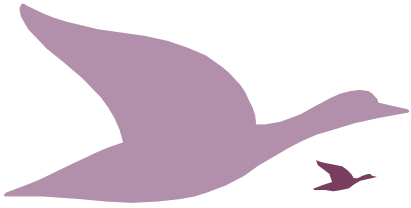


2010 Half-yearly Financial Report

2010 HALF-YEAR FINANCIAL REPORT ACCOR

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2010 Interim Management Report

INTERIM MANAGEMENT REPORT

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2010 interim consolidated results

Basis of preparation of the pro forma financial statements

In 2009, Accor embarked on a major strategic project to demerge its two core businesses, Hotels and Services.

The demerger and proposed demerger process were approved by shareholders at the Extraordinary Meeting on June 29, 2010. However, the share distribution was not carried out until July 2 and the demerger was not effective until that date. Edenred was therefore still held by Accor at June 30, 2010 and, as such, continued to be recognized in the 2010 interim consolidated financial statements, under "assets held for sale."

In connection with the initial stock market listing of the Prepaid Services business, to present an economic view of Accor's business base, as demerged from the Prepaid Services business, pro forma interim financial statements have been prepared for first-half 2010, first-half 2009, and full-year 2009 based on the financial statements historically included in the consolidated financial statements of the Accor Group.

The purpose of these pro forma financial statements is to present Accor's balance sheet, income statement, statement of cash flows and statement of changes in equity as if the demerger from Edenred had been carried out on January 1, 2009.

2010 interim consolidated results: reconciliation between the reported and pro forma income statements

Reported income statement

<i>(in € millions)</i>	First-Half 2009	First-Half 2010	% change (reported)	% change (like-for-like)⁽¹⁾
Revenue	2,686	2,849	+6.1%	+4.7%
EBITDAR⁽²⁾	708	835	+17.9%	+13.5%
<i>EBITDAR margin</i>	26.4%	29.3%	+2.9 pts	+2.2 pts
EBIT	69	156	+125.5%	+114.7%
Operating profit before tax and non-recurring items	14	93	N/A	N/A
Profit from discontinued operations	101	52	-48.7%	N/A
Net loss, Group share	(150)	(15)	N/A	N/A
ROCE ⁽³⁾	9.7%	9.5%	N/A	N/A

Main proforma adjustments

The main proforma adjustments are as follows:

- The expected cost savings included in the pro forma financial statements have been estimated by reference to the costs recognized in the historical consolidated financial statements for 2009 and 2010. They amounted to €(1) million at June 30, 2009 and €(2) million at June 30, 2010.
- The estimated reduction in Accor's finance costs that would have resulted from reallocating the Group's debt between the demerged businesses. Proforma finance costs correspond to the interest that the Group would have paid on its net debt if the Services business had been demerged on January 1, 2009. They have been defined, for each of the two periods presented, based on the allocation of the reduction in debt between repayment of existing borrowings and investment of the balance. The resulting interest income has been recognized in profit by adjusting equity. The additional interest income resulting from the reallocation of debt has been estimated at around €19 million at June 30, 2009 and €18 million at June 30, 2010.
- The estimated additional income tax expense resulting from the pro forma adjustments described above. Based on the income tax rate applicable in the country concerned, the additional cost has been estimated at around €(5) million at June 30, 2009 and €(7) million at June 30, 2010.

Proforma income statement

<i>(in € millions)</i>	First-Half 2009 pro forma ⁽⁴⁾	First-Half 2010 pro forma ⁽⁴⁾	% change pro forma ⁽⁴⁾	% change (like-for-like) ⁽¹⁾
Revenue	2,686	2,849	+6.1%	+4.7%
EBITDAR⁽⁴⁾	709	833	+17.4%	+13.0%
<i>EBITDAR margin</i>	26.4%	29.2%	+2.8 pts	+2.1 pts
EBIT	69	154	+120.0%	+109.3%
Operating profit before tax and non-recurring items	32	116	N/A	N/A
Loss from discontinued operations	(1)	(11)	N/A	N/A
Net loss, Group share	(236)	(64)*	N/A	N/A
ROCE ⁽³⁾	9.7%	9.5%	N/A	N/A

* Excluding non-recurring demerger-related costs, the Group ended first-half 2010 with net profit of €12 million.

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

(2) Earnings before interest, taxes, depreciation, amortization and rental expense.

(3) Corresponding to EBITDA expressed as a percentage of fixed assets at cost plus working capital.

(4) Accor's first-half income statement corresponds essentially to the income statement of the Hotels business. **Groupe Lucien Barrière's** business was reclassified under "assets held for sale" after the basic document was filed with French securities regulator AMF on July 6, 2010 in view of a possible stock market listing. **Compagnie des Wagons-Lits' onboard rail catering** business was also reclassified under "assets held for sale" in view of its sale on July 7, 2010. The **Prepaid Services** business has been excluded from the Group accounts presented above following the demerger (and Edenred's stock market listing on July 2, 2010).

First-half 2010 results reflect a **very dynamic performance by the Hotels business**, which reported revenue **up 5.1%** like-for-like, EBITDAR margin **up 2.0 points** and a flow-through ratio⁽¹⁾ of **51.4%** before the effect of the cost saving plan.

Consolidated revenue for the first half of 2010 totaled €2,849 million, up 6.1% on the pro forma prior-year figure and 4.7% like-for-like.

Hotels: a very dynamic performance in the first half

Hotels revenue amounted to €2,723 million in the first half, a period-on-period increase of 7.5% on a pro forma basis and 5.1% like-for-like. This strong growth in revenue was led by higher occupancy rates in the Upscale & Midscale and Economy segments.

- The expansion strategy, which led to the opening of 93 hotels (10,900 rooms) during the first six months of the year, added 1.6% to growth,

Accor plans to open 200 hotels in 2010, representing more than 26,000 new rooms. The 10,900 rooms opened in the first six months of the year may be analyzed as follows:

- 80% were under management contracts or franchise agreements.
- 34% were in the Midscale segment and 40% in the Economy Hotels outside the US segment.
- 39% were in Europe, 22% in Asia, 18% in the United States, 13% in Africa Middle East and 8% in Latin America.

The Mercure and Ibis brands accounted for, respectively, 20% and 25% of the rooms opened during the period.

Pursuing this expansion dynamic remains a priority, with 102,000 rooms in the pipeline for the period to 2013.

- Ongoing implementation of the asset-right strategy reduced revenue by 2.2% in the first half.
- The currency effect was a positive 3.0%, reflecting the decline in the euro against the Australian dollar and the Brazilian real.

Like-for-like, revenue increased by 6.7% in the Upscale & Midscale segment and 5.5% in the Economy Hotels outside the US segment, but contracted by 3.9% in the US Economy Hotels business.

This solid revenue performance was led by sustained growth in occupancy rates in the Upscale & Midscale and Economy segments, while average room rates in the Upscale & Midscale segment rose in Germany and United Kingdom and stabilized in the Economy segment in Europe.

- **Excellent performance in the Upscale & Midscale segment**

In the Upscale & Midscale segment, revenue increased by 8.3% based on pro forma figures and by 6.7% like-for-like.

The segment's EBITDAR margin came to 27.3% of revenue, up 3.8 points pro forma and 3.3 points like-for-like. The flow-through ratio was 54.5%, before taking into account the reductions in support costs delivered by the cost saving plan.

Novotel and Mercure performed very well, achieving EBITDAR margins of more than 30%.

⁽¹⁾ : The flow-through ratio is the ratio between the change in like-for-like EBITDAR and the change in like-for-like revenue (Δ L/L EBITDAR / Δ L/L Revenue)

- **A solid improvement in Economy Hotels outside the United States**

Revenue from Economy Hotels outside the United States rose 10.3% on a pro forma basis and 5.5% like-for-like. The segment showed greater resistance to the economic downturn in 2009, because it is less dependent on business travelers than the Upscale & Midscale segment.

EBITDAR margin for the segment stood at 36.1%, up 2.0 points pro forma and 1.4 points like-for-like. The flow-through ratio came to 60.9%, before the effects of the cost saving plan.

- **Lower revenue from Economy Hotels in the United States, hard hit by the recession**

Motel 6 revenue contracted by 5.0% on a pro forma basis in the first half and by 3.9% like-for-like.

EBITDAR margin amounted to 27.5%, down 3.3 points pro forma and 3.5 points like-for-like.

Although still affected by the weakened US economy, Motel 6 is faring better than the competition, reporting RevPAR up 3.1% in June – the first increase since June 2008.

Other businesses

Revenue from the other businesses, including Lenôtre and the parent company, declined by 2.5% like-for-like during the first half. On a pro forma basis, the decline in revenue stood at 17.2%, reflecting the sale of Orbis Travel travel agencies in Poland.

Compagnie des Wagons-Lits' onboard rail catering operations and the Groupe Lucien Barrière business have been reclassified as "assets held for sale," with the result that their revenue has been adjusted in the pro forma figures for first-half 2009 and 2010.

Group

EBITDAR (earnings before interest, taxes, depreciation, amortization and rental expense) represents a key financial performance indicator. It amounted to €833 million in the first half of 2010, up 13.0% like-for-like compared with the year-earlier period. On a pro forma basis, EBITDAR increased by 17.4% or €124 million period-on-period, as follows:

- Like-for-like growth:	€92 million
- Business development:	€5 million
- Currency effect:	€26 million
- Disposals:	€1 million

EBITDAR margin represented 29.2% of consolidated revenue, compared with 26.4% in first-half 2009. This margin reflects the support-cost savings already achieved in the first half, which totaled **€25 million** out of the full-year target of €45 million.

EBIT came in at €154 million compared with €69 million in first-half 2009, an increase of 109.3% like-for-like that was attributable to the business's strong recovery and the ongoing drive to contain costs.

Operating profit before tax and non-recurring items, corresponding to EBITDAR less rental expense, depreciation, amortization and provision expense and net financial expense plus the Group's share of the profits of associates, represents the result of operations after the cost of financing Group businesses and before tax. In first-half 2010, operating profit before tax and non-recurring items came to €116 million.

Rental expense rose to €456 million from €423 million in first-half 2009, reflecting an increase in the Group's variable rents. These rents, which are based on revenue or EBITDAR, rose with the improvement in the Hotels business and the increase in the number of hotels operated under variable-rent leases without guaranteed minimum (to 537 from 410 at June 30, 2010).

Depreciation, amortization and provision expense stood at €223 million for the period.

Net financial expense amounted to €48 million, versus €35 million in first-half 2009.

The share of profits and losses of associates represented a net profit of €10 million versus a net loss of €2 million in the prior-year period, primarily as a result of the €7 million positive impact from the Sofitel Washington disposal.

Restructuring costs for first-half 2010 totaled €11 million. They primarily comprised costs related to the various reorganization programs, including the voluntary separation plan announced in June 2009.

Gains and losses on the management of hotel properties represented a net gain of €20 million compared with a net loss of €11 million in first-half 2009, which primarily included a €9 million capital loss on the sale of Motel 6 assets.

Asset impairment losses amounted to €35 million, of which €32 million concerned hotel property, plant and equipment. This compared with the first-half 2009 figure of €193 million, which included writedowns of Motel 6 goodwill (for €118 million) and of goodwill related to the Hotels business in Italy.

Income tax expense amounted to €95 million, compared with €3 million in first-half 2009. The effective tax rate (expressed as a percentage of operating profit before tax) was 32.1% versus 34.4%.

After deducting minority interests of €1 million and the €11 million loss from discontinued operations (Edenred, Groupe Lucien Barrière and Compagnie des Wagons-Lits), the **net loss, Group share** came to €64 million. This compares with a €236 million loss in first-half 2009, when €193 million worth of impairment losses were recorded versus €35 million in first-half 2010.

Excluding non-recurring demerger-related costs, the Group would have ended first-half 2010 with a **net profit** of €12 million.

Based on the weighted average number of shares outstanding during the period (225,627,000), the **loss per share** eased to €0.28 from €1.07 in first-half 2009.

Cash flows

<i>(in € millions)</i>	First-Half 2009 pro forma	First-Half 2010 pro forma
Funds from operations before non-recurring items	264	319
Renovation and maintenance expenditure	(164)	(94)
<i>Of which renovation and maintenance expenditure of discontinued operations</i>	(3)	(5)
Free cash flow	100	225
Expansion expenditure	(460)	(182)
<i>Of which Hotels</i>	(173)	(153)
<i>Of which Other Businesses and Assets held for sales</i>	(287)	(29)
Proceeds from disposals of assets	62	228
Dividends paid	(306)	-
Shares issued/(cancelled)	162	16
Decrease/(increase) in working capital	(169)	13
CIWLT withholding tax refund	(242)	-
Other	(11)	57
(Increase)/decrease in net debt	(864)	357

Funds from operations increased to €319 million from €264 million in first-half 2009.

At €94 million, **maintenance and renovation expenditure** was sharply down on the prior-year period. The decline reflected the Group's commitment to holding capex to less than 5% of revenue. Renovation and maintenance expenditure, for example, represented 3.2% of interim revenue, versus 6.2% in first-half 2009.

Expansion expenditure totaled €182 million, including €153 million in the Hotels business and €14 million in the Other businesses.

Proceeds from **asset disposals** totaled €228 million, from the sale of hotels and non-strategic businesses, compared with €62 million in first-half 2009. They included disposals of hotel assets under sale-and-variable leaseback transactions (€96 million), sale-and-management back transactions (€18 million), sale-and-franchise back transactions (€68 million) and outright sales (€24 million).

Groupe Lucien Barrière's debt was reclassified under "Liabilities of assets classified as held for sale" for €198 million due to the group's planned stock market flotation.

Financial ratios

Net debt stood at €964 million at June 30, 2010 compared with €1,321 million at December 31, 2009, while gearing stood at 21% versus 30%.

As of June 30, 2010, Accor had **€2.0 billion in unused, confirmed lines of credit** and no major refinancing needs before 2012.

Return on capital employed (ROCE) rose to 9.5% at June 30, 2010, compared with 8.3% at December 31, 2009. ROCE in the Economy Hotels outside the US segment stood at **16.4%** at end-June.

Ongoing implementation of the asset-right strategy, boosted by improved conditions in the property market

In first-half 2010, **38** hotels (representing 3,700 rooms) changed ownership structure and are now operated under variable-rent leases, management contracts or franchise contracts. In addition, **7** hotels (representing 1,100 rooms) were sold. These transactions had the effect of reducing adjusted net debt by **€207 million**.

On August 23, 2010, Accor announced the signing of a memorandum of understanding for a major **€367-million** real estate transaction involving the **sale-and-variable leaseback of 48 hotels in Europe**. The transaction will have a **€282 million positive impact on the Group's cash position** in the second half, allowing Accor to reduce its adjusted net debt by the same amount. In addition, after ramp-up some €3 million a year will be added to operating profit before tax.

Confirming Accor's ability to continue to **actively manage its assets**, the transaction will help the Group to reduce earnings volatility and sharpen the focus on its core hotel operator business. It represents the latest phase in a multi-year program of hotel asset disposals designed to reduce the Group's adjusted net debt by **€2 billion** over the 2010-2013 period. The program is expected to have an impact of between **€600 million and €650 million on adjusted net debt** in 2010.

Outlook for 2010

July business trends

Hotels: ongoing improvement in July, driven by more encouraging indicators particularly in the main European markets

In **Upscale & Midscale Hotels in Europe**, July RevPAR excluding tax was up 14.1% like-for-like, compared with a 7.1% rise in the first half of the year.

In the **Economy Hotels segment in Europe**, July RevPAR excluding tax was 5.6% higher like-for-like, compared with a 3.0% improvement in the first half.

In the **US Economy Hotels** segment, July RevPAR was up 5.2% for the month, versus a 4.2% decline in the first half.

Full-year earnings objective

In most countries and particularly in Europe, the sound first-half performance reflected both an **upturn in business** and a **favorable basis of comparison** with the prior-year period, when results are severely impacted by the weaker economy. Second-half visibility remains limited, due to the still uncertain economic environment.

In view of these contrasting factors, the Group expects to report full-year EBIT of **€370 million to €390 million**, up from €236 million in 2009 (excluding Groupe Lucien Barrière and Compagnie des Wagons-Lits, reclassified as “assets held for sale”).

New corporate governance structure

Since the June 29, 2010 Shareholders' Meeting, the Board of Directors has been comprised of the following members: Jean-Paul Bailly, Thomas J. Barrack, Sébastien Bazin, Philippe Citerne, Sophie Gasperment, Denis Hennequin, Bertrand Meheut, Virginie Morgon, Gilles Pélisson, Franck Riboud and Patrick Sayer.

The Board determined which of its members qualified as independent directors.

It reached the conclusion that **Jean-Paul Bailly**, Chairman of the French Post Office (La Poste), **Philippe Citerne**, the former Chief Operating Officer of Société Générale, **Sophie Gasperment**, Chief Executive Officer of The Body Shop International, **Denis Hennequin**, President of McDonald's Europe, **Bertrand Meheut**, Chairman of the Management Board of the Canal+ Group and **Franck Riboud**, Chairman and Chief Executive Officer of Danone met the independence criteria set out in the AFEP-MEDEF corporate governance code for listed companies. With six of the eleven directors qualified as independent, Accor complies with the AFEP and MEDEF recommendation that a majority of Board members should be independent.

Based on the recommendation of the Compensation, Appointments and Corporate Governance Committee, the Board of Directors decided that one-third of the Board members should stand for re-election each year in line with the principles of good corporate governance.

Other highlights of the period

Sale of five hotels in four European countries for €154 million

As part of the ongoing deployment of its asset-right strategy, Accor announced an international real estate transaction involving the sale of five hotels (representing more than 1,100 rooms) in four European countries for €154 million.

The transaction was carried out with Invesco Real Estate, a major real estate manager in the United States, Europe and Asia, with managed assets of more than €18 billion, of which €650 million in European hotel properties.

The five hotels were:

- The Novotel Muenchen City in Munich (307 rooms)
- The Novotel Roma la Rustica (149 rooms) and the Mercure Corso Trieste in Rome (97 rooms)
- The Mercure Zabatova in Bratislava, currently under construction (175 rooms)
- The Pullman Paris La Défense (384 rooms)

Financially, the transaction enabled Accor to reduce adjusted net debt by €93 million in 2010 while having no impact on operating profit before tax and non-recurring items.

It confirmed Accor's ability to continue to actively pursue its asset-right strategy even in a difficult economic environment, in order to reduce earnings volatility and sharpen the focus on its core hotel operator business.

Demerger project approved by shareholders

The Combined Ordinary and Extraordinary Meeting of Accor shareholders, chaired by Gilles Pélisson, was held on June 29, 2010 and was attended by the members of the Board of Directors. The shareholders, representing 76% of the voting rights, approved all of the submitted resolutions. The resolution concerning the asset contribution-demerger of Edenred and the attribution of Edenred shares to Accor shareholders was approved by a very large majority.

Mr. Pélisson emphasized the importance, in the Group's history, of this new step, which will enable Accor and Edenred to drive faster growth with the support of their shareholders.

During the Meeting, Mr. Pélisson presented the strategy of the new Accor, "energized by Ariane 2015, an ambitious corporate mission project that is being enthusiastically embraced by all of our teams around the world."

Sale of Compagnie des Wagons-Lits's onboard rail catering business to Newrest

Accor has sold Compagnie des Wagons-Lits' onboard rail catering businesses in France, Italy, Austria and Portugal to a joint-venture 60%-owned by Newrest and 40% by Accor.

Newrest and Compagnie des Wagons-Lits have pooled their expertise to grow their businesses by leveraging their strategically related capabilities in onboard catering and facilities management.

Creation of the joint-venture was aligned with Accor's strategy of refocusing on its core business. It has enabled the Group to gradually withdraw from the onboard rail catering business, with the option of pulling out completely in 2013, while giving Compagnie des Wagons-Lits new expansion opportunities alongside a solid partner, recognized in its businesses and enjoying extensive capacity for growth.

New hotel investment fund to be created with InterGlobe to speed the pace of growth in India

Accor and InterGlobe have announced plans to create a fund dedicated to investing in hotel assets in India. Pacifica Partners is committed to acquiring a significant 36% stake in the fund, and Accor and InterGlobe will each hold 32%. The fund's creation is subject to regulatory approvals.

The fund will initially hold seven hotel properties in India that are currently jointly owned by Accor and InterGlobe. Representing a total of 1,750 rooms, the properties will be valued at around \$325 million on completion.

All of the hotels enjoy strategic locations in India's main cities, including one built close to the recently-opened Delhi International Airport, one of Asia's largest airports. All seven hotels will open between 2011 and 2013.

Representing a new growth platform, the fund will focus on investing in Upscale and Midscale hotels. It may acquire additional assets in the future.

A major real estate transaction in Europe, involving the sale of 48 hotels in France, Belgium and Germany for €367 million

In line with its asset-right strategy, Accor has signed a memorandum of understanding for a major **€367-million real estate transaction in Europe** involving the sale of **48 hotels (31 in France, 10 in Belgium and 7 in Germany)**. Representing a total of 6,300 rooms, the hotels operate under the Novotel, Suite Novotel, Ibis and Etap Hotel brands. They include six hotels opened by Accor in 2009-2010 – the Novotel Munich Airport, Ibis Stuttgart Airport, and three new Etap Hôtels in Belgium and France, as well as a 216-room extension to the Ibis Roissy Charles de Gaulle.

The transaction will be carried out with two investors, **Predica** and **Foncière des Murs**, which will invest 80% and 20% of the total respectively. **Predica** manages over €200 billion in assets and is a member of the Crédit Agricole Assurances Group, Europe's leading bancassurer. **Foncière des Murs** is a subsidiary of Foncière des Régions and has been an Accor real estate partner since 2005.

The hotels will continue to be managed by the Group under the same banners through a 12-year **variable lease**, renewable six times at Accor's option (for a total of 84 years). The rent will average 19% of the hotels' annual revenue without any guaranteed minimum, except during the first two years (2011 and 2012, when the minimum will be €23 million), to support the ramp-up of recently opened hotels. Under the terms of the lease, structural maintenance costs, insurance and property taxes will be payable by the new owner.

The cash impact will amount to **€282 million**, allowing Accor to reduce its **adjusted net debt** by the same amount in 2010. In addition, around €3 million a year will be added to operating profit before tax.

The transaction, which has confirmed Accor's ability to continue to **actively manage its hotel assets** on favorable terms, is part of the multi-year program announced in May 2010 to sell €2 billion in hotel property assets over the 2010-2013 period. It will enable the Group to pursue deployment of its asset-right strategy and **sharpen the focus on its core hotel operator business**.

Main risks and uncertainties

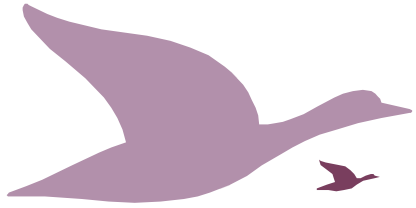
The main risks and uncertainties that may affect the Group in the last six months of the year are presented in the 2009 Registration Document under "Risk Factors" and in the related update.

Main related-party transactions

The main related-party transactions are presented in detail in Note 44 to the interim consolidated financial statements.

Subsequent events

Post balance-sheet events are presented in Note 43 to the interim consolidated financial statements.



Financial Consolidated Statements
June 30, 2010

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

- **Accor Group Historical Financial Statements**
 - Consolidated Income Statements p.2
 - Statements of Comprehensive Income p.3
 - Consolidated Balance Sheets p.4
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 - Changes in Consolidated Shareholders' Equity p.7
 - Key Management Ratios p.10
 - Return On Capital Employed (ROCE) by Business Segment p.12
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- **Accor Hospitality Pro forma Financial Statements**

► Consolidated Income Statements

In € millions	Notes	2009 (*)	June 2009 (*)	June 2010	June 2009 Published	2009 Published
Revenue		5 490	2 686	2 849	3 354	6 971
Other operating revenue		-	-	-	56	94
CONSOLIDATED REVENUE	3	5 490	2 686	2 849	3 410	7 065
Operating expense	4	(3 972)	(1 978)	(2 014)	(2 486)	(5 089)
EBITDAR	5	1 518	708	835	924	1 976
Rental expense	6	(854)	(422)	(456)	(435)	(884)
EBITDA	7	664	286	379	489	1 092
Depreciation, amortization and provision expense	8	(429)	(217)	(223)	(247)	(498)
EBIT	9	235	69	156	242	594
Net financial expense	10	(124)	(53)	(73)	(58)	(143)
Share of profit of associates after tax	11	(3)	(2)	10	(2)	(3)
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS		108	14	93	182	448
Restructuring costs	12	(110)	(49)	(11)	(53)	(127)
Impairment losses	13	(241)	(193)	(35)	(194)	(387)
Gains and losses on management of hotel properties	14	7	(11)	20	(11)	7
Gains and losses on management of other assets	15	(27)	(1)	(47)	(4)	(85)
OPERATING PROFIT BEFORE TAX		(263)	(240)	20	(80)	(144)
Income tax expense	16	(32)	7	(84)	(52)	(121)
Profit or loss from discontinued operations	17	30	101	52	-	-
Net Profit from continuing operations		(295)	(233)	(64)	(132)	(265)
Net Profit from discontinued operations		30	101	52	-	-
NET PROFIT		(265)	(132)	(12)	(132)	(265)
Net Profit, Group Share from continuing operations		(303)	(239)	(64)	(150)	(282)
Net Profit, Group Share from discontinued operations		21	89	49	-	-
Net Profit, Group Share		(282)	(150)	(15)	(150)	(282)
Net Profit, Minority interests from continuing operations		8	6	(0)	18	17
Net Profit, Minority interests from discontinued operations		9	12	3	-	-
Net Profit, Minority interests		17	18	3	18	17
Weighted average number of shares outstanding (in thousands)	25	222 890	220 465	225 627	220 465	222 890
EARNINGS PER SHARE (in €)		(1,27)	(0,68)	(0,07)	(0,68)	(1,27)
Diluted earnings per share (in €)	25	(1,26)	(0,68)	(0,07)	(0,68)	(1,26)
Earnings per share from continuing operations (in €)		(1,32)	(1,06)	(0,28)	(0,68)	(1,27)
Diluted earnings per share from continuing operations (in €)		(1,32)	(1,06)	(0,28)	(0,68)	(1,26)
Earnings per share from discontinued operations (in €)		0,13	0,46	0,23	N/A	N/A
Diluted earnings per share from discontinued operations (in €)		0,13	0,46	0,23	N/A	N/A

(*) In accordance with IFRS 5 "non-Current Assets Held for Sale and Discontinued Operations" in the consolidated income statements for the six months ended June 2009 and the year ended December 31, 2009, the profits or losses of 2010 discontinued operations are reported on a separate line (see Note 17).

► Statements of Comprehensive Income

In € millions	Notes	2009 (*)	June 2009 (*)	June 2010	June 2009 Published	2009 Published
NET PROFIT		(265)	(132)	(12)	(132)	(265)
Currency translation adjustment		167	105	439	105	167
Change in fair value resulting from "Available-for-sale financial assets"		-	-	-	-	-
Effective portion of gains and losses on hedging instruments in a cash flow hedge		(6)	(6)	(1)	(6)	(6)
Actuarial gains and losses on defined benefits plans		(3)	0	0	0	(3)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method		-	-	-	-	-
Other comprehensive income, net of tax	28	158	99	438	99	158
TOTAL COMPREHENSIVE INCOME		(107)	(33)	426	(33)	(107)
Comprehensive income, Group share		(127)	(38)	418	(38)	(127)
Comprehensive income, Minority interests		20	5	8	5	20

(*) In accordance with IFRS 5 "non-Current Assets Held for Sale and Discontinued Operations" in the statements of comprehensive income for the six months ended June 2009 and the year ended December 31, 2009, the comprehensive income of 2010 discontinued operations are reported on a separate line (see Note 17).

► Consolidated Balance Sheets

Assets

ASSETS In € millions	Notes	June 2009	Dec 2009	June 2010
GOODWILL	18	1 924	1 777	890
INTANGIBLE ASSETS	19	503	488	406
PROPERTY, PLANT AND EQUIPMENT	20	4 524	4 306	3 921
Long-term loans	21	101	107	132
Investments in associates	22	184	191	223
Other financial investments	23	140	130	132
TOTAL NON-CURRENT FINANCIAL ASSETS		425	428	487
Deferred tax assets	16	228	291	262
TOTAL NON-CURRENT ASSETS		7 604	7 290	5 966
Inventories	24	71	60	40
Trade receivables	24	1 347	1 350	419
Other receivables and accruals	24	1 090	1 113	886
Prepaid services voucher reserve funds		437	565	-
Receivables on disposals of assets	29 & 30	6	43	40
Short-term loans	29 & 30	13	17	11
Cash and cash equivalents	29 & 30	1 247	1 164	1 286
TOTAL CURRENT ASSETS		4 211	4 312	2 682
Assets held for sale	32	34	144	4 755
TOTAL ASSETS		11 849	11 746	13 403

Equity and Liabilities

EQUITY AND LIABILITIES In € millions	Notes	June 2009	Dec 2009	June 2010 (*)
Share capital		676	676	678
Additional paid-in capital		2 372	2 379	2 392
Retained earnings		363	363	(2 773)
Hedging instruments reserve	26	(12)	(12)	(13)
Reserve for actuarial gains/losses		92	(26)	(26)
Reserve related to employee benefits		(23)	102	109
Currency translation reserve		(249)	(203)	231
Net profit, Group share		(150)	(282)	(15)
SHAREHOLDERS' EQUITY, GROUP SHARE	25	3 069	2 997	583
Minority interests	27	266	257	302
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTERESTS		3 335	3 254	885
Other long-term financial debt	29 & 30	2 798	2 332	2 001
Long-term finance lease liabilities	29 & 30	152	143	143
Deferred tax liabilities	16	190	211	139
Non-current provisions	33	130	132	99
TOTAL NON-CURRENT LIABILITIES		6 605	6 072	3 267
Trade payables	24	717	709	572
Other payables and income tax payable	24	1 449	1 463	4 100
Prepaid services voucher in circulation		2 584	2 883	-
Current provisions	33	216	242	160
Short-term debt and finance lease liabilities	29 & 30	230	285	120
Bank overdrafts	29 & 30	48	88	39
TOTAL CURRENT LIABILITIES		5 244	5 670	4 991
Liabilities of assets classified as held for sale	32	-	4	5 145
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		11 849	11 746	13 403

(*) IFRIC 17 has been applied in the financial statement at June 30, 2010 (see Note 2.F).

► Consolidated Cash Flow Statements

In € millions	Notes	2009 (*)	June 2009 (*)	June 2010	June 2009 Published	2009 Published
+ EBITDA	7	664	286	379	489	1 092
- Net financial expense	10	(124)	(53)	(73)	(58)	(143)
- Income tax expense		(56)	(12)	(71)	(73)	(161)
- Non cash revenue and expense included in EBITDA		31	14	11	16	32
- Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes		1	2	41	2	19
+ Dividends received from associates		4	2	-	2	4
+ Impact of discontinued operations		323	139	131	-	-
= Funds from Ordinary Activities	34	843	378	418	378	843
+ Decrease (increase) in operating working capital	35	(49)	(148)	32	(313)	(61)
= Net cash from operating activities		794	230	450	65	781
+ Cash received (paid) on non-recurring transactions (included restructuring costs and non-recurring taxes)		(130)	(37)	(91)	(43)	(156)
+ Decrease (increase) in non-operating working capital	35	(242)	(242)	237	(242)	(242)
+ Impact of discontinued operations		(40)	(171)	(253)	-	-
= Net cash from operating activities including non-recurring transactions (A)		383	(220)	343	(220)	383
- Renovation and maintenance expenditure	36	(288)	(161)	(89)	(180)	(327)
- Development expenditure	37	(420)	(182)	(167)	(480)	(766)
+ Proceeds from disposals of assets		339	60	221	77	363
+ Impact of discontinued operations		(361)	(300)	(42)	-	-
= Net cash used in investments/ divestments (B)		(730)	(583)	(77)	(583)	(730)
+ Proceeds from issue of share capital	(**)	175	170	18	170	175
- Capital reduction		-	-	-	-	-
- Dividends paid		(396)	(369)	(245)	(369)	(396)
- Repayment of long-term debt		(1 251)	(1 235)	(226)	(1 235)	(1 253)
- Payment of finance lease liabilities		(8)	(1)	(6)	(1)	(8)
+ New long term debt		1 710	2 069	24	2 189	1 842
= Increase (decrease) in long-term debt		451	833	(208)	953	581
+ Increase (decrease) in short-term debt		(109)	(235)	(823)	42	(33)
+ Impact of discontinued operations		206	397	2 267	-	-
= Net cash from financing activities (C)		327	796	1 009	796	327
- Effect of changes in exchange rates (D)		8	40	(20)	82	(28)
- Effect of changes in exchange rates on discontinued operations (D)		(36)	42	158	-	-
= Net change in cash and cash equivalents (E)=(A)+(B)+(C)+(D)	30	(48)	75	1 413	75	(48)
+ Cash and cash equivalents at beginning of period		1 131	1 131	1 076	1 131	1 131
+ Effect of changes in fair value of cash and cash equivalents		(7)	(7)	(4)	(7)	(7)
+ Reclassification of the period-end cash and cash equivalent of discontinued activities in "Assets held for sale"		-	-	(1 238)	-	-
- Cash and cash equivalents at end of period		1 076	1 199	1 247	1 199	1 076
= Net change in cash and cash equivalents	30	(48)	75	1 413	75	(48)

(*) In accordance with IFRS 5 "non-Current Assets Held for Sale and Discontinued Operations" in the consolidated cash flow statements for the six months ended June 2009 and the year ended December 31, 2009, the cash flows of 2010 discontinued operations are reported on a separate line (see Note 17).

