Rest of Europe				Worldwide Structures	Rest of the world
	France	United Kingdom	Belgium	Italy		
Retirement age	65 years	65 years	65 years	65 years	65 years	55-65 years
Rate of future salary increase	3.0%	3.0%	3.0%	2,5%-3,5%	3%-4%	2%-10%
Payroll tax rate	46%	13%	36%	29%	46%	9%-45%
Discount rate	5.00%	5.60%	5.00%	5.00%	5.00%	4% - 8,68%
Expected return on 2009 plan assets	2,20%-4,5%	5.5%	4.5%	N/A	4.5%	N/A
Expected return on 2010 plan assets	2,20%-4,5%	5.5%	4.5%	N/A	4.5%	N/A

2008	Rest of Europe				Worldwide Structures	Rest of the world
	France	United Kingdom	Belgium	Italy		
Retirement age	65 years	65 years	65 years	65 years	65 years	55-65 years
Rate of future salary increase	3.0%	3.0%	3.0%	2,5%-3,5%	3%-4%	2%-10%
Payroll tax rate	46%	13%	36%	29%	46%	9%-45%
Discount rate	5.50%	5.90%	5.50%	5.50%	5.50%	4% - 8,68%
Expected return on 2008 plan assets	2,20%-4,5%	5.5%	4.5%	N/A	4.5%	N/A
Expected return on 2009 plan assets	2,20%-4,5%	5.5%	4.5%	N/A	4.5%	N/A

2007	Rest of Europe				Worldwide Structures	Rest of the world
	France	United Kingdom	Belgium	Italy		
Retirement age	65 years	65 years	65 years	65 years	65 years	55-65 years
Rate of future salary increase	3.0%	3.0%	3.0%	2.0%	3%-4%	2%-10%
Payroll tax rate	46%	13%	36%	29%	46%	9%-45%
Discount rate	5%-5,25%	5.8%	5.0%	5.0%	5.0%	4% - 8,68%
Expected return on 2007 plan assets	2,20%-4,5%	5.5%	4.5%	N/A	4.5%	N/A
Expected return on 2008 plan assets	2,20%-4,5%	5.5%	4.5%	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 was based on an analysis of investment grade corporate bond yields in each region. The calculation method was designed to obtain a discount rate that was appropriate in light of the timing of cash flows under the plan.

The New Services 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).

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)	Pension plans	Other defined benefit plans (*)	Total
Present value of funded obligation	14	-	14
Fair value of plan assets	(6)	-	(6)
EXCESS OF BENEFIT OBLIGATION/(PLAN ASSETS)	8	-	8
Present value of unfunded obligation	-	8	8
Unrecognized past service cost	-	-	-
LIABILITY RECOGNIZED IN THE BALANCE SHEET	8	8	16

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

At December 31, 2008

<i>(in € millions)</i>	Pension plans	Other defined benefit plans ^(*)	Total
Present value of funded obligation	10	-	10
Fair value of plan assets	(5)	-	(5)
EXCESS OF BENEFIT OBLIGATION/(PLAN ASSETS)	5	-	5
Present value of unfunded obligation	-	7	7
Unrecognized past service cost	-	-	-
LIABILITY RECOGNIZED IN THE BALANCE SHEET	5	7	12

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

At December 31, 2007

<i>(in € millions)</i>	Pension plans	Other defined benefit plans ^(*)	Total
Present value of funded obligation	11	-	11
Fair value of plan assets	(8)	-	(8)
EXCESS OF BENEFIT OBLIGATION/(PLAN ASSETS)	3	-	3
Present value of unfunded obligation	-	5	5
Unrecognized past service cost	-	-	-
LIABILITY RECOGNIZED IN THE BALANCE SHEET	3	5	8

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

Funded status of post-employment defined benefit plans by region

<i>(in € millions)</i>	Pension plans							Other plans			
	2009							2009	2009	2008	2007
	Rest of Europe										
	France	United Kingdom	Belgium	Italy	Worldwide Structures	Other	Total	Other plans	Total 2009	Total 2008	Total 2007
PROJECTED BENEFIT OBLIGATION AT BEGINNING OF PERIOD	2	6	2	2	3	0	15	1	17	16	18
Service cost	0	0	0	0	0	0	1	0	1	1	1
Interest cost	0	0	0	0	0	0	1	0	1	1	1
Employee contributions	-	-	0	-	-	-	0	-	0	0	0
Past service cost	-	-	-	-	-	-	-	-	-	-	-
Curtailements and settlements	-	-	-	-	-	(0)	(0)	(0)	(0)	-	(1)
Acquisitions/(Disposals)	-	-	-	-	-	-	-	-	-	-	0
Benefits paid	(0)	(0)	(0)	(0)	(0)	(0)	(1)	(0)	(1)	(1)	(1)
Actuarial (gains) losses	0	1	0	(0)	1	(0)	2	0	2	2	(2)
Total translation adjustment	-	0	-	-	-	0	0	0	1	(2)	(1)
Total other	(0)	(0)	-	-	0	1	0	(0)	0	1	(0)
PROJECTED BENEFIT OBLIGATION AT END OF PERIOD	2	7	3	2	5	1	19	2	21	17	16

(in € millions)	Rest of Europe						Other plans	Total 2009	Total 2008	Total 2007
	France	United Kingdom	Belgium	Italy	Worldwide Structures	Other				
FAIR VALUE OF PLAN ASSETS AT BEGINNING OF PERIOD	-	4	1	-	(1)	0	5	-	5	8
Actual return on plan assets	-	0	0	-	(0)	(0)	0	-	0	(1)
Employer contributions	-	0	0	-	-	0	1	-	1	0
Employee contributions	-	-	0	-	-	-	0	-	0	0
Benefits paid	-	(0)	(0)	-	-	(0)	(0)	-	(0)	(1)
Settlements	-	-	-	-	-	-	-	-	-	-
Acquisitions/(Disposals)	-	-	-	-	-	-	-	-	-	-
Total translation adjustment	-	0	-	-	-	0	0	-	0	(1)
Total other	-	(0)	-	-	-	-	(0)	-	(0)	(0)
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	-	4	2	-	(1)	0	6	-	6	8

(in € millions)	Rest of Europe						Other plans	Total 2009	Total 2008	Total 2007
	France	United Kingdom	Belgium	Italy	Worldwide Structures	Other				
PLAN DEFICIT AT BEGINNING OF PERIOD	2	2	1	2	3	0	10	1	12	8
Reclassification to assets/liabilities held for sale	-	-	-	-	-	-	-	-	-	-
PLAN DEFICIT AT END OF PERIOD	2	2	1	2	5	1	14	2	16	8

(in € millions)	Rest of Europe						Other plans	Total 2009	Total 2008	Total 2007
	France	United Kingdom	Belgium	Italy	Worldwide Structures	Other				
Service cost	0	0	0	0	0	0	1	0	1	1
Interest cost	0	0	0	0	0	0	1	0	1	1
Expected return on plan assets	-	(0)	(0)	-	-	-	(0)	-	(0)	(0)
Amortization of past service cost	-	-	-	-	-	-	-	-	-	-
Curtailments and settlements	-	-	-	-	-	(0)	(0)	(0)	-	(1)
Amortization of actuarial gains and losses for long-term employee benefits	-	-	-	-	-	-	-	0	0	(0)
Cost for the period	0	0	0	0	0	0	1	0	1	2
AMORTIZATION OF ACTUARIAL GAINS AND LOSSES FOR POST-EMPLOYMENT DEFINED BENEFIT PLANS	0	1	0	(0)	1	0	3	-	3	(2)

Changes in pension liabilities between January 1, 2007 and December 31, 2009

<i>(in € millions)</i>	Amount
LIABILITY AT JANUARY 1, 2007	10
Cost for the year	0
Benefits paid	(1)
Actuarial gains and losses for the period recognized in equity	(2)
Effect of changes in scope of combination	0
Translation adjustment	0
Other	0
LIABILITY AT DECEMBER 31, 2007	8
Cost for the year	2
Benefits paid	(1)
Actuarial gains and losses for the period recognized in equity	3
Effect of changes in scope of combination	0
Translation adjustment	(1)
LIABILITY AT DECEMBER 31, 2008	12
Cost for the year	1
Benefits paid	(1)
Actuarial gains and losses for the period recognized in equity	3
Effect of changes in scope of combination	-
Translation adjustment	1
Other	1
LIABILITY AT DECEMBER 31, 2009	16

Actuarial gains and losses arising from changes in assumptions and experience adjustments

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
PROJECTED BENEFIT OBLIGATION			
Actuarial gains and losses - experience adjustments	0	(0)	(1)
Actuarial gains and losses - changes in assumptions	(2)	2	3
FAIR VALUE OF PLAN ASSETS			
Actuarial gains and losses - experience adjustments	(1)	1	0

Details of plan assets

Detail of plan assets	United Kingdom	Belgium	Worldwide Structures
Equity	55%	15% - 25%	15% - 25%
Bonds	26%	75% - 80%	75% - 80%
Other	19%	0% - 5%	0% - 5%

Sensitivity analysis

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

At December 31, 2009, a 0.5-point increase (decrease) in the discount rate would lead to a €0.4 million decrease (increase) in the projected benefit obligation. The impact on the cost for the year would not be material.

NOTE 22. RECONCILIATION OF FUNDS FROM OPERATIONS

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009
Net profit, Group Share	117	152	(57)
Minority interests	17	25	7
Depreciation, amortization and provision expense	26	37	36
Deferred taxes	(11)	3	(15)
Change in financial provisions	13	(18)	182
FUNDS FROM OPERATIONS	162	199	153
(Gains) losses on disposals of assets, net	(1)	1	(1)
(Gains) losses on non-recurring transactions (including restructuring costs and exceptional taxes)	5	17	32
FUNDS FROM ORDINARY ACTIVITIES	166	217	184

NOTE 23. WORKING CAPITAL, SERVICES VOUCHERS IN CIRCULATION AND RESTRICTED CASH

Note 23.1. Net change in working capital and services vouchers in circulation

<i>(in € millions)</i>	Dec. 2007	Dec. 2008	Dec. 2009	Change 2007/2008	Change 2008/2009
Inventories	10	11	13	1	2
Trade receivables	1,095	846	894	(249)	48
Other receivables and accruals	159	242	248	83	6
WORKING CAPITAL ITEMS - ASSETS	1,264	1,099	1,155	(165)	56
Trade receivables	92	196	140	104	(56)
Other payables	177	292	164	115	(128)
Services vouchers in circulation	2,895	2,587	2,883	(308)	296
Working capital items - liabilities	3,164	3,075	3,187	(89)	112
FLOAT (WORKING CAPITAL)	1,900	1,976	2,032	76	56

DECEMBER 31, 2007 WORKING CAPITAL	1,900
Change in working capital ⁽¹⁾	154
Development Expenditure	2
Disposals	-
Translation adjustment	(87)
Reclassifications	7
NET CHANGE IN WORKING CAPITAL	76
DECEMBER 31, 2008 WORKING CAPITAL	1,976
Change in working capital ⁽¹⁾	111
Development Expenditure	3
Disposals	-
Translation adjustment	(58)
Reclassifications	-
NET CHANGE IN WORKING CAPITAL	56
DECEMBER 31, 2009 WORKING CAPITAL	2,032

(1) See statement of cash flows.

Note 23.2. Net change in restricted cash

Restricted cash corresponds mainly to Services voucher reserve funds whose use is regulated. The countries concerned are France (€486 million), Romania (€55 million) and United Kingdom (€20 millions).

RESTRICTED CASH AT DECEMBER 31, 2007	392
Like-for-like change for the period ⁽¹⁾	49
Translation adjustment	-
Net change in restricted cash	49
RESTRICTED CASH AT DECEMBER 31, 2008	441
Like-for-like change for the period ⁽¹⁾	13
Reclassification from cash and cash equivalents to restricted cash ⁽¹⁾	114
Translation adjustment	(3)
Net change in restricted cash	124
RESTRICTED CASH AT DECEMBER 31, 2009	565

(1) See statement of cash flows.

NOTE 24. CAPITAL EXPENDITURE

Capital expenditure by the New Services Group in the last three years breaks down as follows:

(in € millions)	2007	2008	2009
Recurring expenditure	18	24	30
Development expenditure	125	23	41
TOTAL CAPITAL EXPENDITURE	143	47	71

NOTE 25. BALANCE SHEETS BY GEOGRAPHIC SEGMENT

A. At December 31, 2007

<i>(in € millions)</i>	France	Rest of Europe	Latin America & Caribbean	Rest of the world	Worldwide Structures	Total <i>pro forma</i>
Goodwill	200	214	201	62	3	680
Other non-current assets	59	49	29	14	12	163
TOTAL NON-CURRENT ASSETS	259	263	230	76	15	843
TOTAL CURRENT ASSETS	652	647	863	75	542	2,779
TOTAL ASSETS	911	910	1,093	151	557	3,622
TOTAL EQUITY	(66)	(529)	293	50	(951)	(1,203)
OTHER NON-CURRENT LIABILITIES	17	73	8	14	1,493	1,605
TOTAL NON-CURRENT LIABILITIES	(49)	(454)	301	64	542	404
TOTAL CURRENT LIABILITIES	960	1,364	792	87	15	3,218
TOTAL EQUITY AND LIABILITIES	911	910	1,093	151	557	3,622

B. At December 31, 2008

<i>(in € millions)</i>	France	Rest of Europe	Latin America & Caribbean	Rest of the world	Worldwide Structures	Total <i>pro forma</i>
Goodwill	200	203	167	63	12	645
Other non-current assets	54	53	31	17	20	175
TOTAL NON-CURRENT ASSETS	254	256	198	80	32	820
TOTAL CURRENT ASSETS	731	434	930	74	598	2,767
TOTAL ASSETS	985	690	1,128	154	630	3,587
TOTAL EQUITY	(70)	(803)	324	55	(643)	(1,137)
OTHER NON-CURRENT LIABILITIES	16	320	9	10	1,256	1,611
TOTAL NON-CURRENT LIABILITIES	(54)	(483)	333	65	614	475
TOTAL CURRENT LIABILITIES	1,039	1,173	795	89	16	3,112
TOTAL EQUITY AND LIABILITIES	985	690	1,128	154	630	3,587

C. At December 31, 2009

<i>(in € millions)</i>	France	Rest of Europe	Latin America & Caribbean	Rest of the world	Worldwide Structures	Total <i>pro forma</i>
Goodwill	115	193	203	40	6	557
Other non-current assets	20	25	39	11	72	167
TOTAL NON-CURRENT ASSETS	135	218	242	51	78	724
TOTAL CURRENT ASSETS	845	622	889	113	514	2,983
TOTAL ASSETS	980	840	1,131	164	592	3,707
TOTAL EQUITY	(127)	(462)	363	64	(1,025)	(1,187)
OTHER NON-CURRENT LIABILITIES	2	15	8	1	1,567	1,593
TOTAL NON-CURRENT LIABILITIES	(125)	(447)	371	65	542	406
TOTAL CURRENT LIABILITIES	1,105	1,287	760	99	50	3,301
TOTAL EQUITY AND LIABILITIES	980	840	1,131	164	592	3,707

NOTE 26. CLAIMS AND LITIGATION**Tax audit**

Following a tax audit of Accor Services France's 2003 and 2004 accounts, the tax authorities imposed various fines on the company concerning (i) VAT payments and (ii) failure to produce a schedule tracking capital gains qualifying for rollover relief.

After the tax authorities issued a notice to pay the fines – which totaled €21.8 million – the company settled this amount in April 2008, but also lodged an appeal in September 2009, claiming that the tax authorities' position was without merit.

The appeal was rejected by the tax authorities on October 14, 2009. On December 10, 2009, the company applied to the Montreuil Administrative Tribunal for a ruling on the matter. The application is currently being considered.

This amount was recognized in profit in the 2008 financial statements.

Other claims and litigation

In the normal course of its business, the Group is exposed to various claims and litigations. The Company believes that these claims and litigations will not give rise to any material costs and will not have a material adverse effect on its financial position, business and/or results of operations.

NOTE 27. OFF-BALANCE SHEET COMMITMENTS**Note 27.1. Off-balance sheet commitments given**

Off-balance sheet commitments given amounted to €90 million at December 31, 2009, €83 million at December 31, 2008 and €69 million at December 31, 2007.

The December 31, 2009 amount breaks down as follows:

- ▶ voucher sale guarantees given to public sector entities in Italy for a total of €88 million, including €44 million expiring in less than one year, €21 million expiring in 1 to 5 years and €23 million expiring beyond 5 years (€81 million at December 31, 2008);
- ▶ bank bonds issued in France for €1 million, expiring within one year (€1 million at December 31, 2008);
- ▶ bid bonds issued in Spain for €1 million, expiring within one year (€1 million at December 31, 2008).

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 27.2. Off-balance sheet commitments received

Off-balance sheet commitments received at December 31, 2009 were not material.

NOTE 28. ADDITIONAL INFORMATION ABOUT JOINTLY-CONTROLLED ENTITIES

At the end of each of the three years presented, New Services held shares in five jointly-controlled entities for which the current and non-current assets and liabilities, income and expenses attributable to the Group represented individually less than €14 million.