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

► Changes in Consolidated Shareholders' Equity

In € millions	Number of shares outstanding	Share capital	Additional paid-in capital	Currency translation reserve (1)	Hedging Instruments reserve	Reserve for actuarial gains/losses	Reserve related to employee benefits	Retained earnings and profit for the period	Shareholders' equity	Minority interests	Consolidated shareholders' Equity	Recognition of debt towards Edenred shareholders (3)	Total Shareholders' equity (4)
At January 1, 2009	219 894 523	660	2 226	(367)	(6)	(23)	82	726	3 298	258	3 556	-	3 556
Issues of share capital													
- Stock dividends and performance share grants	5 358 327	16	146	-	-	-	-	-	162	8	170	-	170
Dividends paid (2)	-	-	-	-	-	-	-	(363)	(363)	(8)	(371)	-	(371)
Change in reserve for employee benefits	-	-	-	-	-	-	10	-	10	-	10	-	10
Effect of scope changes	-	-	-	-	-	-	-	-	-	3	3	-	3
Other Comprehensive Income	-	-	-	118	(6)	0	-	-	112	(13)	99	-	99
Net Profit	-	-	-	-	-	-	-	(150)	(150)	18	(132)	-	(132)
Total Comprehensive Income	-	-	-	118	(6)	0	-	(150)	(38)	5	(33)	-	(33)
At June 30, 2009	225 252 850	676	2 372	(249)	(12)	(23)	92	213	3 069	266	3 335	-	3 335
Issues of share capital													
- Stock dividends and performance share grants	-	-	-	-	-	-	-	-	-	(8)	(8)	-	(8)
- In cash	-	-	-	-	-	-	-	-	-	6	6	-	6
- On exercise of stock options	205 349	0	7	-	-	-	-	-	7	-	7	-	7
Dividends paid (2)	-	-	-	-	-	-	-	-	-	(26)	(26)	-	(26)
Change in reserve for employee benefits	-	-	-	-	-	-	10	-	10	-	10	-	10
Effect of scope changes	-	-	-	-	-	-	-	-	-	4	4	-	4
Other Comprehensive Income	-	-	-	46	(0)	(3)	-	-	43	16	59	-	59
Net Profit	-	-	-	-	-	-	-	(132)	(132)	(1)	(133)	-	(133)
Total Comprehensive Income	-	-	-	46	(0)	(3)	-	(132)	(89)	15	(74)	-	(74)
At December 31, 2009	225 458 199	676	2 379	(203)	(12)	(26)	102	81	2 997	257	3 254	-	3 254
Issues of share capital													
- Performance share grants	26 166	-	-	-	-	-	-	-	-	-	-	-	-
- On exercise of stock options	429 169	2	13	-	-	-	-	-	15	4	19	-	19
- On mergers	(34 638)	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid (2)	-	-	-	-	-	-	-	(237)	(237)	(8)	(245)	-	(245)
Change in reserve for employee benefits	-	-	-	-	-	-	7	-	7	-	7	-	7
Effect of scope changes	-	-	-	-	-	-	-	(39)	(39)	41	2	(2 578)	(2 576)
Other Comprehensive Income	-	-	-	434	(1)	0	-	-	433	5	438	-	438
Net Profit	-	-	-	-	-	-	-	(15)	(15)	3	(12)	-	(12)
Total Comprehensive Income	-	-	-	434	(1)	0	-	(15)	418	8	426	-	426
At June 30, 2010	225 878 896	678	2 392	231	(13)	(26)	109	(210)	3 161	302	3 463	(2 578)	885

(1) Exchange differences on translating foreign operations between December 31, 2009 and June 30, 2010 in the amount of €434 million positive impact, mainly concern changes in exchange rates against the euro of the US dollar (€265 million positive impact), the Brazilian real (€63 million positive impact), the Australian dollar (€40 million positive impact), the British pound (€27 million positive impact).

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

	USD	GBP	BRL	AUD
June 2009	1,4134	0,8521	2,7469	1,7359
December 2009	1,4406	0,8881	2,5113	1,6008
June 2010	1,2271	0,8175	2,2082	1,4403

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

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

(3) This column shows the debt recognized in application of IFRIC 17 (see Note 2.F).

(4) IFRIC 17 has been applied in the financial statement at June 30, 2010 (see Note 2.F).

Number of Accor's shares is detailed as follows:

Details on shares	June 2009	Dec. 2009	June 2010
Total number of shares authorized	225 252 850	225 458 199	227 898 962
Number of fully paid shares issued and outstanding	225 252 850	225 458 199	227 898 962
Number of shares issued and outstanding not fully paid	-	-	-
Par value per share (in €)	3	3	3
Treasury stock	-	-	2 020 066
Number of shares held for allocation on exercise of stock options and grants	-	-	-

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

Outstanding shares at January 1, 2010	225 458 199
Performance shares grant	26 166
Shares from conversion of stock option plans	429 169
Issue of share capital	1 985 428
Outstanding shares at June 30, 2010	227 898 962
Accor's share capital at June 30, 2010	227 898 962
Shares in treasury at June 30, 2010	(2 020 066)
Outstanding shares at June 30, 2010	225 878 896
Stock option plans (see Note 25.3)	9 471 193
Performance shares grants (see Note 25.3)	116 653
Potential number of shares	235 466 742
Full conversion would have the effect of reducing debt at June 30, 2010 as follows:	In € millions
Theoretical impact of exercising stock options (*)	419
Theoretical impact on net debt of exercising all equity instruments	419

(*) assuming exercise of all options outstanding at June 30, 2010.

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

Accor's share capital at June 30, 2010	227 898 962	
Outstanding shares at June 30, 2010	225 878 896	
Effect of share issues on the weighted average number of shares	(1 208 655)	
Adjustment from stock option plans exercised during the period	(259 828)	
Effect of weighting the average number of shares held in treasury	1 216 504	
Weighted average number of ordinary shares during the period	225 626 916	(See Note 25)
Impact of dilutive performance shares at June 30, 2010	506 512	
Weighted average number of shares used to calculate diluted earning per share	226 133 428	(See Note 25)

► Key Management Ratios

	Note	June 2009 (1)	Dec. 2009 (1)	June 2010 (2)
Gearing	(a)	59%	50%	109% (**)
Adjusted Funds from Ordinary Activities / Adjusted Net Debt	(b)	21,5%	20,0%	16,7%
Return On Capital Employed	(c)	12,1%	10,5%	9,5%
Economic Value Added (EVA [®]) (in € millions)	(d)	308	177	64

(1) Based on published historical data

(2) Excluding impact of discontinued activities

Note (a): Gearing corresponds to the ratio of net debt to equity (including minority interests).

(**)The gearing ratio takes into account the effect of applying IFRIC 17 in the financial statements at June 30, 2010 (see Note 2.F). As of July 2, 2010, after payment of the dividend, i.e. elimination of the debt recognized following adoption of IFRIC 17 (see Note 2.F) and excluding Edenred's balance sheet at June 30, 2010, gearing would stand at 21%.

Note (b): Adjusted Funds from Ordinary Activities / Adjusted Net Debt is calculated as follows, corresponding to the method used by the main rating agencies:

	June 2009 (1)	Dec. 2009 (1)	June 2010 (2)
Net debt at end of the period	1 961	1 624	964
Debt restatement prorated over the period	(240)	(51)	101
Average net debt	1 721	1 573	1 065
Rental commitments discounted at 8% (*)	3 967	3 761	3 778
Total Adjusted net debt	5 688	5 334	4 843
Funds from Ordinary Activities	1 002	843	574
Rental amortization	222	222	235
Adjusted Funds from Ordinary Activities	1 224	1 065	809
Adjusted Funds from Ordinary Activities / Adjusted Net Debt	21,5%	20,0%	16,7%

(1) Based on published historical data

(2) Excluding impact of discontinued activities

(*) Rental commitments correspond to the amounts presented in Note 6 C. They do not include any variable or contingent rentals. The 8% rate is the rate used by Standard & Poor's.

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

Adjusted net debt at June 30, 2010 is based on rental commitments discounted at 8% (€3,778 million).

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

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

2009 and 2010 Economic Value Added (EVA) have been calculated as follows:

		June 2009	Dec. 2009	June 2010
Cost of equity	(1)	9,47%	9,10%	9,21%
Cost of debt (after tax)		3,32%	4,19%	3,01%
Equity/debt weighting				
----- Equity		62,98%	66,71%	70,26%
----- Debt		37,02%	33,29%	29,74%
Weighted Average Cost of Capital (WACC)	(2)	7,19%	7,46%	7,37%
ROCE after tax	(3)	10,18%	9,15%	8,15%
Capital Employed (in € millions)		10 307	10 482	8 211
Economic Value Added (in € millions)	(4)	308	177	64

(1) The Beta used to calculate the cost of equity for 2009 and 2010 was 1 and the risk-free rate was the average 10-year OAT rate for the last month of the year

(2) WACC is determined as follows:

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

(3) ROCE after tax is determined as follows:

$$\frac{\text{EBITDA} - [(\text{EBITDA} - \text{depreciation, amortization and provisions}) \times \text{tax rate}]}{\text{Capital employed}}$$

For example, at June 30, 2010 the data used in the formula were as follows:

EBITDA	: €780 million (see ROCE hereafter)
Depreciation, amortization and provisions	: €435 million
Effective tax rate	: 32.1% (see Note 16.2)
Capital employed	: €8,211 million (see ROCE hereafter)

(4) EVA is determined as follows:

$$(\text{ROCE after tax} - \text{WACC}) \times \text{Capital employed}$$

A 0.1 point increase or decrease in the Beta would have had a €39 million impact on 2009 EVA and a €35 million impact on 2010 EVA.

► Return On Capital Employed (ROCE) by Business Segment

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

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

- **Adjusted EBITDA:** for each business, EBITDA plus revenue from financial assets and investments in associates (dividends and interest).
- **Capital Employed:** for each business, the average cost of 2009 and 2010 non-current assets, before depreciation, amortization and provisions, plus working capital.

ROCE corresponds to the ratio between EBITDA and average capital employed for the period. In June 2010, ROCE stood at 9.5% versus 8.3% in December 2009 and 9.7% in June 2009.

In € millions	June 2009 Published* (12 months)	2009 Published*	June 2010 Published (12 months)
Capital employed	8 400	8 548	8 691
Adjustments on capital employed (1)	(351)	(470)	(572)
Effect of exchange rate on capital employed (2)	149	13	92
Average Capital Employed excluding discontinued operations	8 198	8 091	8 211
EBITDA (see Note 7)	786	664	757
Interest income on external loans and dividends	8	9	10
Share of profit of associates before tax (see Note 11)	5	1	13
Adjusted EBITDA excluding discontinued operations	799	674	780
ROCE (Adjusted EBITDA/Capital Employed)excluding discontinued operations	9,7%	8,3%	9,5%

* In line with IFRS 5, the ROCE of Edenred, Groupe Lucien Barrière and the Onboard train services business were not taken into account in the calculation of Group ROCE.

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

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

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

Business	June 2009		Dec. 2009		June 2010	
	Capital Employed In € millions	ROCE %	Capital Employed In € millions	ROCE %	Capital Employed In € millions	ROCE %
HOTELS	7 927	9,9%	7 827	8,4%	7 968	9,5%
Upscale and Midscale Hotels	4 436	7,7%	4 147	6,6%	4 322	8,3%
Economy Hotels	1 890	17,7%	2 114	14,7%	2 084	16,4%
Economy Hotels United States	1 601	6,8%	1 566	4,4%	1 562	3,6%
OTHER BUSINESSES	271	6,1%	264	7,6%	243	9,5%
GROUP TOTAL excluding discontinued operations	8 198	9,7%	8 091	8,3%	8 211	9,5%

► Notes to the Consolidated Financial Statements

NOTE 1. Summary of Significant Accounting Policies

General framework

In accordance with European Commission regulation 1606/2002 dated July 19, 2002 on the application of international financial reporting standards, the Accor Group consolidated financial statements for the year ended June 30, 2010, have been prepared in accordance with the International Financial Reporting Standards (IFRSs) adopted by the European Union as of that date. They include comparative interim and annual 2009 financial information, prepared in accordance with the same standards.

At June 30, 2010, the accounting standards and interpretations adopted by the European Union were the same as International Financial Reporting Standards (including IFRSs, IASs and Interpretations) published by the International Accounting Standards Board ("IASB"), with the exception of:

- IAS 39, which was only partially adopted.
- Amendment to IFRS 1 « Additional Exemptions for First-time Adopters »

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

As a result, the Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as published by the IASB.

The following new standards and amendments to existing standards adopted by the European Union were applicable from January 1, 2010:

- Amendment to IAS 39 "Eligible Hedged Items": the amendment states in particular that the time value of money should not be taken into account in a hedging relationship and that inflation can be designated as a hedged item only when certain conditions are met. The amendment had no impact on the Group's hedge accounting.
- IFRS 1 (revised) "First-time Adoption of International Financial Reporting Standards": this standard concerns companies adopting IFRS for the first time and the revision therefore had no impact on the consolidated financial statements for the periods presented.
- Amendment to IFRS 2 "Group Cash-Settled Share-Based Payment Transactions": the amendment clarifies how an individual subsidiary in a group should account for cash-settled share-based payment arrangements in its own financial statements. It had no impact on the consolidated financial statements for the periods presented.
- IFRS 3 (revised) "Business Combinations" and IAS 27 (revised) "Consolidated and Separate Financial Statements": these revised standards, which are applicable prospectively, concern business combinations and changes in percentage ownership occurring on or after January 1, 2010. Adoption of these two revised standards led the Group to alter its accounting treatment of business combinations and transactions with non-controlling interests carried out on or after this date. The changes are as follows:
 - Transactions with non-controlling interests are now accounted for as equity transactions.
 - For each business combination, IFRS 3 (revised) offers the option of measuring any non-controlling interest in the acquiree either at fair value or as the non-controlling interest's proportionate share of acquiree's identifiable net assets (with no change possible later in the event of an additional interest being acquired that does not transfer control).
 - Costs related to business combinations are recognized directly as expenses.
 - Changes in ownership interest resulting in loss of control trigger remeasurement of the residual holding at fair value.

Adoption of this revised standard had no effect on the consolidated financial statements for the periods presented.

- Improvements to IFRS (April 2009): application of the amendments to standards had no effect on the consolidated financial statements for the periods presented.

- IFRIC 12 “Service Concession Arrangements”: as Accor is not involved in service concession arrangements, adoption of this interpretation had no effect on the consolidated financial statements for the periods presented.
- IFRIC 15 “Agreements for the Construction of Real Estate”: adoption of this interpretation had no effect on the consolidated financial statements for the periods presented.
- IFRIC 16 “Hedges of a Net Investment in a Foreign Operation”: this interpretation, which is applicable prospectively, clarifies certain principles governing hedges of net investments in foreign operations:
 - Hedge accounting may only be applied to foreign exchange differences between functional currencies for an amount less than the carrying amount of the net investment and only one hedging relationship may be designated.
 - The hedging instrument may be held by any entity within the Group.
 - The gain or loss on the hedging instrument accounted for in equity is reclassified to profit or loss on disposal of the investment.

Adoption of this interpretation had no effect on the consolidated financial statements for the periods presented.

- IFRIC 17 “Distributions of Non-cash Assets to Owners”: this interpretation was applied in the first-half 2010 financial statements following approval of the demerger of the Group’s Hospitality and Services businesses by the Shareholders’ Meeting of June 29. Although approved by shareholders before the end of the interim period, the demerger did not take place until July 2 (the date when the Edenred shares were delivered to Accor shareholders). As a result, application of IFRIC 17 led the Group to recognize in its 2010 interim financial statements a debt equal to the fair value of the shares issued to shareholders on July 2, 2010 (see Note 2.F).
- IFRIC 18 “Transfers of Assets from Customers”: adoption of this interpretation had no effect on the consolidated financial statements for the periods presented.

Assessment of the potential impact on the consolidated financial statements of future standards, amendments to existing standards and interpretations of existing standards.

The Group has elected not to early adopt the following standards, amendments and interpretations adopted or in the process of being adopted by the European Union at June 30, 2010 and applicable after that date:

		Application Date (period beginning on or after)	Measurement of the possible impact on the Accor Group consolidated financial statements in the period of initial application
Amendment to IAS 32	"Classification of Rights Issues"	February 1, 2010	These standards are currently not expected to have a material impact on the consolidated financial statements.
Amendment to IFRIC 14	"Prepayments of a Minimum Funding Requirement"	January 1, 2011	
Amendment to IFRS 1	"Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters"	July 1, 2010	
IFRIC 19	"Extinguishing Financial Liabilities with Equity Instruments"	July 1, 2010	
IAS 24 revised	"Related Party Disclosures"	January 1, 2011	
IFRS 9	"Financial Instruments"	January 1, 2013	

First-time adoption of IFRSs

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

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

Basis for preparation of the financial standards

The financial statements of consolidated companies, prepared in accordance with local accounting principles, have been restated to conform to Group policies prior to consolidation. All consolidated companies have a December 31 year-end, except for Groupe Lucien Barrière SAS whose year-end is October 31. Consequently, this company has been consolidated based on financial information for the six months ended April 30.

The preparation of consolidated financial statements implies the consideration by Group management of estimates and assumptions that can affect the carrying amount of certain assets and liabilities, income and expenses, and the information disclosed in the notes to the financial statements. Group management reviews these estimates and assumptions on a regular basis to ensure that they are appropriate based on past experience and the current economic situation. Items in future financial statements may differ from current estimates as a result of changes in these assumptions.

The main estimates and judgments made by management in the preparation of financial statements concern the valuation and the useful life of intangible assets, property, plant and equipment and goodwill, the amount of provisions for contingencies and the assumptions underlying the calculation of pension obligations, claims and litigation and deferred tax balances.

The main assumptions made by the Group are presented in the relevant notes to the financial statements.

When a specific transaction is not covered by any standards or interpretations, management uses its judgment in developing and applying an accounting policy that results in the production of relevant and reliable information. As a result, the financial statements provide a true and fair view of the Group's financial position, financial performance and cash flows and reflect the economic substance of transactions.

Capital management

The Group's main capital management objective is to maintain a satisfactory credit rating and robust capital ratios in order to facilitate business operations and maximize shareholder value.

Its capital structure is managed and adjusted to keep pace with changes in economic conditions, by adjusting dividends, returning capital to shareholders or issuing new shares. Capital management objectives, policies and procedures were unchanged in 2010.

The main indicator used for capital management purposes is the gearing or debt-to-equity ratio (corresponding to net debt divided by equity: see Note “Key Management Ratios” and Note 30). Group policy consists of keeping this ratio below 100%. For the purpose of calculating the ratio, net debt corresponds to interest-bearing loans and borrowings, cash and cash equivalents. Equity includes convertible preferred stock and unrealized gains and losses recognized directly in equity, but excludes minority interests. The Group has set a target of maintaining the adjusted funds from ordinary activities/Adjusted net debt ratio at more than 20%.

The main accounting methods applied are as follows:

A. Consolidation methods

The companies over which the Group exercises exclusive de jure or de facto control, directly or indirectly, are fully consolidated.

Companies controlled and operated jointly by Accor and a limited number of partners under a contractual agreement are proportionally consolidated.

Companies over which the Group exercises significant influence are accounted for by the equity method. Significant influence is considered as being exercised when the Group owns between 20% and 50% of the voting rights.

In accordance with IAS 27 “Consolidated and Separate Financial Statements”, in assessing whether control exists only potential voting rights that are currently exercisable or convertible are taken into account. No account is taken of potential voting rights that cannot be exercised or converted until a future date or until the occurrence of a future event.

B. Business combinations

Applicable since January 1, 2010, IFRS 3 (revised) “Business Combinations” and IAS 27 (revised) “Consolidated and Separate Financial Statements” have led the Group to alter its accounting treatment of business combinations and transactions with non-controlling interests carried out on or after this date.

C. Goodwill

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

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

C.1. POSITIVE GOODWILL

Goodwill, representing the excess of the cost of a business combination over the Group’s interest in the net fair value of the identifiable assets and liabilities acquired at the acquisition date, is recognized in assets under “Goodwill”. Residual goodwill mainly results from the expected synergies and other benefits arising from the business combination.

In accordance with IFRS 3 (revised), which is applicable to business combinations carried out on or after January 1, 2010, each time it acquires a less than 100% interest in an entity, the Group must choose whether to measure the non-controlling interest at fair value or as the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets (with no change possible later in the event of additional interest being acquired that does not transfer control). If the business is measured at its total fair value, goodwill attributable to non-controlling interests is also recognized.

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

C.2. NEGATIVE GOODWILL

Negative goodwill, representing the excess of the Group's interest in the net fair value of the identifiable assets and liabilities acquired at the acquisition date over the cost of the business combination, is recognized immediately in profit.

D. Foreign currency translation

The presentation currency is the euro.

The balance sheets of foreign subsidiaries are translated into euros at the closing exchange rate, and their income statements are translated at the average rate for the period. Differences arising from translation are recorded as a separate component of equity and recognized in profit on disposal of the business.

For subsidiaries operating in hyperinflationary economies, non-monetary assets and liabilities are translated at the exchange rate at the transaction date (historical rate) and monetary assets and liabilities are translated at the closing rate.

In the income statement, income and expense related to non-monetary assets and liabilities are translated at the historical rate and other items are translated at the average rate for the month in which the transaction was recorded. Differences arising from the application of this method are recorded in the income statement under "Net financial expense".

E. Non-current assets

E.1. INTANGIBLE ASSETS

In accordance with IAS 38 "Intangible Assets", intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

Brands and lease premiums (droit au bail) in France are considered as having indefinite useful lives and are therefore not amortized. Their carrying amount is reviewed at least once a year and more frequently if there is any indication that they may be impaired. If their fair value determined according to the criteria applied at the acquisition date is less than their carrying amount, an impairment loss is recognized (see Note 1.E.6).

Other intangible assets (licenses and software) are considered as having finite useful lives. They are amortized on a straight-line basis over their useful lives.

The clientele of hotels outside France is generally amortized over the life of the underlying lease.

Identifiable intangible assets recognized in a business combination are initially recognized at amounts determined by independent valuations, performed using relevant criteria for the business concerned that can be applied for the subsequent measurement of the assets. Identifiable brands are measured based on multiple criteria, taking into account both brand equity and their contribution to profit. Contractual customer relationships are measured based on the cost of acquiring new customers.

E.2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, in accordance with IAS 16 "Property, Plant and Equipment".

Assets under construction are measured at cost less any accumulated impairment losses. They are depreciated from the date when they are put in service.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, determined by the components method, from the date when they are put in service. The main depreciation periods applied are as follows:

	Upscale and Midscale Hotels	Economy Hotels
Buildings	50 years	35 years
Building improvements, fixtures and fittings	7 to 25 years	
Capitalized construction-related costs	50 years	35 years

Equipment	5 to 15 years
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E.3. BORROWING COSTS

Borrowing costs directly attributable to the construction or production of a qualifying asset are included in the cost of the asset. Other borrowing costs are recognized as an expense for the period in which they are incurred.

E.4. LEASES AND SALE AND LEASEBACK TRANSACTIONS

Leases are analysed based on IAS 17 "Leases".

Leases that transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee are qualified as finance leases and accounted for as follows:

- The leased item is recognized as an asset at an amount equal to its fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.
- A liability is recognized for the same amount, under "Finance lease liabilities".
- Minimum lease payments are allocated between interest expense and reduction of the lease liability.
- The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The asset is depreciated over its useful life, in accordance with Group accounting policy, if there is reasonable certainty that the Group will obtain ownership of the asset by the end of the lease term; otherwise the asset is depreciated by the components method over the shorter of the lease term and its useful life.

Lease payments under operating leases are recognized as an expense on a straight-line basis over the lease term. Future minimum lease payments under non-cancelable operating leases are disclosed in Note 6. Where sale and leaseback transactions result in an operating lease and it is clear that the transaction is established at fair value, any profit or loss is recognized immediately. Fair value for this purpose is generally determined based on independent valuations.

E.5. OTHER FINANCIAL INVESTMENTS

Other financial investments, corresponding to investments in non-consolidated companies, are classified as "Available-for-sale financial assets" and are therefore measured at fair value. Unrealized gains and losses on an investment are recognized directly in equity (in the Fair value adjustments on Financial Instruments reserve) and are reclassified to profit when the investment is sold. A significant or prolonged decline in the value of the investment leads to the recognition of an irreversible impairment loss in profit.

Equity-accounted investments in associates are initially recognised at acquisition cost, including any goodwill. Their carrying amount is then increased or decreased to recognise the Group's share of the associate's profits or losses after the date of acquisition. The Group is in regular contact with the management of associates and also receives details of their budgets and business plans. Based on the information obtained through these contacts and close monitoring of actual performance against the budgets and business plans, the Group considers that none of its investments in associates are impaired.

An impairment test is performed whenever there is objective evidence indicating that an investment's recoverable amount may be less than its carrying amount. Possible indications of impairment include a fall in the share price if the investee is listed, evidence of serious financial difficulties, observable data indicating a measurable decline in estimated cash flows, or information about significant changes with an adverse effect on the investee. Whenever there is an indication that an investment may be impaired, an impairment test is performed by comparing the investment's recoverable amount to its carrying amount. Recoverable amount is estimated using the methods described in Note 1.E.6.

E.6. RECOVERABLE VALUE OF ASSETS

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

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

CRITERIA USED FOR IMPAIRMENT TESTS

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

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

- 30% drop in EBITDA, based on a comparable consolidation scope.

CASH-GENERATING UNIT

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

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

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

Goodwill is tested for impairment at the level of the cash-generating unit (CGU) to which it belongs. CGUs correspond to specific businesses and countries; they include not only goodwill but also all the related property, plant and equipment and intangible assets.

Other assets, and in particular intangible assets, are tested individually.

METHODS USED TO DETERMINE RECOVERABLE VALUE

Impairment tests consist of comparing the carrying amount of the asset or the CGU with its recoverable value. The recoverable value of an asset or a CGU is the higher of its fair value less costs to sell and its value in use.

Property, plant and equipment and goodwill:

The recoverable value of all the assets or the CGUs is determined by comparing the results obtained by two methods, the EBITDA multiples method (fair value approach) and the after-tax discounted cash flows method (value in use approach).

1. Valuation by the EBITDA multiples method.

Accor operates in a capital-intensive industry (involving significant investment in real estate) and the EBITDA multiples method is therefore considered to be the best method of calculating the assets' fair value less costs to sell, representing the best estimate of the price at which the assets could be sold on the market on the valuation date.

For impairment tests performed by hotel, the multiples method consists of calculating each hotel's average EBITDA for the last two years and applying a multiple based on the hotel's location and category. The multiples applied by the Group correspond to the average prices observed on the market for transactions and are as follows:

Segment	Coefficient
Upscale and Midscale Hotels	$7.5 < x < 10.5$
Economy Hotels	$6.5 < x < 8$
Economy Hotels United States	$6.5 < x < 8$

For impairment tests performed by country, recoverable amount is determined by applying to the country's average EBITDA for the last two years a multiple based on its geographic location and a country coefficient.

If the recoverable amount is less than the carrying amount, the asset's recoverable amount will be recalculated according the discounted cash flows method.

2. Valuation by the discounted cash flows method (in particular for goodwill).

The projection period is limited to five years. Cash flows are discounted at a rate corresponding to the year end weighted average cost of capital. The projected long-term rate of revenue growth reflects each country's economic outlook. For 2009, a long-term growth rate of 2% was used for developed countries.

Intangible assets except goodwill:

The recoverable value of an intangible asset is determined according the discounted cash flow method only (referred to above), due to the absence of an active market and comparable transactions.

IMPAIRMENT LOSS MEASUREMENT

If the recoverable amount is less than the carrying amount, an impairment loss is recognized in an amount corresponding to the lower of the losses calculated by the EBITDA multiples and discounted cash flows methods. Impairment losses are recognized in the income statement under "Impairment losses" (see Note 1.S.7).

REVERSAL OF AN IMPAIRMENT LOSS

In accordance with IAS 36 “Impairment of Assets”, impairment losses on goodwill as well as on intangible assets with a finite useful life, such as patents and software, are irreversible. Losses on property, plant and equipment and on intangible assets with an indefinite useful life, such as brands, are reversible in the case of a change in estimates used to determine their recoverable amount.

E.7. ASSETS HELD FOR SALE

In accordance with IFRS 5 “Non-Current Assets Held for Sale and Discontinued Operations”, as from January 1, 2005, assets or group of assets held for sale are presented separately on the face of the balance sheet, at the lower of their carrying amount and fair value less costs to sell.

Assets are classified as “held for sale” when they are available for immediate sale in their present condition, their sale is highly probable, management is committed to a plan to sell the asset and an active program to locate a buyer and complete the plan has been initiated.

This item groups together:

- Non-current assets held for sale.
- Groups of assets held for sale.
- The total current and non-current assets related to a business or geographical segment (i.e. to a discontinued operation) itself held for sale.

F. Inventories

Inventories are measured at the lower of cost and net realizable value, in accordance with IAS 2 “Inventories”. Cost is determined by the weighted average cost method.

G. Prepaid services activity (Edenred) reserve funds

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

H. Prepaid expense

Prepaid expenses correspond to expenses paid during the period that relate to subsequent periods. They also include the effect of recognizing rental expense on a straight-line basis over the life of the lease (see Note 6). Prepaid expenses are included in “Other receivables and accruals”.

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, in application of certain assumptions.

Provisions for restructuring costs are recorded when the Group has a detailed formal plan for the restructuring and the plan’s main features have been announced to those affected by it.

K. Pensions and other post-employment benefits

The Group offers various complementary pensions, length-of-service award and other post-employment benefit plans, in accordance with the laws and practices of the countries where it operates. These plans are either defined contribution or defined benefit plans.

Under defined contribution plans, the Group pays fixed contributions into a separate fund and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay benefits. Contributions under these plans are recognized immediately as an expense.

For defined benefit plans, including multi-employer plans when the manager is able to provide the necessary information, the Group’s obligation is determined in accordance with IAS 19 “Employee Benefits”.

The Group’s obligation is determined by the projected unit credit method based on actuarial assumptions related to future salary levels, retirement age, mortality, staff turnover and the discount rate. These assumptions take into account the macro-economic environment and other specific conditions in the various host countries.

Pension and other retirement benefit obligations take into account the market value of plan assets. The amount recognized in the balance sheet corresponds to the discounted present value of the defined benefit obligation less the fair value of plan assets. Any surpluses, corresponding to the excess of the fair value of plan assets over the projected benefit obligation, are recognized only when they represent the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. For post-employment benefits, actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized immediately in equity.

The net defined benefit obligation is recognized in the balance sheet under “Non-current Provisions”.

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 closing exchange rate. Foreign currency financial liabilities measured at fair value are translated at the exchange rate on the valuation date. Gains and losses arising from translation are recognized in “Net financial expense”, except for gains and losses on financial liabilities measured at fair value which are recognized in equity.

M. Deferred tax

In accordance with IAS 12 "Income Taxes", deferred taxes are recognized on temporary differences between the carrying amount of assets and liabilities and their tax base by the liability method. This method consists of adjusting deferred taxes at each period-end, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The effects of changes in tax rates (and tax laws) are recognized in the income statement for the period in which the rate change is announced.

A deferred tax liability is recognized for all temporary differences, except when it arises from the initial recognition of non-deductible goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and which, at the time of the transaction, affects neither accounting profit nor taxable profit. The only exception concerns deferred taxes arising from the difference in treatment of certain leases accounted for as finance leases in the consolidated accounts.

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

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

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

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

Since January 1, 2010, adjustments to deferred tax assets acquired in a business combination are recognized in profit or loss without a corresponding adjustment to goodwill.

In accordance with IAS 12, deferred taxes are not discounted.

In France, the "taxe professionnelle" local business tax has been replaced in the 2010 Finance Act by the "Contribution Economique Territoriale" tax (CET). The CET comprises two separate taxes, as follows:

- 1) A tax assessed on the rental value of real estate ("CFE"). Similar to the "taxe professionnelle", it fulfills the criteria for recognition as an operating expense.
- 2) A tax assessed on the value added by the business ("CVAE"), which has some of the characteristics of a tax on income, as defined in IAS 12.

In a press release dated January 14, 2010, France's National Accounting Board stated that each business should exercise its own judgment to determine the accounting classification of the CVAE.

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

In its 2010 interim financial statements, Accor therefore:

- Reclassified CVAE as income tax.
- Reversed part of the deferred tax asset and deferred tax liability recognized at December 31, 2009, on the basis of the reductions in temporary differences observed during the first half.
- Recognized the deferred CVAE liability net of the associated corporate tax for business combinations carried out during the period.

N. Share-based payments

N.1. SHARE-BASED PAYMENTS

STOCK OPTION PLANS

In accordance with the transitional provisions of IFRS 1 "First-time Adoption of International Financial Reporting Standards", employee benefits expense is recognized only for grants of shares, stock options or other equity instruments that were granted after November 7, 2002 and had not yet vested at January 1, 2005.

IFRS 2 applies to fourteen stock option plans set up between 2003 and June 2010. Twelve of these plans do not have any specific vesting conditions except for the requirement for grantees to continue to be employed by the Group at the starting date of the exercised period. Afnote plan is a performance option plan with vesting conditions other than market conditions. The most recent plan is a performance option plan with vesting conditions based on performance in relation to the market. As for the other plans, grantees must still be employed by the Group at the starting date of the exercise period.

The service cost representing consideration for the stock options is recognized in expense over the vesting period by adjusting equity. The expense recognized in each period corresponds to the fair value of equity instruments granted at the grant date, as determined using the Black & Scholes option-pricing model. The grant date is defined as the date when the plan's terms and conditions are communicated to Group employees corresponding to the dates on which the Board of Directors approved these plans.