The companies concerned are:

- ▶ AS-GES;
- ▶ Workplace Benefits;
- ▶ EAR Ireland
- ▶ Employee Advisory R.L;
- ▶ BEA.

NOTE 29. RELATED PARTY TRANSACTIONS

For the purpose of applying IAS 24, the Group has identified the following related parties:

- ▶ all fully or proportionally combined companies;
- ▶ all members of the Executive Committee and the members of their direct families;
- ▶ all companies in which a member of the Executive Committee holds material voting rights;
- ▶ Accor SA.

All fully or proportionally combined companies

Relations between the parent company and its subsidiaries and joint ventures are presented in Note 33. Transactions between the parent company and its subsidiaries - which constitute related party transactions - are eliminated in combination and are therefore not disclosed in these notes. Transactions between the parent company and its joint ventures were not material in the periods presented.

Members of the Executive Committee

Transactions with members of the Executive Committee are disclosed in full in Note 30.

Companies in which a member of the Executive Committee of New Services holds material voting rights

All transactions with companies in which a member of the Executive Committee holds material voting rights represent transactions carried out in the normal course of business on arm's length terms.

Accor

Transactions with Accor during each of the three years presented were as follows:

(in € millions)	Type of transaction	Transaction amount			Receivables			Payables			Off-balance sheet commitments		
		2007	2008	2009	2007	2008	2009	2007	2008	2009	2007	2008	2009
Accor	Inter-entity billings	(29)	(25)	(20)	8	10	2	21	39	55	-	-	-
	Loans	-	-	-	-	-	-	-	-	-	-	-	-

NOTE 30. COMPENSATION PAID TO CORPORATE OFFICERS

(in € millions)	December 31, 2007		December 31, 2008		December 31, 2009	
	Expense	Accrual	Expense	Accrual	Expense	Accrual
Short-term benefits	5	2	5	1	4	2
Post-employment benefits	-	-	-	-	-	-
Other long-term benefits	-	-	-	-	-	-
Termination benefits	-	-	-	-	1	-
Share-based payments	-	-	-	-	1	-
TOTAL COMPENSATION	5	2	5	1	6	2

Corporate officers are the nine historical officers of the New Services business.

NOTE 31. AUDITORS' FEES

The table below shows the total fees billed by the Auditors that were recognized in the income statement for the periods presented.

(in € millions)	2007	2008	2009
Statutory and contractual audit fees	(2)	(2)	(2)
Fees for audit-related services	(0)	(0)	(0)
TOTAL FEES BILLED BY THE AUDITORS	(2)	(2)	(2)

NOTE 32. SUBSEQUENT EVENTS

There have been no reportable events since December 31, 2009.

NOTE 33. MAIN COMBINED COMPANIES AT DECEMBER 31, 2009

The main combined subsidiaries are presented below:

NEW SERVICES				
FRANCE				
Accor Services France	France	IG	99,70%	
Accor Caisse d'Epargne	France	IG	59,82%	
Accentiv'Kadeos	France	IG	99,70%	
EAP	France	IG	99,70%	
Accentiv Travel	France	IG	99,70%	
Servicarte	France	IG	95,83%	
Accor Services Formation	France	IG	99,70%	
AS-GES	France	IP	49,85%	
Fidétel	France	IP	50,00%	
WORLDWIDE STRUCTURES				
ASH	France	IG	100,00%	
ASM	France	IG	100,00%	
Saminvest	France	IG	100,00%	
Deutsche Dauphine	France	IG	100,00%	
REST OF EUROPE				
Accor Services Deutschland	Germany	IG	99,70%	
Quasar Holding	Germany	IG	79,76%	
Quasar Promotions	Germany	IG	79,76%	
Quasar Event	Germany	IG	79,76%	
Quasar Competition	Germany	IG	79,76%	
Quasar Marketing Services	Germany	IG	79,76%	
Quasar Pramien	Germany	IG	79,76%	
Quasar Incentive travel	Germany	IG	79,76%	
Calicado	Germany	IG	99,70%	
Accor Services Austria	Austria	IG	99,87%	
Accor T.R.B.	Belgium	IG	99,32%	
Accor Services Empresariales	Spain	IG	97,71%	
Accor Services Hongrie	Hungary	IG	92,84%	
Accor Participation Italie	Italy	IG	94,64%	
Accor Services Italie	Italy	IG	94,43%	
Euro Servicios Alimentares	Portugal	IG	99,70%	
Fidelis	Portugal	IG	99,14%	
Accor Services CZ SRO	Czech Republic	IG	92,84%	
Exit Trebyc	Czech Republic	IG	92,84%	
Menu Service	Czech Republic	IG	92,84%	
Syas Spol	Czech Republic	IG	92,84%	
Exit	Czech Republic	IG	92,84%	
Accor Services Roumania	Romania	IG	90,78%	
Luncheon vouchers	United Kingdom	IG	99,70%	
Capital Incentives & Motivation	United Kingdom	IG	99,70%	
Employee Advisory Resource Limited	United Kingdom	IP	45,21%	
Motivano	United Kingdom	IG	65,86%	
Prepay	United Kingdom	IG	66,47%	
Clean Way	United Kingdom	IG	99,32%	
LV CET	United Kingdom	IG	99,29%	
Childcare Vouchers	United Kingdom	IG	94,60%	
AS Vouchers Handling	United Kingdom	IG	94,60%	
Capital Wiorld Travel	United Kingdom	IG	99,70%	
EAR	United Kingdom	IP	45,21%	
EAR	Ireland	IP	45,21%	
Vouchers Services Grèce	Greece	IG	47,95%	
Incentiv House Hellas	Greece	IG	67,21%	
Accor Services Slovakia	Slovakia	IG	99,40%	
Rikskuponger	Sweden	IG	99,40%	
Accor Suisse	Switzerland	IG	100,00%	
Académie Accor Services Turquie	Turkey	IG	99,70%	
Accor Services Turquie	Turkey	IG	99,36%	
Netser	Turkey	IP	49,68%	
Romeo & Juliet	Turkey	IG	90,42%	
Accor Services Maroc	Marroco	IG	50,85%	
Accor Services Liban	Liban	IG	79,70%	
Soltis BV	Netherlands	IG	86,13%	
Luncheck	Netherlands	IG	99,69%	
Accor Services Pays-Bas	Netherlands	IG	99,70%	
Tintelingen	Netherlands	IG	99,70%	
Lunch Company	Poland	IG	83,19%	
Corporate Insurance Broker	Hungary	IG	56,00%	
Accor Services Hongrie	Hungary	IG	92,84%	
Accor Services TR	Bulgaria	IG	99,70%	
Accor Services	Bulgaria	IG	96,70%	
Award Services	Belgium	IG	99,70%	
Accor Services Luxembourg	Luxembourg	IG	97,71%	
Accor Services Mali	Mali	IG	74,77%	
Delicard Group	Sweden	IG	99,70%	
Delicard Oy	Finland	IG	99,70%	
Delicard AB	Sweden	IG	99,70%	
Work Solutions	Sweden	IG	98,55%	
In-Actions	Sweden	IG	99,70%	

IG: fully consolidated

IP: consolidated using the proportional method

MEE: accounted for by the equity method

NORTH AMERICA

Accor Services North America inc.	United States	IG	99,70%
Workplace Benefits	United States	IP	45,21%
Advantage 24	United States	IP	45,21%
Wirecommute	United States	IG	99,70%
Commuter Check Services Corporation	United States	IG	99,70%

LATIN AMERICA AND CARIBBEAN

Ticket Brésil	Brazil	IG	99,70%
Ticket Seguros	Brazil	IG	49,65%
G LOG	Brazil	IG	99,31%
Build up	Brazil	IG	74,77%
Accor Brasil Participacoes	Brazil	IG	99,70%
Incentiv House	Brazil	IG	99,70%
Siege Local	Brazil	IG	100,00%
Accor Participations Bresil	Brésil	IG	100,00%
Accor Services Chili	Chile	IG	74,13%
Accor Servicios Empresariales	Mexico	IG	99,40%
Servicios Accor	Mexico	IG	99,41%
Asesoria	Mexico	IG	99,70%
Servicios y Prestaciones	Mexico	IG	99,93%
Sedesa	Mexico	MEE	19,88%
Multibonos Y Servicios	Mexico	IG	99,40%
Accor Services Colombie	Colombia	IG	99,70%
Accor Services Perou	Peru	IG	66,80%
Accor Services Panama	Panama	IG	99,70%
Servicios Empresariales	Venezuela	IG	56,70%
Subsibono Dominicano	Dominican Republic	IG	49,96%
Luncheon Tickets	Uruguay	IG	99,69%
Promote SA	Uruguay	IG	99,69%
Westwell Group	Uruguay	IG	99,00%
Accor Argentina	Argentina	IG	100,00%

OTHER COUNTRIES

Accor Services Australia	Australia	IG	99,70%
Davidson & Trahaire	Australia	IG	99,70%
Royal Image Direct	India	IG	99,70%
Expert Services Mauritius	India	IG	100,00%
SRI Ganesh Hospitality	India	IG	100,00%
Accor Services Inde	India	IG	100,00%
Surfgold	Singapour	IG	99,70%
Surfgold	China	IG	99,70%
Surfgold	Taiwan	IG	99,70%
Surfgold	Korea	IG	99,70%
Surfgold	Hong Kong	IG	99,70%
Surfgold	Inde	IG	99,70%
Accentiv Shanghai Company	China	IG	100,00%
Accor Services Beijing	China	IG	88,52%
Accor Services Shanghai	China	IG	99,70%
Accor Corporate Services	China	IG	99,70%
Accor Services Chengdu	China	IG	50,85%
Accor services Card Vouchers	South Africa	IG	73,70%

10.2.2. STATUTORY AUDITOR'S REPORT

New Services Holding
Société anonyme
166-180 Boulevard Gabriel-Péri
92240 Malakoff

Statutory Auditor's report on the *pro forma* financial statements

Fiscal years ended as at December 31, 2009, 2008 and 2007

This is a free translation into English of the Statutory Auditor's report issued in the French language and is provided solely for the convenience of English speaking readers. Such report should be read in conjunction and construed in accordance with French law and French auditing professional standards.

To the Chief Executive Officer,

In our capacity as Statutory Auditors of New Services Holding, and in application of (EC) regulation no. 809/2004, we have prepared this report on the *pro forma* financial statements of New Services Holding for the financial years ending on December 31, 2009, 2008 and 2007 ("the *pro forma* financial statements"), included in Section 10 of the prospectus dated May 12, 2010 prepared in connection with the planned listing of New Services Holding's shares on Euronext Paris as part of the spinoff of the Accor Group's services business.

These *pro forma* financial statements were prepared solely to illustrate the effect that the spinoff would have had on the combined financial statements of the Services business of the Accor Group as at December 31, 2009, 2008 and 2007, had the transaction occurred as of January 1, 2007. By their nature, *pro forma* financial statements describe a hypothetical situation. They do not necessarily represent what the financial situation or performance of the Group would have been had the Transaction taken place before its actual or expected completion date.

These *pro forma* financial statements were prepared under your responsibility in application of (EC) regulation no. 809/2004 relating to *pro forma* information, based on the audited combined financial statements of New Services Holding as at December 31, 2009, 2008 and 2007.

Our role is to express a conclusion, on the basis of our review, regarding the adequacy of these *pro forma* financial statements, as required by Schedule II, paragraph 7 of (EC) regulation no. 809/2004.

We conducted the diligence that we deemed necessary for this assignment in light of the professional customs of the National Professional Association of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*). Our review, which did not include a review of any of the underlying financial information incorporated into the *pro forma* financial statements, consisted mainly of checking that the basis used for the preparation of such *pro forma* financial statements correspond to the source documents described in the notes to the financial statements entitled "Basis for preparation of the *pro forma* financial statements", examining the elements supporting the information contained in the *pro forma* restatements and meeting with New Services Holding's management in order to collect the information and explanations that we deemed necessary.

In our opinion:

- ▶ the *pro forma* financial statements were adequately prepared on the basis described in the note to the financial statements entitled "Basis for preparation of the *pro forma* financial statements";
- ▶ this basis is consistent with the accounting methods used by the issuer.

Without calling into question the conclusion set forth above, we direct your attention to paragraph "B – Restatement of the *pro forma* financial statements" of our schedule entitled "Basis for the preparation of the *pro forma* financial statements" which presents, in particular, the methods used to allocate a portion of the Accor Group's net financial indebtedness to New Services Holding and where it is specified that:

- ▶ an identical indebtedness amount was allocated to New Services Holding for each of the three prior fiscal years presented;
- ▶ the related financial expense generated by this date was recorded as income for each of the three fiscal years presented and as an offset to shareholders' equity.

This report is issued solely for the purposes of the public offering in France and in other countries of the European Union in which the prospectus approved by the AMF may be used, and may not be used for any other purpose.

Neuilly-sur-Seine, May 11, 2010

The Statutory Auditor

Deloitte & Associés

David Dupont-Noël

A Appendix A

ACCOR S.A.
2 rue de la Mare Neuve
91000 EVRY
RCS EVRY 602 036 444

NEW SERVICES HOLDING S.A.
166-180 boulevard Gabriel Péri
92240 MALAKOFF
RCS NANTERRE 493 322 978

CONTRIBUTION BY ACCOR S.A. OF THE ASSETS OF THE "SERVICES BUSINESS" DIVISION TO NEW SERVICES HOLDING S.A.

REPORT OF THE STATUTORY APPRAISERS ON THE CONSIDERATION OFFERED FOR THE CONTRIBUTION

Jean-Jacques DEDOUIT
19 rue Clément Marot
75008 PARIS

Alain ABERGEL
143 rue de la Pompe
75116 PARIS

Statutory Appraisers

Members of the *Compagnie Régionale de Paris*

Contribution by Accor SA of the assets of the “Services Business” division to New Services Holding SA

Report of the statutory appraisers on the consideration offered for the contribution

Ladies and Gentlemen:

In execution of our engagement by order of the Presiding Judge of the Commercial Court of Nanterre dated March 1, 2010 in connection with the contribution of assets that is to be made by ACCOR SA to New Services Holding SA, we have prepared this report pursuant to Article L. 236-10 of the French Commercial Code. Our assessment of the value of the contribution is presented in a separate report.

The consideration offered for the contribution was established in the contribution agreement executed by the representatives of the concerned companies on April 19, 2010. We have been asked to express an opinion as to the fairness of the consideration offered for the contribution. To this end, we performed our work in accordance with the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* (National Association of Auditors) applicable to this engagement. These standards require us to apply procedures intended to verify that the relative values attributed to the contributed business division and the shares of the beneficiary are appropriate, as well as analyze the relationship of the proposed consideration compared to the relative values that are judged to be appropriate.

Our report is organized as follows:

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1. PRESENTATION OF THE TRANSACTION AND DESCRIPTION OF THE CONTRIBUTION

1.1. Presentation of the companies participating in the transaction

1.1.1. Contributing company

ACCOR SA (also referred to herein as "**the contributing company**") is a French *société anonyme* with share capital of €683,696,886⁽¹⁾, divided into 227,898,962⁽¹⁾ fully paid-up shares with a par value of €3 each.

Its registered office is located at 2, rue de la Mare Neuve, 91000 EVRY. It is registered with the Registry of Commerce and Companies of Evry under number 602 036 444.

The corporate purpose of Accor, "*either on its own behalf or on behalf of or in collaboration with third parties, is:*

- the ownership, financing and management, directly, indirectly, or under specified mandates, of hotels, restaurants, bars of any nature or category and, more generally, any establishment related to lodging, food, tourism, leisure, and services;
- the economic, financial, and technical review of projects and, generally, all services related to the development, organization and management of the above-mentioned establishments, including all actions related to their construction or the provision of any related consulting services;
- the review and provision of services intended to facilitate the supply of meals to employees in companies, institutions and other organizations;
- the creation of any new company and the acquisition of interests by any method in any company operating in any business;
- all civil, commercial, industrial and financial transactions, involving both securities and property, related to the purposes of the Company and all similar or related purposes in France and other countries".

The ACCOR SA shares are listed on Eurolist by NYSE-Euronext Paris under the ISIN code FR0000120404.

ACCOR SA is the parent company of the ACCOR Group, which operates in the hotel and prepaid services sectors in nearly 100 countries. As of December 31, 2009, its consolidated revenue and the consolidated shareholders' equity (Group's share) amounted to €7.065 billion and €2.997 billion, respectively.

1.1.2. Beneficiary

New Services Holding SA, (also referred to herein as "**the beneficiary**") is a French *société anonyme* with share capital of €37,000 divided into 18,500 fully paid-up shares with a par value of €2 each.

Its registered office is located at 166-180, boulevard Gabriel Péri, 92240 MALAKOFF. It is registered with the Registry of Commerce and Companies of Nanterre under number 493 322 978.

The corporate purpose of New Services Holding SA "*both in France and abroad, on its own behalf or on behalf of third parties, is:*

- the development, implementation, promotion, marketing, and management of service vouchers (*titres de service*) in any format, whether physical or not, and, more generally, any service relating to employee and public benefits, rewards and loyalty, and expense management;
- advising, creating, promoting and operating the information systems required for the development and implementation of the service vouchers and transactions referred to above, along with the management of financial transactions relating thereto;
- the provision of consulting services, analysis and expertise to evaluate the administrative, technical, and financial means required for the development and implementation of service voucher policies, as well as the transactions referred to above;
- the acquisition of any interest, by any means, in French or foreign companies or groups with a similar or related corporate purpose;
- public relations and communications management, seminar and conference organization as well as meetings, conventions, performances and events relating to the transactions described above;

(1) I.e., following the capital increase of €5,956,428 through the issue of 1,985,428 shares approved by the Board of Directors on April 19, 2010 upon the delegation of the Shareholders' General Meeting of May 13, 2009, which is mentioned in paragraph 1.2. of the Recitals to the contribution agreement dated April 19, 2010; the recording by the Chief Executive Officer on March 29, 2010 and April 19, 2010 of the capital increase of €338,235 through the issue of 112,745 shares following the exercise of the share subscription options and the distribution of free shares; and the recording by the Board of Directors on May 11, 2010 of the capital increase of €1,027,770 through the issue of 342,590 shares following the exercise of the share subscription options.

- ▶ *the financing and management of the short, medium or long-term cash flow of the companies that it controls or that are under common control with it and, in this regard, entering into any loans in France or abroad, in euros or otherwise, the granting of any loans and advances, in euros or otherwise, and the execution of any cash, placement and hedging transactions; and*
- ▶ *any commercial, industrial, financial, property or real estate transaction that may relate, directly or indirectly, to its corporate purpose and to all purposes that are similar or related and may expedite the execution of any such transaction.*

In order to achieve this purpose, New Services Holding may take any actions or conduct any transactions, regardless of their nature or size, including creating new companies, subscribing for or purchasing new securities or equity interests or conducting any acquisitions or mergers, if they contribute to or facilitate the activities described above, or if they directly or indirectly protect the commercial, industrial or financial interests of New Services Holding, its subsidiaries, or the companies with which it conducts business."

18,494 of the 18,500 shares comprising the share capital of New Services Holding SA are held by ACCOR SA as of the date of this report.

New Services Holding SA did not conduct business prior to December 31, 2009. Since January 1, 2010, New Services Holding SA has entered into cash management, hedging, placement and financing transactions as stated in paragraph II.5 of the Recitals of the contribution agreement. As of December 31, 2009, its shareholders' equity amounted to €25,000.

1.1.3. Links between the Companies

As of the date of this report, the share capital of New Services Holding SA is, as indicated above, held almost entirely by ACCOR SA.

Furthermore, as of the date of this report, Mr Jacques STERN is both Deputy General Manager of ACCOR SA and Chairman of the Board of Directors and Chief Executive Officer of New Services Holding SA.

1.2. Description of the transaction

The contribution of assets described in this report is part of a plan to separate the Accor Group's hotel and services businesses in order to create a new autonomous Group dedicated exclusively to the services business.

According to the contribution agreement executed on April 19, 2010:

"Each of these two business divisions, which are currently the leaders in their respective markets, have reached a critical size and earned an international reputation allowing them to act independently in changing markets.

With 4,100 hotels in 90 countries and 145,000 employees, the hotel operations division is a European market leader and global hotel manager, with a unique foundation in the midscale to economy segments.

Likewise, due to its presence in 40 countries with 33 million users, more than 6,000 employees and an issue volume of €12.4 billion in 2009, the services business is now the global leading provider of employee and public benefits, and a major provider of prepaid services.

Today, it is clear that:

- ▶ *the hotel and services operations leverage specific skills and expertise, and operate in different business environments;*
- ▶ *backed by sufficient independent financial resources, the hotel and services operations will be better positioned in today's increasingly competitive global marketplace;*
- ▶ *separately, the two businesses, each with its own business model, will attract a larger number of investors.*

The purpose of the separation of the two business divisions is to allow the resulting entities to:

- ▶ *pursue two corporate missions, led by dedicated management teams, strengthening employee pride;*
- ▶ *become "pure players", listed separately without any capital ties, with targeted investors for each business, which will enhance each entity's visibility; and*
- ▶ *benefit from new opportunities for partnerships, strategic alliances and financial transactions in order to finance future growth, in particular through the ability to pay in shares."*

The transaction consists of:

- ▶ the contribution by ACCOR SA to New Services Holding of its complete and autonomous business division consisting of the following activities:
 - the provision of services, in particular through the issuance of vouchers for the benefit of employees and the general public, and
 - the provision of prepaid services that enhance the performance of organizations (referred to collectively herein as the “Services Business”), in respect of which we have prepared this report, pursuant to our appointment as statutory appraisers by the Presiding Judge of the Commercial Court of Nanterre on March 1, 2010;
- ▶ followed by the distribution by ACCOR SA to its shareholders (other than ACCOR SA itself) of the shares of New Services Holding issued as consideration for the contribution which will also be admitted for trading on Euronext Paris. This distribution will be carried out on the basis of one New Services Holding SA share for each share of ACCOR SA granting rights to a distribution.

1.3. Description of the contribution

Pursuant to the terms of the contribution agreement executed on March 19, 2010, the contribution will include all of the assets and liabilities relating to the ACCOR Group’s services business in their existing state on the date on which the final completion of the contribution of assets is recorded, which is expected to occur on June 29, 2010, provided that the contribution will not include the loans and advances (other than debit or credit commercial current cash accounts, dividends payable and any accrued interest relating thereto) extended by ACCOR SA to the services business entities or by the services business entities to ACCOR SA, nor the ancillary hedging transactions, since these financings and transactions are expected to be unwound in connection with the Preliminary Transactions as defined in paragraph II.5 of the contribution agreement.

The contribution of assets will also include the intellectual property rights mentioned in Article 1.1. of the contribution agreement executed on April 19, 2010.

Finally, the contributed net assets will include a claim of the beneficiary against the contributing company (or, as the case may be, a claim of the contributing company against the beneficiary) intended to take into account the difference between, on the one hand, the estimated value of the contributed net assets as of June 29, 2010 established in the contribution agreement executed on April 19, 2010, i.e., €1,099,185,385.63, and the final value of the contributed net assets on the other hand, such that the final value of the contribution will be equal to €1,099,185,385.63.

1.4. Valuation of the contribution

To the extent that the contribution of assets described in this report is a reorganization transaction within the ACCOR Group, and given that the transfer of New Services Holding SA shares described in paragraph 1.2. above constitutes a distribution and not a sale to an independent entity, the contribution was appraised at its net book value.

Based on the projected accounting position of the contributed business as of June 29, 2010, the value of the contribution, as estimated by the parties in the contribution agreement executed on April 19, 2010, amounts to €1,099,185,385.63 and can be broken down as follows:

<i>(in euros)</i>	Gross value	Amortization/ Depreciation	Net book value
<i>Concessions, patents, similar rights</i>	12,824,341.29	12,553,581.59	270,759.70
<i>Other intangible assets</i>	164,303.34	0.00	164,303.34
Intangible assets	12,988,644.63	12,553,581.59	435,063.04
<i>Property, plant and equipment</i>	30,266.20	11,993.55	18,272.65
<i>Other tangible assets</i>	1,014,650.07	496,942.30	517,707.77
<i>Current assets</i>	406,006.34	0.00	406,006.34
Tangible assets	1,450,922.61	508,935.85	941,986.76
<i>Participating Interests – French Company 5% to 100%</i>	1,157,764,794.84	131,570,507.20	1,026,194,287.64
<i>Participating Interests – Foreign Company 5% to 100%</i>	105,180,586.18	34,598,604.09	70,581,982.09
<i>Related interest receivable</i>	1,128,032.71	0.00	1,128,032.71
<i>Dividends receivable</i>	24,050,940.84	12,606,924.32	11,444,016.52
<i>Other financial assets</i>	19,802.00	0.00	19,802.00
Financial assets	1,288,144,156.57	178,776,035.61	1,109,368,120.96
TOTAL FIXED ASSETS	1,302,583,723.81	191,838,553.05	1,110,745,170.76
<i>Trade receivables</i>	467,400.00	0.00	467,400.00
<i>Prepaid expenses</i>	182,781.17	0.00	182,781.17
<i>Current accounts</i>	54,342,790.38	49,596,790.38	4,746,000.00
<i>Various debtors</i>	1,082,539.69	1,028,458.00	54,081.69
TOTAL CURRENT ASSETS	56,075,511.24	50,625,248.38	5,450,262.86
TOTAL OF THE CONTRIBUTED ASSETS	1,358,659,235.05	242,463,801.43	1,116,195,433.62 (A)
<i>Provisions for risks</i>			2,612,953.00
<i>Provisions for expenses</i>			8,931,386.00
Provisions for risks and expenses			11,544,339.00
<i>Current accounts</i>			167,000.00
<i>Trade payables and related accounts</i>			2,520,239.54
<i>Tax and social security liabilities</i>			2,778,469.45
Debts			5,465,708.99
TOTAL OF THE ASSUMED LIABILITIES			17,010,047.99 (B)
CONTRIBUTED NET ASSETS (A) – (B)			1,099,185,385.63

As a result of the mechanism provided for in Article 2.4 of the contribution agreement, this amount will remain unchanged despite the fact that New Services Holding SA will assume the assets and liabilities relating to the contributed business at their net book value on the completion date of the contribution.

We note that the appreciation of the value of the contribution is presented in a separate report.

1.5. Consideration for the contribution

Given that ACCOR SA currently holds and intends to retain almost all of the shares of New Services Holding SA until June 29, 2010, the terms of the consideration for the contribution set forth in the contribution agreement executed on April 19, 2010 were established such that one New Services Holding SA share will be issued for every ACCOR SA share entitled to the distribution of shares of New Services Holding SA. All of the shares issued by ACCOR SA, with the exception of those held by ACCOR SA itself, will grant rights to this distribution.

According to the contribution agreement executed on April 19, 2010, the result is a contractual allocation of the amount of the capital increase and the contribution premium. The amount of the capital increase of New Services Holding that will be conducted in consideration for the contribution, the number of shares to be issued as consideration for the contribution and the amount of the contribution premium, will be determined as provided below.

1.5.1. Capital increase

As consideration for the contribution of assets contemplated in the contribution agreement, New Services Holding SA will issue a number of new shares to ACCOR SA corresponding to the number of ACCOR SA shares giving rights to the distribution of New Services Holding SA shares, as stated in paragraph 1.2 of this report.

Based on the information available on the execution date of the contribution agreement, the contributing company and the beneficiary estimated that 225,536,306 ACCOR SA shares would give rights to the distribution of New Services Holding SA shares, but they agreed that the final number would be determined after the suspension of the rights giving access to the share capital of ACCOR SA ⁽²⁾.

Given the issue of 342,590 shares recorded by the Board of Directors of ACCOR SA on May 11, 2010 following the exercises of the share subscription options, the Board of Directors of ACCOR SA and New Services Holding SA acknowledged, as provided in the contribution agreement, that 225,878,896 ACCOR SA shares will give rights to the distribution of New Services Holding SA shares ⁽³⁾.

Accordingly:

- ▶ New Services Holding SA will increase its capital by the nominal amount of €451,757,792, through the issuance of 225,878,896 new shares with a par value of €2 each;
- ▶ the share capital of New Services Holding SA, which currently amounts to €37,000, will thus be increased by the nominal amount of €451,757,792 to €451,794,792, divided into 225,897,396 fully paid-up shares, all of the same class.

The new shares will be entirely fungible with the existing shares and will be subject to all of the provisions of the bylaws of New Services Holding SA. They will grant rights to all of distributions after June 29, 2010 and will be admitted for trading on Euronext Paris as of the Ex-Date (as defined in Article 6.3 of the contribution agreement).

1.5.2. Contribution premium

The difference between the amount of the net assets and the nominal amount of the share capital increase of the Beneficiary will be accounted for as the "contribution premium".

On the basis of a net asset value of €1,009,185,385.63, and assuming a share capital increase of €451,757,792, the contribution premium would amount to €647,427,593.63.

The contribution premium to which the existing and new shareholders of the Beneficiary will be entitled will be recorded as a liability on Beneficiary's balance sheet. It may be allocated as decided by the Beneficiary's Shareholders' Meeting, in accordance with applicable principles.

1.6. Legal and tax aspects

Pursuant to the terms of the contribution agreement executed on April 19, 2010:

- ▶ from a legal standpoint:
 - the contributing company and the beneficiary have agreed that the contribution will be subject to the legal regime for spinoffs, in application of Article L. 236-22 of the French Commercial Code, and to waive any joint liability between them, particularly with regard to the liabilities of the contributing company, in accordance with the provisions of Article L. 236-21 of the French Commercial Code,
 - New Services Holding SA will be, as a result of the completion of the contribution of assets described in this report, substituted for ACCOR SA in all of its rights and obligations in respect of the contributed business;
- ▶ from a tax standpoint:
 - the contribution will be registered subject to the sole payment of a €500 fixed duty,
 - the contribution will be implemented under the standard tax regime (*régime de droit commun*) for corporate income tax purposes;

(2) *I.e., the total number of shares issued by ACCOR SA (227,556,372) recorded on the execution date of the contribution agreement, minus the number of shares that are expected to be held by ACCOR SA itself as of June 29, 2010 (2,020,066).*

(3) *Assuming that the winding-up of Société d'Exploitation et d'Investissement Hôtelier – SEIH is completed by June 29, 2010.*

- ▶ the contribution of assets will be effective for both accounting and tax purposes as of June 29, 2010, following its approval by the General Meetings of Shareholders of the companies participating in the transaction;
- ▶ the contribution of assets is subject to the satisfaction of the conditions precedent presented in Article 8 of the contribution agreement executed on April 19, 2010, which are summarized below:
 - the final completion of the Preliminary Transactions, as defined in the contribution agreement,
 - obtaining a ruling from the early decisions division of the Belgian tax administration confirming the tax treatment of the contribution of the interest held by Accor Hotels Belgium in the share capital of Accor Participacoes described in the request for a ruling submitted by Accor Hotels Belgium,
 - the approval of the Combined General Meeting of Shareholders of ACCOR SA (ruling on an extraordinary basis) of the contribution agreement, including the distribution by the company to its shareholders (other than ACCOR SA itself) of the New Services Holding shares issued as consideration for the contribution,
 - the approval of the Combined General Meeting of Shareholders of ACCOR SA (ruling on an extraordinary basis) of the contribution agreement, including the capital increase to finance the contribution,
 - the execution of a term loan agreement in a principal amount of €900,000,000 between the New Services Holding SA as borrower and a Group of lending banks and the delivery to the New Services Holding SA of the amount it draws down in application of such agreement no later than the day before the date of the Combined General Meeting of Shareholders of ACCOR SA called to approve the contribution agreement in order to reimburse the current account granted by ACCOR SA that is excluded from the contribution of assets,
 - the execution of a term loan agreement in a principal amount of €600,000,000 between the New Services Holding SA as borrower and a Group of lending banks, and the delivery to the New Services Holding SA of the amount it draws down in application of such agreement no later than the day before the date of the Combined General Meeting of Shareholders of ACCOR SA called to approve the contribution agreement in order to reimburse the current cash account granted by ACCOR SA that is excluded from the contribution of assets,
 - the receipt of a visa of the *Autorité des marchés financiers* on the prospectus prepared in application of the General Regulations of the *Autorité des marchés financiers* in connection with the admission of the New Services Holding shares for trading on Euronext Paris; and
 - the decision authorizing the admission of the New Services Holding shares for trading on Euronext Paris.

If any of these conditions is not met by June 29, 2010 at the latest, the contribution agreement will be null and void, without any indemnity obligation binding upon either party, unless ACCOR SA and New Services Holding SA have waived their right to raise the benefit of any unfulfilled condition(s) precedent.

2. VERIFICATION OF THE APPROPRIATENESS OF THE VALUATION OF THE CONTRIBUTION AND SHARES OF THE BENEFICIARY

2.1. Presentation of valuation

As indicated in paragraph 1.5. of this report, given that ACCOR SA currently holds and intends to retain almost all of the shares of New Services Holding SA until June 29, 2010, the terms of the consideration were established such that one New Services Holding SA share will be issued for every ACCOR SA share entitled to the distribution of shares of New Services Holding SA.

Based on the information available on the execution date of the contribution agreement, the consideration was estimated to amount to 225,536,306 shares of New Services Holding SA, taking into account the estimate set forth in the contribution agreement of the number of shares issued by ACCOR SA granting rights to the distribution of shares of the beneficiary.

Given the issue of 342,590 shares recorded by the Board of Directors of ACCOR SA on May 11, 2010 following the exercise of the share subscription options, 225,878,896 ACCOR SA shares will grant rights to the distribution of New Services Holding SA shares, as acknowledged by the Board of Directors of ACCOR SA and New Services Holding SA on May 11, 2010.

2.2. Examination performed

We performed the work that we considered to be necessary pursuant to the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* (National Association of Auditors) applicable to this engagement, requiring us to:

- verify that the relative values attributed to the contributed business division and the shares of the beneficiary are appropriate, and
- analyze the relationship of the proposed payment compared to the relative values that are judged appropriate.