Under IFRS 2, vesting conditions, other than market conditions, are not taken into account when estimating the fair value of the options but are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount, so that, ultimately, the amount recognized for goods and services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

Market conditions are taken into account when estimating the fair value of the equity instruments granted, leading to the options being valued at a discounted price. The value attributed to the discount cannot be adjusted, whatever the extent to which the performance conditions have been met at the end of the vesting period. It is determined using the Monte Carlo method, which consists of simulating the performance of Accor shares and the CAC 40 index according to a sufficiently large number of Brown scenarios. Assumptions concerning the probability of options being exercised are also factored into the Monte Carlo model.

When the options are exercised, the cash settlement is recorded in cash and cash equivalents and in equity. The amount recognized in equity is allocated between "Share capital" and "Additional paid-in capital".

EMPLOYEE STOCK OWNERSHIP PLAN

IFRS 2 also applies to employee benefits granted through the Employee Stock Ownership Plan to the extent that shares are purchased at a discount by participating employees. Accordingly, when rights under the plan are exercisable at a price that is less than the fair value of the shares at the grant date, an expense is recognized immediately or over the vesting period, as appropriate.

The Group's employee stock ownership plans enable employees to invest in Accor stock at a discount price. The share purchase price before discount is based on the average of the prices quoted for Accor stock over the twenty trading days preceding the grant date. The shares are subject to a five-year lock-up.

The fair value of the employee benefit is measured by reference to:

- The discount reflected in the purchase price.
- The cost represented by the lock-up clause. This cost, which is calculated only for shares financed directly by employees and not for any shares financed by a bank loan, is measured by discounting the discount over 5 years at a rate corresponding to the risk-free interest rate.
- The grant date, defined as the date when the plan's terms and conditions are communicated to Group employees, corresponding to the first day of the subscription period.

The employee benefit is measured as the difference between the fair value of the acquired shares and the price paid by employees at the subscription date, multiplied by the number of shares subscribed.

The fair value, determined as described above, is recognized in full in "Employee benefits expense" at the end of the subscription period, by adjusting equity.

ACCOR GROUP SUBSIDIARIES' SHARE-BASED PAYMENT PLANS

Stock option plans have also been set up by certain Group companies, mainly in the United States and France. As the subsidiaries concerned are not listed on the stock exchange, Accor has given a commitment to buy back the shares issued on exercise of the options at their fair value, generally corresponding to a multiple of EBITDA less net debt. Most of these plans are governed by IFRS 2. Since they represent cash-settled plans, the related cost is accrued over the vesting period and the accrual is adjusted at each period-end based on updated valuation assumptions.

PERFORMANCE SHARES PLANS

Performance shares plans are also recognized and measured in accordance with IFRS 2. The recognition and the measurement principles are those used to recognize and measure the stock option plans excepted for the measurement of the cost of the performance share plans corresponding to:

- For 2007 and 2008 plans, the average of the Accor share prices for the twenty trading days preceding the grant date multiplied by the number of shares granted under the plan;
- For the 2009 plan, the Accor opening share price on the grant date less the present value of dividends unpaid multiplied by the number of shares issued.

N.2. TREASURY STOCK

Accor shares held by the Company and/or subsidiaries are recognized as a deduction from equity.

Gains and losses on sales of treasury stock (and the related tax effect) are recognized directly in equity without affecting profit.

No impairment losses are recognized on treasury stock.

O. 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.

O.1. FINANCIAL ASSETS

Financial assets are classified between the three main categories defined in IAS 39, as follows:

- “Loans and receivables” mainly comprise time deposits and loans to non-consolidated companies. They are initially recognized at fair value and are subsequently measured at amortized cost at each balance-sheet date. If there is an objective indication of impairment, an impairment loss is recognized at the balance-sheet date. The impairment loss corresponding to the difference between the carrying amount and the recoverable amount (i.e. the present value of the expected cash flow discounted using the original effective interest rate) is recognized in profit or loss. This loss may be reversed if the recoverable amount increases in a subsequent period.
- “Held to maturity investments” mainly comprise bonds and other marketable securities intended to be held to maturity. They are initially recognized at fair value and are subsequently measured at amortized cost at each balance-sheet date. If there is an objective indication of impairment, an impairment loss is recognized at the balance-sheet date.

For these two categories, initial fair value is equivalent to acquisition cost, because no material transaction costs are incurred.

- “Available-for-sale financial assets” mainly comprise investments in non-consolidated companies, equities, mutual fund units and money market securities. These assets are measured at fair value, with changes in fair value recognized in equity. The fair value of listed securities corresponds to market price (level 1 valuation technique) and the fair value of unlisted equities and mutual funds corresponds to their net asset value (level 1 valuation technique). For unlisted securities, fair value is estimated based on the most appropriate criteria applicable to each individual investment (using level 3 valuation techniques that are not based on observable data). Securities that are not traded on an active market, for which fair value cannot be reliably estimated, are carried in the balance sheet at historical cost plus any transaction expenses. When there is objective evidence of a significant or prolonged decline in value, the cumulative unrealized loss recorded in equity is reclassified to the income statement.

O.2. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

O.3. FINANCIAL LIABILITIES HEDGED BY DERIVATIVE INSTRUMENTS

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

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

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

O.4. BANK BORROWINGS

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

O.5. CONVERTIBLE BONDS

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

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

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

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

O.6. OTHER FINANCIAL LIABILITIES

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

P. Cash and cash equivalents

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

Q. Liabilities of assets classified as held for sale

In accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", this item includes all the liabilities (excluding equity) related to assets or a disposal group classified as held for sale (see Note 1.E.7).

R. Put Options granted by Accor

IAS 32 "Financial Instruments: disclosures and presentation" requires that the value of the financial commitment represented by put options granted by Accor to minority interests in subsidiaries, be recognized as a debt. The difference between the debt and the related minority interests in the balance sheet, corresponding to the portion of the subsidiary's net assets represented by the shares underlying the put, is recognized as goodwill. When the exercise price is equal to the fair value of the shares, the amount

of the debt is determined based on a multiple of the EBITDA reflected in the 5-year business plan of the subsidiary concerned and is discounted.

For put options granted before January 1, 2010, changes in the debt arising from business plan adjustments are recognized in goodwill. Discounting adjustments are recognized in financial expense.

For put options granted on or after January 1, 2010, changes in the debt are treated as reclassifications in equity and therefore have no impact on profit, in accordance with IAS 27 (revised).

S. Income statement and cash flow statement presentation

S.1. REVENUE

In accordance with IAS 18 "Revenue", revenue corresponds to the value of goods and services sold in the ordinary course of business by fully and proportionally consolidated companies. It includes:

- For directly owned and leased hotels, all revenue received from clients for accommodation, catering and other services, and for managed and franchised hotels, all management and franchise fees.
- For onboard train services, sleeping compartment and food services billed to railway operators and grants received.

In accordance with IAS 18 "Revenue", revenue is measured at the fair value of the consideration received or receivable, net of all discounts and rebates, VAT, other sales taxes and fair value of customer loyalty programs.

Revenue from product sales is recognized when the product is delivered and the significant risks and rewards of ownership are transferred to the buyer.

Revenue from sales of services is recognized when the service is rendered.

Revenue from sales of loyalty programs is recognised on a straight-line basis over the life of the cards in order to reflect the timing, nature and value of the benefits provided.

When sales of products or services are covered by a customer loyalty program, the revenue invoiced to the customer is allocated between the product or the service sold and the award credits given by the third party granting the loyalty points. The consideration allocated to the award credits, which is measured by reference to the fair value of the points granted, is deferred and recognized as revenue when the customer redeems the award credits – i.e. when an award is received in exchange for converting the loyalty points.

S.2. OTHER OPERATING REVENUE

Other operating revenue consists of interest income on prepaid services voucher reserve funds. The interest corresponds to the prepaid services voucher business's operating revenue and is included in the determination of consolidated revenue.

S.3. EBITDAR

Earnings before interest, tax, depreciation, amortization and rental expense and share of profit of associates after tax (EBITDAR) correspond to revenue less operating expense.

EBITDAR is used as a key management indicator.

It is also used to calculate the flow-through ratio and the response ratio. The flow-through ratio, which is used when revenue goes up, corresponds to change in like-for-like EBITDAR/change in like-for-like revenue. The response ratio, used when revenue goes down, is defined as $1 - (\text{change in like-for-like EBITDAR} / \text{change in like-for-like revenue})$.

S.4. RENTAL EXPENSE AND DEPRECIATION, AMORTIZATION AND PROVISION EXPENSE

Rental expense and depreciation, amortization and provision expense reflect the operating costs of holding leased and owned assets. For this reason, an additional sub-total has been included in the income statement. Under this presentation:

- EBITDA corresponds to gross profit after the operating costs of holding leased assets.
- EBIT corresponds to gross operating profit after the operating costs of holding both leased and owned assets.

These two indicators are used regularly by the Group to analyze the impact of the operating costs of holding assets on the consolidated financial statements.

S.5. OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS

Operating profit before tax and non-recurring items corresponds to the results of operations of the Group's businesses less the related financing cost. Net financial expense and the share of profit of associates after tax represent an integral part of consolidated operating profit before tax and non-recurring items to the extent that they contribute to the performance indicator used by the Group in its communications to investors. This indicator is also used as the benchmark for determining senior management and other executive compensation, as it reflects the economic performance of each business, including the cost of financing the hotel businesses.

S.6. RESTRUCTURING COSTS

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

S.7. IMPAIRMENT LOSSES

Impairment losses correspond to all the losses and provisions recorded in accordance with IAS 36 "Impairment of Assets".

S.8. GAINS AND LOSSES ON MANAGEMENT OF HOTEL PROPERTIES

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

S.9. GAINS AND LOSSES ON MANAGEMENT OF OTHER ASSETS

This item corresponds to gains and losses on management of fixed assets other than hotels and movements in provisions, as well as other gains and losses on non-recurring transactions. The transactions concerned are not directly related to the management of continuing operations.

S.10. OPERATING PROFIT BEFORE TAX

Operating profit before tax corresponds to operating profit after income and expenses that are unusual in terms of their amount and frequency that do not relate directly to the Group's ordinary activities.

S.11. PROFIT OR LOSS FROM DISCONTINUED OPERATIONS

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

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

Profit or loss from discontinued operations corresponds to:

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

S.12. CASH FLOW STATEMENT

The cash flow statement is presented on the same basis as the management reporting schedules used internally to manage the business. It shows cash flows from operating, investing and financing activities.

Cash flows from operating activities include:

- Funds from operations, before non-recurring items and after changes in deferred taxes and gains and losses on disposals of assets.
- Cash received and paid on non-recurring transactions.
- Changes in working capital.

Cash flows from investing activities comprise:

- Renovation and maintenance expenditure to maintain in a good state of repair operating assets held at January 1 of each year.
- Development expenditure, including the fixed assets and working capital of newly consolidated subsidiaries and additions to fixed assets of existing subsidiaries.
- Development expenditure on non-current assets classified as held for sale.
- Proceeds from disposals of assets.

Cash flows from financing activities include:

- Changes in equity.
- Changes in debt.
- Dividends.

T. Earnings per share

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

U. Other information

Current assets and liabilities are assets and liabilities that the Group expects to recover or settle:

- In the normal course of business, or
- Within twelve months of the period-end.

The Board of Directors approved these financial statements for publication on August 25, 2010.

Note 2. Significant Events and Changes in Scope of Consolidation

A. Divestments and returns to shareholders

A.1. STRATEGIC REFOCUSING ON HOTELS

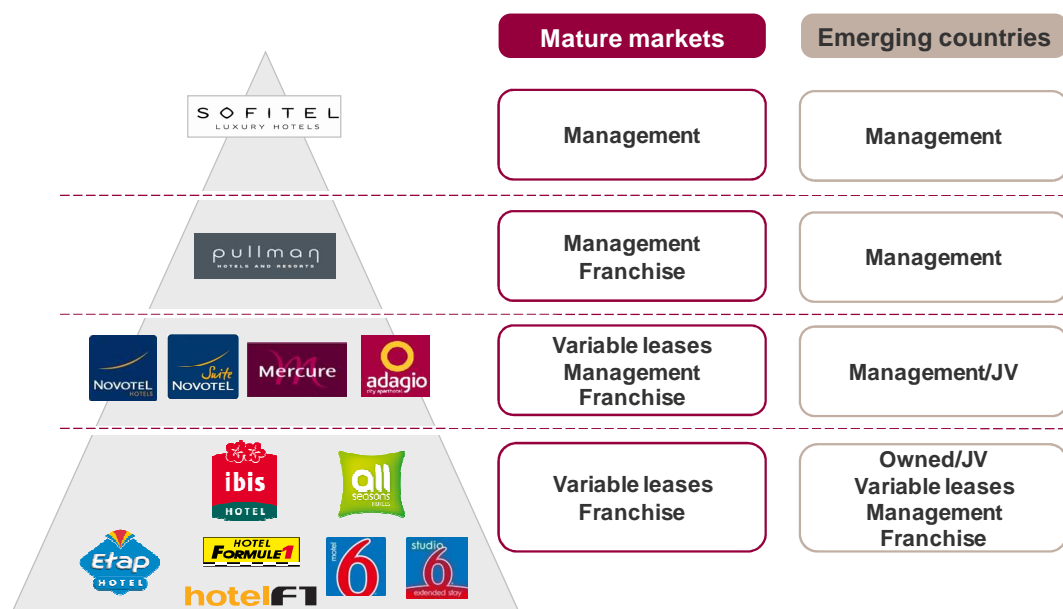
In line with the Group strategy announced to the financial markets in 2006 and reasserted in 2009, various non-strategic assets have been sold. Details of the main divestments carried out in 2006, 2007, 2008 and 2009 are presented below.

Date	Company	% shares sold	Sale price	Capital gain/(loss) (*)	% interest at period-end
2006	COMPASS GROUPE	30,706,882 shares or 1.42%	€95 million	€(4) million	-
	CARLSON WAGONLIT TRAVEL	Accor's total 50% interest	€334 million (\$465 million)	€90 million	-
	CLUB MEDITERRANEE	17.50%	€152 million	€(6) million	11.43%
2007	CLUB MEDITERRANEE	1,049,719 shares or 5.43%	€45 million	€4 million	6%
	GO VOYAGES	Accor's total 100% interest	€281 million	€204 million	-
	RESTAURATION COLLECTIVE - ITALY	Accor's total 94.64% interest	€135 million	€16 million	-
2008	BRAZILIAN FOOD SERVICES BUSINESS	Accor's total 50% interest	€114 million	€32 million	-
2009	CLUB MEDITERRANEE	1,162,630 shares or approximately 4%	€12 million	€(3) million	-
2010	EDENRED	(See Note 2F)			

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

A.2. PROPERTY STRATEGY

In line with the "Asset Right" and "Asset Light" strategies referred to in the Group's communications to the financial markets since 2005, the operating structures of the hotel units have been changed based on a detailed analysis of the risk and earnings profiles of each hotel segment. The aim of this strategy is to reduce the capital tied up in hotel assets and reduce cash flow volatility.



Since January 1, 2005, the operating structures of 886 hotel units have been changed. The following table provides summary information about the various transactions, by type.

In € millions	Number of hotels	Portfolio value	Debt impact	Discounted Rental Commitments impact (*)	Adjusted Debt impact (**)
Sales & Variable Lease Back	537	3 617	1 446	1 517	2 963
Sales & Lease Back	1	3	3	(5)	(2)
Sales & Management Back	25	646	396	315	711
Sales & Franchise Back	193	266	240	141	381
Outright sales	130	552	468	128	596
Total	886	5 084	2 553	2 096	4 649

(*) Rental commitments discounted with an 8% rate

(**) Adjusted from the rental commitments discounted with an 8% rate

The various transactions carried out under this strategy since January 1, 2005, are as follows:

A.2.1. "Sale and Variable Lease back" transactions

In the Midscale and Economy segments, the strategy consists of selling the hotel properties while continuing to manage the business, retaining variable-rent leases based on a percentage of revenue without any guaranteed minimum. One of the aims is to variabilize a proportion of fixed costs in order to reduce earnings volatility

The main sale and variable leaseback transactions carried out since 2005 are as follows:

Year	Company	Country	Number of units	Main contract terms	Rents
2005	Foncière des Murs	France	128	12-year contract per hotel, renewable four times per hotel at Accor's discretion.	Average rents equal to 15.5% of revenue, without any guaranteed minimum, reduced to 14.5% at the first renewal date
2006	Foncière des Murs	France & Belgium	67	12-year contract per hotel, renewable four times per hotel at Accor's discretion.	Rent equal to 14% of revenue, without any guaranteed minimum, reduced to 13% at the first renewal date
2007	Land Securities	United Kingdom	29	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on annual revenues of 21% on average, with no guaranteed minimum.
2007	Moor Park Real Estate	Germany and Netherlands	86	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on annual revenues of 18% on average, with no guaranteed minimum.
2008	Axa Reim and Caisse des Dépôts et Consignations	France and Switzerland	55	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on an average of 16% of annual revenue with no guaranteed minimum
2009	Consortium of leading French institutional investors through a property investment trust (OPCI)	France	157	12-year contract per hotel, renewable six times per hotel at Accor's discretion.	Rents based on an average of 20% of annual revenue with no guaranteed minimum
2010	Invesco Real Estate	France, Italy	3	15-year contract per hotel, renewable per hotel at Accor's discretion.	Rents based on annual revenues of 22% on average.
2005 - 2010	Other	Germany & Mexico	12	NA	NA
Total 2005-2010			537		

These transactions impacted the consolidated financial statements as follows:

	In € millions	Sale price	Capital gain/(loss)	Debt impact	Adjusted debt impact
2005	Foncière des Murs	1025	107	146	831
2006	Foncière des Murs	494	143	327	332
2007	Land Securities	632	168	157	526
2007	Moor Park Real Estate	688	142	181	536
2008	Axa Reim and Caisse des Dépôts et Consignations	361	87	267	323
2009	Consortium of French institutional investors	203	39	153	214
2010	Invesco Real Estate	83	1	79	79
2005-2010	Other	122	ND	136	122
Total 2005 - 2010		3 608	ND	1 446	2 963

In each of these transactions, Accor and its partner undertook commitments to refurbish the divested assets. These commitments and the related expenditure incurred as of the balance sheet date are presented in Note 40.

The sale and variable leaseback transaction carried out in 2009 with a consortium of leading French institutional investors through a property investment trust (OPCI) concerned 157 hotel F1 properties, representing a total of 12,174 rooms. This transaction enabled Accor to reduce its adjusted net debt by around €214 million in 2009, of which €153 million was added to the Group's cash reserves.

The sale and variable leaseback transaction carried out in 2010 with Invesco Real Estate concerned three hotels (the Novotel Roma la Rustica, the Mercure Corso Trieste in Rome and the Mercure Pullman la Défense), representing a total of 630 rooms. Sold for €83 million, the hotels continue to be operated by Accor under 15-year variable-rent leases (based on an average 22% of annual revenue) that are renewable at Accor's initiative. Insurance, property taxes and structural maintenance costs are payable by the owner. This transaction enabled Accor to reduce its adjusted net debt by €79 million in 2010.

A.2.2. "Sale and Management back" transactions

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

The strategy for Upscale hotels consists of selling the hotel properties while continuing to manage the business, retaining a minority interest depending on the circumstances.

In the Midscale and Economy segments, the strategy consists of selling the hotel properties while continuing to manage the business without any minority interest.

The main sale and management-back transactions carried out since 2005 are as follows:

Company	Main countries	Number of units	Description of the transaction
2006 Joint venture comprised of GEM Realty, Whitehall Street Global Real Estate Limited Partnership and Accor	United States (Sofitel hotels in United States located in Chicago, Los Angeles, Miami, Minneapolis, San Francisco Bay and Washington)	6	- Accor remains a 25% partner in the joint venture which is accounted for by the equity method - Accor continues to manage the hotels under the Sofitel brand name under a 25-year management contract renewable three times for successive periods of ten years.
2007 Joint venture comprised of GEM Realty Capital, Whitehall Street Global Real Estate Limited Partnership and Accor	United States (Sofitel hotels located in New York and Philadelphia)	2	- Accor remains a 25% shareholder in the joint venture which is accounted for by the equity method - Accor continues to manage the hotels under the Sofitel brand name under a 25-year management contract
2007 Société Stratom	French West Indies (2 Sofitel hotels and 2 Novotel hotels)	4	Accor continues to manage the hotels under a management contract
2008 Société Hotelière Paris Les Halles	The Netherlands (Sofitel The Grand)	1	- Accor retain a 40% interest in the company that owns the property which is accounted for by the equity method . - Accor run the hotel under a 25-year management contract.
2008 Esnee	France (Mgallery Baltimore)	1	Accor continues to manage the hotel under a management contract
2005-2010 Other	Australia / United States	11	Accor continues to manage the hotels under a management contract
Total 2005 - 2010		25	

These transactions impacted the consolidated financial statements as follows:

In € millions	Sale price	Capital gain/(loss)	Debt impact	Adjusted debt impact
2006 6 Sofitel hotels in United States	295	(15)	184	285
2007 2 Sofitel hotels in United States	219	14	85	207
2007 2 Sofitel hotels and 2 Novotel hotels in French West Indies	13	(8)	6	6
2008 Sofitel The Grand	31	(1)	31	69
2008 Mgallery Baltimore	28	3	26	27
2005 - 2010 Other	60	ND	64	117
Total 2005 - 2010	646	ND	396	711

A.2.3. Sale and Franchise Back Transactions and Outright sales

Since 2005, Accor has sold outright or sold and franchised back a total of 323 hotels.

	Sale & Franchise Back Number of hotels	Outright sales	Main countries	Sale price	Debt impact In € millions	Adjusted debt impact
2005	25	17	Germany	43	43	164
2006	27	25	France, United States and Denmark	195	109	188
2007	34	39	France, United States, Germany	256	254	302
2008	49	12	France, United States, Germany	117	104	121
2009	26	30	France, United States, Germany, the Netherlands	120	106	110
2010	32	7	France, United States, China, Germany, Brasil, Portugal	87	89	82
TOTAL	193	130		818	705	967

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

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

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

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

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

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

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

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

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

B. Organic growth and acquisitions

B.1. HOTEL DIVISION DEVELOPMENT STRATEGY

A total of 116 245 rooms were opened in the period 2006-2010 in line with the Group's stated intention to pursue its development program as set out in the strategic plan.

B.1.1 Investments in hotels (acquisitions and organic growth)

In 2010, the Group added 93 hotels (10 913 rooms) to its portfolio through acquisitions and organic growth. In addition, 41 hotels (5 359 rooms) were closed during the period.

Hotel portfolio by brand and type of management at June 30, 2010

In number of hotels	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
Sofitel	17	6	7	80	6	116 (*)
Pullman	9	8	7	19	4	47
Novotel	62	59	117	100	54	392
Mercure	56	93	84	211	267	711
Adagio	1	6	1	21	1	30
Suitehotel	9	8	-	3	7	27
All Seasons	3	11	4	11	57	86
Ibis	135	136	220	94	294	879
Etap Hotel	60	58	77	8	209	412
Formule 1	101	24	168	10	48	351
Motel 6 / Studio 6	321	346	1	-	403	1 071
Other	16	2	-	18	5	41
Total	790	757	686	575	1 355	4 163
<i>Total (in %)</i>	<i>19,0%</i>	<i>18,2%</i>	<i>16,5%</i>	<i>13,8%</i>	<i>32,5%</i>	<i>100,0%</i>

(*) 121 hotels marketed through the TARS reservation system.

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
Sofitel	2 639	1 544	1 173	22 279	1 965	29 600
Pullman	2 309	2 228	1 544	5 904	1 032	13 017
Novotel	11 149	11 495	19 423	22 757	6 935	71 759
Mercure	6 982	14 841	12 510	30 534	22 725	87 592
Adagio	108	697	133	2 901	111	3 950
Suitehotel	1 158	1 239	-	378	592	3 367
All Seasons	330	820	763	1 599	4 286	7 798
Ibis	18 377	17 399	29 557	16 935	22 514	104 782
Etap Hotel	5 394	6 014	7 050	1 014	15 235	34 707
Formule 1	7 327	1 867	15 389	1 176	3 060	28 819
Motel 6 / Studio 6	36 732	39 151	72	-	30 397	106 352
Other	2 858	154	-	3 401	461	6 874
Total	95 363	97 449	87 614	108 878	109 313	498 617
<i>Total (in %)</i>	<i>19,1%</i>	<i>19,5%</i>	<i>17,6%</i>	<i>21,8%</i>	<i>21,9%</i>	<i>100,0%</i>

Hotel portfolio by region and type of management at June 30, 2010

In number of hotels	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
France	192	58	398	54	722	1 424
Europe excluding France	185	298	224	84	125	916
North America	325	346	1	12	403	1 087
Latin America & Caribbean	19	6	42	93	21	181
Other Countries	69	49	21	332	84	555
Total	790	757	686	575	1 355	4 163
<i>Total (in %)</i>	<i>19,0%</i>	<i>18,2%</i>	<i>16,5%</i>	<i>13,8%</i>	<i>32,5%</i>	<i>100,0%</i>

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
France	19 025	6 675	43 540	6 592	53 523	129 355
Europe excluding France	25 847	43 281	31 704	12 416	13 344	126 592
North America	37 917	39 151	72	3 664	30 397	111 201
Latin America & Caribbean	2 500	936	8 414	13 452	2 470	27 772
Other Countries	10 074	7 406	3 884	72 754	9 579	103 697
Total	95 363	97 449	87 614	108 878	109 313	498 617
<i>Total (in %)</i>	<i>19,1%</i>	<i>19,5%</i>	<i>17,6%</i>	<i>21,8%</i>	<i>21,9%</i>	<i>100,0%</i>

Hotel portfolio by region and brand at June 30, 2010

In number of hotels	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Total
Sofitel	12	21	9	9	65	116 (*)
Pullman	13	12	-	1	21	47
Novotel	123	140	7	18	104	392
Mercure	251	238	-	77	145	711
Adagio	24	6	-	-	-	30
Suitehotel	19	6	-	-	2	27
All Seasons	44	8	-	-	34	86
Ibis	380	318	-	64	117	879
Etap Hotel	294	118	-	-	-	412
Formule 1	261	31	-	11	48	351
Motel 6 / Studio 6	-	-	1 071	-	-	1 071
Other	3	18	-	1	19	41
Total	1 424	916	1 087	181	555	4 163
<i>Total (in %)</i>	<i>34,2%</i>	<i>22,0%</i>	<i>26,1%</i>	<i>4,3%</i>	<i>13,3%</i>	<i>100,0%</i>

(*) 121 hotels marketed through the TARS reservation system.

In number of rooms	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Total
Sofitel	1 597	4 871	2 893	1 623	18 616	29 600
Pullman	3 384	2 824	-	188	6 621	13 017
Novotel	16 257	26 640	1 956	2 980	23 926	71 759
Mercure	23 509	32 398	-	9 982	21 703	87 592
Adagio	3 302	648	-	-	-	3 950
Suitehotel	2 144	931	-	-	292	3 367
All Seasons	3 350	539	-	-	3 909	7 798
Ibis	33 549	40 504	-	9 489	21 240	104 782
Etap Hotel	22 677	12 030	-	-	-	34 707
Formule 1	19 434	2 216	-	3 125	4 044	28 819
Motel 6 / Studio 6	-	-	106 352	-	-	106 352
Other	152	2 991	-	385	3 346	6 874
Total	129 355	126 592	111 201	27 772	103 697	498 617
<i>Total (in %)</i>	<i>25,9%</i>	<i>25,4%</i>	<i>22,3%</i>	<i>5,6%</i>	<i>20,8%</i>	<i>100,0%</i>

Hotel development projects in progress at June 30, 2010

The number of new rooms represented by hotel development projects in progress at June 30, 2010 is as follows:

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
2010	1 955	937	1 543	6 544	4 366	15 345
2011	3 964	1 284	3 584	24 880	4 561	38 273
2012	1 518	1 435	3 937	18 790	2 802	28 482
2013 and after	2 933	-	2 121	13 623	952	19 629
Total	10 370	3 656	11 185	63 837	12 681	101 729

B.1.2. Acquisition of control of Orbis

2007: Acquisition of a 4.9% stake in Orbis

On August 22, 2007, Accor acquired an additional 4.9% stake in Orbis, raising its interest in the Polish company from 40.58% to 45.48%. A total of 2,257,773 shares were acquired at a price of PLN72 per share, representing a total investment of PLN163 million (approximately €42 million). The transaction had no impact on Orbis's classification as an associate, and the company therefore continued to be accounted for by the equity method in 2007 and at the end of June 2008.

2008: Increase in Accor's stake in the Orbis Group to 50.01%

During the second half of 2008, Accor acquired an additional 4.53% stake in the Orbis group, raising its interest to 50.01%. The shares were acquired at a price of PLN55.4 per share, representing a total investment of approximately €35 million. Following the transaction, Orbis was fully consolidated in the Accor Group accounts.

This was recognized as fair value adjustments to 21 hotel properties. After purchase accounting adjustments, goodwill amounted to €12 million.

B.1.3. Restructuring of the Dorint AG

Accor has owned an equity interest in German hotel group Dorint AG since 2002. The interest was increased from 26% in 2002 to 40.19% in 2006 through a number of capital injections and was accounted for by the equity method from 2003 to 2006. A strategic partnership with Accor was set up based on franchise and marketing agreements and all the Dorint hotels were co-branded Dorint Sofitel or Dorint Novotel or converted to the Mercure brand. The Dorint sales and marketing teams were integrated in the Accor network.

In light of Dorint's continued substantial operating losses in 2006, the company's Supervisory Board decided to split up the business into two separate entities in first-quarter 2007:

- By underwriting a €52 million share issue, Accor acquired a controlling interest in one of the new companies, which operates 52 hotels. Of these hotels, nine were previously operated under the Dorint Sofitel brand, 17 under the Dorint Novotel brand and 26 under the Dorint Mercure brand. In the first half of 2007, they were rebranded as Sofitel, Novotel and Mercure units, respectively. The company was named The NewGen Hotels AG.
- Ebertz & Partner acquired all the shares of the other company, Neue Dorint GmbH, which operates 41 Dorint hotels under the Dorint brand.

At the same time, Accor underwrote a second €70.4 million capital increase and bought out the minority interests for €94.2 million, raising its interest in The NewGen Hotels AG to 97.64%. At December 31, 2007, the new entity was fully consolidated. The difference between the cost of the business combination and the net assets acquired was €143 million. This amount was recognized in full under "goodwill" due to the expected synergies with Accor's existing operating company in Germany.

Financially, the transaction enabled Accor to gain control of 52 hotels representing, in 2007, €336 million in revenues, €13 million in EBITDA and €8 million in operating profit. At the same time, Accor recognized a loss of €7 million corresponding to its share in Dorint AG's losses as accounted for by the equity method.

During the second half of 2008, Accor acquired a further 2% interest in The NewGen Hotels for €10.2 million, leading to the recognition of additional goodwill of €10.3 million. Following this transaction, the Group owned 99.46% of the company.

Lastly, in late 2008, the Group launched a squeeze-out procedure to purchase the remaining 0.54% interest held by minority shareholders, at a price of €39 per share. Following completion of the procedure on January 7, 2009, Accor now owns 100% of The NewGen Hotels AG.

Total goodwill recognized on these various transactions amounted to €180 million.

B.2. GROUPE LUCIEN BARRIERE- PLANNED SALE OF THE GROUP'S INTEREST

B.2.1. Events in 2004-2009

In December 2004, Accor, the Barrière Desseigne family and Colony Capital set up Groupe Lucien Barrière SAS to hold the casino and hotel assets of Société Hôtelière de la Chaîne Lucien Barrière (SHCLB), Société des Hôtels et Casino de Deauville (SHCD), Accor Casinos and their respective subsidiaries. Under the terms of the agreements, Colony Capital had an option to sell Accor its 15% stake in Groupe Lucien Barrière SAS, at a price determined by five independent banks.

In November 2008, Colony Capital announced its intention to start the valuation process.

The resulting valuation of €153 million is the average of the valuations made by five independent experts, excluding the highest and the lowest valuations, in accordance with the agreements signed in 2004.

Following this valuation process, Colony Capital decided at the end of March 2009 to exercise the put option at a price of €153 million.

The impact on Accor's net debt was €260 million based on the proportional consolidation of 49% of Groupe Lucien Barrière debt in the second half of 2009. The difference between the cost of the business combination and the net assets acquired amounted to €103 million and was added to goodwill. The transaction had no impact on the consolidation method applied to Groupe Lucien Barrière, which continued to be proportionally consolidated at December 31, 2009.

B.2.2. Events in 2010

As part of its strategic refocusing on hotels, in June 2010 Accor planned to sell all of its 49% stake in Groupe Lucien Barrière. The sale is scheduled to take place in the second half of 2010, or beginning of 2011.

Presented as a separate business segment in Accor's segment reporting, Groupe Lucien Barrière represents a core business for Accor and, as such, has been classified as a discontinued operation and treated in the interim financial statements in accordance with the principles of IFRS 5 "Non-current assets held for sale and discontinued operations", as follows:

- All of Groupe Lucien Barrière's current and non-current assets at June 30, 2010 have been reclassified as "Assets held for sale" (see Note 32).
- All of Groupe Lucien Barrière's liabilities (excluding equity) at June 30, 2010 have been reclassified as "Liabilities related to assets held for sale" (see Note 32).
- Income from Groupe Lucien Barrière for the periods presented has been reclassified as "Net income from discontinued operations" (see Note 17).

B.3. SIGNATURE IN 2010 OF AN AGREEMENT TO SELL ACCOR'S STAKE IN ON BOARD TRAIN SERVICES

On July 7, 2010, Accor sold Compagnie des Wagons Lits' onboard rail catering businesses in France, Austria and Portugal and part of the Italian business to Newrest through a joint venture that is 60% owned by Newrest and 40% by Accor. Newrest and Compagnie des Wagons-Lits have pooled their expertise to grow their businesses by leveraging their strategically related capabilities in onboard rail catering and facilities management.