In particular, we performed the following tasks:

1. we held discussions with the managers of the companies involved in this transaction in order to both understand the proposed transaction and the context in which it will take place, and analyze the applicable accounting, legal and tax terms;
2. we have reviewed the contribution agreement executed on April 19, 2010;
3. we have reviewed the draft of the prospectus describing the transaction prepared in view of the admission of the New Services Holding SA shares for trading on Euronext Paris, as well as the draft of the update to the 2009 annual report (*document de reference*) of ACCOR SA;
4. we have reviewed the general report of the Statutory Auditors of ACCOR SA relating to the annual financial statements established as at December 31, 2009 and have verified that these financial statements have been certified without reservation;
5. we have, as part of the separation performed by ACCOR SA, examined the terms of the allocation to the contributed business of the contributed assets and assumed liabilities;
6. we have analyzed the methods used to determine the projected financial position of the contributed business as of June 29, 2010;
7. we have reviewed the results of the contributed business considered as a whole as of March 31, 2010, as well as its 2010 budget and business plan;
8. we have analyzed the approaches of the economic value of the contributed business applied by ACCOR SA and its advisors; based on these elements, we have performed alternative evaluations by varying the main parameters adopted;
9. we have asked the managers of the contributing company and the beneficiary to confirm the exhaustiveness of the information that we have received relating to this contribution, as well as the absence of significant events that are likely to affect the fairness of consideration offered for the contribution;
10. we also relied on the work that we have performed within the framework of our engagement as statutory appraisers responsible for assessing the proposed value of the contribution.

The purpose of our engagement is to inform the shareholders of ACCOR SA and New Services Holding SA concerning the relative values adopted in order to determine the consideration to be offered for the contribution and to assess the fairness thereof. It should not be viewed as a "due diligence" engagement carried out by a lender or a purchaser, and does not include all of the work that must be performed for this type of exercise. Our report may not be used for this purpose.

Moreover, the transaction that is submitted for your approval is part of reorganization in respect of which you have been asked to make a decision, and we are not offering any financial, tax, legal, or accounting advice of any nature whatsoever with respect thereto.

2.3. Verification of the valuation

As indicated in paragraph 2.1. of this report, the consideration established in the contribution agreement is a contractual payment agreed upon by the parties, in respect of which no relative value of the contributed business division and New Services Holding SA has been determined.

3. ASSESSMENT OF THE FAIRNESS OF THE CONSIDERATION

The determination of the amount of the consideration offered for the contribution results in theory from an appraisal using different criteria to represent the respective weight of the contributed business, on the one hand, and New Services Holding SA on the other.

In this case, to the extent that ACCOR SA holds and intends to retain almost all of the shares of New Services Holding SA until the completion date of the contribution, and given that forecasted variation in New Services Holding SA's shareholders' equity as of June 29, 2010, as presented to us, is not significant in light of the contribution transaction, the consideration for the contribution was established on contractual basis.

Within the context of the transaction considered as a whole, i.e., a contribution followed by the distribution of shares of the beneficiary, these consideration terms are intended to allow each holder of one ACCOR SA share (other than ACCOR SA itself) to become, after the transaction, the holder of one ACCOR SA share and one New Services Holding SA share.

It should be emphasized that, in this particular case, ACCOR SA holds almost all of the shares of New Services Holding SA: any modification of the consideration offered for the contribution will have no impact on ACCOR SA's ownership interest in NEW HOLDING SERVICES SA following the transaction described in this report.

Given the terms of the transaction, we believe that the principle of determining the consideration for the contribution contractually does not compromise the interests of the shareholders, and is therefore fair.

This contractual consideration is intended to ensure, in connection with the subsequent distribution, that the holders (other than ACCOR SA itself) of ACCOR SA shares that are outstanding on the Ex-Date, will receive all of the shares issued by New Services Holding SA as consideration for the contribution at the rate of one New Services Holding SA share distributed for one ACCOR SA share entitled to a distribution.

Based on the information available on the execution date of the contribution agreement, i.e., the number of shares issued by ACCOR SA (227,556,372), minus the number of shares that it is expected to hold as of the completion date of the transaction (2,020,066), the contributing company and the beneficiary have estimated that New Services Holding SA will issue **225,536,306 shares** as consideration for the contribution. The parties have agreed that the final number will be recorded later, after the suspension of the rights giving access to the share capital of ACCOR SA.

Given the issuance of 342,590 shares recorded by the Board of Directors of ACCOR SA on May 11, 2010 following the exercise of the share subscription options, New Services Holding SA will issue **225,878,896 shares** as consideration for the contribution of assets⁽⁴⁾, as recorded by the Board of Directors of ACCOR SA and New Services Holding SA on May 11, 2010 in accordance with the principles set forth in the contribution agreement.

4. CONCLUSION

In conclusion of our work, we are of the opinion that the consideration offered for the contribution, involving the issue of one New Services Holding SA share for one ACCOR SA share entitled to the subsequent distribution of New Services Holding SA shares, is fair. Based on the information available on the date of this report, the contributing company and the beneficiary have acknowledged that New Services Holding SA will issue 225,878,896 as consideration for the contribution.

Done in Paris, May 11, 2010

The Statutory Appraisers

Jean-Jacques DEDOUIT

Alain ABERGEL

⁽⁴⁾ Assuming that the winding-up without liquidation of Société d'Exploitation et d'Investissement Hôtelier – SEIH will be completed prior to June 29, 2010.

A Appendix B

NEW SERVICES HOLDING S.A.

166-180 boulevard Gabriel Péri
92240 MALAKOFF
RCS NANTERRE 493 322 978

**CONTRIBUTION BY ACCOR S.A.
OF THE ASSETS OF THE "SERVICES BUSINESS" DIVISION
TO NEW SERVICES HOLDING S.A.**

**REPORT OF THE STATUTORY APPRAISERS
ON THE VALUE OF THE CONTRIBUTION**

Jean-Jacques DEDOUIT
19 rue Clément Marot
75008 PARIS

Alain ABERGEL
143 rue de la Pompe
75116 PARIS

Statutory Appraisers

Members of the *Compagnie Régionale de Paris*

Contribution by Accor SA of the assets of the “Services Business” division to New Services Holding SA

Report of the statutory appraisers on the value of the contribution

Ladies and Gentlemen:

In execution of our engagement by order of the Presiding Judge of the Commercial Court of Nanterre dated March 1, 2010 in connection with the contribution of assets that is to be made by ACCOR SA to New Services Holding SA, we have prepared this report pursuant to Article L. 225-147 of the French Commercial Code. Our assessment of the fairness of the consideration offered for the contribution of assets is presented in a separate report.

The contributed net assets were established in the contribution agreement executed by the representatives of the concerned companies on April 19, 2010. We have been asked to express an opinion as to whether the value of the contribution is excessive. To this end, we performed our work in accordance with the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* (National Association of Auditors) applicable to this engagement. These standards require us to apply procedures designed to assess the value of the contribution, to ensure that they have not been overvalued, and to verify that their value is at least equal to the par value of the shares to be issued by the company to which the assets will be increased, plus the contribution premium.

Our report is organized as follows:

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1. PRESENTATION OF THE TRANSACTION AND DESCRIPTION OF THE CONTRIBUTION

1.1. Presentation of the companies participating in the transaction

1.1.1. Contributing company

ACCOR SA (also referred to herein as "**the contributing company**") is a French *société anonyme* with share capital of €683,696,886⁽¹⁾, divided into 227,898,962⁽¹⁾ fully paid-up shares with a par value of €3 each.

Its registered office is located at 2, rue de la Mare Neuve, 91000 EVRY. It is registered with the Registry of Commerce and Companies of Evry under number 602 036 444.

The corporate purpose of Accor, "*either on its own behalf or on behalf of or in collaboration with third parties, is:*

- *the ownership, financing and management, directly, indirectly, or under specified mandates, of hotels, restaurants, bars of any nature or category and, more generally, any establishment related to lodging, food, tourism, leisure, and services;*
- *the economic, financial, and technical review of projects and, generally, all services related to the development, organization and management of the above-mentioned establishments, including all actions related to their construction or the provision of any related consulting services;*
- *the review and provision of services intended to facilitate the supply of meals to employees in companies, institutions and other organizations;*
- *the creation of any new company and the acquisition of interests by any method in any company operating in any business;*
- *all civil, commercial, industrial and financial transactions, involving both securities and property, related to the purposes of the Company and all similar or related purposes in France and other countries".*

The ACCOR SA shares are listed on Eurolist by NYSE-Euronext Paris under the ISIN code FR0000120404.

ACCOR SA is the parent company of the ACCOR Group, which operates in the hotel and prepaid services sectors in nearly 100 countries. As of December 31, 2009, its consolidated revenue and the consolidated shareholders' equity (Group's share) amounted to €7.065 billion and €2.997 billion, respectively.

1.1.2. Beneficiary

New Services Holding SA, (also referred to herein as "**the beneficiary**") is a French *société anonyme* with share capital of €37,000 divided into 18,500 fully paid-up shares with a par value of €2 each.

Its registered office is located at 166-180, boulevard Gabriel Péri, 92240 MALAKOFF. It is registered with the Registry of Commerce and Companies of Nanterre under number 493 322 978.

The corporate purpose of New Services Holding SA "*both in France and abroad, on its own behalf or on behalf of third parties, is:*

- *the development, implementation, promotion, marketing, and management of service vouchers (titres de service) in any format, whether physical or not, and, more generally, any service relating to employee and public benefits, rewards and loyalty, and expense management;*
- *advising, creating, promoting and operating the information systems required for the development and implementation of the service vouchers and transactions referred to above, along with the management of financial transactions relating thereto;*
- *the provision of consulting services, analysis and expertise to evaluate the administrative, technical, and financial means required for the development and implementation of service voucher policies, as well as the transactions referred to above;*
- *the acquisition of any interest, by any means, in French or foreign companies or groups with a similar or related corporate purpose;*
- *public relations and communications management, seminar and conference organization as well as meetings, conventions, performances and events relating to the transactions described above;*

(1) I.e., following the capital increase of €5,956,428 through the issue of 1,985,428 shares approved by the Board of Directors on April 19, 2010 upon the delegation of the Shareholders' General Meeting of May 13, 2009, which is mentioned in paragraph 1.2. of the Recitals to the contribution agreement dated April 19, 2010; the recording by the Chief Executive Officer on March 29, 2010 and April 19, 2010 of the capital increase of €338,235 through the issue of 112,745 shares following the exercise of the share subscription options and the distribution of free shares; and the recording by the Board of Directors on May 11, 2010 of the capital increase of €1,027,770 through the issue of 342,590 shares following the exercise of the share subscription options.

- ▶ *the financing and management of the short, medium or long-term cash flow of the companies that it controls or that are under common control with it and, in this regard, entering into any loans in France or abroad, in euros or otherwise, the granting of any loans and advances, in euros or otherwise, and the execution of any cash, placement and hedging transactions; and*
- ▶ *any commercial, industrial, financial, property or real estate transaction that may relate, directly or indirectly, to its corporate purpose and to all purposes that are similar or related and may expedite the execution of any such transaction.*

In order to achieve this purpose, New Services Holding may take any actions or conduct any transactions, regardless of their nature or size, including creating new companies, subscribing for or purchasing new securities or equity interests or conducting any acquisitions or mergers, if they contribute to or facilitate the activities described above, or if they directly or indirectly protect the commercial, industrial or financial interests of New Services Holding, its subsidiaries, or the companies with which it conducts business."

18,494 of the 18,500 shares comprising the share capital of New Services Holding SA are held by ACCOR SA as of the date of this report.

New Services Holding SA did not conduct business prior to December 31, 2009. Since January 1, 2010, New Services Holding SA has entered into cash management, hedging, placement and financing transactions as stated in paragraph II.5 of the Recitals of the contribution agreement. As of December 31, 2009, its shareholders' equity amounted to €25,000.

1.1.3. Links between the Companies

As of the date of this report, the share capital of New Services Holding SA is, as indicated above, held almost entirely by ACCOR SA.

Furthermore, as of the date of this report, Mr Jacques STERN is both Deputy General Manager of ACCOR SA and Chairman of the Board of Directors and Chief Executive Officer of New Services Holding SA.

1.2. Description of the transaction

The contribution of assets described in this report is part of a plan to separate the Accor Group's hotel and services businesses in order to create a new autonomous Group dedicated exclusively to the services business.

According to the contribution agreement executed on April 19, 2010:

"Each of these two business divisions, which are currently the leaders in their respective markets, have reached a critical size and earned an international reputation allowing them to act independently in changing markets.

With 4,100 hotels in 90 countries and 145,000 employees, the hotel operations division is a European market leader and global hotel manager, with a unique foundation in the midscale to economy segments.

Likewise, due to its presence in 40 countries with 33 million users, more than 6,000 employees and an issue volume of €12.4 billion in 2009, the services business is now the global leading provider of employee and public benefits, and a major provider of prepaid services.

Today, it is clear that:

- ▶ *the hotel and services operations leverage specific skills and expertise, and operate in different business environments;*
- ▶ *backed by sufficient independent financial resources, the hotel and services operations will be better positioned in today's increasingly competitive global marketplace;*
- ▶ *separately, the two businesses, each with its own business model, will attract a larger number of investors.*

The purpose of the separation of the two business divisions is to allow the resulting entities to:

- ▶ *pursue two corporate missions, led by dedicated management teams, strengthening employee pride;*
- ▶ *become "pure players", listed separately without any capital ties, with targeted investors for each business, which will enhance each entity's visibility; and*
- ▶ *benefit from new opportunities for partnerships, strategic alliances and financial transactions in order to finance future growth, in particular through the ability to pay in shares."*

The transaction consists of:

- ▶ the contribution by ACCOR SA to New Services Holding of its complete and autonomous business division consisting of the following activities:
 - the provision of services, in particular through the issuance of vouchers for the benefit of employees and the general public, and
 - the provision of prepaid services that enhance the performance of organizations (referred to collectively herein as the “Services Business”), in respect of which we have prepared this report, pursuant to our appointment as statutory appraisers by the Presiding Judge of the Commercial Court of Nanterre on March 1, 2010;
- ▶ followed by the distribution by ACCOR SA to its shareholders (other than ACCOR SA itself) of the shares of New Services Holding issued as consideration for the contribution which will also be admitted for trading on Euronext Paris. This distribution will be carried out on the basis of one New Services Holding SA share for each share of ACCOR SA granting rights to a distribution.

1.3. Description of the contribution

Pursuant to the terms of the contribution agreement executed on March 19, 2010, the contribution will include all of the assets and liabilities relating to the ACCOR Group’s services business in their existing state on the date on which the final completion of the contribution of assets is recorded, which is expected to occur on June 29, 2010, provided that the contribution will not include the loans and advances (other than debit or credit commercial current cash accounts, dividends payable and any accrued interest relating thereto) extended by ACCOR SA to the services business entities or by the services business entities to ACCOR SA, nor the ancillary hedging transactions, since these financings and transactions are expected to be unwound in connection with the Preliminary Transactions as defined in paragraph II.5 of the contribution agreement.

The contribution of assets will also include the intellectual property rights mentioned in Article 1.1. of the contribution agreement executed on April 19, 2010.

Finally, the contributed net assets will include a claim of the beneficiary against the contributing company (or, as the case may be, a claim of the contributing company against the beneficiary) intended to take into account the difference between, on the one hand, the estimated value of the contributed net assets as of June 29, 2010 established in the contribution agreement executed on April 19, 2010, i.e., €1,099,185,385.63, and the final value of the contributed net assets on the other hand, such that the final value of the contribution will be equal to €1,099,185,385.63.

1.4. Valuation of the contribution

To the extent that the contribution of assets described in this report is a reorganization transaction within the ACCOR Group, and given that the transfer of New Services Holding SA shares described in paragraph 1.2. above constitutes a distribution and not a sale to an independent entity, the contribution was appraised at its net book value.