For Newrest, which is present in inflight catering, retail dining solutions and remote site management, the joint venture represents an outstanding opportunity to expand in the onboard rail catering market and to enter new countries, including Austria and Italy.

As part of Newrest, Compagnie des Wagons-Lits's onboard rail catering business will be better equipped to win new contracts and position itself as a leader in railway foodservices.

Creation of the joint venture is aligned with Accor's strategy of refocusing on its core business. It has enabled the Group to gradually withdraw from onboard rail catering, with an option to sell the entire business as from 2013. At the same time, it gives Compagnie des Wagons-Lits's onboard rail catering operations new expansion opportunities alongside a solid partner, recognized in its businesses and enjoying extensive capacity for growth.

C. Colony Capital / Eurazeo

In March 2005, the Management Board and the Supervisory Board approved a proposal by Colony Capital to invest €1 billion in the Group, in order to expand the capital base and move up a gear in the development program.

This major investment by Colony Capital, which was approved at the Extraordinary Shareholders Meeting of May 3, 2005, was carried out in two simultaneous tranches:

- €500 million 3-year 4.5% equity note issue. The notes were issued at a price of €3,900 and were based on a redemption ratio of one note for 100 Accor shares at €39. Conversion of all of the outstanding equity notes would result in the issue of 12,820,500 new shares. In accordance with the accounting policy described in Note 1.N, the equity component of the notes was recognized in equity in the amount of €433 million and the balance of the issue was recognized in debt for €67 million.

- €500 million 5-year 3.25% convertible bond issue. The bonds were issued at a price of €4,300 and were based on a conversion ratio of one bond for 100 Accor shares at €43. Conversion of all of the outstanding bonds would result in the issue of 11,627,900 new shares. The entire €500 million face value of the convertible bonds was recognized in debt.

The equity notes were redeemed for Accor shares on April 2, 2007, at Colony Capital's request. In the consolidated financial statements, the equity component was written off from equity in the amount of €433 million (see Statement of Changes in Equity) and the debt component (originally €67 million), carried in the balance sheet at December 31, 2006 for €30 million, was reclassified in equity.

On July 3, 2007, Colony Capital converted its convertible bonds for an amount of €500 million. The initial debt (€500 million) was reclassified in equity. Following these conversions, Colony Capital held 10.64% of Accor's capital before dilution at the end of 2007.

On May 4, 2008, Colony Capital and investment group Eurazeo announced a five-year shareholders' agreement under which they will increase their combined stake in the Group's capital to 30%. The first phase of the agreement was completed on May 13, 2008 with the increase of Eurazeo's interest in Accor to 8.9%. This led to Eurazeo being given an additional seat on the Accor Board of Directors on August 27, 2008, raising from two to three the number of directors representing Colony and Eurazeo. During the second half of the year, Eurazeo and Colony further increased their respective interests, to 10.49% and 12.36% respectively on an undiluted basis at December 31, 2008. Their combined interest at that date represented 22.84% of the capital and 20.40% of the voting rights.

In 2009, Colony Capital purchased 18,971,023 Accor shares and sold 3,358,006 new Accor shares. As a result, the concert group held 65,844,245 shares at December 31, 2009, representing 29.20% of the capital and 27.56% of the voting rights.

At June 30, 2010, the concert group held 62,344,245 shares, representing 27.36% of the capital and 31.99% of the voting rights.

In connection with the demerger (see Note 2.F), during first-half 2010 Colony Capital and Eurazeo both gave an undertaking to support the two entities until January 1, 2012.

D. Three Bond Issue

Accor completed successfully three bonds issue in 2009:

- On February 4, 2009, Accor placed a fixed rate bond issue of €600 million, with a 5 year-maturity (February 4, 2014) and a coupon of 7.50%. The bond has been placed with more than 200 European institutional investors.
- On May 5, 2009, Accor placed a fixed rate bond issue of €600 million, with a 4 year-maturity (May 6, 2013) and a coupon of 6.50%. The bond has been placed with more than 350 European institutional investors.
- On August 24, 2009, Accor placed a fixed rate bond issue of €250 million, with a 8 year and 3 months-maturity (November 6, 2017) and a coupon of 6.039%. The bond has been placed with one investor.

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

E. Consolidation rate of the Venezuelan bolivar (Edenred activity)

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

During the 2009 accounting year, the official authorization granted to the Company to convert its currency into dollars according to the official rate was withdrawn. Until then, the official rate had been used by the Group to consolidate its subsidiaries.

On December 31, 2009, the Group decided to convert the contributions of its Venezuelan subsidiaries at the most likely local currency repatriation rate, i.e. 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.

In 2010, Accor once again converted the contributions of its Venezuelan subsidiaries using the devalued rate of the Bolivar (VEF 4.30 per US dollar).

F. Demerger of the Hospitality and Prepaid Services businesses

In 2009, Accor embarked on a major strategic project to demerge its two core businesses, Hotels and Services. The process involved various stages:

- On August 26, 2009, the Board of Directors approved the recommendation made by Gilles Pelisson, Chairman and Chief Executive Officer, to conduct a review of the potential benefits of demerging the two businesses into two self-managing companies, each with their own strategy and resources for growth.
- Based on the reviews conducted by senior management, the Board of Directors approved the potential benefits of the demerger on December 15, 2009.
- On February 23 and May 11, 2010, the Board approved the process for demerging the businesses and creating two new listed companies, Accor Hospitality and "New Services Holding"(transitional name for Accor Services, renamed Edenred), without any capital ties between them. The transaction was carried out through a capital contribution and share distribution as follows:
 - 1) NewCo was set up to acquire some of the shares of Edenred subsidiaries, financed by debt.
 - 2) The remaining shares in Edenred subsidiaries were then contributed to NewCo.
 - 3) Lastly, NewCo shares were distributed to Accor S.A. shareholders.

The demerger process was approved by the Shareholders' Meeting of June 29, 2010.

However, although the transaction was approved by shareholders in the first half of 2010, the demerger was carried out on July 2, when the shares were distributed. Edenred was therefore still held by Accor at June 30, 2010 and, as such, continued to be booked in the Group's interim consolidated financial statements as activities held for sale.

Until the previous period-end, Edenred represented a core business for Accor and as such was presented as a separate business segment in Accor's segment reporting. Consequently, Edenred has been classified as a discontinued operation and treated in accordance with the principles of IFRS 5 "Non-current assets held for sale and discontinued operations", as follows:

- All of Edenred's current and non-current assets at June 30, 2010 have been reclassified in the consolidated accounts as "Assets held for sale" (see Note 32).
- All of Edenred's liabilities (excluding equity) at June 30, 2010 have been reclassified as "Liabilities related to assets held for sale" (see Note 32).
- Income from Edenred for the periods presented has been reclassified as "Net income from discontinued operations" (see Note 17).

In addition, although the distribution of Edenred shares to Accor S.A. shareholders was approved in the first half of 2010, it was actually carried out in the second half of the year. As a result, Accor applied IFRIC 17 "Distribution of non-cash assets to owners" in its interim financial statements for the period ended June 30, 2010 and recognized a debt of €2,578 million, representing the fair value of the shares issued to shareholders on July 2, 2010 (see Note 1). The debt was recognized in "Other payables" by adjusting equity.

ASSETS In € millions	June 2010	July 2, 2010 After dividend payout (*)
TOTAL NON-CURRENT ASSETS	5 966	5 966
TOTAL CURRENT ASSETS	2 682	2 682
Assets held for sale	4 755	1 045
TOTAL ASSETS	13 403	9 693

EQUITY AND LIABILITIES In € millions	June 2010	July 2, 2010 After dividend payout (*)
Total shareholders' equity and minority interests	885	4 485
Other non current liabilities	2 382	2 382
TOTAL NON-CURRENT LIABILITIES	3 267	6 867
TOTAL CURRENT LIABILITIES	4 991	2 413
Liabilities of assets classified as held for sale	5 145	413
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	13 403	9 693

(*) This column shows the amounts that would have been reported by the Accor Group at June 30, 2010 if the demerger-related dividend had been paid before the period-end. It therefore presents the Accor Group balance sheet:

- After payment of the dividend, i.e. after eliminating the debt recognized in application of IFRIC 17 (see Note 2.F)
- After removing Edenred from the scope of consolidation at June 30, 2010.

Note 3. Consolidated Revenue by Business and by Region

In € millions	France	Europe (excl. France)	North America	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	June 2010	June 2009 (2)	2009 (2)
HOTELS	929	1 076	297	137	275	9	2 723	2 534	5 187
Upscale and Midscale Hotels	585	710	30	69	192	9	1 595	1 472	3 027
Economy Hotels	344	366	-	68	83	0	861	781	1 626
Economy Hotels US	-	-	267	-	-	-	267	281	534
OTHER BUSINESSES	71	18	0	0	35	2	126	152	303
Total June 2010	1 000	1 094	297	137	310	11	2 849		
Total June 2009 (2)	968	1 034	308	99	263	14		2 686	
Total 2009 (2)	1 954	2 151	591	219	547	27			5 490

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

(2) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière, and Onboard train services revenues have been reported in Profit or loss from discontinued operations (See Note 17).

Consolidated revenue for June 30, 2010 totalled €2,849 million, compared with €2,686 million for the same period of 2009. The period-on-period increase of €163 million or (+6.1%) breaks down as follows:

• Like-for-like growth	+126	€ m	+4,7%
• Business expansion	+40	€ m	+1,5%
• Currency effects	+84	€ m	+3,1%
• Disposals	(87)	€ m	(3,3)%
Increase in first-half 2010 Revenue	+163	€ m	+6,1%

Change in first-half 2010 consolidated revenue by business:

	Δ June 2010 / June 2009		Like-for-like change
	€ m	€ m	%
HOTELS	+189	+130	+5,1%
Upscale and Midscale Hotels	+123	+98	+6,7%
Economy Hotels	+80	+43	+5,5%
Economy Hotels US	(14)	(11)	(3,9)%
OTHER BUSINESSES	(26)	(4)	(2,5)%
Group Total	+163	+126	+4,7%

Change in first-half 2010 consolidated revenue by region:

	Δ June 2010 / June 2009		Like-for-like change
	€ m	€ m	%
France	+32	+52	+5,4%
Europe (excl. France)	+60	+52	+5,1%
North America	(11)	(10)	(3,3)%
Latin America & Caribbean	+38	+16	+15,7%
Other Countries	+47	+20	+7,6%
Worldwide Structures	(3)	(4)	(26,1)%
Group Total	+163	+126	+4,7%

At June 30, 2010, revenue from managed and franchised hotels, included in the hotels' revenue presented above of €2,849 million, amounted to €113 million. This amount breaks down as follows:

In € millions	Management fees	Franchise fees	June 2010	Published June 2009	Published 2009
HOTELS					
Upscale and Midscale Hotels	65	14	79	67	141
Economy Hotels	10	17	27	22	46
Economy Hotels United States	-	7	7	7	15
Total June 2010	75	38	113		
Total Published June 2009	62	34		96	
Total Published 2009	130	72			202

Published information by business and by region were as follow:

In € millions	Published June 2009	Published 2009		Published June 2009	Published 2009
HOTELS	2 534	5 186	France	1 246	2 616
Upscale and Midscale Hotels	1 472	3 026	Europe (excl. France)	1 273	2 666
Economy Hotels	781	1 626	North America	315	605
Economy Hotels US	281	534	Latin America & Caribbean	274	556
PREPAID SERVICES	465	943	Other Countries	288	595
OTHER BUSINESSES	411	936	Worldwide Structures	14	27
Total published	3 410	7 065	Total published	3 410	7 065

Note 4. Operating Expense

In € millions	2009 (*)	June 2009 (*)	June 2010	Published June 2009	Published 2009
Cost of goods sold (1)	(415)	(202)	(194)	(338)	(752)
Employee benefits expense (2)	(2 118)	(1 071)	(1 086)	(1 306)	(2 611)
Energy, maintenance and repairs	(360)	(181)	(182)	(191)	(380)
Taxes, insurance and service charges (co-owned properties)	(221)	(116)	(118)	(134)	(258)
Other operating expense (3)	(858)	(408)	(434)	(517)	(1 088)
TOTAL OPERATING EXPENSE	(3 972)	(1 978)	(2 014)	(2 486)	(5 089)

(*) In accordance with IFRS 5, Edenred, Onboard train services and Groupe Lucien Barrière operating expenses have been reported in Profit or loss from discontinued operations (See Note 17).

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

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

Full-time equivalent	2009 (*)	June 2009 (*)	June 2010	Published June 2009	Published 2009
Full-time equivalent (**)	65 244	67 439	63 931	79 423	78 411
Ratio employee benefits expense / FTE (€k)	(32)	(32)	(34)	(33)	(33)

(*) In accordance with IFRS 5, Edenred, Onboard train services and Groupe Lucien Barrière operating expenses have been reported in Profit or loss from discontinued operations (See Note 17).

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

Employee benefits expense includes €7.2 million related to stock option plans and to performance shares plan.

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

Note 5. EBITDAR by Business and Region

In € millions	France	Europe (excl. France)	North America	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	June 2010	June 2009 (2)	2009 (2)
HOTELS	268	345	77	39	73	19	821	700	1 507
Upscale and Midscale Hotels	157	203	4	12	44	17	437	347	765
Economy Hotels	111	142	-	27	29	2	311	266	577
Economy Hotels US	-	-	73	-	-	-	73	87	165
OTHER BUSINESSES	6	10	-	-	6	(8)	14	8	11
Total June 2010	274	355	77	39	79	11	835		
Total June 2009 (2)	241	296	90	21	59	1		708	
Total 2009 (2)	522	630	174	52	126	14			1 518

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

(2) In accordance with IFRS 5, Edenred, Onboard train services, and Groupe Lucien Barrière EBITDAR have been reported in Profit or loss from discontinued operations (See Note 17).

Consolidated EBITDAR for June 30, 2010 totalled €835 million compared with €708 million for the same period of 2009. The period-on-period increase breaks down as follows:

• Like-for-like growth	+95	€ m	+13,5%
• Business expansion	+5	€ m	+0,8%
• Currency effects	+26	€ m	+3,6%
• Disposals	+1	€ m	+0,1%
Increase in first-half 2010 EBITDAR	+127	€ m	+17,9%

Change in first-half 2010 EBITDAR by business:

	Δ June 2010 / June 2009		Like-for-like change	
	€ m	€ m	€ m	%
HOTELS	+121	+90	+12,9%	
Upscale and Midscale Hotels	+90	+76	+21,9%	
Economy	+45	+27	+10,1%	
Economy US	(14)	(13)	(14,8)%	
OTHER BUSINESSES	+6	+5	+66,8%	
Group total	+127	+95	+13,5%	

Change in first-half 2010 EBITDAR by region:

	Δ June 2010 / June 2009		Like-for-like change	
	€ m	€ m	€ m	%
France	+33	+25	+10,4%	
Europe (excl. France)	+59	+50	+16,8%	
North America	(13)	(13)	(14,3)%	
Latin America & Caribbean	+18	+8	+39,8%	
Other Countries	+20	+16	+27,4%	
Worldwide Structures	+10	+9	N/A	
Group total	+127	+95	+13,5%	

Published information by business and by region were as follow:

In € millions	Published June 2009	Published 2009
HOTELS	700	1 507
Upscale and Midscale Hotels	347	765
Economy Hotels	266	577
Economy Hotels US	87	165
PREPAID SERVICES	201	394
OTHER BUSINESSES	23	75
Total published	924	1 976

	Published June 2009	Published 2009
France	288	645
Europe (excl. France)	376	792
North America	92	178
Latin America & Caribbean	110	221
Other Countries	66	141
Worldwide Structures	(8)	(1)
Total published	924	1 976

Note 6. Rental Expense

Rental expense amounted to €456 million in June 30, 2010 compared with €422 million in June 30, 2009 and €854 millions in December 2009.

In accordance with the policy described in Note 1.E.4, the expense reported on this line only concern operating leases. Finance leases are recognized in the balance sheet as an asset and a liability. The amount of the liability at June 30, 2010 was €150 million (see Note 29.A).

Rental expense is recognized on a straight-line basis over the lease term, even if payments are not made on that basis. Most leases have been signed for periods exceeding the traditional nine-year term of commercial leases in France, primarily to protect Accor against the absence of commercial property rights in certain countries.

None of the leases contains any clauses requiring advance payment of rentals in the case of a ratings downgrade or other adverse events affecting Accor, and there are no cross-default clauses or covenants.

The €456 million in rental expense corresponds to 1443 hotel leases, including 26% with a purchase option. Where applicable, the option price corresponds to either a pre-agreed percentage of the owner's original investment or the property's market value when the option is exercised. The options are generally exercisable after 10 or 12 years. Certain contracts allow for the purchase of the property at the appraised value at the end of the lease.

A. Rental expense by business

Rental expense can be analyzed as follows by business:

In € millions	2009 (*)	June 2009 (*)	June 2010	Published June 2009	Published 2009
HOTELS	(862)	(426)	(457)	(427)	(862)
Upscale and Midscale Hotels	(498)	(247)	(260)	(247)	(498)
Economy	(267)	(128)	(147)	(129)	(267)
Economy US	(97)	(51)	(50)	(51)	(97)
PREPAID SERVICES	-	-	-	(9)	(18)
OTHER BUSINESSES	8	4	1	1	(4)
Total	(854)	(422)	(456)	(435)	(884)

(*) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière, and Onboard train services rental expense have been reported in Profit or loss from discontinued operations (See Note 17).

B. Rental expense by type of contract

Rental expense breaks down as follows by type of contract:

In € millions	Number of hotels (1)	2010 rental expense (6 months)	Fixed rental expense (6 months)	Variable rental expense	Fixed rental expense (12 months)
Fixed rent with purchase option	370	(57)	(57)	-	(68)
Fixed rent without purchase option	315	(135)	(135)	-	(125)
Fixed rent with a variable portion (2)	71	(41)	(33)	(8)	(32)
Land rent	-	(8)	(7)	(1)	(4)
Office rental expenses (Hotels business)	-	(9)	(9)	-	(13)
Fees on intragroup rent guarantees on Hotels business	-	(8)	(7)	(1)	(8)
Total hotel fixed rental expense	756	(258)	(248)	(10)	(250)
Variable rent with a minimum (3)	102	(41)	(34)	(7)	(32)
Variable rent with a minimum and cap (4)	12	(6)	(3)	(3)	(3)
Variable rent without a minimum (5)	573	(152)	-	(152)	-
Total hotel variable rental expense	687	(199)	(37)	(162)	(35)
Total hotel rental expense	1 443	(457)	(285)	(172)	(285)
Rental expense not related to hotels	-	(7)	(6)	-	(5)
Internal lease guarantee fees	-	8	7	1	8
Total rental expense	1 443	(456)	(284)	(171)	(282)

(1) Detail by brand and type of contract at June 30, 2010 is presented as follows:

Leased hotels at June 30, 2010	Fixed rent with purchase option	Fixed rent without purchase option	Fixed rent with a variable portion	Variable rent with a minimum	Variable rent with a minimum and cap	Variable rent without a minimum	Total
Sofitel	1	5	-	2	-	5	13
Pullman	-	5	3	4	-	3	15
Novotel	3	45	11	20	5	92	176
Mercure	8	64	20	15	1	69	177
Adagio	-	6	-	-	1	-	7
Suitehotel	2	6	-	-	-	-	8
All Seasons	-	3	8	-	-	4	15
Ibis	18	103	15	55	4	161	356
Etap Hotel	1	56	1	5	1	71	135
Formule 1	10	2	12	-	-	168	192
Motel 6	326	19	1	1	-	-	347
Other	1	1	-	-	-	-	2
Total	370	315	71	102	12	573	1 443

(2) Fixed rent expense with a variable portion includes a fixed portion and a variable portion. The variable portion is generally a percentage of revenue or a percentage of EBITDAR.

(3) This rent expense depends on a percentage of revenue or a percentage of EBITDAR with a fixed contract guaranteed minimum.

(4) This rent expense depends on a percentage of revenue with a fixed contract guaranteed minimum which is also capped.

(5) Variable rent without a minimum is generally based on a percentage of revenue (542 hotels), or a percentage of EBITDAR (31 hotels). None of the leases contains any minimum rent clauses. Variable rents without a minimum based on a percentage of EBITDAR amount to €12 million at June 30, 2010.

C. Minimum rental commitments (cash basis)

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

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

Years	In € millions	Years	In € millions
2010 (6 months)	(261)	2019	(356)
2011	(537)	2020	(322)
2012	(526)	2021	(266)
2013	(511)	2022	(242)
2014	(491)	2023	(218)
2015	(479)	2024	(179)
2016	(464)	2025	(153)
2017	(438)	2026	(136)
2018	(394)	>2027	(500)
		Total	(6 473)

At June 30, 2010, the present value of future minimum lease payments, considered as representing 8% of the minimum lease payments used to calculate the "Adjusted funds from ordinary activities/adjusted net debt" ratio, amounted to (€3,778) million. Interest expense related to adjusted net debt, estimated at 8%, amounted to €302 million. The difference between the 2010 minimum rent (€537 million) and interest expense (€302 million) amounted to €235 million, corresponding to the implicit repayment of adjusted debt ("Standards & Poor's method").

Note 7. EBITDA by Business and Region

In € millions	France	Europe (excl. France)	North America	Latin America & Caribbea	Other Countries	Worldwide Structures (1)	June 2010	June 2009 (2)	2009 (2)
HOTELS	154	118	26	15	33	17	363	274	645
Upscale and Midscale Hotel	87	50	3	5	17	15	177	100	267
Economy Hotels	67	68	-	10	16	2	163	138	311
Economy Hotels US	-	-	23	-	-	-	23	36	67
OTHER BUSINESSES	4	9	(0)	0	7	(4)	16	12	19
Total June 2010	158	127	26	15	40	13	379		
Total June 2009 (2)	131	78	39	6	29	3		286	
Total 2009 (2)	303	191	75	15	62	18			664

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

(2) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière, and Onboard train services EBITDA have been reported in Profit or loss from discontinued operations (See Note 17).

Consolidated EBITDA for June 30, 2010 totalled €379 million compared with €286 million for June 30, 2009.

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

• Like-for-like growth	+83	€ m	+28,9%
• Business expansion	(2)	€ m	(0,6)%
• Currency effects	+11	€ m	+3,9%
• Disposals	+1	€ m	(2,9)%
Increase in first-half 2010 EBITDA	+93	€ m	+32,6%

Change in first-half 2010 EBITDA by business:

	Δ June 2010 / June 2009		Like-for-like change	
	€ m	€ m	€ m	%
HOTELS	+89	+79	+79	+28,8%
Upscale and Midscale Hotels	+77	+70	+70	+70,2%
Economy	+25	+22	+22	+15,5%
Economy US	(13)	(13)	(13)	(35,1)%
OTHER BUSINESSES	+4	+4	+4	+31,7%
Group total	+93	+83	+83	+28,9%

Change in first-half 2010 EBITDA by region:

	Δ June 2010 /		Like-for-like change
	June 2009		
	€ m	€ m	%
France	+27	+22	+16,4%
Europe (excl. France)	+49	+47	+60,0%
North America	(13)	(13)	(32,5)%
Latin America & Caribbean	+9	+4	+63,5%
Other Countries	+11	+14	+49,4%
Worldwide Structures	+10	+9	N/A
Group total	+93	+83	+28,9%

Published information by business and by region were as follow:

In € millions	Published June 2009	Published 2009		Published June 2009	Published 2009
HOTELS	274	645	France	172	411
Upscale and Midscale Hotels	100	267	Europe (excl. France)	154	345
Economy Hotels	138	310	North America	41	78
Economy Hotels US	36	68	Latin America & Caribbean	93	182
PREPAID SERVICES	192	376	Other Countries	35	74
OTHER BUSINESSES	23	71	Worldwide Structures	(6)	2
Total published	489	1 092	Total published	489	1 092

Note 8. Depreciation, Amortization and Provision Expense

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

In € millions	2009 (*)	June 2009 (*)	June 2010	Published June 2009	Published 2009
Depreciation and amortization	(429)	(214)	(214)	(243)	(493)
Provision	(0)	(3)	(9)	(4)	(5)
Total	(429)	(217)	(223)	(247)	(498)

(*) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière, and Onboard train services depreciation, amortization and provision expense have been reported in Profit or loss from discontinued operations (See Note 17).

Note 9. EBIT by Business and Region

In € millions	France	Europe (excl. France)	North America	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	June 2010	June 2009 (2)	2009 (2)
HOTELS	95	40	(12)	9	11	13	156	71	235
Upscale and Midscale Hotels	46	(3)	0	0	3	11	57	(16)	31
Economy Hotels	49	43	-	9	8	2	111	87	205
Economy Hotels US	-	-	(12)	-	-	-	(12)	0	(1)
OTHER BUSINESSES	1	(1)	0	0	6	(6)	0	(2)	0
Total June 2010	96	39	(12)	9	17	7	156		
Total June 2009 (2)	66	(6)	1	1	10	(3)		69	
Total 2009 (2)	171	28	2	5	24	5			235

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

(2) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière, and Onboard train services EBIT have been reported in Profit or loss from discontinued operations (See Note 17).

Consolidated EBIT for June 30, 2010 totalled €156 million compared with €69 million for June 30, 2009.

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

• Like-for-like growth	+79	€ m	+114,7%
• Business expansion	(9)	€ m	(12,5)%
• Currency effects	+6	€ m	+8,2%
• Disposals	+11	€ m	+15,1%
Increase in first-half 2010 EBIT	+87	€ m	+125,5%

Change in first-half 2010 EBIT by business:

	Δ June 2010 / June 2009		Like-for-like change	
	€ m	€ m	€ m	%
HOTELS	+85	+76	+107,4%	
Upscale and Midscale Hotels	+73	+68	N/A	
Economy	+24	+20	+22,8%	
Economy US	(12)	(12)	N/A	
OTHER BUSINESSES	+2	+3	N/A	
Group total	+87	+79	+114,7%	

Change in first-half 2010 EBIT by region:

	Δ June 2010 /	Like-for-like change	
	June 2009	€ m	%
France	+30	+20	+31,1%
Europe (excl. France)	+45	+46	N/A
North America	(13)	(12)	N/A
Latin America & Caribbean	+8	+4	N/A
Other Countries	+7	+12	+115,4%
Worldwide Structures	+10	+9	N/A
Group total	+87	+79	+114,7%

Published information by business and by region were as follow:

In € millions	Published June 2009	Published 2009		Published June 2009	Published 2009
HOTELS	71	235	France	90	237
Upscale and Midscale Hotels	(16)	31	Europe (excl. France)	63	167
Economy Hotels	87	205	North America	2	4
Economy Hotels US	0	(1)	Latin America & Caribbean	84	163
PREPAID SERVICES	175	339	Other Countries	16	33
OTHER BUSINESSES	(4)	20	Worldwide Structures	(13)	(10)
Total published	242	594	Total published	242	594

Note 10. Net Financial Expense

In € millions	2009 (*)	June 2009 (*)	June 2010	Published June 2009	Published 2009
Net financial expense (1)	(139)	(62)	(76)	(60)	(132)
Other financial income and expense (2)	15	9	3	2	(11)
Net financial expense	(124)	(53)	(73)	(58)	(143)

(*) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard train services net financial expense have been reported in Profit or loss from discontinued operations (See Note 17).

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

In € millions	2009 (*)	June 2009 (*)	June 2010	Published June 2009	Published 2009
- Net financial expense - cash	(140)	(63)	(77)	(59)	(131)
- Net financial expense - non-cash	1	1	1	(1)	(1)
Total Net financial expense	(139)	(62)	(76)	(60)	(132)

(*) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard train services net financial expense have been reported in Profit or loss from discontinued operations (See Note 17).

Net financial expense includes interest received or paid on loans, receivables and debt measured at amortized cost.

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

In € millions	2009 (*)	June 2009 (*)	June 2010	Published June 2009	Published 2009
- Dividend income from non-consolidated companies (Available for sale financial assets)	1	-	1	-	1
- Exchange gains and losses (excl. financial instruments at fair value)	8	9	2	2	-
- Movements in provisions	6	-	-	-	(12)
Total Other financial income and expense	15	9	3	2	(11)

(*) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard train services other financial income and expense have been reported in Profit or loss from discontinued operations (See Note 17).

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

In € millions	2009 (*)	June 2009 (*)	June 2010	Published June 2009	Published 2009
Share of profit of associates before tax	1	(1)	11	(1)	1
Share of tax of associates	(4)	(1)	(1)	(1)	(4)
Share of profit of associates after tax	(3)	(2)	10	(2)	(3)

(*) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard train services share of profit (loss) of associates after tax have been reported in Profit or loss from discontinued operations (See Note 17).

The main contributions are as follows:

In € millions	2009 (*)	June 2009 (*)	June 2010	Published June 2009	Published 2009
Asia/Australia Hotels	3	1	4	1	3
Egyptian investment funds (Macor)	1	-	-	-	1
Sofitel London St James (Hotels, UK)	0	-	-	-	0
Société Hôtelière Paris les Halles	(0)	-	-	-	(0)
Sofitel Hotels US (1)	(1)	(1)	5	(1)	(1)
The Grand Real Estate	(3)	(1)	(1)	(1)	(3)
Tunisian and Moroccan investment funds (STI and RISMA)	(5)	-	(1)	-	(5)
Other	2	(1)	3	(1)	2
Share of profit of associates after tax	(3)	(2)	10	(2)	(3)

(*) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard train services share of profit (loss) of associates after tax have been reported in Profit or loss from discontinued operations (See Note 17).

(1) The profit of the Hotels business in the United States was boosted by the €7 million gain on the sale of the Washington Sofitel in March 2010.

Note 12. Restructuring Costs

Restructuring costs can be analyzed as follows:

In € millions	2009 (*)	June 2009 (*)	June 2010	Published June 2009	Published 2009
Movements in Restructuring provisions	8	(15)	19	(13)	7
Restructuring costs	(118)	(34)	(30)	(40)	(134)
Total Restructuring costs	(110)	(49)	(11)	(53)	(127)

(*) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard train services restructuring costs have been reported in Profit or loss from discontinued operations (See Note 17).

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

Note 13. Impairment Losses

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

At June 30, 2010, the main goodwill and intangible assets with indefinite useful lives included in the carrying amounts of the CGUs tested for impairment at that date were as follows:

In € millions	Goodwill	Intangible assets with indefinite useful life
HOTELS		
Australia	201	-
Germany	180	-
Upscale and Midscale France	176	-
Motel 6	109	164
Asia	48	-
Sub-total Hotels	714	164
OTHER BUSINESSES		
Lenôtre	22	-
Sub-total Other businesses	22	-
Net Goodwill and intangible assets with indefinite useful life included in cash-generating units	736	(*) 164

(*) This amount represents 82.5 % of goodwill recognized on June 30, 2010

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

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

	Hotels					Other
	Germany	Australia	Upscale and Midscale France	Asia	Motel 6	Lenôtre
<i>Basis on which the recoverable amount has been determined</i>	Discounted cash flow method	Discounted cash flow method	EBITDA multiples method	Discounted cash flow method	Discounted cash flow method	Discounted cash flow method
Multiple used	N/A	N/A	8,5	N/A	N/A	N/A
Period of projections	5	5	N/A	5	7	5
Growth rate	2,00%	2,00%	N/A	2,00%	2,00%	2,00%
Discount rate	7,46%	7,46%	N/A	7,46%	7,46%	7,46%

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

Impairment losses recognized in 2009 and 2010 can be analyzed as follows:

In € millions	2009 (*)	June 2009 (*)	June 2010	Published June 2009	Published 2009
Goodwill	(176)	(154)	(0)	(155)	(304)
Intangible assets	(11)	(9)	(3)	(9)	(29)
Property, plant and equipment	(54)	(30)	(32)	(30)	(54)
Financial assets	-	-	-	-	-
Impairment Losses	(241)	(193)	(35)	(194)	(387)

(*) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard train services impairment losses have been reported in Profit or loss from discontinued operations (See Note 17).

The main assets and cash generating units for which impairment losses were recognized in 2009 and 2010 were as follows:

A. Impairment of goodwill

In € millions	2009 (*)	June 2009 (*)	June 2010	Published June 2009	Published 2009
HOTELS	(173)	(151)	(0)	(151)	(173)
Upscale and Midscale Hotels	(58)	(33)	(0)	(33)	(58)
Economy Hotels	(2)	0	(0)	-	(2)
Economy Hotels US	(113)	(118)	-	(118)	(113)
PREPAID SERVICES	-	-	-	(1)	(120)
OTHER BUSINESSES	(3)	(3)	(0)	(3)	(11)
TOTAL	(176)	(154)	(0)	(155)	(304)

(*) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard train services impairment losses have been reported in Profit or loss from discontinued operations (See Note 17).

In first-half 2009, impairment losses resulted mainly from reviews of the recoverable amount of goodwill related to the American hotel business (€118 million impairment loss) and the Italian hotel business (€33 million impairment loss).

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

Sensitivity analysis:

At June 30, 2009, a 25-basis point increase in the discount rate would have no impact on impairment losses recognized at that date. A 50-basis point increase in the discount rate would have the effect of increasing impairment losses recognized by approximately €24 million. A 100-basis point increase would have a €114 million impact.

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

At June 30, 2010, a 25-basis point increase in the discount rate would have no impact on impairment losses recognized at that date. A 50-basis point increase in the discount rate would have the effect of increasing impairment losses recognized by approximately €44 million. A 100-basis point increase would have a €114 million impact, mainly on hotel assets in the United-States.

B. Impairment of intangible assets with an indefinite useful life

Following the periodic review of the recoverable amount of intangible assets with an indefinite useful life, a €9 million impairment loss was recognized in first-half 2009.

Following the periodic review of the recoverable amount of intangible assets with an indefinite useful life, a €11 million impairment loss was recognized in 2009.

Following the periodic review of the recoverable amount of intangible assets with an indefinite useful life, a €3 million impairment loss was recognized in first-half 2010.

C. Impairment of property, plant and equipment

In € millions	2009 (*)	June 2009 (*)	June 2010	Published June 2009	Published 2009
HOTELS	(54)	(30)	(32)	(30)	(54)
Upscale and Midscale Hotels	(32)	(17)	(19)	(17)	(32)
Economy Hotels	(19)	(10)	(6)	(10)	(19)
Economy Hotels US	(3)	(3)	(7)	(3)	(3)
OTHER BUSINESSES	(0)	(0)	(0)	(0)	(0)
TOTAL	(54)	(30)	(32)	(30)	(54)

(*) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard train services impairment losses have been reported in Profit or loss from discontinued operations (See Note 17).

In first-half 2009, the €30 million in impairment losses recognized during the semester concerned 67 hotels for €30 million.

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

At June 30, 2010, impairment losses on 32 million and impairment losses reversed during the year concerned 62 hotels for €32 million.

Note 14. Gains and Losses on Management of Hotel Properties

In € millions	2009 (*)	June 2009 (*)	June 2010	Published June 2009	Published 2009
Disposal gains and losses	74	2	32	2	74
Provisions for losses on hotel properties	(67)	(13)	(12)	(13)	(67)
Total	7	(11)	20	(11)	7

(*) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard train services gains and losses on management of hotel properties have been reported in Profit or loss from discontinued operations (See Note 17).

In first-half 2009, the total included:

- ✓ A €7 million gain on the sale in France of units under a sale and franchise-back arrangement.
- ✓ A €5 million loss on disposal of non-strategic assets in France.
- ✓ A €9 million loss on disposal of Motel 6 units, including sale and franchise-back arrangements and outright sales.

In 2009, the total included:

- ✓ A €39 million gain on the sale of 157 F1 hotel units to a consortium of French institutional investors (see. Note 2.A.2.1).
- ✓ A €9.5 million gain on the sale in France of units under a sale and franchise-back arrangement corresponding to 6 hotels.
- ✓ €8.5 million gains on disposal of non-strategic assets in France corresponding to 10 hotels.
- ✓ A €6 million loss on disposal of Motel 6 units, including sale and franchise-back arrangements (15 hotels) and outright sales (6 hotels).

In first-half 2010, the total included:

- ✓ A €26 million gain on the sale of units in France under sale and franchise-back arrangements (21 hotels).
- ✓ A €4 million gain on the sale of a hotel in France under a sale and management-back arrangement.
- ✓ A €1 million loss on disposal of Motel 6 units, including sale and franchise-back arrangements (10 hotels).

Note 15. Gains and Losses on Management of Other Assets

In € millions	2009 (*)	June 2009 (*)	June 2010	Published June 2009	Published 2009
Disposal gains and losses	(2)	-	(6)	1	(33)
Provision movements	(13)	-	(1)	(2)	(30)
Gains and losses on non-recurring transactions	(12)	(1)	(40)	(3)	(22)
Total	(27)	(1)	(47)	(4)	(85)

(*) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard train services gains and losses on management of other assets have been reported in Profit or loss from discontinued operations (See Note 17).

In first-half 2009, the total mainly included:

- ✓ A €3 million loss on the sale of Club Méditerranée shares (see Note 2.A.1).
- ✓ A €2 million gain on the sale of a building in Brussels.

In fiscal 2009, the total mainly included:

- ✓ A €3 million loss on the sale of Club Méditerranée shares (see Note 2.A.1).
- ✓ A €2 million gain on the sale of a building in Brussels.

In first-half 2010, the total mainly included:

- ✓ A €6 million loss on the sale of Orbis Travel in Poland.
- ✓ A €27 million in fees related to the demerger.

Note 16. Income Tax Expense

Note 16.1 Income tax expense for the period

In € millions	2009 (*)	June 2009 (*)	June 2010	Published June 2009	Published 2009
Current tax	(55)	(11)	(66)	(73)	(160)
Sub-total, current tax	(55)	(11)	(66)	(73)	(160)
Deferred taxes (expense) income on new temporary differences and reversals of temporary differences arising in prior periods	23	18	(18)	21	39
Deferred taxes arising from changes in tax rates or tax laws	-	-	-	-	-
Sub-total, deferred tax	23	18	(18)	21	39
Income tax expense excluding tax on the profits of associates	(32)	7	(84)	(52)	(121)
Tax on profits of associates	(4)	(1)	(1)	(1)	(4)
Tax on profits of discontinued operations	(90)	(58)	(51)	-	-
Tax of the period	(126)	(52)	(136)	(53)	(125)

(*) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard train services income tax expense have been reported in Profit or loss from discontinued operations (See Note 17).

Note 16.2. Effective tax rate

In € millions	2009 (*)	June 2009 (*)	June 2010	Published June 2009	Published 2009
Operating profit before tax (a)	(263)	(240)	20	(80)	(144)
Non deductible impairment losses	209	167	(10)	162	334
Elimination of intercompany capital gains	35	35	1 273	35	368
Tax on share of profit (loss) of associates	4	1	1	1	4
Other	(82)	(33)	14	5	15
Total permanent differences (non-deductible expenses) (b)	166	170	1 278	203	721
Untaxed profit and profit taxed at a reduced rate (c)	(109)	(12)	(1 065)	(33)	(381)
Profit taxed at standard rate (d) = (a) + (b) + (c)	(206)	(82)	233	90	196
Standard tax rate in France (e)	34,43%	34,43%	34,43%	34,43%	34,43%
Tax at standard French tax rate (f) = (d) x (e)	71	28	(80)	(31)	(67)
Effects on tax at standard French tax rate of:					
. Differences in foreign tax rates	(5)	0	5	7	21
. Unrecognized tax losses for the period	(39)	(20)	(13)	(22)	(42)
. Utilization of tax loss carryforwards	10	2	5	3	10
. Changes in deferred tax rates	2	-	-	-	2
. Share of profit (loss) of associates	4	1	1	1	4
. Net charges to/reversals of provisions for tax risks	1	(2)	5	(2)	1
. Effect of new CVAE business tax in France in 2010 (replacing taxe professionnelle)(cf. Note 1.M)	(15)	-	(4)	-	(15)
. Loss arising from application of group relief rules	-	-	(3)	-	-
. Other items	(41)	(3)	0	(8)	(14)
Total effects on tax at standard French tax rate (g)	(83)	(22)	(4)	(21)	(33)
Tax at standard rate (h) = (f) + (g)	(11)	7	(84)	(52)	(100)
Tax at reduced rate (i)	(21)	-	-	-	(21) (**)
Income tax expense (j) = (h) + (i)	(32)	7	(84)	(52)	(121)
Pre-tax operating profit taxed at standard rate	(206)	(82)	233	90	196
Income tax expense	66	28	(75)	(24)	(46)
Group effective tax rate	32,0%	34,4%	32,1%	26,2%	23,6%

(*) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and Onboard train services income tax expense have been reported in Profit or loss from discontinued operations (See Note 17).

(**) In 2009, related mainly to the sale of 157 F1 hotel properties to a consortium of French institutional investors (see. Note 2.A.2.1).

Operating profit before tax for 2009 includes a €104 million capital gain which was taxed at the reduced rate of 19% under the tax rules applicable to SIICs (the French equivalent of real-estate investment trusts). The corresponding tax amounted to €19 million.

Note 16.3 Details of deferred tax (Balance Sheet)

In € millions	June 2009	2009	June 2010
Timing differences between company profit and taxable profit	162	166	171
Timing differences between consolidated profit and company profit	29	52	45
Recognized tax losses	37	73	46
Sub-total, deferred tax assets	228	291	262
Timing differences between company profit and taxable profit	36	41	39
Timing differences between consolidated profit and company profit	154	170	100
Sub-total, deferred tax liabilities	190	211	139
Deferred tax assets, net (liabilities)	38	80	123

Note 16.4 Unrecognized deferred tax assets

Unrecognized deferred tax assets at June 30, 2010 amounts to €171 million (December 31, 2009: €216 million out of which €61 million are related to Edenred, Groupe Lucien Barrière and Onboard Train Services, and June 30, 2009: €227 million out of which €56 million are related to Edenred, Groupe Lucien Barrière and Onboard Train Services).

Unrecognized deferred tax assets at June 30, 2010 will expire in the following periods if not utilized:

In € millions	Deductible temporary differences	Tax loss carryforwards (1)	Tax credits	Total
Y+1	-	9	-	9
Y+2	-	13	-	13
Y+3	-	5	-	5
Y+4	6	18	-	24
Y+5 and beyond	4	25	-	29
Evergreen	1	90	-	91
Deferred tax, net	11	160	-	171

In line with IFRS 5, unrecognized deferred tax assets related to Edenred, Groupe Lucien Barrière and the Onboard train services business are not presented in this note. At June 30, 2010, these businesses' unrecognized deferred tax assets amounted to €42 million for Edenred, €5 million for Groupe Lucien Barrière and €32 million for the Onboard train services business.

(1) Unrecognized deferred tax assets at June 30, 2010 include €56 million corresponding to the tax loss carry forwards of the NewGen companies in Germany, France and Austria (see Note 2.B.1.3).

Note 17. Profit or Loss from Discontinued Operations

In accordance with IFRS 5, net income from discontinued operations includes all of the income from Edenred (see Note 2.F), Groupe Lucien Barrière (see Note 2.B.2) and Onboard train services (see Note 2.B.3). Presented below are the details of the Edenred, Groupe Lucien Barrière and Onboard train services accounts reclassified as “Net income from discontinued operations” in Accor’s consolidated financial statements:

A. At June 30, 2010

In € millions	Edenred	Groupe Lucien Barrière	Onboard Train Services	Total June 2010
Revenue	422	247	66	735
Other operating revenue	39	-	-	39
CONSOLIDATED REVENUE	461	247	66	774
Operating expense	(282)	(218)	(71)	(571)
EBITDAR	179	29	(5)	203
Rental expense	(9)	(6)	(1)	(16)
EBITDA	170	23	(6)	187
Depreciation, amortization and provision expense	(12)	(17)	(1)	(30)
EBIT	158	6	(7)	157
Net financial expense	1	(4)	1	(2)
Share of profit of associates after tax	-	-	-	-
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS	159	2	(6)	155
Restructuring costs	(2)	-	(2)	(4)
Impairment losses	(1)	-	-	(1)
Gains and losses on management of hotel properties	-	-	-	-
Gains and losses on management of other assets	(38)	5	(5)	(38)
OPERATING PROFIT BEFORE TAX	118	7	(13)	112
Income tax expense	(55)	(5)	-	(60)
NET PROFIT	63	2	(13)	52
Minority interests	-	-	-	-
NET PROFIT FROM DISCONTINUED OPERATIONS	63	2	(13)	52

B. At June 30, 2009

In € millions	Edenred	Groupe Lucien Barrière	Onboard Train Services	Total Restated June 2009
Revenue	388	156	124	668
Other operating revenue	56	-	-	56
CONSOLIDATED REVENUE	444	156	124	724
Operating expense	(248)	(140)	(120)	(508)
EBITDAR	196	16	4	216
Rental expense	(9)	(3)	(1)	(13)
EBITDA	187	13	3	203
Depreciation, amortization and provision expense	(17)	(10)	(3)	(30)
EBIT	170	3	0	173
Net financial expense	(3)	(3)	1	(5)
Share of profit of associates after tax	-	-	-	-
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS	167	-	1	168
Restructuring costs	(3)	(1)	-	(4)
Impairment losses	(1)	-	-	(1)
Gains and losses on management of hotel properties	-	-	-	-
Gains and losses on management of other assets	(4)	-	1	(3)
OPERATING PROFIT BEFORE TAX	159	(1)	2	160
Income tax expense	(58)	-	(1)	(59)
NET PROFIT	101	(1)	1	101
Minority interests	-	-	-	-
NET PROFIT FROM DISCONTINUED OPERATIONS	101	(1)	1	101

C. At December 31, 2009

In € millions	Edenred	Groupe Lucien Barrière	Onboard Train Services	Total Restated 2009
Revenue	808	424	248	1 480
Other operating revenue	94	-	-	94
CONSOLIDATED REVENUE	902	424	248	1 574
Operating expense	(514)	(365)	(238)	(1 117)
EBITDAR	388	59	10	457
Rental expense	(17)	(10)	(2)	(29)
EBITDA	371	49	8	428
Depreciation, amortization and provision expense	(36)	(28)	(5)	(69)
EBIT	335	21	3	359
Net financial expense	(16)	(5)	2	(19)
Share of profit of associates after tax	-	-	-	-
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS	319	16	5	340
Restructuring costs	(14)	(1)	(2)	(17)
Impairment losses	(138)	-	(8)	(146)
Gains and losses on management of hotel properties	-	-	-	-
Gains and losses on management of other assets	(62)	(1)	6	(57)
OPERATING PROFIT BEFORE TAX	105	14	1	120
Income tax expense	(84)	(3)	(2)	(89)
NET PROFIT	21	11	(1)	31
Minority interests	-	-	-	-
NET PROFIT FROM DISCONTINUED OPERATIONS	21	11	(1)	31

Note 18. Goodwill

In € millions	June 2009	Dec. 2009	June 2010
Goodwill (gross value)	2 071	2 062	1 074
Less impairment losses	(147)	(285)	(184)
Goodwill, net	1 924	1 777	890

In € millions	Notes	June 2009	Dec. 2009	June 2010
HOTELS				
Upscale and Midscale France		180	173	176
Australia		167	181	201
Germany	2.B.1.3	202	180	180
Motel 6		97	94	109
Economy (excluding Motel 6)		92	86	87
Asia		42	41	48
Egypt		24	24	24
Poland	2.B.1.2	13	12	12
Switzerland		11	11	11
Portugal		9	9	9
The Netherlands		13	8	8
Hungary		25	2	-
Italy		-	-	-
Other hotels (< €6 million)		1	4	3
Sub-total Hotels		876	825	868
PREPAID SERVICES				
Ticket Brazil		132	144	-
France (Ticket Cadeau)		181	115	-
United Kingdom		69	70	-
Romania		37	37	-
Italy		33	36	-
Mexico		31	31	-
Sweden		19	17	-
Australia		12	13	-
USA		33	13	-
Czech Republic		-	13	-
Germany		11	10	-
Asia		10	10	-
Venezuela		9	9	-
Other Prepaid Services (< €6 million)		66	39	-
Sub-total Prepaid Services		643	557	-
OTHER BUSINESSES				
Sub-total Other businesses		405	395	22
Goodwill, net		1 924	1 777	890

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

In € millions	Notes	June 2009	Dec. 2009	June 2010
Carrying amount at beginning of period		1 932	1 932	1 777
Goodwill recognized on acquisitions for the period and other increases		230	256	5
HOTELS				
. Hotels, Belgium		2	2	-
. Upscale and Midscale Hotels France		2	2	-
. Hotels, Germany (Earn-Out Newgen)	2.B.1.3	1	1	-
. Hotels, South America		-	-	1
. Economy Hotels (excluding Motel 6)		-	4	-
PREPAID SERVICES				
. Other acquisitions of Prepaid Services		11	22	2
. Prepaid Services, Czech Republic		-	9	1
. Prepaid Services, Brazil		-	-	1
. Prepaid Services, Asia (Surfgold)		5	5	-
. Prepaid Services, Sweden		2	2	-
. Prepaid Services, Mexico		1	-	-
OTHER BUSINESSES				
. Groupe Lucien Barrière	2.B.2	204	204	-
. Lenôtre (Acquisition of stores)		-	-	-
. Other		2	5	-
Disposals		(16)	(28)	(2)
Impairment losses		(155)	(304)	(1)
Translation adjustment		53	72	74
Reclassifications on Property, Plant and Equipment		(90)	(88)	(4)
Reclassifications of Assets held for sale		-	-	(960)
Other reclassifications and movements		(30)	(63)	1
Carrying amount at end of period		1 924	1 777	890

(*) Including Orbis purchase accounting adjustments in 2009.

Note 19. Intangible Assets

In € millions	June 2009	Dec. 2009	June 2010
Gross value			
Motel 6 brand (1)	143	140	164
Kadeos brand (2)	19	19	-
Other brands and networks (3)	97	95	76
Licenses, software	216	239	141
Other intangible assets (4)	307	311	220
Total intangible assets at cost	782	804	601
Accumulated amortization and impairment losses			
Licenses, software	(165)	(189)	(116)
Other intangible assets	(114)	(127)	(79)
Total accumulated amortization and impairment losses	(279)	(316)	(195)
Intangible assets, net	503	488	406

- (1) The decrease in value of the Motel 6 brand at June 30, 2010 was due to the change in the dollar/euro exchange rate (1.441 at December 31, 2009 versus 1.2271 at June 30, 2010).
- (2) The Kadeos brand was valued following the acquisition of this company in March 2007. In accordance with IFRS 5, at June 30, 2010, Edenred's activity was reclassified in the consolidated accounts as "Assets held for sale" and "Liabilities related to assets held for sale".
- (3) Including €55 million corresponding to land use rights for Ibis and Novotel hotels in China.
- (4) Including
- €165 million in lease premiums of which :
 - i) €47 million concerning IBL SA and corresponding to the value attributed to hotel leases at the time of the Motel 6 acquisition;
 - ii) €24 million value attributed to land use rights at the time of the Orbis acquisition in 2008).
 - €39 million corresponding to contractual customer relationships of which:
 - i) €11 million concerning AAP Australia;
 - ii) €11 million concerning the Sofitel Compagnie Australia.

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

In € millions	June 2009	Dec. 2009	June 2010
Carrying amount at beginning of period	512	512	488
Additions	2	14	4
Internally-generated assets (1)	10	27	11
Intangible assets of newly consolidated companies	6	8	-
Amortization for the period	(21)	(44)	(21)
Impairment losses for the period	(9)	(29)	(3)
Disposals	3	(3)	(8)
Translation adjustment (2)	(3)	3	43
Reclassifications AHFS Edenred	-	-	(102)
Reclassifications AHFS GLB	-	-	(11)
Reclassifications AHFS Onboard Train Services	-	-	(0)
Reclassifications of Assets held for sale (See Note 32)	-	-	(113)
Other reclassifications	3	-	5
Carrying amount at end of period	503	488	406

(1) In 2010, acquisitions of licenses and software for €11 million (including €1.8 million in Brazil and €1 million in France).

(2) In first-half 2010, €27 million concerning the United States due to the change in the dollar/euro exchange rate.

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

In € millions	June 2009	Dec. 2009	June 2010
Motel 6 brand	143	140	164
Kadéos brand (1)	19	19	-
Other brands and Networks	97	95	76
Carrying amount at end of period	259	254	240

(1) In accordance with IFRS 5, at June 30, 2010, Edenred's activity was reclassified in the consolidated accounts as "Assets held for sale" and "Liabilities related to assets held for sale".

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

Contracts totalling €12 million have been signed for the purchase of intangible assets at June 30, 2010. They are not recognised in the balance sheet.

Note 20. Property, Plant and Equipment

Note 20.1 Property, plant and equipment by nature

In € millions	June 2009	Dec. 2009	June 2010
Land	523	480	467
Buildings	2 867	2 735	2 420
Fixtures	2 203	2 138	1 964
Equipment and furniture	1 688	1 693	1 561
Constructions in progress	329	295	239
Property, plant and equipment, at cost	7 610	7 341	6 651

In € millions	June 2009	Dec. 2009	June 2010
Buildings	(860)	(844)	(701)
Fixtures	(1 055)	(1 030)	(920)
Equipment and furniture	(1 007)	(1 011)	(951)
Constructions in progress	(4)	(3)	(3)
Total of amortization	(2 926)	(2 888)	(2 575)
Land	(5)	(5)	(5)
Buildings	(98)	(88)	(91)
Fixtures	(39)	(36)	(40)
Equipment and furniture	(15)	(15)	(17)
Constructions in progress	(3)	(3)	(2)
Total of impairment losses	(160)	(147)	(155)

Accumulated amortization and impairment losses	(3 086)	(3 035)	(2 730)
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In € millions	June 2009	Dec. 2009	June 2010
Land	518	475	462
Buildings	1 909	1 803	1 628
Fixtures	1 109	1 072	1 004
Equipment and furniture	666	667	593
Constructions in progress	322	289	234
Property, plant and equipment, net	4 524	4 306	3 921

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

In € millions	June 2009	Dec. 2009	June 2010
Net carrying amount at beginning of period	4 324	4 324	4 306
Property, plant and equipment of newly acquired companies	202	199	-
Capital expenditure	317	648	236
Disposals	(33)	(231)	(63)
Amortization for the period	(220)	(449)	(227)
Impairment losses for the period	(27)	(51)	(20)
Translation adjustment	(11)	20	231
Reclassifications AHFS Edenred	-	-	(40)
Reclassifications AHFS GLB	-	-	(223)
Reclassifications AHFS Onboard Train Services	-	-	(10)
Reclassification of assets held for sale (see Note 32)	-	-	(273)
Other reclassifications of assets held for sale	(17)	(139)	(278)
Other reclassifications	(11)	(15)	9
Net carrying amount at end of period	4 524	4 306	3 921

At June 30, 2010, contracts totalling €147 million have been signed for the purchase of property, plant and equipment. They are not recognised in the balance sheet. Of the total commitment, €49 million concerned Groupe Lucien Barrière and was reclassified under "Assets held for sale". At December 31, 2009, contracts totaled €228 million (including €69 million of Groupe Lucien Barrière) and at June 30, 2009, contracts totaled €247 million.

In addition, under the Foncière des Murs transactions (see Note 2.A.2.1 and Note 40), Accor is committed to carrying out €106 million worth of work over the period 2005-2009 and Foncière des Murs is committed to carrying out €148 million worth of work over the same period. At June 30, 2010, €102 million worth of work was carried out by the Group. Moreover, the Group is required to pay the cost of maintaining the hotels over the period from January 1, 2009 to the first possible lease termination date (July 1, 2017). The costs to be paid by the Group may not represent less than a certain percentage of the hotels' revenues (4% for Ibis & Etap Hotel, 3.5% for Novotel & Sofitel, and 3% or 3.5% for Mercure).

In addition, under the Axa Reim transactions (see Note 2.A.2.1), Accor is committed to carry out €28 million worth of work in France and Switzerland. At June 30, 2010, €17 million worth of work was carried out by the Group.

Borrowing costs included in the carrying amount of property, plant and equipment at June 30, 2010 came to €4 million (€8 million at December 31, 2009). The capitalization rate used to determine the amount of borrowing costs eligible for capitalization was 4.44% (Group average borrowing cost at Jun 30, 2010).

Note 20.2 Finance leases

At June 30, 2010, the carrying amount of finance leases recognized in the balance sheet in net value is €54 million (December 31, 2009: €92 million and June 30, 2009: €108 million), as follows:

In € millions	June 2009	Dec. 2009	June 2010
Land	22	20	11
Buildings	144	126	82
Fixtures	68	63	34
Equipment and furniture	7	7	7
Property, plant and equipment, at cost	241	216	134
Buildings	(81)	(75)	(51)
Fixtures	(50)	(47)	(26)
Equipment and furniture	(2)	(2)	(3)
Cumulated amortization and impairment losses	(133)	(124)	(80)
Property, plant and equipment, net	108	92	54

Finance lease liabilities can be analyzed as follows by maturity:

	Debt in € millions Non Discounted
2010	150
2011	143
2012	117
2013	104
2014	99
2015	79
2016	76
2017	72
2018	64
2019	55
2020	51
2021	47
2022	43
2023	39

Note 21. Long-Term Loans

In € millions	June 2009	Dec. 2009	June 2010
Gross value	119	127	154
Cumulated impairment losses	(18)	(20)	(22)
Long-term loans, net	101	107	132

In € millions	June 2009	Dec. 2009	June 2010
Hotels, Asia-Pacific (1)	77	66	66
Other	24	41	66
Total	101	107	132

(1) Loans to hotels in the Asia-Pacific region mainly include loans to Tahl (an Australian property company) for €66 million at June 30, 2010.

Note 22. Investments in Associates

In € millions	June 2009	Dec. 2009	June 2010
Accor Asia-Pacific subsidiaries (*)	107	120	148
Moroccan investment fund (RISMA) (1)	33	30	30
Société Hôtelière Paris Les Halles (2)	12	11	12
Egyptian investment fund	11	12	14
The Grand Real Estate (Sofitel The Grand, Hotels, Netherlands) (3)	8	7	6
Sofitel London St James (Hotels, United Kingdom)	5	5	6
Sofitel Hotels, USA (25%) (Note 2.A.2.2) (4)	(12)	(16)	(16)
Other	20	22	23
Total	184	191	223

(*)The Asia-Pacific investments primarily include Interglobe Hotels Entreprises Limited for €38 million, development partnerships in India for €34 million, Ambassador Inc and Ambatel Inc (South Korea) for €17 million and Novotel Mumbai for €11 million.

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

Risma (Moroccan investment fund) (In € millions)	June 2009	Dec. 2009	June 2010
Revenue	43	82	50
Net profit (loss)	(6)	(13)	(3)
Net cash/(Net debt)	(149)	(169)	(183)
Equity	87	81	80
Market capitalization	153	143	181
Total assets	297	323	360
% interest held	34,92%	34,92%	34,92%

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

Société Hôtelière Paris Les Halles (In € millions)	June 2009	Dec. 2009	June 2010
Revenue	29	60	34
Net profit (loss)	0	(0)	-
Net cash/(Net debt)	(91)	(107)	(117)
Equity	35	30	32
Market capitalization	N/A	N/A	N/A
Total assets	146	158	170
% interest held	31,19%	31,19%	31,19%

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

The Grand Real Estate (Hotels, Netherlands) Sofitel The Grand (In € millions)	June 2009	Dec. 2009	June 2010
Revenue	4	8	6
Net profit (loss)	(3)	(7)	(3)
Net cash/(Net debt)	(15)	(24)	(32)
Equity	15	11	8
Market capitalization	N/A	N/A	N/A
Total assets	34	41	48
% interest held	58,00%	58,71%	58,71% (*)

(*) The percentage of control is 40 %

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

Sofitel Hotels USA (In € millions)	June 2009	Dec. 2009	June 2010
Revenue	71	140	69
Net profit (loss)	(4)	(2)	21
Net cash/(Net debt)	(463)	(461)	(474)
Equity	(50)	(62)	(62)
Market capitalization	N/A	N/A	N/A
Total assets	467	445	471
% interest held	25,00%	25,00%	25,00%

Note 23. Other Financial Investments

In € millions	June 2009	Dec. 2009	June 2010
Investments in non-consolidated companies (<i>Available for sale financial assets</i>)	115	126	125
Deposits (<i>Loans and Receivables</i>)	66	70	71
Other financial investments, at cost	181	196	196
Accumulated impairment losses	(41)	(66)	(64)
Other financial investments, net	140	130	132

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

Other financial investments break down as follows:

In € millions		June 2009	Dec. 2009	June 2010
Club Méditerranée	(1)	1	-	-
Minority interest in the SPV set up by Moor Park Real Estate (Netherlands)		28	-	-
Tahl (Australian property company)		19	20	22
Stone (French property company)		-	17	12
Deposit for phases 6 to 10 of the Motel 6 project in the United States		21	21	24
Deposit for hotels in France sold in 2008		10	10	10
Other investments and deposits		61	62	64
Other financial investments, net		140	130	132

(1) During 2009, Accor sold its entire remaining interest in Club Méditerranée (1,162,630 shares). At June 30, 2010, the Group no longer held any Club Méditerranée shares.

Note 24. Receivables and Payables

Note 24.1. Trade receivables and related provision

In € millions	June 2009	Dec. 2009	June 2010
Gross value	1 414	1 422	466
Provisions	(67)	(72)	(47)
Net	1 347	1 350	419

Provisions for impairment in value of trade receivables correspond to numerous separate provisions, none of which are material. Past-due receivables are tracked individually and regular estimates are made of potential losses in order to increase the related provisions if and when required. Past-due receivables not covered by provisions are not material.

Note 24.2. Details of other receivables and accruals

In € millions	June 2009	Dec. 2009	June 2010
Recoverable VAT	193	246	127
Prepaid wages and salaries and payroll taxes	14	10	11
Other prepaid and recoverable taxes (*)	267	275	270
Other receivables	403	427	291
Other prepaid expenses	233	177	207
Other receivables and accruals, at cost	1 110	1 135	906
Provisions	(20)	(22)	(20)
Other receivables and accruals, net	1 090	1 113	886

(*) Including €242 million paid by CIWLT in February 2009 in settlement of a tax reassessment (see Note 39).

Note 24.3. Details of other payables

In € millions	June 2009	Dec. 2009	June 2010
VAT payable	103	122	87
Wages and salaries and payroll taxes payable	427	460	352
Other taxes payable (*)	311	313	313
Other payables (**)	452	425	3 216
Deferred income	156	143	132
Other payables	1 449	1 463	4 100

(*) Including €156 million of "précompte" (see Note 39).

(**) Including:

- €36 million of "précompte" (see Note 39) ;
- €237 million of dividend to distribute to shareholders;
- €2,578 million in debt, representing the fair value of the Edenred shares distributed to shareholders on July 2, 2010 (see Note 2.F).

Note 24.4. Analysis of other receivables / payables' periods

In € millions at June 30, 2010	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	June 2010	Dec. 2009	June 2009
Inventories	40	-	-	40	60	71
Trade receivables	419	-	-	419	1 350	1 347
Recoverable VAT	123	4	-	127	246	193
Prepaid payroll taxes	11	-	-	11	10	14
Other prepaid and recoverable taxes	269	1	-	270	275	267
Other receivables	271	-	-	271	405	383
CURRENT ASSETS	1 133	5	-	1 138	2 346	2 275
Trade payables	572	-	-	572	709	717
VAT payable	87	-	-	87	122	103
Wages and salaries and payroll taxes payable	335	16	1	352	460	427
Other taxes payable	313	-	-	313	313	311
Other payables	3 215	-	1	3 216	425	452
CURRENT LIABILITIES	4 522	16	2	4 540	2 029	2 010

(*) Including €2,578 million in debt, representing the fair value of the Edenred shares distributed to shareholders on July 2, 2010 (see Note 2.F).

Note 25. Potential Ordinary Shares

Note 25.1. Number of potential shares

At June 30, 2010, the Company's share capital was made up of 227,898,962 ordinary shares. The average number of ordinary shares outstanding during the period was 225,626,916. **The number of outstanding shares at June 30, 2010 was 225,878,896.**

In addition, employee stock options exercisable for 9,471,193 ordinary shares, representing 4.16% of the capital, were outstanding at June 30, 2010 (see Note 25.3).

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

- On March 31, 2009, Accor made 242,553 performance share grants, with vesting conditions based on the Group's 2009 and 2010 results (see Note 25.3). The performance targets were only partly met in 2009, with the result that only 116,653 shares have vested.

Conversion of all of the potential shares presented above would have the effect of increasing the number of shares outstanding to 235,466,742.

Note 25.2. Diluted earnings per share

Based on the above number of potential shares and the average Accor share price for first-half 2010 of €39.53, the diluted weighted average number of shares outstanding in first-half 2010 was 226,133,428. Diluted earnings per share were therefore calculated as follows:

In € millions	Dec. 2009	June 2009	June 2010
Net profit, Group share	(282)	(150)	(15)
Weighted average number of ordinary shares (in thousands)	222 890	220 465	225 627
Number of shares resulting from the exercise of stock options (in thousands)	16	-	507
Number of shares resulting from performance shares grants (in thousands)	26	26	-
Fully diluted weighted average number of shares (in thousands)	222 932	220 491	226 133
Diluted earnings per share (in €)	(1,26)	(0,68)	(0,07)

The following instruments that may have a dilutive impact on basic earnings per share in the future have not been included in the calculation of diluted earnings per share because they did not have a dilutive effect on first-half 2010:

- All of the stock options outstanding under the plans 12, 13, 14, 15, 16, 17, 18, 19,20 and 21 in force at June 30, 2010.
- 116,653 performance shares granted under the 2009 plan, for which fulfillment of the related performance targets will be assessed at end-2010.

Note 25.3. Share-based payments

STOCK OPTION PLANS

Description of the main plans

The following table summarizes the characteristics of stock options outstanding at June 30, 2010, as well as of options that were cancelled or expired during the period.

	Grant date	Life of plan	Number of options granted	Option exercise date	Number of grantees	Exercise price	Cash-settled or equity settled
Plan 6	January 8, 2002	8 years	3 438 840	from 01/08/05 until 01/08/10	2 032	37,77 €	Equity
Plan 8	January 3, 2003	8 years	148 900	from 01/04/06 until 01/03/11	67	31,83 €	Equity
Plan 9	January 7, 2004	8 years	1 482 900	from 01/08/07 until 01/07/12	1 517	35,68 €	Equity
Plan 10 (*)	July 9, 2004	8 years	88 131	from 07/09/07 until 07/09/12	3 390	33,94 €	Equity
Plan 11	January 12, 2005	7 years	1 298 950	from 01/13/09 until 01/12/12	903	32,42 €	Equity
Plan 12	January 9, 2006	7 years	1 231 200	from 01/10/10 until 01/09/13	191	46,15 €	Equity
Plan 13	March 24, 2006	7 years	666 950	from 03/25/10 until 03/24/13	818	49,10 €	Equity
Plan 14	March 22, 2007	7 years	1 492 845	from 03/23/11 until 03/22/14	958	68,65 €	Equity
Plan 15	May 14, 2007	7 years	95 000	from 05/15/11 until 05/14/14	11	71,72 €	Equity
Plan 16 (*)	September 13, 2007	8 years	1 403	from 09/13/10 until 09/13/15	40	60,44 €	Equity
Plan 17	March 28, 2008	7 years	1 409 400	from 03/29/12 until 03/28/15	1 022	46,46 €	Equity
Plan 18	September 30, 2008	7 years	75 000	from 10/01/12 until 09/30/15	6	42,70 €	Equity
Plan 19	March 31, 2009	8 years	969 965	from 04/01/13 until 03/31/17	1 138	27,45 €	Equity
Plan 20	April 2, 2010	8 years	1 827 850	from 04/03/14 until 04/03/18	1 020	40,20 €	Equity
Plan 21	April 2, 2010	8 years	107 250	from 04/03/14 until 04/03/18	10	40,20 €	Equity

(*) Plans 10 and 16 are stock savings warrants

Stock options granted under Plan 15 are performance options. The stock options vest in four equal tranches in each of the years 2007 to 2010 based on the attainment of performance targets expressed in terms of growth in the Accor Group's return on capital employed (ROCE) and profit after tax and before non-recurring items.