Based on the projected accounting position of the contributed business as of June 29, 2010, the value of the contribution, as estimated by the parties in the contribution agreement executed on April 19, 2010, amounts to €1,099,185,385.63 and can be broken down as follows:

<i>(in euros)</i>	Gross value	Amortization/ Depreciation	Net book value
<i>Concessions, patents, similar rights</i>	12,824,341.29	12,553,581.59	270,759.70
<i>Other intangible assets</i>	164,303.34	0.00	164,303.34
Intangible assets	12,988,644.63	12,553,581.59	435,063.04
<i>Property, plant and equipment</i>	30,266.20	11,993.55	18,272.65
<i>Other tangible assets</i>	1,014,650.07	496,942.30	517,707.77
<i>Current assets</i>	406,006.34	0.00	406,006.34
Tangible assets	1,450,922.61	508,935.85	941,986.76
<i>Participating Interests – French Company 5% to 100%</i>	1,157,764,794.84	131,570,507.20	1,026,194,287.64
<i>Participating Interests – Foreign Company 5% to 100%</i>	105,180,586.18	34,598,604.09	70,581,982.09
<i>Related interest receivable</i>	1,128,032.71	0.00	1,128,032.71
<i>Dividends receivable</i>	24,050,940.84	12,606,924.32	11,444,016.52
<i>Other financial assets</i>	19,802.00	0.00	19,802.00
Financial assets	1,288,144,156.57	178,776,035.61	1,109,368,120.96
TOTAL FIXED ASSETS	1,302,583,723.81	191,838,553.05	1,110,745,170.76
<i>Trade receivables</i>	467,400.00	0.00	467,400.00
<i>Prepaid expenses</i>	182,781.17	0.00	182,781.17
<i>Current accounts</i>	54,342,790.38	49,596,790.38	4,746,000.00
<i>Various debtors</i>	1,082,539.69	1,028,458.00	54,081.69
TOTAL CURRENT ASSETS	56,075,511.24	50,625,248.38	5,450,262.86
TOTAL OF THE CONTRIBUTED ASSETS	1,358,659,235.05	242,463,801.43	1,116,195,433.62 (A)
<i>Provisions for risks</i>			2,612,953.00
<i>Provisions for expenses</i>			8,931,386.00
Provisions for risks and expenses			11,544,339.00
<i>Current accounts</i>			167,000.00
<i>Trade payables and related accounts</i>			2,520,239.54
<i>Tax and social security liabilities</i>			2,778,469.45
Debts			5,465,708.99
TOTAL OF THE ASSUMED LIABILITIES			17,010,047.99 (B)
CONTRIBUTED NET ASSETS (A) – (B)			1,099,185,385.63

As a result of the mechanism provided for in Article 2.4 of the contribution agreement, this amount will remain unchanged despite the fact that New Services Holding SA will assume the assets and liabilities relating to the contributed business at their net book value on the completion date of the contribution.

1.5. Consideration for the contribution

As consideration for the contribution of assets contemplated in the contribution agreement, New Services Holding SA will issue a number of new shares to ACCOR SA corresponding to the number of ACCOR SA shares giving rights to the distribution of New Services Holding SA shares, as stated in paragraph 1.2 of this report.

Based on the information available on the execution date of the contribution agreement, the contributing company and the beneficiary estimated that 225,536,306, ACCOR SA shares would give rights to the distribution of New Services Holding SA shares, but they agreed that the final number would be determined after the suspension of the rights giving access to the share capital of ACCOR SA.

Given the issue of 342,590 shares recorded by the Board of Directors of ACCOR SA on May 11, 2010 following the exercises of the share subscription options, the Board of Directors of ACCOR SA and New Services Holding SA acknowledged that 225,878,896 ACCOR SA shares will give rights to the distribution of New Services Holding SA shares⁽²⁾.

We note that our assessment of the fairness of the consideration offered for the contribution is presented in a separate report.

1.6. Legal and tax aspects

Pursuant to the terms of the contribution agreement executed on April 19, 2010:

► from a legal standpoint:

- the contributing company and the beneficiary have agreed that the contribution will be subject to the legal regime for spinoffs, in application of Article L. 236-22 of the French Commercial Code, and to waive any joint liability between them, particularly with regard to the liabilities of the contributing company, in accordance with the provisions of Article L. 236-21 of the French Commercial Code,
- New Services Holding SA will be, as a result of the completion of the contribution of assets described in this report, substituted for ACCOR SA in all of its rights and obligations in respect of the contributed business;

► from a tax standpoint:

- the contribution will be registered subject to the sole payment of a €500 fixed duty,
- the contribution will be implemented under the standard tax regime (*régime de droit commun*) for corporate income tax purposes;
- the contribution of assets will be effective for both accounting and tax purposes as of June 29, 2010, following its approval by the General Meetings of Shareholders of the companies participating in the transaction;
- the contribution of assets is subject to the satisfaction of the conditions precedent presented in Article 8 of the contribution agreement executed on April 19, 2010, which are summarized below:
 - the final completion of the Preliminary Transactions, as defined in the contribution agreement,
 - obtaining a ruling from the early decisions division of the Belgian tax administration confirming the tax treatment of the contribution of the interest held by Accor Hotels Belgium in the share capital of Accor Participacoes described in the request for a ruling submitted by Accor Hotels Belgium,
 - the approval of the Combined General Meeting of Shareholders of ACCOR SA (ruling on an extraordinary basis) of the contribution agreement, including the distribution by the company to its shareholders (other than ACCOR SA itself) of the New Services Holding shares issued as consideration for the contribution,
 - the approval of the Combined General Meeting of Shareholders of ACCOR SA (ruling on an extraordinary basis) of the contribution agreement, including the capital increase to finance the contribution,
 - the execution of a term loan agreement in a principal amount of €900,000,000 between the New Services Holding SA as borrower and a Group of lending banks and the delivery to the New Services Holding SA of the amount it draws down in application of such agreement no later than the day before the date of the Combined General Meeting of Shareholders of ACCOR SA called to approve the contribution agreement in order to reimburse the current account granted by ACCOR SA that is excluded from the contribution of assets,
 - the execution of a term loan agreement in a principal amount of €600,000,000 between the New Services Holding SA as borrower and a Group of lending banks, and the delivery to the New Services Holding SA of the amount it draws down in application of such agreement no later than the day before the date of the Combined General Meeting of Shareholders of ACCOR SA called to approve the contribution agreement in order to reimburse the current cash account granted by ACCOR SA that is excluded from the contribution of assets,
 - the receipt of a visa of the *Autorité des marchés financiers* on the prospectus prepared in application of the General Regulations of the *Autorité des marchés financiers* in connection with the admission of the New Services Holding shares for trading on Euronext Paris; and
 - the decision authorizing the admission of the New Services Holding shares for trading on Euronext Paris.

If any of these conditions is not met by June 29, 2010 at the latest, the contribution agreement will be null and void, without any indemnity obligation binding upon either party, unless ACCOR SA and New Services Holding SA have waived their right to raise the benefit of any unfulfilled condition(s) precedent.

(2) Assuming that the winding-up of Société d'Exploitation et d'Investissement Hôtelier – SEIH is completed by June 29, 2010.

2. WORK PERFORMED AND ASSESSMENT OF THE VALUE OF THE CONTRIBUTED ASSETS

2.1. Examination performed

We performed the work that we considered to be necessary pursuant to the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* (National Association of Auditors) applicable to this engagement, requiring us to:

- ▮ confirm the existence of the contributed assets and evaluate the impact of elements that could call their value into question;
- ▮ evaluate the methods used to determine the value of the contribution;
- ▮ verify that the economic value of the contribution, considered as a whole, is at least equal to the value proposed in the contribution agreement.

In particular, we performed the following tasks:

1. we held discussions with the managers of the companies involved in this transaction in order to both understand the proposed transaction and the context in which it will take place, and analyze the applicable accounting, legal and tax terms;
2. we have reviewed the contribution agreement executed on April 19, 2010;
3. we have reviewed the draft of the prospectus describing the transaction prepared in view of the admission of the New Services Holding SA shares for trading on Euronext Paris, as well as the draft of the update to the 2009 annual report (*document de référence*) of ACCOR SA;
4. we have verified that the principles used to value the contribution conform to the book value in light of the provisions of Regulation 2004-01 of the *Comité de la Réglementation Comptable*;
5. we have reviewed the general report of the Statutory Auditors of ACCOR SA relating to the annual financial statements established as at December 31, 2009 and have verified that these financial statements have been certified without reservation;
6. we have, as part of the separation performed by ACCOR SA, examined the terms of the allocation to the contributed business of the contributed assets and assumed liabilities;
7. we have analyzed (provided, however, that our works do not constitute an audit or a limited examination), the methods used to determined the projected financial position of the contributed business as of June 29, 2010:
 - a. we have reviewed the financial position of the contributed assets and assumed liabilities set forth in the financial statements of ACCOR SA as at December 31, 2009,
 - b. we have analyzed the accounting principles of ACCOR SA, relating to the contributed assets and assumed liabilities in respect of the first quarter of 2010,
 - c. we have reviewed the forecasted variations in the net book value of the contributed assets and assumed liabilities between April 1, 2010 and June 29, 2010,
 - d. we have examined, in particular, the effects of the Preliminary Transactions, as defined in the contribution agreement executed on April 19, 2010, on the projected accounting position of the contributed business as of June 29, 2010;
8. in particular, we have analyzed the methods used to determine the net book values of the contributed equity interests (*titres de participation*):
 - a. we have confirmed the ownership by the contributing company of the contributed equity interests,
 - b. we have held discussions with the internal audit departments of ACCOR SA in order to understand the method by which the ACCOR Group predicts the financial and operational risks relating to its subsidiaries,
 - c. we have reviewed the financial statements for 2008 and 2009 of the companies in respect of whose equity interests will be contributed, as well as those of their direct or indirect subsidiaries, the opinions of the legal auditors relating thereto, as well as their budgets for the 2010 fiscal year and results for the first quarter of 2010,
 - d. we have analyzed the methods used by the ACCOR Group to evaluate asset impairment for purposes of preparing the consolidated and unconsolidated financial statements,
 - e. we have reviewed the depreciation tests used by the ACCOR Group and the reflection in ACCOR SA's financial statements of the impact of these tests on the net book value of the contributed equity interests; we have carried out sensitivity analyses on these tests by varying the main parameters adopted,
 - f. we have performed alternative valuations of the contributed equity interests;

9. we have reviewed the results of the contributed business considered as a whole as of March 31, 2010, as well as its 2010 budget and business plan;
10. we have analyzed the approaches of the economic value of the contributed business applied by ACCOR SA and its advisors; based on these elements, we have performed alternative evaluations by varying the main parameters adopted;
11. we have reviewed the appraisals, prepared by outside accounting firms, of the intellectual property rights associated with the contributed business;
12. we have asked the managers of the contributing company and the beneficiary to confirm the exhaustiveness of the information that we have received relating to this contribution, as well as the absence of significant events that are likely to affect the value of the contribution;
13. we also relied on the work that we have performed within the framework of our engagement as statutory appraisers responsible for assessing the fairness of the consideration offered for the contribution.

The purpose of our engagement is to inform the shareholders of New Services Holding SA with respect to the adopted value of the contribution, in order to verify that the global value of the contribution is not excessive and that it corresponds to at least the par value of the shares to be issued by the beneficiary of the contribution, plus the contribution premium. It should not be viewed as a "due diligence" engagement carried out by a lender or a purchaser, and does not include all of the work that must be performed for this type of exercise.

Moreover, the transaction that is submitted for your approval is part of reorganization in respect of which you have been asked to make a decision, and we are not offering any financial, tax, legal, or accounting advice of any nature whatsoever with respect thereto.

2.2. Appreciation of the value of the contributions

2.2.1. Individual values of the contributions

2.2.1.1. Principle of the valuation method

Pursuant to the terms of the contribution agreement executed on April 19, 2010, and provided that:

- the contribution of assets described in this report is a transaction that will be conducted within the ACCOR Group;
- the transfer of the shares of NEW HOLDING SERVICES SA to the shareholders of ACCOR SA will be made through a distribution and not through a sale.

the contributing company and the beneficiary have assessed the contributed assets and assumed liabilities at their net book value, in light of the provisions of Regulation 2004-01 of the Comité de la Réglementation Comptable.

Given that, immediately following the distribution, New Services Holding SA will have substantially the same ownership structure as that of ACCOR SA (excluding treasury shares), the valuation method of the contribution of assets based on the net book value of the contributed assets and assumed liabilities does not call for any comment on our part.

2.2.1.2. Separation

The ACCOR Group has historically conducted a specific audit of the results and the assets and liabilities attached to the contributed business, for purposes of its financial statements.

We have reviewed these principles and verified their application. Accordingly, the separation of the contributed assets and assumed liabilities attributable to the contributed company appears to us to be satisfactory and does not call for any further comment on our part.

2.2.1.3. Individual values

Generally speaking, we note that, given that the contribution of assets will be carried out on the basis of the assets and liabilities of the contributed business, in their existing state on the date of the completion of the transaction, i.e., June 29, 2010, the net book value of the assets and liabilities as of this date was estimated by the contributing company and the beneficiary. This estimated value, which amounts to €1,099,185,385.63, is set forth in the contribution agreement dated April 19, 2010. In principle, the final net book value of these items as at June 29, 2010 is likely to differ from the estimated value set forth in the contribution agreement. In order to take this potential difference into account, the contribution includes a claim of the beneficiary against the contributing company (or, as the case may be, a claim of the contributing company against the beneficiary) intended to ensure that the contributed net assets on the completion date, taking into account this claim as an asset or liability and the amount of which will be determined in accordance with the procedure set forth in Article 2.4 of the contribution agreement, will be, in any event, equal to the amount of the net assets adopted in the contribution agreement, i.e., €1,099,185,385.63.

With respect to the equity interests, based on the work that we have done, which is described in paragraph 2.1. of this report, their contribution value elicits the following comments:

- ▶ as a general matter, according to the consolidated financial statements of ACCOR SA, we have noted that the contributed business achieved gross operating margin in excess of 40% in 2008 and 2009⁽³⁾;
- ▶ to the extent that the contribution of assets is carried out at net book value, the value of the contributed equity interests is, on the whole, a function of their economic value based on the estimated future profits of the companies whose securities are contributed and, as the case may be, of their direct or indirect subsidiaries;
- ▶ this comment is all the more pertinent for those companies that were formed, rather than purchased, by ACCOR SA, whose profits are not, in application of prudent accounting principles, reflected in the net book value;
- ▶ in contrast, the value of the contributed equity interests of the companies purchased by the ACCOR Group depends on such companies' ability to implement the business plan on the basis of which the acquisition price was determined or, if applicable, the business plan underlying the depreciation recorded in the books of ACCOR SA; in particular, the value of the contributed equity interest in ACCENTIV'KADEOS, acquired by the ACCOR Group in 2007, depends on whether this company will implement the business plan justifying the depreciation of its securities by €104.6 million (i.e., almost half of the purchase price), recorded in the financial statements of ACCOR SA as at December 31, 2009.

With regard to the other contributed assets and liabilities, based on the work that we have done, as described in paragraph 2.1. of this report, their net book value does not call for any comment on our part.

2.2.2. Value of the contributions considered as a whole

We verified that the overall value of the contribution was not called into question by the economic value of the contributed business.

Our analysis of the approach to the economic value of the contributed company applied by ACCOR SA and its advisors and the sensitivity analyses that we performed do not call into question the value of the contribution. We note, in particular, that the value of the contribution, i.e., €1,099,185 thousand, represents approximately three times the EBITDA generated by the contributed business in the 2009 fiscal year. This number, which is relatively conservative for company valuations, suggests that the value of the contributions has not been overstated.

We also note that:

- ▶ pursuant to Article 2.4. of the contribution agreement, the value of the contribution is subject to an adjustment mechanism intended, once the net book value of the contributions is finalized on June 29, 2010, to supplement the contributed net assets with a claim intended to bring the value of these net assets to the level set forth in the contribution agreement dated April 19, 2010;
- ▶ the contributed assets include the intellectual property rights mentioned in Article 1.1. of the contribution agreement executed on April 19, 2010; the contribution value of these items, equal to their net book value, amounting to €52 thousand; the reports relating to the estimates of the actual value of these intellectual property rights, which we have reviewed, are consistent with this net book value.

These items confirm the value of the contributions presented in the contribution agreement executed on April 19, 2010.

Nevertheless, the following items should be noted:

- ▶ the value of the contributions, which relies on the net book value of the contributed assets and the assumed liabilities, and hence, in particular, on the depreciation rate of the recorded equity interests, and
- ▶ the method used to determine the economic value of the contributed business applied by ACCOR SA;

depend in particular on the assumptions formulated by management in the business forecasts underlying these depreciations and methods used to determine the economic value of the contributed business. With respect to the forecasts, which are by nature uncertain, actual results may differ, sometimes significantly, from the forecasted information which has been adopted. This comment is particularly significant in light of the current economic crisis. If this crisis persists for a long period of time and changes the parameters of the market, this context could be significantly affected; such a hypothetical situation cannot be assessed.

Based on our work, the value of the contributions considered as a whole do not call for any comment on our part.

(3) Gross operating margin corresponds to the ratio of gross operating profit (which corresponds in turn to operating income before amortization, depreciation and provisions) and revenue.

3. CONCLUSION

In conclusion of our work, we are of the opinion that the value of the contributions, i.e., €1,099,185,385.63 is not excessive and that therefore, the contributed net assets are at least equal to the amount of the capital increase of the company receiving the contribution of assets, increased by the contribution premium.

Done in Paris, May 11, 2010

The Statutory Appraisers

Jean-Jacques DEDOUIT

Alain ABERGEL

SUPPLEMENT

DATED JUNE 10, 2010 TO THE PROSPECTUS GRANTED VISA No. 10-128 ON MAY 12, 2010

Made available to the public in connection with the admission of the shares of Edenred⁽¹⁾ (the "Company") for trading on Euronext Paris following the spinoff of Edenred shares to Accor shareholders.



Pursuant to Articles L. 412-1 and L. 621-8 of the French Monetary and Financial Code (*Code monétaire et financier*) and Articles 211-1 to 214-3 of its *Règlement Général*, the *Autorité des marchés financiers* (the "AMF") has granted visa no. 10-170 dated June 10, 2010 to this supplement. The Company and Accor prepared this supplement and the signatories are responsible for its contents in accordance with section 9.2 of this supplement, in accordance with Article L. 621-8-1-I of the French Monetary and Financial Code, after verification by the AMF of "*the relevance and consistency of the information provided herein*". It implies neither approval of the suitability of the transaction nor validation of the accounting and financial information presented herein.