If the performance targets are met at the end of each year, grantees will receive one quarter of the stock options included in the initial grant. If only one of the two targets is met, they will receive one eighth of the options.

For all of the stock options to vest, ROCE and profit after tax and before non-recurring items will have to increase by around 10% or more per year. If ROCE and profit after tax and before non-recurring items increase by less than 10% (but more than 0%), the number of vested options will be reduced based on the ratio between the actual increase and 10%.

The performance criteria were met in 2007. The performance criteria were only partially met in 2008 and 2009 leading to the cancellation of 26,713 options.

Stock options granted under Plan 21 are performance options based on market conditions. The vesting criterion, which concerned the relative performance of the Accor SA share compared to the CAC 40 index in 2010, 2011, 2012 and 2013, will be adjusted after the Hotels and Services businesses are demerged. The options vest after four years, depending on the annual performance of the Accor SA share versus the CAC 40 index. The number of options that could be exercised after the four-year vesting period may not exceed 100% of the initial amount.

Changes in outstanding stock options during 2009 and 2010 are as follows:

	June 30, 2009		December 31, 2009		June 30, 2010	
	Number of options	Weighted average	Number of options	Weighted average	Number of options	Weighted average
Options outstanding at beginning of period	9 591 890	45,16 €	9 591 890	45,16 €	9 485 318	43,72 €
Options granted	969 965	27,45 €	969 965	27,45 €	1 935 100	40,20 €
Options cancelled or expired	(755 245)	42,35 €	(871 188)	43,03 €	(1 520 056)	39,21 €
Options exercised	-	-	(205 349)	37,02 €	(429 169)	33,39 €
Options outstanding at end of period	9 806 610	43,62 €	9 485 318	43,72 €	9 471 193	44,19 €
Options exercisable at end of period	4 009 422	35,35 €	3 771 273	35,20 €	3 806 868	40,18 €

Outstanding options at June 30, 2010 are as follows:

	Exercise price	Number of outstanding options	Remaining life of the options
Plan 8	31,83 €	55 000	6 months
Plan 9	35,68 €	1 001 046	1.5 years
Plan 10	33,94 €	81 606	2 years
Plan 11	32,42 €	887 116	1.5 years
Plan 12	46,15 €	1 195 400	2.5 years
Plan 13	49,10 €	586 700	2.8 years
Plan 14	68,65 €	1 362 655	3.8 years
Plan 15	71,72 €	68 287	4 years
Plan 16	60,44 €	1 403	5.3 years
Plan 17	46,46 €	1 322 250	4.8 years
Plan 18	42,70 €	69 000	5.3 years
Plan 19	27,45 €	905 630	6.8 years
Plan 20	40,20 €	1 827 850	7.9 years
Plan 21	40,20 €	107 250	7.9 years

Fair value of options

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

In the case of the Accor Group, IFRS 2 applies to options granted under fourteen plans set up from 2003 to June 30, 2010.

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	Plan 14
Accor share price at the option grant date	30,50 €	35,18 €	33,71 €	31,64 €	49,80 €	48,30 €	70,95 €
Option exercise price	31,83 €	35,68 €	33,94 €	32,42 €	46,15 €	49,10 €	68,65 €
Expected volatility (*)	39,58%	39,68%	39,18%	37,64%	35,36%	34,60%	31,73%
Contractual life of the options	8 years	8 years	8 years	7 years	7 years	7 years	7 years
Expected share yield (**)	3,54%	3,44%	3,55%	2,94%	3,13%	3,74%	3,94%
Fair value of options (***)	8,91 €	10,52 €	10,07 €	8,48 €	14,11 €	12,57 €	20,38 €

	Plan 15	Plan 16	Plan 17	Plan 18	Plan 19	Plan 20	Plan 21
Accor share price at the option grant date	70,45 €	62,35 €	47,10 €	37,12 €	25,49 €	41,47 €	41,47 €
Option exercise price	71,72 €	60,44 €	46,46 €	42,70 €	27,45 €	40,20 €	40,20 €
Expected volatility (*)	31,60%	27,57%	27,87%	26,72%	31,91%	33,96%	33,96%
Contractual life of the options	7 years	8 years	7 years	7 years	8 years	8 years	8 years
Expected share yield (**)	4,25%	4,15%	3,84%	4,03%	2,63%	2,29%	2,29%
Fair value of options (***)	19,36 €	16,66 €	11,55 €	7,00 €	5,78 €	10,28 €	9,44 €

(*) Weighted volatility based on exercise periods

(**) Expected share yield based on exercise periods

(***) Fair value of options based on exercise periods

The dividend rate used to measure the fair value of options is :

- 3.03% for plans 8, 9, 10,
- 3.22% for plans 11, 12, 13,
- 2.29% for plans 14, 15, 16,
- 2.53% for plans 17, 18 and 19, and
- 3.24% for plans 20 and 21.

These rates correspond to the average payout rate for the previous two, three or four years.

Maturities of stock options

The Group has decided to base the exercise dates of stock options under these plans on observed exercise dates under previous plans. The same principle has been applied to all plans, as follows:

- 35% of options exercised after 4 years
- 20% of options exercised after 5 years
- 35% of options exercised after 6 years
- 5% of options exercised after 7 years – 10% for plans 11, 12, 13, 14, 15, 17 and 18
- 5% of options exercised after 8 years

Maturities stock options correspond to the options' expected lives.

Share price volatility

The Group has chosen to apply a volatility rate calculated by reference to historical data for the eight years preceding the grant date. Different volatility rates have been applied, calculated from granted date, to each maturity as presented above.

Cost of share-based payments recognized in the accounts

The total cost recognized in employee benefits expense by adjusting equity in respect of share-based payments amounted to €7.2 million at June 30, 2010 (December 31, 2009: €20 million, June 30, 2009: €10.5 million).

Employee Stock Ownership Plan

In April 2007, an employee rights issue was carried out under the Employee Stock Ownership Plan.

The issue was leveraged, meaning that for each share purchased between June 11 and 18, 2007 the bank that partnered Accor in the issue financed an additional nine shares on behalf of the employee. At the end of the 5-year lock-up period, employees will receive a cash payment equal to the average increase in value of the Accor shares purchased with their own funds and with the financing provided by the bank.

In addition, the employees' initial investment in the shares is guaranteed by the bank.

The plan's characteristics are as follows:

- Reference share price: €68.61
- Employee discount: 18.9%
- Discounted subscription price: €55.64 (except in Germany where employees were not entitled to the discount but were awarded stock warrants)

At the close of the subscription period, the Group issued 770,529 new shares purchased by employees under the plan, including 769,126 shares acquired through corporate mutual funds and 1,403 purchased directly.

The fair value of the employee benefit, totalling €9.7 million, was recognized in full in "Employee benefits expense" by adjusting equity, in first-half 2007. The cost represented by the lock-up clause, determined only for shares purchased by employees (not for

any shares financed by a bank loan) was calculated by discounting the discount over 5 years at a 5.5% discount rate and amounted to €0.2 million. For 2007, the cost of the lock-up was measured at 5.5% of the discounted subscription price.

PERFORMANCE SHARE PLANS

2007 Plan

On May 14, 2007, Accor granted 56,171 performance shares to senior executives and certain employees.

The performance shares are subject to vesting conditions based on growth in Accor's return on capital employed (ROCE) and profit after tax and before non-recurring items for each of the years 2007 and 2008. Half of the shares vested in each year if both performance targets are met. If only one of the performance targets is met, a quarter of the shares vested.

For all of the shares to vest, ROCE and profit after tax and before non-recurring items had to increase by around 10% or more per year. If ROCE and profit after tax and before non-recurring items increased by less than 10% (but more than 0%), the number of vested shares reduced based on the ratio between the actual increase and 10%.

The shares are subject to a two-year lock-up.

The cost of the performance share plan – corresponding to the fair value of the share grants – amounted to €4 million and was being recognized on a straight-line basis over the vesting period under “Employee benefits expense” with a corresponding adjustment to equity. The fair value of the share grants was measured as the average of the Accor share prices for the twenty trading days preceding the grant date multiplied by the number of shares granted under the plan.

At December 31, 2007

The performance targets were met in 2007.

At December 31, 2008

In 2008, only one of the two performance criteria was met, leading to a reduction in the fair value of the share grants to €3.7 million

At December 31, 2009

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

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

2008 Plan

On March 28, 2008, Accor granted 107,034 performance shares to senior executives and certain employees.

The performance shares are subject to vesting conditions based on growth in Accor's return on capital employed (ROCE) and profit after tax and before non-recurring items for each of the years 2008 and 2009. Half of the shares will vest in each year if both performance targets are met. If only one of the performance targets is met, a quarter of the shares will vest.

For all of the shares to vest, ROCE and profit after tax and before non-recurring items will have to increase by around 10% or more per year. If ROCE and profit after tax and before non-recurring items increase by less than 10% (but more than 0%), the number of vested shares will be reduced based on the ratio between the actual increase and 10%.

The shares are subject to a two-year lock-up.

The cost of the performance share plan – corresponding to the fair value of the share grants – amounted to €5 million and was being recognized on a straight-line basis over the vesting period under “Employee benefits expense” with a corresponding adjustment to equity. The fair value of the share grants was measured as the average of the Accor share prices for the twenty trading days preceding the grant date multiplied by the number of shares granted under the plan.

At December 31, 2008

In 2008, only one of the two performance criteria was met, leading to a reduction in the fair value of the share grants to €1.2 million, reflecting the expectation that performance criteria would not be met in 2009.

At December 31, 2009

In 2009, the performance criteria were not met.

The fair value of the share grants was unchanged at €1.2 million, of which €0.6 million was recognized in the 2009 financial statements.

2009 Plan

On March 31, 2009, Accor granted 242,553 performance shares to senior executives and certain employees. Of these:

- 201,194 have a two-year vesting period followed by a two-year lock-up period.
- 41,359 have a four-year vesting period with no subsequent lock-up period.

The performance shares are subject to vesting conditions based on growth in Accor's return on capital employed (ROCE) and profit after tax and before non-recurring items for each of the years 2009 and 2010. Half of the shares will vest in each year if both performance targets are met. If only two of the performance targets are met, around a third of the shares will vest. If only one of the performance targets is met, around a sixth of the shares will vest.

For all of the shares to vest, ROCE, revenue and profit after tax and before non-recurring items will have to increase by around 10% or more per year. If ROCE, revenue and profit after tax and before non-recurring items increase by less than 10% (but more than 0%), the number of vested shares will be reduced based on the ratio between the actual increase and 10%.

The fair value of these share-based payments – representing €5.8 million on March 31, 2009 – is recognized on a straight-line basis over the vesting period of the performance shares in employee benefits expense, with a corresponding adjustment to equity. This fair value is based on Accor's opening share price on the grant date less the present value of unpaid dividends multiplied by the number of shares issued.

At December 31, 2009

In 2009, the performance criteria were not met. This led to a reduction in the fair value of the share grants to €2.9 million. Plan costs recognized in 2009 amounted to €1 million.

Note 26. Cumulative Unrealized Gains and Losses on Financial Instruments

In € millions	June 2009	Dec. 2009	June 2010
OCEANE convertible bonds	-	-	-
Equity notes	-	-	-
Mutual fund units	-	-	-
Interest rate and currency swaps	(12)	(12)	(13)
Fair value adjustments to non-consolidated investments	-	-	-
Fair value adjustments to available-for-sale investments	-	-	-
Impact on equity	(12)	(12)	(13)

Fair value adjustments to financial instruments recognized in equity

In € millions	June 2009	Dec. 2009	June 2010
Available for sale Financial Assets	-	-	-
<i>Gains (losses) recognised in Equity during the period (1)</i>	-	-	-
<i>Gains (losses) reclassified to profit or loss</i>	-	-	-
Cash flow hedges	(6)	(6)	(1)
<i>Gains (losses) recognised in Equity during the period</i>	(6)	(6)	(1)
<i>Gains (losses) reclassified to profit or loss</i>	-	-	-
Changes in Reserve	(6)	(6)	(1)

Note 27. Minority interests

In € millions	
At December 31, 2008	258
Minority interests in profit for the period	17
Dividends paid to minority interests	(34)
Translation adjustment	3
Changes in scope of consolidation (1)	13
At December 31, 2009	257
Minority interests in profit for the period	3
Dividends paid to minority interests	(8)
Capital increase	4
Translation adjustment	6
Changes in scope of consolidation	40
At June 30, 2010	302

Note 28. Comprehensive Income

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

In € millions	Dec. 2009			June 2009			June 2010		
	Before tax	Income tax expense	Net of tax	Before tax	Income tax expense	Net of tax	Before tax	Income tax expense	Net of tax
Currency translation adjustment	167	-	167	105	-	105	439	-	439
Change in fair value resulting from "Available-for-sale financial assets"	-	-	-	-	-	-	-	-	-
Effective portion of gains and losses on hedging instruments in a cash flow hedge	(6)	-	(6)	(6)	-	(6)	(1)	-	(1)
Actuarial gains and losses on defined benefits plans	(4)	1	(3)	0	-	0	(0)	-	(0)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	-	-	-	-	-	-	-	-	-
Total Other Comprehensive income	157	1	158	99	-	99	438	-	438

Note 29. Debt by Currency and Maturity

Note 29.A Long and short-term debt

Long and short-term debt at June 30, 2010 breaks down as follows by currency and interest rate after hedging transactions:

In € millions	June 2009	Effective rate June 2009 %	Dec. 2009	Effective rate Dec. 2009 %	June 2010	Effective rate June 2010 %
EUR	2 557	4,52	2 151	5,73	1 668	6,95
CNY	88	4,58	94	4,77	104	4,72
PLN	100	4,73	82	4,30	80	5,25
AUD	50	4,04	41	4,57	30	5,56
USD	14	1,76	12	1,28	16	0,87
Other currencies (1)	122	4,42	133	3,31	169	3,91
Long and short-term borrowings	2 931	4,50	2 513	5,48	2 067	6,45
Long and short-term finance lease liabilities	169		151		150	
Purchase commitments	36		20		2	
Changes in fair value of financial liabilities	-		-		-	
Liability derivatives	26		21		30	
Other short-term financial liabilities and bank overdrafts	66		143		54	
Long and short-term debt	3 228		2 848		2 303	

(1) including about JPY €36 million and CHF €25 million as at June 30, 2010.

In € millions	June 2009	Dec. 2009	June 2010
Long-term debt	2 950	2 475	2 144
Short-term debt	278	373	159
Total long and short-term debt	3 228	2 848	2 303

Note 29.B Maturities of debt

At June 30, 2010, maturities of debt were as follows:

In € millions	June 2009	Dec. 2009	June 2010
Year Y+1	278	373	158
Year Y+2	88	209	121
Year Y+3	1 108	302	684
Year Y+4	667	949	944
Year Y+5	937	627	30
Year Y+6	25	23	10
Beyond	125	365	356
Total long and short-term debt	3 228	2 848	2 303

This analysis of debt by maturity over the long-term is considered as providing the most meaningful liquidity indicator. In the above presentation, all derivatives are classified as short-term. Borrowings and short-term investments denominated in foreign currencies have been translated into euros at the rate on the balance sheet date.

At June 30, 2010, Accor had several unused confirmed lines of credit with maturities of more than one year, for a total of €2,030 million, expiring between February 2011 and August 2013.

First-half 2010 financial costs amounted to €73 million. Future financial costs are estimated at €422 million for the period from July 2010 to June 2014 and €58 million thereafter.

2009 financial costs amounted to €139 million. Future financial costs are estimated at €485 million for the period from January 2010 to December 2013 and €76 million thereafter.

First-half 2009 financial costs amounted to €62 million. Future financial costs were estimated at €472 million for the period from June 2009 to June 2013 and €32 million thereafter.

These estimates are based on the average cost of debt of the period, after hedging. They have been determined by applying the assumption that no facilities will be rolled over at maturity.

Note 29.C Long and short-term debt before and after hedging

At June 30, 2010, long and short-term debt breaks down as follows before hedging transactions:

In € millions	Total debt		
	Amount	Rate	% of total debt
EUR	1 797	6,06%	87%
CNY	104	4,72%	5%
PLN	76	5,31%	4%
AUD	4	7,70%	0%
USD	-	0,00%	0%
Other currencies	86	5,81%	4%
Total long and short-term debt	2 067	5,96%	100%

Long and short-term debt after currency and interest rate hedging breaks down as follows at June 30, 2010:

In € millions	Total debt		
	Amount	Rate	% of total debt
EUR	1 668	6,95%	81%
CNY	104	4,72%	5%
PLN	80	5,25%	4%
AUD	30	5,56%	1%
USD	16	0,87%	1%
Other currencies	169	3,91%	8%
Total long and short-term debt	2 067	6,45%	100%

Note 29.D Long and short-term debt by interest rate after hedging

In € millions	Total debt	
	Amount	Rate
June 2009	2 931	4,50%
December 2009	2 513	5,48%
June 2010	2 067	6,45%

At June 30, 2010, 79% of long and short-term debt was fixed rate, with an average rate of 7.06%, and 21% was variable rate, with an average rate of 4.10%.

At June 30, 2010, fixed rate debt was denominated primarily in EUR (99%), while variable rate debt was denominated mainly in CNY (24%), PLN (19%) and EUR (11%).

The loan agreements do not contain any rating triggers. However, certain loan agreements include acceleration clauses that may be triggered in the event of a change of control, defined as the acquisition of more than 50% of outstanding voting rights. Of the Group's total debt of €2,067 million, loans worth €1,441 million are subject to change of control clauses. In the case of bonds, the acceleration clause would be triggered only if the change of control led to Accor's credit rating being downgraded to non-investment grade.

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

Note 29.E Financial instruments

1. Currency hedges

The following tables analyze the nominal amount of currency hedges by maturity and the carrying amount of these instruments in the balance sheet, corresponding to their fair value, at June 30, 2010:

Forward sales and currency swaps In € millions	Maturity 2010	Maturity 2011	June 30, 2010 Nominal amount	June 30, 2010 Fair value
JPY	36	-	36	2
AUD	26	-	26	-
USD	16	-	16	-
Other	44	9	53	1
Forward sales	122	9	131	3

Forward purchases and currency swaps In € millions	Maturity 2010	Maturity 2011	June 30, 2010 Nominal amount	June 30, 2010 Fair value
GBP	28	175	203	(9)
USD	49	-	49	-
CHF	24	-	24	(1)
Other	13	-	13	(1)
Forward purchases	114	175	289	(11)

TOTAL CURRENCY HEDGING	236	184	420	(8)
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For each currency, the nominal amount corresponds to the amount of currency sold or purchased forward. Fair value corresponds to the difference between the amount of the currency sold (purchased) and the amount of the currency purchased (sold), converted in both cases at the period-end forward exchange rate.

All the currency instruments listed above are used for hedging purposes. Most are designated and documented fair value hedges of intra-group loans and borrowings that qualify for hedge accounting.

At June 30, 2010, currency instruments had a negative fair value of €8 million.

2. Interest rate hedges

The following tables analyze the notional amount of interest rate hedges by maturity and the carrying amount of these instruments in the balance sheet, corresponding to their fair value, at June 30, 2010:

In € millions	2010	2011	2012	Beyond	June 30, 2010 Notional amount	June 30, 2010 Fair value
EUR: Fixed-rate borrower swaps and caps	-	-	-	356	356	30
Interest rate hedges	-	-	-	356	356	30

The “notional amount” corresponds to the amount covered by the interest rate hedge. “Fair value” corresponds to the amount that would be payable or receivable if the positions were unwound on the market.

All the interest rate instruments listed above are used for hedging purposes.

At June 30, 2010, interest rate instruments had a positive fair value of €30 million.

3. Fair value of financial instruments

The carrying amount and fair value of financial instruments at June 30, 2010 are as follows:

In € millions		June 30, 2010 Carrying amount	June 30, 2010 Fair value
FINANCIAL LIABILITIES		2 303	2 442
Bonds	(1)	1 441	1 580
Bank borrowings		427	427
Finance lease liabilities		150	150
Other financial liabilities		255	255
Interest rate derivatives (<i>Cash Flow Hedge</i>)	(2)	30	30
Currency derivatives (<i>Fair Value Hedge</i>)	(2)	-	-
FINANCIAL ASSETS		(1 339)	(1 339)
Marketable securities	(3)	(1 132)	(1 132)
Cash		(146)	(146)
Other		(53)	(53)
Interest rate derivatives (<i>Cash Flow Hedge</i>)	(2)	-	-
Currency derivatives (<i>Fair Value Hedge</i>)	(2)	(8)	(8)
NET DEBT		964	1 103

(1) The fair value of listed bonds corresponds to their quoted market value on the Luxembourg Stock Exchange and on Bloomberg on the last day of the period.

(2) The fair value of derivative instruments (interest rate and currency swaps and forward contracts) is determined by reference to the market price that the Group would pay or receive to unwind the contracts (level 2 valuation technique).

(3) Marketable securities break down as follows:

In € millions		June 30, 2010 Carrying amount	June 30, 2010 Fair value
Bonds and other negotiable debt securities	(a)	(503)	(503)
Money market securities	(b)	(619)	(619)
Mutual fund units convertible into cash in less than three months (*)	(c)	(10)	(10)
Other		-	-
Total marketable securities		(1 132)	(1 132)

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

(a) Held to maturity investments

(b) Loans and receivables issued by the Group

(c) Held for sale financial assets

Note 29.F Credit rating

At June 30, 2010, Accor credit ratings were as follows:

Rating Agency	Long-term debt	Short-term Debt	Last update of the rating	Outlook	Last update of the outlook
Standard & Poor's	BBB-	A-3	June 18, 2010	Negative	June 18, 2010

Note 30. Net Debt and Net Cash

In € millions	June 2009	Dec. 2009	June 2010
Other long-term financial debt (1)	2 798	2 332	2 001
Long-term finance lease liabilities	152	143	143
Short-term borrowings	230	285	120
Bank overdrafts	22	67	9
Liabilities derivatives	26	21	30
Total debt	3 228	2 848	2 303
Short-term loans	(13)	(17)	(11)
Marketable securities (2)	(1 061)	(1 006)	(1 132)
Cash	(173)	(152)	(147)
Asset derivatives	(14)	(6)	(9)
Short-term receivables on disposals of assets	(6)	(43)	(40)
Financial Assets	(1 267)	(1 224)	(1 339)
Net debt	1 961	1 624	964

(1) See Note 2.D.

(2) See Note 29.E.

In € millions	June 2009	Dec. 2009	June 2010
Net debt at beginning of period	1 072	1 072	1 624
Change in long-term debt	953	387	(332)
Change in short-term financial liabilities	42	120	(215)
Cash and cash equivalents change	(75)	74	(122)
Reclassifications	(31)	(29)	9
Changes for the period	889	552	(660)
Net debt at end of period	1 961	1 624	964

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

In € millions	June 2009	Dec. 2009	June 2010
Balance sheet cash and cash equivalents	1 247	1 164	1 286
Bank overdrafts	(22)	(67)	(9)
Derivatives included in liabilities	(26)	(21)	(30)
Cash flow Statement cash and cash equivalents	1 199	1 076	1 247

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

At December 31, 2009, and June 30, 2010, financial assets and liabilities recognized at fair value broke down as follows by category:

At December 31, 2009

In € millions	Category in the balance-sheet						Fair value			Fair value of the class
	Cash and cash equivalents	Loans	Receivables on disposals of assets	Other financial investment	Trade receivables	Carrying amount	Level 1*	Level 2*	Level 3*	
Held to maturity financial assets						125				125
Bonds and other negotiable debt securities	125					125		125		125
Loans and receivables						2 456				2 456
Short-term loans		17				17		17		17
Long-term loans		107				107		107		107
Receivables on disposals of assets			43			43		43		43
Deposits				70		70		70		70
Trade receivables					1 350	1 350		1 350		1 350
Money Market securities	866					866		866		866
Other	3					3		3		3
Available for sale financial assets						72				72
Investments in non-consolidated companies				60		60			60	60
Mutual fund units convertible into cash	10					12	12			12
Other										
Financial assets at fair value						6				6
Interest rate derivatives										
Currency derivatives	8					6		6		6
Cash at bank	152					152		152		152
Financial assets recognized at fair value at December 31, 2009	1 164	124	43	130	1 350	2 811	12	2 739	60	2 811

At June 30, 2010

In € millions	Category in the balance-sheet						Fair value			Fair value of the class
	Cash and cash equivalents	Loans	Receivables on disposals of assets	Other financial investment	Trade receivables	Carrying amount	Level 1*	Level 2*	Level 3*	
Held to maturity financial assets						503				503
Bonds and other negotiable debt securities	503					503		503		503
Loans and receivables						1 292				1 292
Short-term loans		11				11		11		11
Long-term loans		132				132		132		132
Receivables on disposals of assets			40			40		40		40
Deposits				71		71		71		71
Trade receivables					419	419		419		419
Money Market securities	619					619		619		619
Other										
Available for sale financial assets						71				71
Investments in non-consolidated companies				61		61			61	61
Mutual fund units convertible into cash	10					10	10			10
Other										
Financial assets at fair value						8				8
Interest rate derivatives										
Currency derivatives	8					8		8		8
Cash at bank	147					147		147		147
Financial assets recognized at fair value at June 30, 2010	1 287	143	40	132	419	2 021	10	1 950	61	2 021

At December 31, 2009

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

At June 30, 2010

In € millions	Category in the balance-sheet						Fair value			
	Bank overdrafts	Other long-term financial	Short-term debt	Long-term finance lease	Trade payables	Carrying amount	Level 1*	Level 2*	Level 3*	Fair value of the class
Financial liabilities at fair value through profit or loss						30				30
Currency derivatives										
Interest rate derivatives	30					30		30		30
Financial liabilities at amortised cost						2 834				2 973
Other bonds		-				-				-
Convertible bonds/Equity Notes		1 441				1 441	1 580			1 580
Bank Borrowings		369	58			427		427		427
Finance lease liabilities			7	143		150		150		150
Other debts		191	53			244		244		244
Trade payables					572	572		572		572
Cash at bank	9					9		9		9
Financial liabilities recognized at fair value at June 30, 2010	39	2 001	118	143	572	2 873	1 580	1 432	-	3 012

* The fair value hierarchies have the following levels:

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

The methods used to measure the fair value of derivative instruments, mutual fund unit convertible into cash and bonds are described in Note 29.

The method used to measure the fair value of investments in non-consolidated companies is described in Note 1.O.1.

No assets were transferred between fair value measurements levels during the periods presented.

Note 32. Assets and Liabilities Held for Sale

A. Edenred

In € millions	June 2009	Dec. 2009	June 2010
<u>Discontinued operations: Edenred</u>			
Goodwill	-	-	593
Intangible assets	-	-	102
Property, plant and equipment	-	-	40
Non-current financial assets	-	-	4
Deferred tax assets	-	-	(38)
Inventories	-	-	10
Trade receivables	-	-	933
Other receivables and accruals	-	-	248
Short-term loans	-	-	1
Current financial assets	-	-	1 807
Asset accruals	-	-	11
<u>Total assets classified as held for sale</u>	-	-	3 710
Long-term debt	-	-	903
Non-current provisions	-	-	17
Trade payables	-	-	71
Other payables	-	-	149
Current provisions	-	-	36
Financial debt	-	-	3 518
Bank overdrafts	-	-	17
Liabilities accruals	-	-	21
<u>Total liabilities classified as held for sale</u>	-	-	4 732

In 2009, Accor embarked on a major strategic project to demerge its two core businesses, Hotels and Services. The demerger process was approved by the Shareholders' Meeting of June 29, 2010.

However, although the transaction was approved by shareholders in the first half of 2010, the demerger was carried out on July 2, when the shares were distributed. In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", at June 30, 2010, all of Edenred's assets and liabilities (excluding equity) were reclassified in the consolidated accounts as "Assets held for sale" and "Liabilities related to assets held for sale".

B. Groupe Lucien Barrière

In € millions	June 2009	Dec. 2009	June 2010
<u>Discontinued operations: GLB</u>			
Goodwill	-	-	366
Intangible assets	-	-	11
Property, plant and equipment	-	-	223
Non-current financial assets	-	-	1
Deferred tax assets	-	-	(1)
Inventories	-	-	4
Trade receivables	-	-	7
Other receivables and accruals	-	-	17
Short-term loans	-	-	-
Current financial assets	-	-	33
Asset accruals	-	-	14
<u>Total assets classified as held for sale</u>	-	-	675
Long-term debt	-	-	194
Non-current provisions	-	-	5
Trade payables	-	-	27
Other payables	-	-	73
Current provisions	-	-	2
Financial debt	-	-	36
Bank overdrafts	-	-	1
Liabilities accruals	-	-	3
<u>Total liabilities classified as held for sale</u>	-	-	341

As part of its strategic refocusing on hotels, in June 2010 Accor planned to sell all of its 49% stake in Groupe Lucien Barrière. The sale is scheduled to take place in the second half of 2010, or beginning of 2011.. In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", at June 30, 2010, all of Groupe Lucien Barrière's assets and liabilities (excluding equity) were reclassified in the consolidated accounts as "Assets held for sale" and "Liabilities related to assets held for sale".

C. Onboard Train Services

In € millions	June 2009	Dec. 2009	June 2010
<u>Discontinued operations: Onboard Train services</u>			
Goodwill	-	-	-
Intangible assets	-	-	0
Property, plant and equipment	-	-	10
Non-current financial assets	-	-	0
Deferred tax assets	-	-	0
Inventories	-	-	4
Trade receivables	-	-	46
Other receivables and accruals	-	-	9
Short-term loans	-	-	-
Current financial assets	-	-	18
Asset accruals	-	-	1
<u>Total assets classified as held for sale</u>	-	-	89
Long-term debt	-	-	-
Non-current provisions	-	-	11
Trade payables	-	-	23
Other payables	-	-	23
Current provisions	-	-	13
Financial debt	-	-	0
Bank overdrafts	-	-	0
Liabilities accruals	-	-	0
<u>Total liabilities classified as held for sale</u>	-	-	70

As part of its strategic refocusing on hotels, on July 7, 2010 Accor announced the signature of an agreement for the sale of Compagnie des Wagons-Lits' Onboard train services business in France, Austria, Portugal and part of the Italian business through a joint venture 60%-owned by Newrest and 40% by Accor. The sale is scheduled to take place in the second half of 2010. In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", at June 30, 2010, all of the Onboard train services assets and liabilities (excluding equity) were reclassified in the consolidated accounts as "Assets held for sale" and "Liabilities related to assets held for sale".

In € millions		June 2009	Dec. 2009	June 2010
Non-current assets				
Disposal groups classified as "held for sale"				
		-	14	4
Hotels to be sold to investors (France)	(a)	5	80	118
Hotels to be sold in Germany	(b)	-	-	95
Hotels to be sold in Belgium	(c)	-	-	37
Hotels to be sold in United States	(d)	19	26	25
Hotels to be sold in Italy	(e)	-	18	-
Hotels to be sold in Switzerland		2	3	(0)
Other		8	3	2
Total non-current assets classified as held for sale		34	130	277
Total assets classified as held for sale		34	144	4 755
Total liabilities classified as held for sale		-	4	5 146

In accordance with IFRS 5, these assets were reclassified in the consolidated balance sheet at that date under "Assets held for sale".

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- (a) At December 31, 2009, in line with the asset management policy, the Group planned to sell six units (5 hotels and 1 spa) in France as part of its asset management strategy. The carrying amount of these assets is €80 million.
At June 30, 2010, the Group planned to sell 43 units (42 hotels and 1 spa) in France. The carrying amount of these assets at that date was €118 million.
- (b) At June 30, 2010, the Group planned to sell three Novotel units, six Ibis units, six Formule 1 units and four Mercure units in Germany. The carrying amount of these assets at that date was €95 million.
- (c) At June 30, 2010, the Group planned to sell three Novotel units, three Ibis units and three Etap units in Belgium. The carrying amount of these assets at that date was €37 million.
- (d) At December 31, 2009, the Group planned to sell 24 Motel six units and one Studio 6 unit. The carrying amount of these assets at that date was €26 million.
At June 30, 2010, the Group planned to sell 21 Motel 6 units and one Studio 6 unit. The carrying amount of these assets at that date was €25 million.
- (e) At December 31, 2009, in line with the asset management policy, the Group planned to sell 2 hotel properties in Italy. The carrying amount of these assets at that date was €18 million.