The prospectus approved by the AMF is comprised of:

- the prospectus approved by the AMF on May 12, 2010 under visa no. 10-128; and
- this supplement to the prospectus.

Copies of this supplement and the prospectus approved by the AMF on May 12, 2010 under visa no. 10-128 may be obtained free of charge at the registered offices of the Company: 166-180, boulevard Gabriel-Péri – 92240 Malakoff, France, and Accor: Immeuble Odyssey, 110, avenue de France – 75210 Paris, as well as on the websites the Company (www.edenred.com), of Accor (www.accor.com) and of the AMF (www.amf-france.org). The prospectus constitutes a schedule to the reports of the Board of Directors to be presented at the Combined General Shareholders' Meetings of Accor and the Company convened to approve the spinoff of shares of New Services Holding. The approval of the Combined General Shareholders' Meeting of Accor is a condition precedent for the transaction to be completed.

(1) The current legal name of the Company is New Services Holding. It is anticipated that its future legal name, Edenred, will be adopted by the Combined General Shareholders' Meeting of June 29, 2010.

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Introduction

This supplement (the **"Supplement"**) forms a part of, and should be read together with, the prospectus that was granted visa no. 10-128 on May 12, 2010 and was made available to the public at the time of the admission for trading of the Company's shares on Euronext Paris following the spinoff of the Company's shares to Accor shareholders (the **"Prospectus"**). The Supplement, prepared as indicated in section 9.6 of the Prospectus, is a supplement within the meaning of Article 212-25 of the AMF's General Regulations.

The defined terms used in this Supplement that are not otherwise defined herein have the meanings attributed to them in the Prospectus.

Other than those items mentioned in this Supplement, no other new material elements, material errors or inaccuracies have been identified in respect of the information included in the Prospectus since its publication.

The Supplement identifies those paragraphs of the Prospectus that are modified. The other information contained in the Prospectus remains unchanged.

The Supplement does not constitute (i) an offer to sell or subscribe for, or a solicitation of an offer to purchase or subscribe for, the shares described in the Prospectus, or (ii) a solicitation of any consent or favorable vote in respect of the transactions described in the Prospectus.

Copies of this Supplement and the Prospectus may be obtained free of charge at the registered offices of the Company: 166-180, boulevard Gabriel-Péri – 92240 Malakoff, France, and Accor: Immeuble Odyssey, 110, avenue de France – 75210 Paris, as well as on the websites of the Company (www.edenred.com), of Accor (www.accor.com) and of the AMF (www.amf-france.org).

Summary of the Prospectus

Visa no. 10-128
of the AMF dated May 12, 2010

The information included in the Prospectus remains unchanged with the exception of paragraph 2 of the summary, which is modified as follows:

2. Information concerning the issuer

2.1. COMPANY NAME

The Company is currently known as New Services Holding. Its permanent name will be Edenred and the corresponding amendment of the Company's bylaws will be submitted for the approval of the Company's Combined General Shareholders' Meeting on June 29, 2010.

2

Management's discussion and analysis of results of operations and financial condition

2.6.6.2. Conditions of the Company's future financing agreements

On June 9, 2010, Standard & Poor's attributed a credit rating of BBB+ (outlook stable) to the Company. If this credit rating remains unchanged at the time of execution of the Company's financing agreements, which is scheduled to take place prior to the Combined General Shareholders' Meetings of the shareholders of the Company and Accor on June 29, 2010, the Company's financing costs will be as set forth in the pro forma financial statements presented in section 10.2.1 of the Prospectus.

In such case, the commitment letters entered into on May 10, 2010 provide that the financing agreements that will be entered into pursuant to these commitment letters will not include an acceleration clause that could be triggered by a credit rating downgrade.

The Company is not aware of any existing circumstances that would be likely to cause Standard & Poor's to change the rating that it has just attributed to the Company before the execution date of the financing agreements⁽²⁾.

In any event, these financing agreements will not include an acceleration clause that could be triggered by the downgrading of the Company's credit rating after they are executed (see section 3.4 "Credit rating sensitivity risks" of the Prospectus).

⁽²⁾ However, in the event that the Company's credit rating were downgraded as of the execution date of the financing agreements but remained solid investment grade, the Company's financing costs would increase by 25 basis points and the financing agreements that will be entered into pursuant to the commitment letters would include an acceleration clause based on a leverage ratio test (Consolidated Net Debt to Consolidated EBITDA of at least 3 to 1). Based on gross debt of €1,500 million as of December 31, 2009, the impact of such a rate increase on the Company's annual financing costs would be €3.7 million (see the 6th, 7th and 8th paragraphs of section 2.6.6.2. of the Prospectus which describe the consequences of a ratings downgrade before the execution date of the financing agreements).

5 Corporate governance

5.1. Administrative, management and supervisory bodies

5.1.1. COMPOSITION OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

5.1.1.1. Composition of the Board of Directors

Following the Combined General Shareholders' Meeting of June 29, 2010 called to approve the Transaction, the Company's Board of Directors will be composed of 12 members, including seven directors who are independent according to the December 2008 AFEP-MEDEF code of corporate governance for listed companies (for a description of the independence criteria used by the Company, see the paragraph entitled "Independent Directors (Article 1 of the internal code of the Board of Directors)" in section 5.1.2.2 of the Prospectus). Colony Capital has two representatives on the Company's Board of Directors, Sébastien Bazin and Nadra Moussalem, and Eurazeo has two representatives, Virginie Morgon and Patrick Sayer.

The newly formed Board of Directors will meet for the first time following the Combined General Shareholders' Meeting on June 29, 2010 (see "Deliberations of the Company's Board of Directors meeting that will be held following the General Shareholders' Meeting of June 29, 2010" below).

The General Shareholders' Meeting of May 10, 2010 decided that the amount of the annual attendance fees to be payable to the Board of Directors will be €500,000, subject to the satisfaction of the non-retroactive condition precedent of the admission of the Company's shares for trading on Euronext Paris. The internal rules to be adopted by the Board of Directors in its first meeting following the Combined General Shareholders' Meeting of June 29, 2010 will define the parameters for the allocation of these fees among the directors.

The appointment of the directors will be submitted for the approval of the Company's General Shareholders' Meeting that will be held on June 29, 2010. Jacques Stern will retain his position as Chief Executive Officer.

The table below presents the composition of the Board of Directors following the general meeting of June 29, 2010 if the proposed appointments are approved, as well as the principal positions held outside of the Company during the past five years by Jacques Stern and the directors whose appointment will be submitted for the approval of the General Shareholders' Meeting.

Name or company name of the board member	Age	Expiration date of the term	Main position with the Company	Principal directorships and other positions held outside of the Company during the past five years
Jacques Stern	45	Ordinary General Meeting called to approve the financial statements for the fiscal year ending on December 31, 2013	Chief Executive Officer	<p>Directorships and positions held on the date of the Supplement:</p> <ul style="list-style-type: none"> Deputy Chief Executive Officer of Accor⁽³⁾; Chairman and Chief Executive Officer of ASM; Chairman of Accor Services Participations SAS, IBL; Non-partner Manager of Sodetis⁽³⁾; Director of Hotelaria Accor Brazil⁽³⁾; Chairman of IBL, LLC⁽³⁾; Director of Accor Lodging North America Inc.⁽³⁾ and Accor North America Inc.⁽³⁾; Director of Accor Partecipazioni Italia Srl⁽³⁾; Chairman of Sodenos⁽³⁾. <p>Former directorships and positions held in the past five years:</p> <ul style="list-style-type: none"> Permanent representative of Accor on the Board of Directors of Accor.com, Société Française de Participations et d'Investissements Européens, Devimco; Permanent representative of IBL on the Board of Directors of Société de Participation et d'Investissements de Motels; Member of the Supervisory Board of the Lucien Barrière group SAS; Member of Management Board of Accor; Director, then permanent representative of Accor on the Board of Directors of the Société des Hôtels et Casino de Deauville – SHCD; Member of the Supervisory Board of Financière Courtepaille; Member of the Supervisory Board then Director of Club Méditerranée; Permanent representative of Accor on the Supervisory Board of the Lucien Barrière group; Permanent representative of Saminvest on the Board of Directors of Accor.com; Permanent representative of Soparec's on the Board of Directors of Go Voyages; Permanent representative of Spif on the Board of Directors of Sogepar; Member of the Supervisory Board of Accor Austria AG; Director of Accor Asia, Accor Hôtels Belgium; Deputy Director of Accorination; Director of Carousel Hotel Corporation, Red Roof Inn; Director of Accor Hospitality Italia Srl, Scapa Italia Srl.
Jean-Paul Bailly	63	Ordinary General Meeting called to approve the financial statements for the fiscal year ending on December 31, 2011	Independent Director	<p>Directorships and positions held on the date of the Supplement:</p> <ul style="list-style-type: none"> Chairman of La Poste; Chairman of the Supervisory Board of La Banque Postale; Director of Systar; Director of CNP Assurances; Director of Accor; Director of GDF Suez, representing the French State; Director of Sopassure; Member of the Supervisory Board of La Banque Postale Asset Management; Permanent representative of La Poste as a director of GeoPost; Permanent representative of La Poste as a director of Sofipost; Permanent representative of La Poste as a director of Poste Immo; Permanent representative of La Poste as Chairman of SF 12; Permanent representative of La Poste as a director of Xelian. <p>Former directorships and positions held in the past five years:</p> <ul style="list-style-type: none"> Manager of Systra Finances; Permanent representative of La Poste as a director of SF 2; Permanent representative of La Poste as a director of the Groupement des Commerçants du Grand Var intercompany partnership.

(3) Jacques Stern will cease his functions with this company on June 29, 2010 at the latest.

Name or company name of the board member	Age	Expiration date of the term	Main position with the Company	Principal directorships and other positions held outside of the Company during the past five years
Sébastien Bazin	48	Ordinary General Meeting called to approve the financial statements for the fiscal year ending on December 31, 2011	Director	<p>Directorships and positions held on the date of the Supplement:</p> <ul style="list-style-type: none"> Chief Executive Officer of Colony Capital Europe; Chairman of Colony Capital SAS; Chairman of Colwine SAS, Colfilm SAS and Bazeo Europe SAS; Chairman and Chief Executive Officer of Société d'Exploitation Sports & Événements and Holding Sports & Événements; Chairman of the Supervisory Board of Paris Saint Germain Football; Member of the Supervisory Board of ANF (Les Ateliers du Nord de la France) and groupe Lucien Barrière (SAS); Chief Executive Officer of Toulouse Canceropole and ColSpa SAS; Director of Accor, Moonscoop IP and Carrefour Moonscoop SAS; Manager of CC Europe Invest (SARL); General partner of CES Tenesol and Réunion 2008; Chairman of RSI SA; Director of Sisters SA. <p>Former directorships and positions held in the past five years:</p> <ul style="list-style-type: none"> Member of the Supervisory Board of Accor; Member of the Supervisory Board of Carrefour; Chairman of the Board of Directors of Château Lascombes; Chairman of Colbison SAS, SAIP, SAS Spazio, Front de Seine Participations SAS, Coladria SAS, Financière Baltimore SAS, SAS Baltimore, Financière Le Parc SAS, SAS Le Parc, SAS ABC Hotels, SAS Défense CB3, SHAF (SAS) and ColEven SAS; Vice-Chairman of the Supervisory Board of Buffalo Grill; Manager of Colony Santa Maria EURL, Colony Pinta SNC, Colony Santa Maria SNC, Colony Le Châlet EURL and Colmassy (SARL).
Anne Bouverot	44	Ordinary General Meeting called to approve the financial statements for the fiscal year ending on December 31, 2011	Independent Director	<p>Directorships and positions held on the date of the Supplement:</p> <ul style="list-style-type: none"> Director of Orange SA; Director of GSMA (international association of mobile telecommunications operators); Member of the scientific council of France Telecom; Director and member of the Audit Committee of Groupama SA. <p>Former directorships and positions held in the past five years:</p> <ul style="list-style-type: none"> President of France Telecom North America.
Philippe Citerne	61	Ordinary General Meeting called to approve the financial statements for the fiscal year ending on December 31, 2012	Independent Director	<p>Directorships and positions held on the date of the Supplement:</p> <ul style="list-style-type: none"> Chairman of Telecom & Management SudParis; Chairman of Systèmes Technologiques d'Échanges et de Traitement (STET); Director of Accor, Sopra group and Rexecode. <p>Former directorships and positions held in the past five years:</p> <ul style="list-style-type: none"> Deputy Chief Executive Officer of Société Générale; Director of Crédit du Nord, Geneval and Grosvenor Continental Europe; Member of the Supervisory Board of Sopra group; Permanent representative of Société Générale on the Supervisory Board of Accor; Permanent representative of Société Générale on the Board of Directors of TF1; Director of TCW; Director of Unicredito Italiano; Director of SG Hambros Bank Ltd Management; Director of Rosbank.

Name or company name of the board member	Age	Expiration date of the term	Main position with the Company	Principal directorships and other positions held outside of the Company during the past five years
Gabriele Galateri di Genola	63	Ordinary General Meeting called to approve the financial statements for the fiscal year ending on December 31, 2013	Independent Director	<p>Directorships and positions held on the date of the Supplement:</p> <ul style="list-style-type: none"> Chairman of Telecom Italia SpA; Director of Accor; Chairman of TIM Participações SA; Chairman of TIM Brasil Serviços e Participações SA; Chairman of the Board of Directors of Istituto Italiano di Tecnologia; Director of Accor Hospitality Italia (formerly Sifalberghi) Srl, Fiera Di Genova SpA, Banca Esperia SpA, Banca CARIGE, Italmobiliare SpA, Cassa di Risparmio di Savigliano, UTET SpA, Azimut-Benetti SpA, Istituto Europeo di Oncologia and Accademia Nazionale di Santa Cecilia; Director of San Faustin NV. <p>Former directorships and positions held in the past five years:</p> <ul style="list-style-type: none"> Director of Worms & Cie; Member of the Supervisory Board of Accor; Member of the Central Advisory Board of Commerzbank; Chairman of Tim Participações SA; Chairman of Mediobanca SpA, Business Solution SpA, Ciao Web Srl, Emittente Titoli SpA and Fiat Auto SpA; Vice-Chairman and Managing Director of Egidio Galbani SpA; Director of Alpitour Italia SpA, Atlanet SpA, Birra Peroni Industriale SpA, IFI SpA, La Rinascente SpA, Siemens Italia and Toro Assicurazioni SpA; Managing Director of Fiat SpA and Ifil SpA; Director and member of the Executive Committee of SanPaolo IMI SpA; Consigliere Accomandatario of Giovanni Agnelli & C. Sapaz; Mediobanca representative in the Patto di Sindacato of Gemina SpA and GIM SpA; Chairman of the Centro Cardiologico Monzino and Istituto Europeo di Oncologia; Director of Pirelli & C. SpA; Vice-Chairman of RCS Mediagroup; Director of SanPaolo IMI Investments; Director of Exor group; Managing Director of Eurofind SA; Chairman of Fiat Auto Holding BV and Iveco NV; Director of CNH Global NV and New Holding For Tourism BV; Director of Ferrari SpA; Director of Arjo Wiggins Appleton; Member of the International Advisory Board of Morgan Stanley; Vice-Chairman of IHF Internationale Holding Fiat SA; Vice-Chairman of Assicurazioni Generali SpA; Member of the Patto di Sindacato Pirelli & C. SpA.
Françoise Gri	52	Ordinary General Meeting called to approve the financial statements for the fiscal year ending on December 31, 2011	Independent Director	<p>Directorships and positions held on the date of the Supplement:</p> <ul style="list-style-type: none"> Chairman of Manpower France; Executive Vice President of Manpower Inc.; Member of the Executive Committee of Manpower Inc.; Member of the independent Supervisory Board of Rexel; Member of the Ethics Committee of Medef; Member of the steering Committee of the Institute de l'entreprise; Member of the Board of Directors of the École Centrale de Paris. <p>Former directorships and positions held in the past five years:</p> <ul style="list-style-type: none"> Member of the Board of Directors of STX Europe ASA; Vice President of the Fondation Agir contre l'Exclusion.

Name or company name of the board member	Age	Expiration date of the term	Main position with the Company	Principal directorships and other positions held outside of the Company during the past five years
Roberto Lima	59	Ordinary General Meeting called to approve the financial statements for the fiscal year ending on December 31, 2011	Independent Director	<p>Directorships and positions held on the date of the Supplement:</p> <ul style="list-style-type: none"> Chairman of Vivo SA; Chairman of Vivo Participações SA; Chairman of the Instituto Vivo; Chairman of Telemig SA; Member of the Board of Directors of Fundação Abrinq; Member of the Board of Directors of Centro de Pesquisa e Desenvolvimento em Telecomunicações; Member of the Board of Directors of Telebrasil (Associação Brasileira de Telecomunicações); Member of the Board of Directors of ACEL (Associação Nacional das Operações de Celulares). <p>Former directorships and positions held in the past five years:</p> <ul style="list-style-type: none"> Chairman of Grupo Credicard; Chairman of the Board of Directors of Grupo Credicard.
Bertrand Meheut	58	Ordinary General Meeting called to approve the financial statements for the fiscal year ending on December 31, 2011	Independent Director	<p>Directorships and positions held on the date of the Supplement:</p> <ul style="list-style-type: none"> Chairman of the Management Board of Canal+ group, Canal+ France; Chairman of the Board of Directors of Canal+; Chairman of the Supervisory Board of StudioCanal; Chairman of Canal+ Régie; Member of the Management Board of Vivendi; Member of the Management Council of Canal Overseas; Representative of Canal+ France as Managing Partner of Kiosque; Representative of Canal+ group as Co-Managing Partner of Canal+ Editions; Permanent representative of Canal+ group as a director of Sport+; Member of the Board of Directors of Accor and Aquarelle. <p>Former directorships and positions held in the past five years:</p> <ul style="list-style-type: none"> Chairman and Chief Executive Officer of Canal+; Chairman of the Board of Directors of Canal+ Distribution; Chairman of the Board of Directors of StudioCanal; Chairman of the Board of Directors of Holding Sport & Événements; Permanent representative of Canal+ and manager of NPA; Director of Multithématiques, PSG Football, CanalSatellite; Chairman of the Board of Directors of StudioCanal; Chairman of Canal+ Active; Permanent representative of Canal+ and manager of Société d'Exploitation d'un Service d'Exploitation (SESI); Director of SFR; Chairman of Kiosque Sport; Chairman of the Board of Directors of Canal+ International Development; Chairman of the Board of Directors of Canal+ Régie; Permanent representative of Canal+ and director of Canal+ Finance.

Name or company name of the board member	Age	Expiration date of the term	Main position with the Company	Principal directorships and other positions held outside of the Company during the past five years
Virginie Morgon	40	Ordinary General Meeting called to approve the financial statements for the fiscal year ending on December 31, 2011	Director	<p>Directorships and positions held on the date of the Supplement:</p> <ul style="list-style-type: none"> Member of the Executive Board of Eurazeo; Director of Accor; Chief Executive Officer of LH APCOA; Member of the Board of Directors of the Women's Forum (WEFCOS); Chairman of the Supervisory Board of APCOA Parking AG; Chairman of the Supervisory Board of APCOA Parking Holdings GmbH; Managing Director of APCOA group GmbH; Chairman of the Board of Directors of Broletto 1 Srl; Manager of Euraleo; Manager of Intercos SpA. <p>Former directorships and positions held within the past five years:</p> <ul style="list-style-type: none"> Chairman of the Supervisory Board of the B&B Hotels group; Member of the Board of Directors of Club L-Femmes Forum; Managing Partner of Lazard Frères et Cie; Vice-Chairman of the Supervisory Board of APCOA Parking Holdings GmbH.
Nadra Moussalem	33	Ordinary General Meeting called to approve the financial statements for the fiscal year ending on December 31, 2011	Director	<p>Directorships and positions held on the date of the Supplement:</p> <p>None.</p> <p>Former directorships and positions held in the past five years:</p> <ul style="list-style-type: none"> Director of the Front de Seine Hôtel company; Manager of the Front de Seine Participations company.

Name or company name of the board member	Age	Expiration date of the term	Main position with the Company	Principal directorships and other positions held outside of the Company during the past five years
Patrick Sayer	52	Ordinary General Meeting called to approve the financial statements for the fiscal year ending on December 31, 2013	Director	<p>Directorships and positions held on the date of the Supplement:</p> <ul style="list-style-type: none"> Chairman of the Executive Board of Eurazeo; Vice-Chairman of the Supervisory Board of ANFI Immobilier and Rexel SA; Chief Executive Officer of Legendre Holding 19, Immobilière Bingen and Legendre Holding 8; Director of Europcar groupe SA, of SASP Paris Saint Germain Football, of Holdelis and of Accor; Manager of Investco 3d Bingen (non-trading company); Chairman of Eurazeo Capital Investissement (formerly Eurazeo Partners SAS); Chairman of the Supervisory Board of APCOA Parking Holdings GmbH; Director of Gruppo Banca Leonardo; Director of Colyzeo Investment Advisors. <p>Former directorships and positions held in the past five years:</p> <ul style="list-style-type: none"> Manager of Euraleo Srl (Italy); Permanent representative of ColAce SARL on the Supervisory Board of the Lucien Barrière group; Chairman of the Board of Directors of Legendre Holding 18; Chairman and Vice-Chairman of the Supervisory Board of the B&B Hotels group; Chairman of the Supervisory Board of Fraikin groupe; Chairman of the Board of Directors of BlueBirds Participations SA (Luxembourg); Vice-Chairman of the Supervisory Board of Financière Galaxie SAS and Galaxie SA; Director of Rexel Distribution SA; Director of Eutelsat SA, and Eutelsat Communications; Director of IRR Capital; Director of Ipsos; Director of RedBirds Participations SA (Luxembourg); Director of Rexel SA (formerly Ray Holding SAS) and Ray Acquisition (SAS); Director of SatBirds (SAS); Chief Executive Officer of Legendre Holding 11; Member of the Supervisory Board of Presses Universitaires de France; Chairman of Association Française des Investisseurs en Capital (AFIC); Member of the Board of Directors of Lazard LLC; Managing Partner of Partena; Manager of Investco 1 Bingen (non-trading company); Permanent representative of Lux Tiles SARL on the Management Board (<i>Conseil de Gérance</i>) of Clay Tiles Sponsors; Chairman of the Advisory Board of APCOA Parking Holdings GmbH (formerly Perpetuum Beteiligungsgesellschaft GmbH); Chairman of the Supervisory Board of APCOA Parking AG (formerly AE Holding AG).

Personal information concerning the members of the Board of Directors

Jacques Stern

Chief Executive Officer

A graduate of the *École Supérieure de Commerce de Lille*, Jacques Stern began his career with Pricewaterhouse as a contractual auditor. He joined Accor in 1992 and has held various financial positions within the Accor group before being named Chief Financial Officer in January 2003. In March 2005, he became a member of the Management Board responsible for Finance. In 2006, Mr. Stern was appointed Executive Vice President in charge of Finance, Purchasing and Information Systems and member of the Executive Committee. In March 2009, Mr. Stern was made Deputy Chief Executive Officer in charge of Finance, Strategy, Hotel Development and Information Systems. Since December 2009, he has been the Deputy Chief Executive Officer in charge of Accor Services and Finance.

Jean-Paul Bailly

Director

A graduate of the *École Polytechnique* and the Massachusetts Institute of Technology, Jean-Paul Bailly held various positions with the Paris Transit Authority (*RATP*), including Manager of the Paris Metro and RER suburban rail system, Personnel Director, Deputy Chief Executive Officer and then Chairman and Chief Executive Officer. Appointed Chairman of the French Post Office (*groupe La Poste*) in 2002, Mr. Bailly has also been Chairman of the Supervisory Board of La Banque Postale since 2006.

Sébastien Bazin

Director

Sébastien Bazin holds a Master of Science in Management from the *Université Paris Sorbonne*. Before joining Colony Capital in 1997, he served as Vice President of PaineWebber's mergers and acquisitions Group in London and New York, as a Director of Hottinguer Rivaud Finances and finally as a Director and the Chief Executive Officer of Immobilière Hôtelière. He has been the Chief Executive Officer of Colony Capital Europe since 1999.

Anne Bouverot

Director

Anne Bouverot graduated from the *École Normale Supérieure* and from *Télécom Paris*. She was the pre-sales operations manager of Global One from 1996 to 2002. In August 2004, she became the office manager for the General Manager of the Orange group and then, in November 2006, international development manager of France Telecom. Since March 2009, Anne Bouverot has been the Manager of the Mobile Phone Services and Terminals group at France Telecom. Since October 2008, she has also been a Director of Groupama SA.

Philippe Citerne

Director

After graduating from the *École Centrale de Paris* and holding a number of positions in the French Finance Ministry, Philippe Citerne joined Société Générale in 1979, where he served as Vice President of Economic Research, Vice President Finance and Vice President Human Relations, prior to becoming Director, Deputy Chief Executive Officer and Chief Operating Officer from 1997 to April 2009. He is the Vice-Chairman of the Board of Directors of Accor.

Gabriele Galateri di Genola

Director

Gabriele Galateri di Genola, who has an MBA from Columbia University, held various positions at Saint-Gobain, then at Fiat beginning in 1977. He was appointed Deputy Director of IFIL in 1986 and Managing Director in 1993. He was President of Mediobanca until June 2007. Gabriele Galateri di Genola has been President of Telecom Italia since December 2007.

Françoise Gri

Director

A graduate of *Ensimag*, Françoise Gri joined the IBM group in 1981 and became Director of the e-business solutions Marketing and Sales division of IBM EMEA in 1996. She became director of Commercial Operations for IBM EMEA in 2000. Françoise Gri was Chairman and Chief Executive Officer of IBM France from 2001 to 2007. Since March 2007, Françoise Gri has been the Chairman of Manpower France.

Robert Lima

Director

Robert Lima holds an MBA from the *Universidade Fundação Getúlio Vargas* and a Strategic Planning masters degree from the *Institut Supérieur des Affaires – groupe HEC* and held various management positions in information technology and finance with Rhodia and Saint Gobain SA before joining Accor where, for 17 years, he has moved from a position as treasury manager to that of finance manager and Executive Vice President. From 1999 to 2005, Roberto Lima was the Chairman of the Board, Chairman and Chief Executive Officer of the Credicard group in Brazil. Since July 2005, he has been the Chairman and Chief Executive Officer of Vivo Participações SA and of Vivo SA, the largest mobile phone operator in Brazil.

Bertrand Meheut

Director

A graduate of the *École des Mines de Paris* with a degree in civil engineering, Bertrand Meheut spent most of his career with Rhône-Poulenc and later Aventis CropScience, serving first as Deputy Chief Operating Officer, Europe, in charge of corporate services for the Agro division and then successively as Chief Executive Officer of the German subsidiary, Deputy Chief Executive Officer of Rhône-Poulenc Agro and Executive Vice President and Chief Operating Officer Europe. Following the merger of Rhône-Poulenc and Hoechst, which became Aventis, Mr. Meheut was appointed Chief Executive Officer of Aventis CropScience. He joined Canal+ group in 2002 and is Chairman of the Management Board of the Canal+ group.

Virginie Morgon

Director

Virginie Morgon graduated from the *Institut d'Études Politiques de Paris* and holds a master's degree in economics and management from the Bocconi in Milan. A Member of the Eurazeo Management Board since January 2008, she co-leads the investment team. After working as an investment banker in New York and London and then Paris from 1991 to 2000, she was Managing Partner of Lazard Frères et Cie from 2001 to 2007.

Nadra Moussalem

Director

A graduate of the *École Centrale de Lyon*, Nadra Moussalem joined Colony Capital in 2000 where he is currently the Managing Director. In particular, he is in charge of the identification, evaluation, execution and management of the European investments of the fund.

Patrick Sayer

Director

A graduate of the *École Polytechnique* and *École des Mines de Paris*, Patrick Sayer was a managing partner at Lazard Frères et Cie in Paris and Managing Director of Lazard Frères & Co. in New York. He participated in the creation of Fonds Partenaires from 1989 to 1993 and later helped redefine the investment strategy of Gaz et Eaux, which merged to become Eurazeo. He has been Chairman of Eurazeo's Management Board since May 2002.

Certifications concerning the members of the Board of Directors

To the best of the Company's knowledge, none of the members of the Board of Directors are related.

To the best of the Company's knowledge, in the last five years: (i) none of the members of the Board of Directors nominated for approval by the General Shareholders' Meeting of June 29, 2010 (a "member of the Board of Directors") has been convicted of fraud, (ii) none of the members of the Board of Directors has been a party to a bankruptcy, receivership or liquidation proceedings, (iii) no official accusation or public sanction has been issued against a member of the Board of Directors by any statutory or regulatory authorities (including designated professional bodies) and (iv) no member of the Board of Directors has been prohibited by a court order from serving on the Board of Directors, Management Board or Supervisory Board of a public company, or from being involved in the management or the conduct of business of a public company.

Conflicts of interests at the level of the Board of Directors and executive management

There are no potential conflicts of interests for the future members of the Board of Directors and the executive management between their professional duties and personal interests.

Deliberations of the Company's Board of Directors meeting that will be held following the General Shareholders' Meeting of June 29, 2010

Consistent with principles of good governance, it was decided that the corporate governance rules that will apply to the Company as of the admission of its shares for trading on Euronext Paris will be established by the Board of Directors that will be appointed by the General Shareholders' Meeting of June 29, 2010, seven of the members of which will be independent directors within the meaning of the criteria set forth in the December 2008 AFEP-MEDEF Code of Corporate Governance for listed companies.

The Board of Directors meeting to be held following the General Shareholders' Meeting of June 29, 2010 will:

- designate the December 2008 AFEP-MEDEF Code of Corporate Governance for listed companies as the Company's code of reference, specifying any provisions of the code that will not apply and the reasons therefor;
- adopt internal rules defining its organization and operation in addition to all legal, regulatory and statutory provisions that apply to the Company, the powers and attributions of the Board of Directors and the Committees that it will establish;
- form an audit and Risk Committee, an Commitments Committee and a Compensation and Nominations Committee;

- ▶ determine the compensation to be paid to the Chairman and Chief Executive Officer of the Company based on the recommendations of the Compensation and Nominations Committee, as well as the commitments that may be made to him by the Company in connection with his resignation or the modification of his duties, or following such modifications; and
- ▶ adopt, define the specific terms of, and implement an incentive plan (i.e., a grant of free share subscription options and performance shares) pursuant to the authorizations granted during the General Shareholders' Meeting of May 10, 2010.

In addition to the press releases that will be circulated, more detailed information concerning the governance of the Company will be provided in its half-year financial report.

5.1.2.2. Internal code of the Board of Directors

This Supplement corrects an error appearing in the paragraph concerning the "Limitations on the powers of the executive management (Article 4 of the internal code of the Board of Directors)": the language "any share buyback in an amount over €1 billion per year; and" is an error and should read as follows:

"Any transaction involving the shares of the Company carried out in application of Article L.°225-209 of the French Commercial Code, provided that it relates to more than 1 million shares (per transaction) and up to 2 million shares per year; and".

6 Presentation and terms of the transaction

6.3.2. LEGAL ASPECTS OF THE TRANSACTION

6.3.2.1. The Transaction

Pursuant to the provisions of Article L. 236-18 of the French Commercial Code, the Transaction was submitted for the approval of the Accor bondholders. The general meetings of the holders of three series of Accor bonds met on May 25, 2010 and approved the Contribution Agreement in its entirety as well as the contribution by Accor of its services business in favor of the Company within the framework of a contribution subject to the legal regime for spinoffs, followed by the spinoff by Accor to its shareholders (other than Accor itself) of the shares of the Company issued as consideration for the contribution.

6.3.2.3. Consideration for the Transaction

The winding-up without liquidation of *Société d'Exploitation et d'Investissement Hôtelier* – SEIH was completed.

7 Information about the Company and its share capital

7.1. Information about the Company

7.1.1. COMPANY NAME

The Company is currently known as New Services Holding. Its permanent name will be Edenred and the corresponding amendment of the Company's bylaws will be submitted for the approval of the Company's Combined General Shareholders' Meeting on June 29, 2010.

7.2. Information concerning the Company's shares

7.2.1. DESCRIPTION OF THE COMPANY'S SHARES

7.2.1.1. Type, class and dividend rights date (*date de jouissance*) of shares admitted for trading – ISIN code

The Company's ISIN code that will be used to trade its shares on Euronext Paris is FR0010908533.

The Company's ticker symbol is EDEN.

9

Other information

9.1. Shareholder relations and documents available to the public

Eliane Rouyer-Chevalier

Executive Vice President Corporate Communications, Investor Relations and Corporate Social Responsibility

Solène Zammito

Director of Investor Relations and Financial Communication

Immeuble Colombus

166-180, boulevard Gabriel-Péri

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9.2. Persons responsible for the prospectus

9.2.1. RESPONSIBLE PERSONS

9.2.1.1. Person responsible for the prospectus

Mr. Gilles Pélisson, Chief Executive Officer of Accor and Mr. Jacques Stern, Chief Executive Officer of the Company.

9.2.1.2. Certification of responsible persons

"We certify, after taking all reasonable measures to this effect, that the information in this supplement is, to our knowledge, true and accurate and no information has been omitted that would alter the contents of the document.

We have obtained a "*lettre de fin de travaux*" from the Statutory Auditors in which they indicate that they have verified the information concerning the financial position and the financial statements included in this supplement, and they have read this supplement in its entirety.