Note 33. Provisions

Movements in long-term provisions between December 31, 2009 and June 30, 2010 can be analyzed as follows:

In € millions	December 31, 2009	Equity impact (*)	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope (*)	June 30, 2010
- Provisions for pensions	108	-	7	(4)	(1)	-	(30)	80
- Provisions for loyalty bonuses	24	-	2	(1)	(3)	1	(4)	19
- Provisions for claims and litigation and others contingencies	-	-	-	-	-	-	-	-
TOTAL LONG-TERM PROVISIONS	132	-	9	(5)	(4)	1	(34)	99

(*) See Note 33.C

Movements in short-term provisions between December 31, 2009 and June 30, 2010 can be analyzed as follows:

In € millions	December 31, 2009	Equity impact	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope	June 30, 2010
- Tax provisions	22	-	1	(6)	-	1	(4)	14
- Restructuring provisions	45	-	6	(28)	(3)	1	(6)	15
- Provisions for claims and litigation and others contingencies	175	-	17	(31)	(5)	2	(27)	131
TOTAL SHORT-TERM PROVISIONS	242	-	24	(65)	(8)	4	(37)	160

At June 30, 2010, ordinary provisions for claims and litigation and others include:

- €37 million provisions for various claims ;
- €7 million provision for employee-related claims ;

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

In € millions	June 2009	Dec. 2009	June 2010
EBIT	1	1	2
Finance cost, net	(1)	10	-
Provision for losses on hotel properties	6	5	2
Provision on other assets and restructuring provisions	11	15	(48)
Provision for tax	2	(1)	(5)
TOTAL	19	30	(49)

Provisions for pensions and other post-employment benefits

A. Description of the plans

Group employees receive various short-term benefits (paid vacation, paid sick leave and profit-shares), long-term benefits (long-service awards, long-term disability benefits, loyalty bonuses and seniority bonuses), as well as various post-employment benefits provided under defined contribution and defined benefit plans (length-of-service awards payable on retirement, pension funds).

Short-term benefit obligations are recognized in the balance sheets of the Group entities concerned.

Post-employment benefits are provided under either defined contribution or defined benefit plans.

Defined contribution plans

Obligations under these plans are funded by periodic contributions to external organizations that are responsible for the administrative and financial management of the plans. The external organization is responsible for all benefit payments and the Group has no liability beyond the payment of contributions. Examples of defined contribution plans include the government-sponsored basic pension and supplementary pension (ARRCO/AGIRC) schemes in France and defined contribution pension schemes in other countries.

Contributions to these plans are recognized in the period to which they relate.

Defined benefit plans

Benefits paid under the Group's defined benefit plans are determined based on employees' years of service with the Group. The benefit obligation is generally funded by plan assets, with any unfunded portion recognized as a liability in the balance sheet.

The defined benefit obligation (DBO) is determined by the projected unit credit method, based on actuarial assumptions concerning future salary levels, retirement age, mortality rates, staff turnover rates and the discount rate. These assumptions take into account the macro-economic situation and other specific circumstances in each host country.

Actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized immediately in equity, in accordance with Group accounting policy.

At Accor, the main post-employment defined benefit plans concern:

- Length-of-service awards in France:

These are lump-sum payments made to employees on retirement. They are determined by reference to the employee's years of service and end-of-career salary. The calculation is based on parameters defined by Corporate Finance and Human Resources in November of each year. The related obligation is covered by a provision.

- Length-of-service awards in Italy:

These are lump-sum payments made to employees on retirement. They are determined by reference to the employee's years of service, end-of-career salary, and whether they leave on their own initiative or on that of the company. The related obligation is covered by a provision.

- Pensions: the main defined benefit pension plans are for employees in France and in the Worldwide Structures (56% of the obligation), in the Netherlands (19% of the obligation), and in Switzerland (7% of the obligation). The plan in the Netherlands is closed to new participants and is fully funded, with the result that no provision has been recognized in the balance sheet for this plan. Pension benefit obligations are determined by reference to employees' years of service and end-of-career salary. They are funded by payments to external organizations that are legally separate from Accor Group.

B. Actuarial assumptions

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

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

June 2010	France	Europe excluding France							Worldwide Structures	Other countries
		Netherlands	United Kingdom	Germany	Belgium	Italy	Switzerland	Poland		
Retirement age	65 years	65 years	65 years	65 years	65 years	65 years	64-65 years	60-65 years	65 years	55-65 years
Rate of future salary increases	3,0%	3,0%	3,0%	3,0%	3,0%	2,5%-3,5%	2,0%	3,0%	3%-4%	2%-10%
Payroll tax rate	46%	23%	13%	22%	36%	29%	17%	40%	46%	9%-45%
Discount rate	5,00%	5,00%	5,60%	5,00%	5,00%	5,00%	3,00%	5,50%	5,00%	4% - 8,68%
Expected Rates of return on 2009 plan assets	2,20%-4,5%	4%-5%	5,5%	4,0%	4,5%	N/A	N/A	N/A	4,5%	N/A
Expected Rates of return on 2010 plan assets	2,20%-4,5%	4%-5,5%	5,5%	4,0%	4,5%	N/A	4,3%	N/A	4,5%	N/A

The assumptions concerning the expected return on plan assets and the discount rate applied to calculate the present value of benefit obligations were determined based on the recommendations of independent experts. The discount rate is based on an analysis of investment grade corporate bond yields in each region. The calculation method is designed to obtain a discount rate that is appropriate in light of the timing of cash flows under the plan.

The Accor Group's pension obligations are funded under insured plans or by external funds. Plan assets therefore consist mainly of the classes of assets held in insurers' general portfolios managed according to conservative investment strategies. As a result, the expected long-term return on plan assets is estimated on the basis of the guaranteed yield offered by the insurance companies, ranging from 3.00% to 3.25% depending on the country, plus a spread of 100 to 125 basis points. This method takes into account the techniques used by insurance companies to smooth investment yields and ensures that yield assumptions are reasonable (i.e. below the rates of AA-rated corporate bonds).

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

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

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

At June 30, 2010

In € millions	Pensions	Other post-employment benefits (*)	Total
Present value of funded obligation	118	-	118
Fair value of plan assets	(81)	-	(81)
Excess of benefit obligation/(plan assets)	37	-	37
Present value of unfunded obligation	-	-	-
Unrecognized past service cost	-	62	62
Liability recognized in the balance sheet	37	62	99

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

At December 31, 2009

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

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

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

In € millions	Pensions											Other benefits	June 2010	Published 2009
	June 2010											June 2010		
	France	Europe excluding France							Worldwide structures	Other	Total	Other benefits		
	Netherlands	United Kingdom	Germany	Belgium	Poland	Switzerland	Italy							
Projected benefit obligation at the beginning of the period	36	29	7	9	14	2	9	13	69	7	195	25	220	210
Current service cost	1	0	0	0	0	-	0	0	2	1	5	1	6	12
Interest Cost	1	1	0	0	0	-	0	0	2	0	4	0	5	11
Employee contributions for the period	-	0	-	-	0	-	0	-	-	-	0	-	0	1
Service cost / Change in regime	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Gains) losses on curtailments/settlements	(1)	-	-	(0)	-	(0)	(0)	-	-	(0)	(1)	(3)	(4)	-
Effect of changes in scope of consolidation	(0)	-	-	-	-	(0)	-	-	-	-	(0)	-	(0)	(11)
Benefits paid during the period	(0)	-	(0)	(0)	-	(0)	(0)	(1)	(0)	(1)	(2)	(1)	(3)	4
Actuarial (gains)/losses recognised during the period	-	-	0	-	-	-	-	-	-	-	0	-	0	1
Exchange differences on foreign plans	-	-	1	-	-	(0)	1	-	-	0	2	1	2	(0)
Other	0	-	(0)	-	(2)	-	(0)	(0)	1	(1)	(2)	0	(1)	5
Reclassification AHFS Edenred	(2)	-	(7)	-	(3)	-	(0)	(2)	(6)	(1)	(21)	(3)	(24)	-
Reclassification AHFS GLB	(9)	-	-	-	-	-	-	-	-	-	(9)	-	(9)	-
Reclassification AHFS Onboard Train Services	(3)	-	-	-	-	-	-	(6)	(0)	(1)	(9)	(2)	(11)	-
Projected benefit obligation at the end of the period	23	30	-	9	10	1	11	5	67	5	161	19	179	220
Fair value of plan assets at the beginning of the period	4	29	4	2	11	-	7	-	30	0	88	-	88	79
Actual return on plan assets	-	1	0	0	0	-	0	-	1	0	2	-	2	5
Employers contributions for the period	-	0	0	-	0	-	0	-	1	-	2	-	-	-
Employee contributions for the period	-	0	-	-	0	-	0	-	-	-	0	-	0	2
Benefits paid during the period	-	-	(0)	-	-	-	(0)	-	-	0	(0)	-	(0)	1
Liquidation of plan	-	-	-	-	-	-	-	-	-	-	-	-	-	(4)
Effect of changes in scope of consolidation	-	-	-	-	-	-	-	-	-	-	-	-	-	2
Exchange differences on foreign plans	-	-	0	-	-	-	1	-	-	0	1	-	1	-
Other	-	-	-	-	(2)	-	-	-	1	-	(1)	-	(1)	-
Reclassification AHFS Edenred	-	-	(5)	-	(2)	-	(0)	-	-	(0)	(7)	-	(7)	-
Reclassification AHFS GLB	(5)	-	-	-	-	-	-	-	-	-	(5)	-	(5)	-
Reclassification AHFS Onboard Train Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value of plan assets at the end of the period	-	30	-	2	8	-	9	-	32	0	80	-	80	88
Unfunded obligation at the beginning of the period	31	(0)	2	7	3	2	1	13	39	7	107	25	132	131
Reclassification AHFS Edenred	(2)	-	(2)	-	(1)	-	(0)	(2)	(6)	(1)	(14)	(3)	(17)	-
Reclassification AHFS GLB	(5)	-	-	-	-	-	-	-	-	-	(5)	-	(5)	-
Reclassification AHFS Onboard Train Services	(3)	-	-	-	-	-	-	(6)	(0)	(1)	(9)	(2)	(11)	-
Unfunded obligation at the end of the period	23	(0)	-	7	2	1	1	5	35	5	80	20	99	132
Adjustment to plan assets and plan surplus recognized in assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision at the end of the exercise	23	(0)	-	7	2	1	1	5	35	5	80	20	99	132
Current service cost	1	0	0	0	0	-	0	0	2	1	5	1	6	12
Interest cost	1	1	0	0	0	-	0	0	2	0	4	0	5	11
Expected return on plan assets	-	(1)	(0)	(0)	(0)	-	(0)	-	(1)	(0)	(2)	-	(2)	(4)
Past service cost recognized during the period	0	-	-	-	-	-	-	-	-	-	0	-	0	0
(Gains) losses on curtailments/settlements	(1)	-	-	(0)	-	(0)	(0)	-	-	(0)	(1)	(3)	(4)	(13)
Actuarial (gains)/losses recognised during the period for long-term employee benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	(4)
Expense for the period	1	0	0	0	0	(0)	0	1	3	0	6	(1)	6	2
Change in actuarial (gains) losses for post-employment defined benefit plans	-	-	0	-	-	-	(0)	-	-	-	0	0	0	0

Reconciliation of provisions for pensions between January 1, 2009 and June 30, 2010

In € millions	Amount
Provision at January 1, 2009	131
Charge for the year	2
Benefits paid	(10)
Actuarial gains and losses	6
Changes in scope of consolidation (1)	2
Translation adjustment	1
Provision at December 31, 2009	132
Charge for the year	6
Benefits paid	(5)
Actuarial gains and losses	0
Changes in scope of consolidation	(0)
Changes in exchange rates	1
Other	(2)
Reclassement AHFS Edenred	(17)
Reclassement AHFS GLB	(4)
Reclassement AHFS SABT	(11)
Provision at June 30, 2010	100

(1) €2 million from the consolidation of Groupe Lucien Barrière, following an increase in Accor's interest in the company from 30.19% to 49%.

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

In € millions	June 2009	Dec. 2009	June 2010
Actuarial debt			
Actuarial gains and losses related to experience adjustment	-	5	-
Actuarial gains and losses related to changes in assumptions	-	3	-
Fair value on assets			
Actuarial gains and losses related to experience adjustment	-	(2)	-

Detail of plan assets

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

Sensitivity analysis

At December 31, 2009, the sensitivity of provisions for pensions and other post-employment benefits to a change in discount rate is as follows: a 0.5-point increase in the discount rate would lead to a €4.7 million reduction in the projected benefit obligation, a 0.5-point decrease in the discount rate would lead to a €4.7 million increase in the projected benefit obligation. The impact on the cost for the year would not be material.

At June 30, 2010, the sensitivity of provisions for pensions and other post-employment benefits to a change in discount rate is as follows: a 0.5-point increase in the discount rate would lead to a €4.3 million reduction in the projected benefit obligation, a 0.5-point decrease in the discount rate would lead to a €4.3 million increase in the projected benefit obligation. The impact on the cost for the year would not be material.

Note 34. Reconciliation of Funds from Operations

In € millions	June 2009	Dec. 2009	June 2010
Net Profit, Group share	(240)	(303)	(64)
Minority interests	6	8	-
Depreciation, amortization and provision expense	218	435	225
Share of profit of associates, net of dividends received	4	7	(10)
Deferred tax	14	31	(34)
Change in financial provisions and provisions for losses on asset disposals	206	278	85
Funds from discontinued operations	130	265	67
FUNDS FROM OPERATIONS	338	721	269
(Gains) losses on disposals of assets, net	(2)	(72)	(27)
(Gains) losses on non-recurring transactions (included restructuring costs and exceptional taxes)	35	138	112
Non-recurring items from discontinued activities	7	56	64
FUNDS FROM ORDINARY ACTIVITIES	378	843	418

Note 35. Working Capital, Prepaid Services Voucher in Circulation and Prepaid Services Voucher Reserve Funds

In € millions	Dec. 2009	June 2010	Variation
Inventories	60	40	(20)
Trade receivables	1 350	419	(931)
Other receivables and accruals	1 113	886	(227)
Prepaid Service voucher reserve funds	565	-	(565)
WORKING CAPITAL ITEMS - ASSETS	3 088	1 345	(1 743)
Trade payables	709	572	(137)
Other payables (*)	1 463	4 100	2 637
Prepaid Services voucher in circulation	2 883	-	(2 883)
WORKING CAPITAL ITEMS - LIABILITIES	5 055	4 672	(383)
WORKING CAPITAL	1 967	3 327	1 360

December 31, 2009 WORKING CAPITAL	1 967
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Change in working capital (1)	(163)
Reclassification from cash and cash equivalents to restricted cash	237
Development Expenditure	-
Disposals	(1 393)
Translation adjustment	98
Reclassifications (*)	2 581
NET CHANGE IN WORKING CAPITAL	1 360

June 30, 2010 WORKING CAPITAL	3 327
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(*) In June 2010, this includes €2,578 million in debt, representing the fair value of the Edenred shares distributed to shareholders on July 2, 2010 (see Note 2.F).

(1) The change in working capital breaks down as follows:

Continuing operations (2)	32
Discontinued activities (Edenred, GLB, Onboard Train Services)	(195)
Working Capital	(163)

(2) See cash flow statements

Note 36. Renovation and Maintenance Expenditure

The amounts reported under "Renovation and maintenance expenditure" correspond to capitalized costs for maintaining or improving the quality of assets held by the Group at the beginning of each period (January 1st) as a condition of their continuing operation. This caption does not include development expenditure corresponding to the property, plant and equipment and working capital of newly consolidated companies and the purchase or construction of new assets.

Renovation and maintenance expenditure breaks down as follows:

In € millions	2009	June 2009	June 2010	Published June 2009	Published 2009
HOTELS	281	159	86	159	280
- Upscale and Midscale Hotels	136	81	31	81	135
- Economy	111	58	40	58	111
- Economy US	34	20	15	20	34
PREPAID SERVICES	-	-	-	16	30
OTHER BUSINESSES	7	2	3	5	17
RENOVATION AND MAINTENANCE EXPENDITURE	288	161	89	180	327

In line with IFRS 5, Edenred, Groupe Lucien Barrière and the Onboard train services renovation and maintenance expenditure are not presented in this note. Renovation and maintenance expenditure in first-half 2010 included €12 million for Edenred, €4 million for Groupe Lucien Barrière and €1 million for the Onboard train services business.

Note 37. Development Expenditure

Development expenditure corresponds to the property, plant and equipment, and working capital of newly consolidated companies (in accordance with IAS 7 "Cash flow statements") and includes the purchase or construction of new assets and the exercise of call options under sale-and-leaseback transactions, as follows:

Development expenditure excluding assets held for sale

In € millions	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Worldwide Structures (*)	June 2010	June 2009	2009
HOTELS									
Upscale and Midscale Hotels (1)	32	64	4	16	37	0	153	173	404
Economy Hotels (2)	21	41	4	1	20	0	87	90	201
Economy Hotels US	11	23	-	15	17	-	66	70	188
Economy Hotels US	-	-	-	-	-	-	-	13	15
OTHER BUSINESSES (3)	-	7	-	0	-	7	14	9	16
Total June 2010	32	71	4	16	37	7	167		
Total June 2009 (**)	11	83	16	12	59	1		182	
Total 2009 (**)	91	165	22	22	114	6			420

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

Development expenditure in first-half 2010 amounts to €167 million:

(1) Including:

- a. Development expenditure on a new Mercure hotel in Germany (€11 million)
- b. Development expenditure on a new Sofitel hotel in Mauritius (€10 million)
- c. Acquisition of a new Novotel hotel in France (€8 million);
- d. Renovation expenditure on a Mercure hotel in France (€5 million);
- e. Development expenditure on a new Sofitel hotel in Mumbai, India (€5 million)
- f. Exercise of a call option on the land and buildings of a Mercure hotel in Germany (€5 million)
- g. Renovation of a Novotel in New York, USA (€4 million)

(2) Including

- a. Exercise of a call option on 4 Ibis hotel in Latin America (€15 million)
- b. Development expenditure on 3 new Ibis hotels in Eastern Europe (€13 million)
- c. Development expenditure on 42 new Ibis hotels in China (€10 million)
- d. Extension of an Ibis hotel in France (€6 million)
- e. Development expenditure on 2 new Etap hotels in Belgium (€5 million)

(3) Including :

- a. Loan granted for the development of Risma (entity consolidated by the equity method) in Morocco (€8 million);
- b. Vehicle purchases in Poland (€7 million);

Development expenditure related to assets held for sale

In accordance with IFRS 5, Edenred, Groupe Lucien Barrière and the Onboard train services development expenditure are not presented in this note.

Development expenditure in first-half 2010 includes €14 million for Edenred, €15 million for Groupe Lucien Barrière, of which:

- Groupe Lucien Barrière:

- a. Development expenditure on the Lille casino (€1 million)
- b. Development expenditure on the online gaming business (€4 million)

- Edenred:

- a. Buyout of minority interests (€14 million)

Note 38. Segment Information

The Group has identified three operating segments:

- Hotels, with a portfolio of brands on every segment of the market and its 4,163 establishments in around 90 countries comprises three sub-segments:
 - o Upscale and Midscale hotels, with the Sofitel, Pullman, Novotel, Mercure, Adagio and Suitehotel brands.
 - o Economy hotels, with the Formule 1, Etap Hotel, All Seasons and Ibis brands.
 - o US Economy hotels with the Motel 6 and Studio 6 brands.
- Restaurants. Accor offers a full range of gourmet dining activities through its Lenôtre subsidiary.
- Other activities, notably the Group Financial Managements.

In 2009 and 2010, in line with its strategic refocusing on the Hospitality business, Accor announced that it was selling or planned to withdraw from the following businesses:

- Prepaid services, which has been managed independently since July 2 by Edenred.
- Casinos. Organized around Groupe Lucien Barrière, the segment is specialized in casino management.
- Onboard train services, providing restaurant and hotel services to the railway sector.

At June 30, 2010, Edenred, Groupe Lucien Barrière and the Onboard train services business were still owned by the Accor Group and were therefore included in the 2010 interim consolidated financial statements, under assets held for sale (see Note 32). These business lines are therefore presented in the following balance sheets.

The internal reporting structure for each segment is organized and administered separately. Group Management monitors results and performance on a segment-by-segment basis. Similarly, decisions about resource allocation are taken separately for each segment.

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

- Revenue
- EBITDAR
- Rental expense
- EBIT

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

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

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

At June 30, 2010 In € millions	Hotels	Prepaid Services	Other Businesses	Total consolidated
Goodwill	779	-	111	890
Intangible assets	386	-	20	406
Property, plant and equipment	3 807	-	114	3 921
Total non-current financial assets	457	-	30	487
Deferred tax assets	236	-	26	262
TOTAL NON-CURRENT ASSETS	5 665	-	301	5 966
TOTAL CURRENT ASSETS	1 489	-	1 193	2 682
Assets held for sale	280	3 710	765	4 755
TOTAL ASSETS	7 434	3 710	2 259	13 403
SHAREHOLDERS' EQUITY & MINORITY INTERESTS	5 575	(999)	(1 113)	3 463
TOTAL NON-CURRENT LIABILITIES	588	-	1 794	2 382
TOTAL CURRENT LIABILITIES	1 269	(23)	1 167	2 413
Liabilities related to assets classified as held for sale	2	4 732	411	5 145
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	7 434	3 710	2 259	13 403

At June 30, 2010 In € millions	Up and Midscale Hotels	Economy Hotels	Economy Hotels United States	Total Hotels
Goodwill	609	61	109	779
Intangible assets	149	59	178	386
Property, plant and equipment	1 923	1 059	825	3 807
Total non-current financial assets	392	38	27	457
Deferred tax assets	107	12	117	236
TOTAL NON-CURRENT ASSETS	3 180	1 229	1 256	5 665
TOTAL CURRENT ASSETS	976	368	145	1 489
Assets held for sale	96	159	25	280
TOTAL ASSETS	4 252	1 756	1 426	7 434
SHAREHOLDERS' EQUITY & MINORITY INTERESTS	3 617	793	1 165	5 575
TOTAL NON-CURRENT LIABILITIES	407	170	11	588
TOTAL CURRENT LIABILITIES	228	791	250	1 269
Liabilities related to assets classified as held for sale	-	2	-	2
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4 252	1 756	1 426	7 434

At June 30, 2010 In € millions	Casinos	Restaurants	Onboard Train Services	Holdings & Other	Total Other Businesses
Goodwill	7	22	-	82	111
Intangible assets	-	2	-	18	20
Property, plant and equipment	23	27	-	64	114
Total non-current financial assets	-	3	-	27	30
Deferred tax assets	-	4	-	22	26
TOTAL NON-CURRENT ASSETS	30	58	-	213	301
TOTAL CURRENT ASSETS	5	19	-	1 169	1 193
Assets held for sale	676	-	89	-	765
TOTAL ASSETS	711	77	89	1 382	2 259
SHAREHOLDERS' EQUITY & MINORITY INTERESTS	377	40	89	(1 619)	(1 113)
TOTAL NON-CURRENT LIABILITIES	6	5	-	1 783	1 794
TOTAL CURRENT LIABILITIES	(13)	32	(70)	1 218	1 167
Liabilities related to assets classified as held for sale	341	-	70	-	411
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	711	77	89	1 382	2 259

Non-current assets, excluding deferred tax assets, located in France and other countries are presented as follow:

At June 30, 2010 In € millions	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Worldwide Structures	Total June 30, 2010
Goodwill	214	232	109	-	276	59	890
Intangible assets	11	120	178	2	25	70	406
Property, plant and equipment	996	1 301	921	174	30	499	3 921
Total non-current financial assets	63	64	12	3	349	(4)	487
TOTAL NON-CURRENT ASSET excluding deferred tax assets	1 284	1 717	1 220	179	680	624	5 704

Note 39. Claims and litigation

CIWLT tax audit

A tax audit was carried out on the permanent branch in France of Compagnie Internationale des Wagons Lits et du Tourisme (CIWLT), a Belgian company that is 99.65%-owned by Accor SA. Following the audit, the French tax authorities concluded that CIWLT's seat of management was located in France not in Belgium.

Accordingly, the French tax authorities added back CIWLT's profits in Belgium for the purpose of calculating income tax payable in France. At the end of 2003, the resulting reassessments, for a total of €217 million including late interest, were contested by CIWLT, on the basis of the notice received from the Belgian tax authorities confirming that its seat of management was in Belgium. The French tax authorities issued a notice ordering CIWLT to settle the €217 million in tax deficiencies for the years 1998 to 2003 for which a stay of payment had been requested. In conjunction with the request, CIWLT obtained a tax bond from its bank guaranteeing the payment of this amount.

CIWLT subsequently asked the Cergy Pontoise Administrative Court to rule on the contested reassessments. On December 12, 2008, the court found against CIWLT concerning the reassessments for the years 1998 to 2002 but has not yet issued a ruling on the 2003 reassessment. On February 10, 2009, CIWLT has decided to appeal this ruling before the Versailles Administrative Court of Appeal. The appeal has not yet been heard.

Under French law, collection of the tax deficiencies is not suspended while the appeal is being heard and the tax deficiencies for the years 1998 to 2002 were therefore payable, representing a total of €242 million including late interest.

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

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

Dividend withholding tax (*précompte*)

In 2002, Accor mounted a legal challenge to its obligation to pay withholding tax (*précompte*) on the redistribution of European source dividends.

Until 2004, French parent companies were entitled to a 50% tax credit on dividends received from French subsidiaries, which could be set off against the *précompte* withholding tax. However, no tax credit was attached to European source dividends. Accor contested this rule, on the grounds that it breached European Union rules.

In the dispute between Accor and the French State, on December 21, 2006 the Versailles Administrative Court ruled that Accor was entitled to a refund of the *précompte* dividend withholding tax paid in the period 1999 to 2001, in the amount of €156 million.

The amount of €156 million was refunded to Accor during the first half of 2007, together with €36.4 million in late interest due by the French State.

However, on March 8, 2007, the French State appealed the ruling before the Versailles Administrative Court of Appeal. The French State's appeal was rejected on May 20, 2008.

As the State has not yet exhausted all avenues of appeal, a liability has been recognized for the amounts received and the financial impact of the rulings by the Versailles Administrative Court and Court of Appeal has not been recognized in the financial statements at December 31, 2009.

On July 3, 2009, the French Supreme Court of Appeal announced that it would postpone ruling on the French State's appeal and on August 4, 2009, it applied to the Court of Justice of the European Communities for a preliminary ruling on this issue. The French Supreme Court of Appeal asked for the application to be fast-tracked. This request was rejected by the President of the Court of Justice of the European Communities on October 19, 2009.

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

In February 2010, the Court of Justice of the European Communities informed Accor of the observations made by the other member states concerned and of the European Commission's observations.

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

Other claims and litigation

In the normal course of its business, the Group is exposed to claims, litigations and proceedings that may be in progress, pending or threatened. The Company believes that these claims, litigations and proceedings have not and will not give rise to any material costs and have not and will not have a material adverse effect on the Group's financial position, business and/or results of operations.

Note 40. Off-Balance Sheet Commitments at June 30, 2010

Note 40.1 Off-balance sheet commitments given

Off-balance sheet commitments given at June 30, 2010 break down as follows:

In € millions	Less than 1 year	1 to 5 years	Beyond 5 years	June 30, 2010 (*)	Dec 31, 2009 (*)	June 30, 2009 (*)
Security interests given on assets (1)	-	-	42	42	32	26
. Other purchase commitments	6	35	-	41	40	38
Purchase commitments	6	35	-	41	40	38
. Construction performance bonds Novotel and Ibis (China) (2)	7	5	-	12	24	36
. Renovation commitment Axa Reim (France) (3)	-	9	-	9	12	16
. Renovation commitment Axa Reim (Switzerland) (3)	1	-	-	1	4	6
. Renovation commitment Moor Park (Germany and the Netherlands) (4)	1	-	-	1	5	9
. Property development projects in Spain (5)	9	-	-	9	9	14
. Renovation commitment Land Securities (United Kingdom) (6)	3	-	-	3	7	7
. Construction commitments Novotel and Ibis (Algeria) (7)	5	1	-	6	4	5
. Renovation commitment Novotel Paris Tour Eiffel (8)	-	-	-	-	0	2
. Renovation commitment Foncière des Murs transaction 1 (France) (9)	2	-	-	2	4	-
. Renovation commitment Foncière des Murs transaction 2 (France) (9)	2	-	-	2	3	0
. Renovation commitment Netherlands (10)	9	20	-	29	-	-
. Other renovation commitments (11)	38	22	22	82	86	59
Capex Commitments	77	57	22	156	158	154
Loan guarantees given	-	7	25	32	9	6
Commitments given in the normal course of business (12)	26	45	10	81	76	62
Contingent liabilities	1	-	-	1	2	2
Total June 30, 2010	110	144	99	353		
Total December 31, 2009	122	110	85		317	
Total June 30, 2009	152	61	75			288

(*) In line with IFRS 5, off-balance sheet commitments given by Edenred, Groupe Lucien Barrière and the Onboard train services business are not presented in this note. At June 30, 2010, these businesses' off-balance sheet commitments amounted to €80 million for Edenred, €91 million for Groupe Lucien Barrière and €13 million for the Onboard train services business.

- (1) Security interests given on assets correspond to pledges and mortgages valued at the net book value of the underlying assets. At June 30, 2010, mortgages on new hotels in Algeria (Ibis Azzouar, Ibis Tlemcen, Ibis Oran and Novotel/Ibis Constantine) totalled €17 million.
- (2) In connection with development in China, Accor issued performance bonds to the developers of 28 Ibis hotels and 1 Novotel hotels. The related commitments at June, 30, 2010 amounted to €12 million.
- (3) In connection with the Axa REIM sale-and-variable leaseback transactions, Accor was initially committed to financing €27 million worth of renovation work in France and Switzerland. Addenda to the corresponding agreements were subsequently signed, raising Accor's financing commitment to €28 million. The transactions concern 45 hotels in France and 10 in Switzerland. Commitments for work in progress at June, 30, 2010 amounted to €10 million.
- (4) In connection with the Moor Park sale-and-variable leaseback transaction, Accor is committed to financing €29 million worth of renovation work in Germany and the Netherlands. As of June, 30, 2010, the remaining work amounted to €1 million.
- (5) In connection with property development projects in Spain, Accor issued performance bonds to the developers of two Ibis hotels. The related commitments at June, 30, 2010 amounted to €9 million.
- (6) In connection with the Land Securities sale-and-variable leaseback transaction, Accor is committed to financing €18 million (£16 million) worth of renovation work in the UK. As of June, 30, 2010, the remaining work amounted to €3 million (£2 million).
- (7) In connection with development in Algeria, Accor is committed to financing four hotel projects (Tlemcen, Oran, Bab Ezzouar and Constantine) representing a total of €15 million. As of June, 30, 2010, the remaining work amounted to €5 million.
- (8) In connection with the sale of Accor's 40% interest in Novotel Paris Tour Eiffel under a lease-back arrangement, Accor is committed to financing €10 million worth of renovation work before the end of 2012. As of June, 30, 2010, the remaining work amounted to €0.4 million.

- (9) In connection with the Foncière des Murs sale-and-variable leaseback transactions, Accor was initially committed to financing €98 million worth of renovation work. Addenda to the corresponding agreements were subsequently signed, raising Accor's financing commitment to €106 million. As of June, 30, 2010, the remaining work represented €4 million.
- (10) In connection with property development projects in the Netherlands, Accor is committed to financing renovation of the Novotel Den Haag Forum for €2 million, construction of the Suite Novotel Den Haag for €13 million and renovation of the Pullman Eindhoven Cocagne for €16 million. As of June 30, 2010, the remaining work amounted to €29 million.
- (11) Other commitments include €39 million in committed capital expenditure on Australian hotels, and €22 million on the Sofitel Bel Ombre in Mauritius.
- (12) At December 31, 2009, CIWLT had paid €242 million in settlement of tax reassessments covering the period 1998-2002 (see Note 39). A ruling has not yet been handed down concerning the reassessment for the year 2003 which continues to be covered by an €18 million tax bond obtained from a bank.

To the best of the Group's knowledge and in accordance with generally accepted accounting principles, no commitments given have been omitted from the above list.

Note 40.2 Off-balance sheet commitments received

Off-balance sheet commitments received at June 30, 2010 break down as follows:

In € millions	Less than 1 year	1 to 5 years	Beyond 5 years	June 30, 2010 (*)	Dec 31, 2009 (*)	June 30, 2009 (*)
Irrevocable commitments received for the purchase of intangible assets and property, plant and equipment (1)	17	-	-	17	5	5
Irrevocable commitments received for the purchase of financial assets (2)	-	-	11	11	11	11
Customer orders spanning several years	-	-	-	-	-	-
Purchase commitments received	17	-	11	28	16	16
Sellers' warranties received	-	0	-	0	0	1
Debt waivers granted with a clawback clause	-	-	-	-	-	-
Loan guarantees received	-	-	-	-	-	-
Other guarantees received in the normal course of business (3) + (4) + (5) + (6)+(7)+(8)	23	26	-	49	60	81
Other commitments and guarantees received	23	26	-	49	60	82
Total June 30, 2010	40	26	11	77		
Total December 31, 2009	42	24	10		76	
Total June 30, 2009	80	4	14			98

(*) In line with IFRS 5, off-balance sheet commitments received by Edenred, Groupe Lucien Barrière and the Onboard train services business are not presented in this note. Edenred and Groupe Lucien Barrière had not received any off-balance sheet commitments at that date, while commitments received by the Onboard train services business amounted to €3 million.

- (1) Accor has received a commitment from Invesco to purchase the Mercure Bratislava Centrum hotel property for €17 million under a sale-and-variable leaseback transaction.
- (2) Under the sale-and-management-back transaction concerning the Sofitel The Grand in Amsterdam, Accor has an option to sell its 40% interest in this hotel to SHPH in the event that SHPH decides not to renew the 25-year management agreement.
- (3) Under the first transaction with Accor, Foncière des Murs initially agreed to finance €112 million worth of renovation work. Addenda to the corresponding agreements were subsequently signed, reducing Foncière des Murs' financing commitment to €109 million. As of June 30, 2010, the remaining work amounted to €2 million. Under the second transaction, Foncière des Murs agreed to finance €39 million worth of work. As of June 30, 2010, the remaining work amounted to €2 million. No work was carried out during first-half 2010 under either of the two transactions.
- (4) In connection with a sale-and-variable leaseback transaction in the United Kingdom, Land Securities agreed to finance a €38 million (£34 million) renovation program. As of June 30, 2010, the remaining work amounted to €8 million (£6 million).
- (5) In connection with the sale-and-variable leaseback transactions in the Netherlands and Germany, Moor Park agreed to finance €59 million worth of renovation work. As of June 30, 2010, the remaining work amounted to €0.4 million.
- (6) In connection with the sale of Accor's 40% interest in Novotel Paris Tour Eiffel under a management-back arrangement, the owner of the hotel agreed to finance €5 million worth of renovation work before the end of 2011. As of June 30, 2010, the remaining work amounted to €1 million. No work was carried out during first-half 2010 under this transaction.
- (7) In connection with the sale-and-variable-leaseback transactions, Axa REIM agreed to finance €50 million worth of renovation work in France and Switzerland over the period 2008-2010. As of June 30, 2010, the remaining work in the two countries amounted to €15 million.
- (8) In connection with the sale-and-management back transaction, Invesco agreed to finance the renovation of the Pullman Paris La Défense. As of June 30, 2010, the remaining work amounted to €10 million.