The Statutory Auditors prepared reports concerning the annual historical combined financial statements for the fiscal years ending December 31, 2007, December 31, 2008 and December 31, 2009, which are presented in section 10.1.1 "historical combined financial statements" of this prospectus, and the annual *pro forma* financial statements for the fiscal years ending December 31, 2007, December 31, 2008 and December 31, 2009 which are presented in section 10.2.1 of this prospectus. These reports appear respectively in section 10.1.2 "Statutory Auditors' report concerning the historical combined financial statements" and in section 10.2.2 "Statutory Auditors' report concerning the historical *pro forma* financial statements" of this prospectus. The report concerning the *pro forma* financial statements contains the following observations:

- ▶ Without calling into question the conclusion set forth above, we direct your attention to paragraph "B – Restatement of the *pro forma* financial statements" of our schedule entitled "Basis for the preparation of the *pro forma* financial statements" which presents, in particular, the methods used to allocate a portion of the Accor group's net financial indebtedness to New Services Holding, and where it is specified that:
 - an identical amount of debt was allocated to New Services Holding for each of the three prior fiscal years presented; and
 - the related financial expense generated by this date was recorded as income for each of the three fiscal years presented and as an offset to shareholders' equity."

Signed in Paris, on June 10, 2010

Gilles Pélisson
Chief Executive Officer of Accor SA

Jacques Stern
Chief Executive Officer of the Company

9.7. Cross-reference table for information in this Supplement

The table below indicates the sections and pages of this Supplement that provide key information under the headings required by Annex I of European Commission Regulation (EC) no. 809/2004 of April 29, 2004.

Only those sections modified by this Supplement are indicated. For all other sections, please refer to the Prospectus.

No.	Item in the Regulation	Section(s)
1	Persons responsible	
1.1.	Persons responsible for the information contained in this prospectus	9.2. (Persons responsible for the Prospectus)
1.2.	Declaration by the persons responsible for the prospectus	9.2. (Persons responsible for the Prospectus)
2	Statutory Auditors	
2.1.	Name and address of the issuer's Statutory Auditors	
2.2.	Statutory Auditors who have resigned or whose contracts have not been renewed during the period covered	
3	Selected financial information	
3.1.	Selected historical financial information	
3.2.	Selected financial data for interim and quarterly periods and comparable data covering the same year-earlier periods	
4	Risk factors	
5	Information regarding the Company	
5.1.	History and development of the Company	
5.1.1.	<i>Corporate and commercial name</i>	7.1.1. (Company name)
5.1.2.	<i>Place of registration and registration number</i>	
5.1.3.	<i>Date of incorporation and term</i>	
5.1.4.	<i>Registered head office and legal status of the issuer, jurisdiction governing its activities, country of origin, address and telephone number</i>	
5.1.5.	<i>Important events in the development of the issuer's business</i>	6.3.2.1. (The Transaction)
5.2.	Investments	
5.2.1.	<i>Principal investments made by the issuer during each financial year of the period covered by the historical financial data</i>	
5.2.2.	<i>Principal issuer investments currently in progress</i>	
5.2.3.	Information concerning the main investments that the issuer plans to make in the future and which are subject to a formal undertaking	
6	Business overview	
6.1.	Principal activities	
6.1.1.	<i>Nature of the operations performed by the issuer and its principal activities</i>	
6.1.2.	<i>New major product or service launched on the market</i>	
6.2.	Principal markets	
6.3.	Events that have influenced the information provided in accordance with points 6.1 and 6.2	
6.4.	Extent to which the issuer is dependent on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	
6.5.	The basis for any statements made by the issuer regarding its competitive position	

No.	Item in the Regulation	Section(s)
7	Organization chart	
7.1.	Description of the Group and the issuer's position within the Group	
7.2.	List of the issuer's significant subsidiaries	
8	Property, plant and equipment	
8.1.	Significant existing or planned tangible fixed assets including rented real estate assets	
8.2.	Environmental issues that may impact the issuer's utilization of its tangible fixed assets	
9	Analysis of the P&L and financial situation	
9.1.	Financial situation of the issuer, evolution of this financial situation and results of operations conducted during each year and interim period for which historical financial information is required	
9.2.	Operating income	
9.2.1.	<i>Important factors, including unusual or infrequent events or new developments that have or could have a significant impact on the issuer's operating income</i>	
9.2.2.	<i>Evolution of revenue and explanation of the evolution</i>	
9.2.3.	<i>Government strategy or policy, whether economic, budgetary, monetary or political, that has had or could have a significant impact on the issuer's operations</i>	
10	Capital resources	
10.1.	Information on the issuer's capital resources (short- and long-term)	
10.2.	Sources and amounts of the issuer's cash flows	
10.3.	Information on the issuer's borrowing requirements and funding structure	
10.4.	Information concerning any restrictions on the use of its capital	
10.5.	Information on expected sources of funding	2.6.6.2. (Conditions of the Company's future financing agreements).
11	Research and development, patents and licenses	
	Description of the R&D policies implemented by the issuer and information on the cost of R&D activities sponsored by the issuer	
12	Trend information	
12.1.	Principal trends that have affected production, revenue, inventories, costs and sale prices between the end of the last financial year and the date of the Registration Document	
12.2.	Known trend, uncertainty, demand, commitment or event that is reasonably likely to have a significant influence on the issuer's outlook, at least regarding the current financial year.	
13	Profit forecasts or estimates of earnings	
14	Administrative, management and supervisory bodies and executive management	
14.1.	Information on the activities, the absence of criminal convictions and the corporate mandates of: — members of the issuer's governing bodies (Board of Directors, Executive Committee, Supervisory Board); and — of any chief executive whose name may be mentioned to prove that the issuing company has the appropriate expertise and experience to manage its own business	5.1.1.1. (Composition of the Board of Directors)
14.2.	Conflicts of interest at the level of the issuer's governing bodies (Board of Directors, Executive Committee, Supervisory Board) and its senior management Arrangement or agreement concluded with principal shareholders, customers, suppliers or others, by virtue of which any person referred to at point 14.1 has been appointed as a member of a governing body or as a member of the senior management of another company	5.1.1.1. (Composition of the Board of Directors)

No.	Item in the Regulation	Section(s)
	Details of any restrictions accepted by the persons referred to at point 14.1 regarding the sale, before the expiry of a given time-frame, of their interest in the share capital of the issuer	
15	Remuneration and benefits awarded to persons referred to at point 14.1	
15.1.	Amount of remuneration paid and benefits in kind awarded by the issuer and its subsidiaries	
15.2.	Total amounts provisioned or otherwise recognized by the issuer or its subsidiaries for the purpose of providing pension, retirement or similar benefits	
16	Board practices	
16.1.	Expiry dates of the current mandates of members of the issuer's governing, executive and supervisory bodies	
16.2.	Information on service contracts linking members of the issuer's governing bodies	
16.3.	Information on the issuer's Audit and Compensation Committees	
16.4.	Declaration indicating whether or not the issuer complies with existing corporate governance regulations	
17	Employees	
17.1.	Number of employees at the end of the period covered by the historical financial information or the average number during each year in that period, and indication of the distribution of employees per business activity	
17.2.	Interests and stock options: For each person referred to at point 14.1, information on ownership of the issuer's share capital and any options to acquire the issuer's capital	
17.3.	Arrangements for the offer or distribution of the issuer's shares to employees	
18	Major shareholders	
18.1.	Name of any person who is not a member of one of the issuer's governing or executive bodies and who holds directly or indirectly a percentage of the issuer's share capital or voting rights that must be declared under applicable national legislation	
18.2.	Existence of different voting rights	
18.3.	Information on the ownership and control of the issuer and measures taken to prevent control abuse	
18.4.	Agreements which may modify the control structure of the issuer	
19	Related-party transactions	
20	Financial information concerning the issuer's assets and liabilities, financial position and profits and losses	
20.1.	Historical financial information	
20.2.	<i>Pro forma</i> financial information and description of the impact of restructuring	
20.3.	Annual financial statements (company and consolidated accounts)	
20.4.	Auditing of historical annual financial information	
20.4.1.	<i>Declaration that the historical financial information has been audited</i>	
20.4.2.	<i>Other information contained in the Registration Document audited by the Statutory Auditors</i>	
20.4.3.	<i>When financial information appearing in the Registration Document is not taken from the issuer's audited financial statements, identify the source and indicate that it has not been audited</i>	
20.5.	Date of most recent audited financial information	
20.6.	Interim and other financial information	
20.7.	Dividend policy	
20.7.1.	<i>Dividend per share</i>	
20.8.	Litigation and arbitration	
20.9.	Significant changes in the financial or commercial situation of the issuer that have occurred since the end of the most recent financial year	
21	Additional information	

No.	Item in the Regulation	Section(s)
21.1.	Share capital	
21.1.1.	<i>Amount of subscribed capital, number of shares issued, nominal value per share and statement of the number of shares outstanding at the start and end of the financial year</i>	
21.1.2.	<i>Shares not representing the issuer's capital</i>	
21.1.3.	<i>Number, book value and nominal value of shares held by the issuer and by its subsidiaries</i>	
21.1.4.	<i>Securities that are convertible, exchangeable or with subscription rights attached</i>	
21.1.5.	<i>Information on the conditions governing any attached acquisition rights or bonds or subscribed but not paid-up capital, and on any initiative designed to raise the issuer's capital</i>	
21.1.6.	<i>Information on the capital of any member of the Group that is subject to an option or to an agreement that will place its capital under option</i>	
21.1.7.	<i>History of the share capital during the period covered by the historical financial information</i>	
21.2.	Memorandum and articles of association	
21.2.1.	<i>Corporate purpose</i>	
21.2.2.	<i>Provisions contained in the issuer's articles of association or in any internal regulation concerning the members of the issuer's governing bodies</i>	5.1.2.2. (Board of Directors' internal code)
21.2.3.	<i>Rights, privileges and restrictions attached to each category of existing shares</i>	
21.2.4.	<i>Number of shares required to modify shareholders' rights</i>	
21.2.5.	<i>Notice and admission to Annual General Shareholders' Meetings and Extraordinary Shareholders' Meetings</i>	
21.2.6.	<i>Any provision(s) of the issuer's articles of association, internal charters or regulations that could delay, postpone or prevent a modification of the control exercised over the issuer company</i>	
21.2.7.	<i>Any provision(s) of the issuer's articles of association, internal charters or regulations that stipulate(s) percentage thresholds for the declaration of holdings in the issuer's capital</i>	
21.2.8.	<i>Conditions imposed by the articles of association, internal charters or regulations governing modifications of the issuer's capital, when such conditions are stricter than those provided for by law</i>	
22	Material contracts	
23	Information supplied by third parties, statements by independent experts and "declarations of interests"	
24	Documents available to the public	
25	Information on holdings Information concerning the companies in which the issuer holds a capital interest whose value or derived income could have a significant impact on the issuer's own valuation, net worth, financial situation or earnings	

The table below indicates the sections and pages of this Supplement that provide key information under the headings required by Annex III of European Commission Regulation (EC) no. 809/2004 of April 29, 2004.

Only those sections modified by this Supplement are indicated. For all other sections, please refer to the Prospectus.

No.	Heading in the Regulation	Section(s)
1	Persons responsible	
1.1.	Persons responsible for the information contained in this prospectus	9.2.1.1. (Persons responsible for the prospectus)
1.2.	Declaration by the persons responsible for the prospectus	9.2.1.2. (Certification of the persons responsible for the prospectus)
2	Risk factors	
3	Basic information	
3.1.	Declarations on net working capital	
3.2.	Shareholder capital and debts	
3.3.	Financial or other interests declared by the individuals or companies participating in this issue	
3.4.	Motives for the share offer and intended use of the capital raised therefrom	
4	Information on the securities that will be admitted to the operation	
4.1.	Nature and category of the securities admitted to the operation, with ISIN codes (International Securities Identification Numbers) or any other identification codes	7.2.1.1. (Type, class and rights date of shares admitted for trading – ISIN code)
4.2.	Jurisdiction under which the securities were created	
4.3.	Form of the securities issued	
4.4.	Currency of the issue	
4.5.	Rights attached to the securities, including any applicable restrictions, and terms and conditions for the exercise of these rights	
4.6.	Declaration containing the resolutions, authorizations and approvals by virtue of which the securities were or will be created and issued	
4.7.	Expected issue date	
4.8.	Restriction imposed on free trade of the securities	
4.9.	Rule applicable to obligatory public share offers, obligatory withdrawal and obligatory buybacks of securities	
4.10.	Public offers launched by third parties for the issuer's capital during the most recent and current financial year, and the prices or terms of exchange offered and the results of these offers	
4.11.	Information on any withholding tax applicable to the income from the securities and on any arrangements made to deduct the appropriate sums	
5	Terms and conditions of the offer	
5.1.	Conditions, offer statistics, expected timetable and action required to apply for the offer	
5.1.1.	<i>Conditions to which the offer is subject</i>	
5.1.2.	<i>Total amount of the issue/offer</i>	
5.1.3.	<i>The time period during which the offer will be open and description of the application process</i>	
5.1.4.	<i>Revocation and suspension of the offer</i>	
5.1.5.	<i>Possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants</i>	
5.1.6.	<i>Minimum and maximum subscription amounts</i>	
5.1.7.	<i>Period during which an application may be withdrawn, provided that investors are allowed to withdraw their subscription</i>	
5.1.8.	<i>Method and time limits for paying up the securities and for delivery of the securities</i>	
5.1.9.	<i>Method of publication of the results of the offer and date on which results will be made public</i>	
5.1.10.	<i>Procedure for the exercise of any preferential subscription rights; the negotiability of such subscription rights, and the treatment of un-exercised subscription rights</i>	
5.2.	Distribution and allocation plans for the securities	

No.	Heading in the Regulation	Section(s)
5.2.1.	<i>The various categories of potential investors to which the securities are offered</i>	
5.2.2.	<i>To the extent that such information may be known to the issuer, indicate whether major shareholders or members of the issuer's governing bodies or executive management intend to subscribe to the offer, or whether any person intends to subscribe to more than 5% of the offer</i>	
5.2.3.	<i>Information on pre-allocations</i>	
5.3.	Pricing	
5.3.1.	<i>Price at which the securities will be offered</i>	
5.3.2.	<i>Process for the publication of the offer price</i>	
5.3.3.	<i>If the issuer's shareholders have preferential subscription rights and these rights are restricted or withdrawn, indicate the basis for the issue price if the issue is for cash, together with the reasons for any such restriction or withdrawal and the potential beneficiaries of any such restriction or withdrawal</i>	
5.3.4.	<i>Where there is or could be a significant disparity between the public offer price and the effective cash cost to members of the issuer's governing bodies and executive management or affiliated persons of any securities they acquired in transactions during the past year or which they have the right to acquire, include a comparison of the price offered to the public in the proposed public offer and the effective cash price paid by such persons in those transactions</i>	
5.4.	Placing and Underwriting	
5.4.1.	<i>Name and address of the coordinator(s) of the global offer and of its different parts, and, to the extent known to the issuer or to the offerer, of the placers in the different countries where the offer is being marketed</i>	
5.4.2.	<i>Name and address of any paying agents and depository agents in each country</i>	
5.4.3.	<i>Name and address of the entities agreeing to underwrite the issue on a firm commitment basis, and name and address of the entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements. Indication of the principal features of the agreements, including the quotas</i>	
5.4.4.	<i>Indicate when the underwriting agreement has been or will be honored</i>	
6	Admission to trading	
6.1.	Application for admission to trading of the securities offered	
6.2.	All regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class as the securities to be offered or admitted to trading are already admitted to trading	
6.3.	If simultaneously or almost simultaneously with the creation of the securities for which admission to a regulated market is being sought, securities of the same class are subscribed for or placed privately or if securities of other classes are created for public or private placing, give details of the nature of such operations and of the number and characteristics of the securities to which they relate	
6.4.	Details of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment	
6.5.	Stabilization and over-allocation option	
6.5.1.	<i>Mention the fact that stabilization may be undertaken, that there is no assurance that it will be undertaken and that it may be interrupted at any time</i>	
6.5.2.	<i>Beginning and the end of the period during which stabilization may occur</i>	
6.5.3.	<i>The identity of the stabilization manager for each relevant jurisdiction unless this is not known at the time of publication</i>	
6.5.4.	<i>Mention the fact that stabilization transactions may result in a market price that is higher than would otherwise prevail</i>	

No.	Heading in the Regulation	Section(s)
7	Holders of securities wishing to sell	
7.1.	Name and business address of the person or entity offering to sell the securities, the nature of any position, office or other material relationship that the selling persons has had within the past three years with the issuer or any of its predecessors or affiliates	
7.2.	The number and class of securities being offered by each of the holders of securities wishing to sell	
7.3.	Lock-up agreements	
8	Expenses related to admission	
8.1.	The total net proceeds of the issue and provide an estimate of the total expenses related to the issue/offer	
9	Dilution	
9.1.	Indicate the amount and percentage of immediate dilution resulting from the offer	
9.2.	In the case of a subscription offer to existing shareholders, indicate the amount and percentage of dilution that would result immediately from their not subscribing to the new offer	
10	Other information	
10.1.	If any financial advisors connected with the issue are mentioned in the Securities Note, include a statement of the capacity in which the advisors have acted	
10.2.	Provide an indication of other information in the Securities Note which has been audited or reviewed by Statutory Auditors and when the auditors have produced a report.	
10.3.	Where a statement or report attributed to a person as an expert is included in the Securities Note, provide such persons' name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to the effect that such statement or report is included, in the form and context in which it is included, with the consent of the person who has authorized the contents of that part of the Securities Note	
10.4.	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information	



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