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

Note 41. Main Consolidated Companies at June 30, 2010

The main subsidiaries and associates represent 92% of consolidated revenue, 93% of EBITDAR and 90% of EBIT. The many other subsidiaries and associates represent individually less than 0.8% of consolidated revenue, EBITDAR and EBIT.

IG : fully consolidated

IP : consolidated using the proportional method

MEE : accounted for by the equity method

HOSPITALITY				PREPAID SERVICES				OTHER SERVICES			
France				France							
Académie Accor	France	IG	100,00%	Accor Services France	France	IG	100,00%	Accor centre de contacts clients	France	IG	100,00%
All Seasons Hotels	France	IG	100,00%	AccentivKadeos	France	IG	100,00%	Devimco	France	IG	99,99%
Exhotel	France	IG	100,00%					Lenôtre	France	IG	99,98%
Etap Hotels	France	IG	96,00%					Société d'Exploitation des Résidences Hotelières Rail	France	IP	49,85%
Hotexco	France	IG	100,00%					Groupe Lucien Barrière	France	IP	49,00%
La Thermale de France	France	IG	100,00%								
Mer et Montagne	France	IG	100,00%								
Mercure International Hotels	France	IG	100,00%								
Paris Suffren	France	IG	75,00%								
Société Hôtelière 18 Suffren	France	IG	100,00%								
Pradotel	France	IG	100,00%								
Profid	France	IG	100,00%								
Société Commerciale des Hôtels Economiques	France	IG	99,96%								
Société Hôtelière Danton Michelet	France	IG	100,00%								
Société de Management International	France	IG	100,00%								
SNC NMP France	France	IG	100,00%								
Société d'Etude et de Promotion Hôtelière Internationale	France	IG	100,00%								
Société Hôtelière de la Porte de Sèvres	France	IG	100,00%								
Société Internationale de Services des Hôtels Economiques	France	IG	100,00%								
Société d'Exploitation d'Hôtels Suites	France	IG	100,00%								
Société de Construction d'Hôtels Suites	France	IG	100,00%								
Société Hôtelière 61 Quai de Grenelle	France	IG	100,00%								
Soluxury HMC Sarl	France	IG	100,00%								
Sofitel Luxury Hotels France	France	IG	100,00%								
Adagio	France	IP	50,00%								
Thalamer	France	IG	99,90%								
Europe Excl. France				Europe Excl. France				Compagnie Internationale des Wagons Lits & du Belgique			
Accor Hôtellerie Deutschland	Germany	IG	100,00%	Accor Services Deutschland	Germany	IG	100,00%	→ Rail Restauration	France	IG	99,77%
Accor Hospitality Germany	Germany	IG	100,00%	Quasar	Germany	IG	80,00%	→ Treno	Italy	IG	99,77%
Accor Austria AG	Austria	IG	100,00%	Accor Services Austria	Austria	IG	100,00%				
Accor Hotels Belgium	Belgium	IG	100,00%	Accor T.R.B.	Belgium	IG	100,00%				
Accor Hoteles Espagne	Spain	IG	100,00%	Accor Services Empresariales	Spain	IG	98,01%				
Société Hôtelière Athènes Centre	Greece	IG	100,00%	Accor Services Hongrie	Hongria	IG	99,78%				
Pannonia Hotels RT	Hongria	IG	99,94%	Accor Services Italie	Italy	IG	99,77%				
Accor Participation Italie	Italy	IG	94,64%	Euro Services Alimentares	Portugal	IG	100,00%				
Accor Hospitality Italia	Italy	IG	96,28%	Accor Services CZ SRO	Czech Republic	IG	99,78%				
Accor Hospitality Nederland	Netherlands	IG	100,00%	Accor Services Roumanie	Romania	IG	91,14%				
The Grand Real Estate	Netherlands	MEE	40,00%	Accor Services UK	United Kingdom	IG	99,78%				
Orbis	Poland	IG	50,01%	Capital Incentives & Motivation	United Kingdom	IG	99,78%				
Hekon Hotele Ekonomiczne	Poland	IG	50,01%	Employee Advisory Resource	United Kingdom	IP	45,35%				
Muranowska	Poland	IG	100,00%	Motivano	United Kingdom	IG	65,91%				
Portis	Portugal	IG	100,00%	Prepay	United Kingdom	IG	66,52%				
Katerinska Hotels	Czech Republic	IG	100,00%	Accor Services Slovakia	Slovakia	IG	99,78%				
Accor Hotels Romania	United Kingdom	IG	100,00%	Rikskuponger	Sweden	IG	100,00%				
Accor UK Business & Leisure	United Kingdom	IG	100,00%	Accor Service Suisse SA	Switzerland	IG	100,00%				
Accor UK Economy Hotels	Romania	IG	100,00%								
Accor Hôtels Scandinavia	Sweden	IG	100,00%								
Accor Gestion Hôtels	Switzerland	IG	100,00%								
Accor Suisse	Switzerland	IG	100,00%								
North America				North America							
Accor Canada Inc.	Canada	IG	100,00%	Accor Services North America inc.	United States	IG	100,00%				
Accor Business & Leisure North America Inc.	United States	IG	100,00%	Workplace Benefits	United States	IP	45,35%				
IBL Limited	United States	IG	100,00%	Wirecommute	United States	IG	100,00%				
				Commuter Check Services Corporation	United States	IG	100,00%				
Latin America and Caribbean				Latin America and Caribbean							
Accor Hospitality Arg	Argentina	IG	100,00%	Accor Argentina	Argentina	IG	100,00%				
Hotelaria Accor Brasil	Brazil	IG	99,98%	Ticket Brésil	Brazil	IG	100,00%				
Sociedad de Desarrollo de Hoteles Peruanos	Peru	IG	100,00%	Accor Services Chili	Chile	IG	74,35%				
				Accor Servicios Empresariales	Mexico	IG	100,00%				
				Cestaticket Accor Services	Venezuela	IG	57,00%				
Other Countries				Other Countries							
Formula1 Pty	South Africa	IG	53%	Accor Services Australia	Australia	IG	100%				
Premier Lodge South Africa	South Africa	IG	100%	Davidson & Trahaire	Australia	IG	100%				
Société Immobilière d'Exploitation Hôtelière Algérienne	Algeria	IP	50%	Royal Image Direct	India	IG	100%				
Saudi Hotels Management	Saudi Arabia	IG	100%								
Accor Asia Pacific Corp.	Australia / Asia	IG	100%								
Société Propriétaire de l'Hôtel de l'Union	Senegal	IG	100%								
Société Abidjanaise	Ivory Coast	IG	100%								
Accor Hotels SAE	Egypt	IG	89%								
El Gezrah Hotels Tourism	Egypt	IG	65%								
Accor Gestion Maroc	Morocco	IG	84%								
Risma	Morocco	MEE	35%								

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

Note 42. Additional Information about Jointly-controlled Entities

In € millions	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue for the Group	Costs for the Group
Australia (Allegiance Marketing and Reef Casinos Conso)	24	31	15	40	29	26

Above disclosed figures correspond to Group share.

Note 43. Subsequent Events

GROUPE LUCIEN BARRIERE

See Note 2.B.2

ONBOARD TRAIN SERVICES

See Note 2.B.3

SALE & VARIABLE LEASEBACK TRANSACTION IN EUROPE

Accor has announced the signing of a memorandum of understanding for a major €367 million real estate transaction in Europe involving the sale of 48 hotels (31 in France, 10 in Belgium and 7 in Germany). Representing a total of 6,313 rooms, the hotels operate under the Novotel, Suite Novotel, Ibis and Etap Hotel brands. They include six hotels opened by Accor in 2009-2010 – the Novotel Munich Airport, Ibis Stuttgart Airport, and three new Etap Hôtels in Belgium and France, as well as a 216-room extension to the Ibis Roissy Charles de Gaulle.

The transaction will be carried out with a consortium of investors comprising Predica, a subsidiary of Crédit Agricole Assurances, and Foncière des Murs, a long-standing real estate partner of Accor.

The hotels, which were previously owned by Accor, will continue to be managed by the Group under the same banners through a 12-year lease, renewable six times at Accor's option (for a total of 84 years), at a variable rent based on an average 19% of annual revenue from the hotels.

Under the terms of the lease, structural maintenance costs, insurance and property taxes will be payable by the new owner.

Note 44. Related Party Transactions

For the purpose of applying IAS 24, the Group has identified the following related parties:

- All fully and proportionately consolidated companies and all associated companies accounted for by the equity method.
 - All members of the Executive Committee and the Board of Directors and the members of their direct families.
 - All companies in which a member of the Executive Committee or the Board of Directors holds material voting rights.
- ✓ **Fully and proportionately consolidated companies and all associated companies accounted for by the equity method.**

Relationships between the parent company and its subsidiaries, joint ventures and associates are presented in Note 41. Transactions between the parent company and its subsidiaries – which constitute related party transactions – are eliminated in consolidation and are therefore not disclosed in these notes. Transactions between the parent company and its joint ventures and associates were not material in 2010.

- ✓ **Members of the Executive Committee and the Board of Directors**

Transactions with members of the Executive Committee and Board of Directors are disclosed in full in Note 45.

- ✓ **Companies in which a member of the Executive Committee or the Board of Directors holds material voting rights.**

All transactions with companies in which a member of the Executive Committee or the Board of Directors holds material voting rights are conducted in the course of business on arm's length terms and are not material.

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

Related party transactions

In € millions	Type of transaction	Transaction amounts		Related party receivables		Related party payables		Provisions for doubtful accounts		Off-balance sheet commitments	
		2009	June 2010	2009	June 2010	2009	June 2010	2009	June 2010	2009	June 2010
Colony Capital	Long-term loan	-	-	-	-	-	-	-	-	-	-
	GLB put option granted to Accor	140	-	-	-	-	-	-	-	-	- (*)
	Bond issues	-	-	-	-	-	-	-	-	-	-

(*) See Note 2.B.2

Note 45. Corporate Officers' Compensation

In € millions	June 30, 2009 (*)		December 31, 2009 (*)		June 30, 2010	
	Expenses	Balance sheet amount	Expenses	Balance sheet amount	Expenses	Balance sheet amount
Short-term benefits received	5	3	11	5	7	4
Post-employment benefits	1	7	2	6	1	6
Other long-term benefits	-	-	-	-	-	-
Compensation for loss of office	3	1	3	-	2	-
Share-based payments	2	-	6	-	1	-
Total compensation	11	11	22	11	11	10

(*) In line with IFRS 5, the corporate officers' compensation of Edenred, Groupe Lucien Barrière and the Onboard train services business have been reclassified under "Profit from discontinued operations" (see Note 17).

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

Compensation only concerned the members of the Executive Committee, which currently has eight members at June 30, 2010.

Members of the Board of Directors do not receive any compensation and receive only fees. Directors' fees paid in 2010 by the Group to the members of the Supervisory Board for year 2009 amounted to €420,000.

Note 46. Fees Paid to the Auditors

The table below shows the total fees billed by the Auditors recognized in the income statement in 2010 and prior year.

In € millions	2009 (1)	June 2009 (1)	June 2010
Statutory and contractual audit fees	(8)	(5)	(5)
Fees for audit-related services	-	-	(0)
Total fees billed by the Auditors	(8)	(5)	(5)

(1) In line with IFRS 5, the fees paid to the auditors of Edenred, Groupe Lucien Barrière and the Onboard train services business have been reclassified under "Profit from discontinued operations" (see Note 17)

Accor Hospitality

Pro forma Financial Statements

Note 47. Additional Note on the Accor Hospitality Pro forma Financial Statements

➤ Basis of preparation of Pro forma Financial Statements

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, and then on May 11, 2010, it validated the process for demerging the businesses and creating two new listed companies, Accor Hospitality and Edenred, without any capital ties between them. The process for demerging the businesses and creating two new listed companies, Accor Hospitality and Edenred, without any capital ties between them, was presented on February 23, 2010 and approved on May 11, 2010. The transaction was carried out through a capital contribution and share distribution as follows:

- 1) NewCo was set up to acquire some of the shares of Edenred subsidiaries, financed by debt.
- 2) The remaining shares in Edenred subsidiaries were then contributed to NewCo.
- 3) Lastly, NewCo shares were distributed to Accor S.A. shareholders.

The demerger and demerger process were approved at the Shareholders' Meeting of June 29, 2010. However, the share distribution was not carried out and the demerger was not effective until July 2. Edenred was therefore still held by Accor at June 30, 2010 and, as such, continued to be recognized in the Group's interim consolidated financial statements.

In connection with the initial public offering of Edenred shares, to present an economic view of the Accor business, as demerged from the prepaid services business, pro forma financial statements have been prepared for first-half 2010, first-half 2009, and fiscal 2009 based on the financial statements historically included in the consolidated financial statements of the Accor Group.

The purpose of the pro forma financial statements is to present Accor's balance sheet, income statement, statement of cash flows and statement of changes in equity as if the demerger from Edenred had been carried out on January 1, 2009.

This pro forma financial information is provided for illustrative purposes only and is not necessarily representative of the results of operations or the financial position that Accor would have reported if the demerger had taken place before the planned date, or of the post-demerger economic situation compared with that reflected in the pro forma financial statements, particularly s regards the level of debt.

The main assumptions used to prepare the 2009 and 2010 pro forma financial statements are as follow:

Scope

The pro forma financial statements include the companies owned directly or indirectly by Accor Hospitality and companies owned by Accor that operate in the hospitality business or in other business except for Edenred's prepaid services business. They do not include prepaid services companies owned by Accor.

Some Accor Group companies – mainly in Argentina and Switzerland – were engaged in both Edenred businesses and hospitality businesses during the period presented. In order to include in the pro forma financial statements only the Accor businesses other than Edenred's prepaid services businesses, the prepaid services businesses have been carved out of the individual financial statements of the companies concerned. The method used to carve out the Edenred businesses was as follow:

- Assets and liabilities corresponding to the Edenred business were identified and derecognized in the pro forma 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 Edenred business identified separately. Certain items of income and expense not directly attributable to the Edenred business (mainly general and administrative expenses) that were recorded in a Edenred reporting entity by Accor S.A., were analyzed in detail and allocated on a basis consistent with the assumptions used to allocate assets and liabilities to each business.
- Edenred cash flows were also analyzed on a basis consistent with the assumptions used to allocate assets and liabilities to each business.

Accounting standards

This « Basis of Preparation » note describes how the International Financial Reporting Standards (IFRSs) adopted by the European Union have been applied for the preparation of the pro forma financial statements at June 30, 2010 and 2009.

Potential ordinary shares

During 2009 and 2010, Accor granted stock options and performance shares to employees in both the Hospitality business and the Edenred business.

After the demerger, Edenred employees will retain their entitlement to these options and performance shares, which will continue to be exercisable for Accor S.A. shares (and not for Edenred shares).

The potential ordinary shares, basic earnings per share and diluted earnings per share calculations presented in Notes 25.1 and 25.2 therefore take into account the stock options and performance shares granted to Edenred employees.

However, the description of the share-based payment plans in Note 25.3 excludes share-based payments to Edenred employees.

Income tax expense

Edenred's subsidiaries were members of the tax group set up by Accor S.A. under French group relief rules (Article 223-A of the General Tax Code). Under the group relief agreement between the tax group members, Accor S.A. 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 Edenred and Accor entities.

As a result, current and deferred taxes have been determined by taking into account the effects of any tax consolidations within Accor and without taking into account the future unwinding of any tax groups that may result from the demerger of the Edenred group because they have been estimated as no material.

Transactions between Edenred entities and other Accor Group entities

All balances arising from routine transactions between Edenred entities and other Accor Group entities are presented in the pro forma balance sheets as receivables from and payables to third parties outside the consolidated group.

All loans and borrowings between Edenred entities and other Accor Group entities are presented in the pro forma balance sheets as financial assets and liabilities.

Equity

The pro forma financial statements exclude companies owned by Edenred entities and prepaid services companies that were owned by entities other than Edenred as of January 1, 2009. The adjustments were recorded as follows in the pro forma financial statements:

Edenred entities owned by Accor entities other than Edenred as of January 1, 2009

Transfers of Edenred companies not owned by Edenred entities were all treated as having been carried out on January 1, 2009. They were recognized in the opening pro forma balance sheet at that date at their value on initial recognition

in the Accor Group consolidated financial statements by decreasing pro forma equity, and any goodwill recorded on their acquisition by the Accor Group was derecognized in full in the pro forma financial statements.

In the case of sales by Accor to Edenred between January 1, 2009 and June 30, 2010 of companies that were already included in the opening pro forma balance sheet at January 1, 2009, the price paid by Edenred was treated as an exceptional dividend payment to the Accor Group and recorded as an increase in Accor's equity on the acquisition date.

Post-January 1, 2009 acquisitions

Acquisitions of prepaid services companies were considered as having been carried out by Edenred at the original date of acquisition by the Accor Group. They were treated as an exceptional contribution by the Accor Group to Edenred and recognized by adjusting Accor's equity, in accordance with the principles applied to entities historically owned by Accor entities as described above.

Recognition of dividends

Certain Edenred companies not historically owned by Edenred entities paid dividends to Accor entities between January 1, 2009 and June 30, 2010. These dividend payments have been maintained in the pro forma financial statements and treated as distributions by the Edenred group recognized as increases in equity.

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 Accor if the Edenred business had been demerged on January 1, 2009. 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 the demerger of the Edenred business would have had on the consolidated financial statements.

The main pro forma adjustments are as follow:

a) Pro forma adjustments to the income statements

The pro forma income statements for the three periods presented include management estimates of the cost savings that would have been achieved over a full year if Accor had operated as a separate entity from Edenred since January 1, 2009. These estimated cost savings, which have been recognized in the pro forma income statement by adjusting equity, are based on the published Accor Group consolidated financial statements at June 30, 2010. They amount to:

- € 18 million before tax (€ 13 million after tax), in first half 2009;
- €44 million before tax (€33 million after tax) for 2009
- € 18 million before tax (€ 11 million after tax), in first half 2010.

They include:

- o The estimated savings that would result from demerging Edenred, which concern:
 - Pension and long-term benefit obligations towards members of Edenred senior management originally recognized in the Accor Group accounts.
 - The cost of stock options and performance shares granted to Edenred employees originally recognized in the Accor Group accounts.

No account has been taken of economies of scale generated by the demerger from Edenred, as the corporate costs incurred by Accor on behalf of the Edenred entities during the three financial periods presented were billed to these entities and therefore had no net impact on Accor's accounts.

The estimated cost savings (incremental costs) included in the pro forma financial statements have been estimated by reference to the costs recognized in the historical consolidated financial statements for 2009 and

2010. They amount to €(1) million at June 30, 2009, €(1) million at December 31, 2009 and €(2) million at June 30, 2010.

- o The estimated reduction in finance costs that would be obtained as a result of reallocating the Accor Group's debt between the demerged businesses (see below b) Pro forma adjustments to the balance sheets). Pro forma finance costs correspond to the interest that the Group would have paid on its net debt if the Services business had been demerged on January 1, 2009. They have been defined for each of the three periods presented based on the allocation of the reduction in debt between repayment of existing borrowings and investment of the balance. The resulting interest income has been recognized in profit by adjusting equity.

The reduction in finance costs resulting from the reallocation of debt has been estimated at around €19 million at June 30, 2009, €45 million at December 31, 2009 and € 18 million at June 30, 2010.

- o The estimated additional income tax expense resulting from the pro forma adjustments described above.

Based on the income tax rate applicable in the country concerned, the additional cost is estimated at around €(5) million at June 30, 2009, €(11) million at December 31, 2009 and €(7) million at June 30, 2010.

No additional tax cost/benefit has been recognized for the effect of the withdrawal from the French tax group of the Edenred entities.

b) Pro forma adjustments to the balance sheets

The pro forma balance sheets of the three periods presented include the reduction in Accor's net debt resulting from the reallocation of the Accor Group's debt between the demerged businesses as if the demerger had taken place on January 1, 2009.

The debt originally recognized in the Accor Group's balance sheet has been allocated between Accor and Edenred based on the amount at December 31, 2009. The net debt allocated to Edenred (€ 1,836 million at January 1, 2009) corresponds to the reduction in Accor's pro forma net debt and has been taken into account on an identical basis in the reduction in pro forma net debt for the two years presented.

In addition, the pro forma financial statements for each of these periods include the reduction in debt corresponding to the impact on debt of the legal restructuring of the Hotels business in favor of Edenred during 2009 (€392 million at December 31, 2009). There was no reduction in debt allocation at June 30, 2010.

The amount is similar for each of these three periods after taking into account the existing debt carried in the consolidated financial statements for each of these closings.

Net debt allocated to Edenred, leading to a corresponding reduction in Accor's net debt, amounted to €1,831 million at June 30, 2009, € 1,445 million at December 31, 2009. There was no debt allocation at June 30, 2010.

These amounts break down as follows:

In € millions	June 2009	Dec. 2009	June 2010
Other long-term financial debt	(1 457)	(818)	(557)
Long-term finance lease liabilities	-	-	-
Short-term financial loans	452	631	(43)
Bank overdrafts	-	-	-
Liabilities derivatives	-	-	-
Total financial debt	(1 005)	(187)	(600)
Short-term loans	(1 147)	(1 044)	-
Marketable securities	321	(214)	600
Cash	-	-	-
Asset derivatives	-	-	-
Short-term receivables on disposals of assets	-	-	-
Current financial assets	(826)	(1 258)	600
Total pro forma adjustments	(1 831)	(1 445)	-

After deducting these pro forma adjustments from historical consolidated net debt, Accor's total pro forma net debt amounts to €1,613 million at June 30, 2009, €1,321 million at December 31, 2009 and € 964 million at June 30, 2010 (see note 30)

In € millions	June 2009	Dec. 2009	June 2010
Historical consolidated net debt	3 444	2 766	964
Pro forma adjustments	(1 831)	(1 445)	-
Pro forma net debt	1 613	1 321	964

The pro forma balance sheets of the three periods presented include the additional income tax expense generated by the pro forma adjustments in each of these three years, estimated at the tax rate in force in the country concerned.

All of these reallocations were recognized by adjusting equity.

► Reconciliation of the historical consolidated financial statements to the pro forma financial statements

Income Statements

A. At June 30, 2009

In € millions	Consolidated Income Statement June 2009 adjusted(*) post-	Adjustments to the New Services Holding combined financial statements	Pro forma adjustments	Pro forma Income Statement June 2009
CONSOLIDATED REVENUE	2 686	-	-	2 686
Operating expense	(1 978)	-	1	(1 977)
EBITDAR	708	-	1	709
Rental expense	(422)	-	(1)	(423)
EBITDA	286	-	-	286
Depreciation, amortization and provision expense	(217)	-	-	(217)
EBIT	69	-	-	69
Net financial expense	(53)	-	18	(35)
Share of profit of associates after tax	(2)	-	-	(2)
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS	14	-	18	32
Restructuring costs	(49)	-	-	(49)
Impairment losses	(193)	-	-	(193)
Gains and losses on management of hotel properties	(11)	-	-	(11)
Gains and losses on management of other assets	(1)	-	(3)	(4)
OPERATING PROFIT BEFORE TAX	(240)	-	15	(225)
Income tax expense	7	-	(10)	(3)
Profit or loss from discontinued operations	101	(102)	-	(1)
Net Profit from continuing operations	(233)	-	5	(228)
Net Profit from discontinued operations	101	(102)	-	(1)
NET PROFIT	(132)	(102)	5	(229)
Net Profit, Group Share from continuing operations	(239)	-	4	(235)
Net Profit, Group Share from discontinued operations	89	(90)	-	(1)
Net Profit, Group Share	(150)	(90)	4	(236)
Net Profit, Minority interests from continuing operations	6	-	1	7
Net Profit, Minority interests from discontinued operations	12	(12)	-	-
Net profit, Minority interests	18	(12)	1	7
Weighted average number of shares outstanding (in thousands)	220 465	220 465	220 465	220 465
EARNINGS PER SHARE (in €)	(0,68)	(0,41)	0,02	(1,07)
Diluted earnings per share from discontinued operations (in €)	(0,68)	(0,41)	0,02	(1,07)
Earnings per share from continuing operations (in €)	(1,06)	N/A	0,02	(1,03)
Diluted earnings per share from continuing operations (in€)	(1,06)	N/A	0,05	(1,01)
Earnings per share from discontinued operations (in €)	0,46	(0,41)	N/A	(0,00)
Diluted earnings per share from discontinued operations (in€)	0,46	(0,46)	N/A	(0,00)

(*) In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", the 2009 interim and annual income statements have been adjusted to exclude operations discontinued in 2010 (see Note 17).

B. At December 31, 2009

In € millions	Consolidated Income Statement 2009 adjusted (*)	Adjustments to the New Services Holding combined financial statements	Pro forma adjustments	Pro forma Income Statement 2009
CONSOLIDATED REVENUE	5 490	-	-	5 490
Operating expense	(3 972)	-	2	(3 970)
EBITDAR	1 518	-	2	1 520
Rental expense	(854)	-	(1)	(855)
EBITDA	664	-	1	665
Depreciation, amortization and provision expense	(429)	-	-	(429)
EBIT	235	-	1	236
Net financial expense	(124)	-	49	(75)
Share of profit of associates after tax	(3)	-	-	(3)
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS	108	-	50	158
Restructuring costs	(110)	-	-	(110)
Impairment losses	(241)	-	-	(241)
Gains and losses on management of hotel properties	7	-	-	7
Gains and losses on management of other assets	(27)	-	(2)	(29)
OPERATING PROFIT BEFORE TAX	(263)	-	48	(215)
Income tax expense	(32)	-	(12)	(44)
Profit or loss from discontinued operations	30	(21)	-	9
Net Profit from continuing operations	(295)	-	36	(259)
Net Profit from discontinued operations	30	(21)	-	9
NET PROFIT	(265)	(21)	36	(250)
Net Profit, Group Share from continuing operations	(303)	-	34	(269)
Net Profit, Group Share from discontinued operations	21	(14)	-	7
Net Profit, Group Share	(282)	(14)	34	(262)
Net Profit, Minority interests from continuing operations	8	-	2	10
Net Profit, Minority interests from discontinued operations	9	(7)	-	2
Net profit, Minority interests	17	(7)	2	12
Weighted average number of shares outstanding (in thousands)	222 890	222 890	222 890	222 890
EARNINGS PER SHARE (in €)	(1,27)	(0,06)	0,15	(1,18)
Diluted earnings per share from discontinued operations (in €)	(1,26)	(0,06)	0,15	(1,18)
Earnings per share from continuing operations (in €)	(1,32)	N/A	0,16	(1,16)
Diluted earnings per share from continuing operations (in €)	(1,32)	N/A	0,18	(1,15)
Earnings per share from discontinued operations (in €)	0,13	(0,06)	N/A	0,04
Diluted earnings per share from discontinued operations (in €)	0,13	(0,09)	N/A	0,04

(*) In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", the 2009 interim and annual income statements have been adjusted to exclude operations discontinued in 2010 (see Note 17).

C. At June 30, 2010

In € millions	Consolidated Income Statement June 2010	Adjustments to the New Services Holding combined financial statements	Pro forma adjustments	Pro forma Income Statement June 2010
CONSOLIDATED REVENUE	2 849	-	-	2 849
Operating expense	(2 014)	-	(2)	(2 016)
EBITDAR	835	-	(2)	833
Rental expense	(456)	-	-	(456)
EBITDA	379	-	(2)	377
Depreciation, amortization and provision expense	(223)	-	-	(223)
EBIT	156	-	(2)	154
Net financial expense	(73)	-	25	(48)
Share of profit of associates after tax	10	-	-	10
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS	93	-	23	116
Restructuring costs	(11)	-	-	(11)
Impairment losses	(35)	-	-	(35)
Gains and losses on management of hotel properties	20	-	-	20
Gains and losses on management of other assets	(47)	-	-	(47)
OPERATING PROFIT BEFORE TAX	20	-	23	43
Income tax expense	(84)	-	(11)	(95)
Profit or loss from discontinued operations	52	(63)	-	(11)
Net Profit from continuing operations	(64)	-	12	(52)
Net Profit from discontinued operations	52	(63)	-	(11)
NET PROFIT	(12)	(63)	12	(63)
Net Profit, Group Share from continuing operations	(64)	0	12	(52)
Net Profit, Group Share from discontinued operations	49	(61)	-	(12)
Net Profit, Group Share	(15)	(61)	12	(64)
Net Profit, Minority interests from continuing operations	(0)	-	0	-
Net Profit, Minority interests from discontinued operations	3	(2)	-	1
Net profit, Minority interests	3	(2)	-	1
Weighted average number of shares en circulation (en milliers)	225 627	225 627	225 627	225 627
EARNINGS PER SHARE (in €)	(0,07)	(0,27)	0,05	(0,28)
Diluted earnings per share from discontinued operations (in €)	(0,07)	(0,27)	0,05	(0,28)
Earnings per share from continuing operations (in €)	(0,28)	N/A	0,05	(0,23)
Diluted earnings per share from continuing operations (in€)	(0,28)	N/A	0,05	(0,23)
Earnings per share from discontinued operations (in €)	0,23	(0,27)	N/A	(0,05)
Diluted earnings per share from discontinued operations (in€)	0,23	(0,28)	N/A	(0,05)

Statements of Comprehensive Income

A. At June 30, 2009

In € millions	Consolidated Statement of Comprehensive Income June 2009 (*)	Adjustments to the New Services Holding combined	Pro forma adjustments	Pro forma Statement of Comprehensive Income June 2009
NET PROFIT	(132)	(102)	5	(229)
Currency translation adjustment	105	(42)	(1)	62
Change in fair value resulting from "Available-for-sale financial assets"	-	-	-	-
Effective portion of gains and losses on hedging instruments in a cash flow hedge	(6)	-	1	(5)
Actuarial gains and losses on defined benefits plans	0	-	(0)	-
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	-	-	-	-
Other comprehensive income, net of tax	99	(42)	(0)	57
TOTAL COMPREHENSIVE INCOME	(33)	(144)	5	(172)
Comprehensive income, Group share	(38)	(134)	5	(167)
Comprehensive income, Minority interests	5	(10)	0	(5)

(*) In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", the 2009 interim and annual income statements have been adjusted to exclude operations discontinued in 2010 (see Note 17).

B. At December 31, 2009

In € millions	Consolidated Statement of Comprehensive Income 2009 (*)	Adjustments to the New Services Holding combined	Pro forma adjustments	Pro forma Statement of Comprehensive Income 2009
NET PROFIT	(265)	(21)	36	(250)
Currency translation adjustment	167	(66)	-	101
Change in fair value resulting from "Available-for-sale financial assets"	-	-	-	-
Effective portion of gains and losses on hedging instruments in a cash flow hedge	(6)	-	(0)	(6)
Actuarial gains and losses on defined benefits plans	(3)	2	-	(1)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	-	-	-	-
Other comprehensive income, net of tax	158	(64)	(0)	94
TOTAL COMPREHENSIVE INCOME	(107)	(85)	36	(156)
Comprehensive income, Group share	(127)	(79)	34	(172)
Comprehensive income, Minority interests	20	(6)	2	16

(*) In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", the 2009 interim and annual income statements have been adjusted to exclude operations discontinued in 2010 (see Note 17).

C. At June 30, 2010

In € millions	Consolidated Statement of Comprehensive Income June 2010	Adjustments to the New Services Holding combined financial	Pro forma adjustments	Pro forma Statement of Comprehensive Income June 2010
NET PROFIT	(12)	(63)	12	(63)
Currency translation adjustment	439	(101)	(3)	335
Change in fair value resulting from "Available-for-sale financial assets"	-	-	-	-
Effective portion of gains and losses on hedging instruments in a cash flow hedge	(1)	-	-	(1)
Actuarial gains and losses on defined benefits plans	0	(2)	(1)	(3)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	-	-	-	-
Other comprehensive income, net of tax	438	(103)	(4)	331
TOTAL COMPREHENSIVE INCOME	426	(166)	8	268
Comprehensive income, Group share	418	(164)	11	265
Comprehensive income, Minority interests	8	(2)	(3)	3

Balance Sheets

A. At June 30, 2009

ASSETS In € millions	Consolidated Balance Sheet June 2009	Adjustments to the New Services Holding combined financial statements	Pro forma adjustments	Pro forma Balance Sheet June 2009
GOODWILL	1 924	(643)	-	1 281
INTANGIBLE ASSETS	503	(114)	1	390
PROPERTY, PLANT AND EQUIPMENT	4 524	(44)	-	4 480
Long-term loans	101	-	-	101
Investments in associates	184	-	-	184
Other financial investments	140	(3)	(1)	136
TOTAL NON-CURRENT FINANCIAL ASSETS	425	(3)	(1)	421
Deferred tax assets	228	(13)	(3)	212
TOTAL NON-CURRENT ASSETS	7 604	(817)	(3)	6 784
Inventories	71	(12)	-	59
Trade receivables	1 347	(877)	6	476
Other receivables and accruals	1 090	(221)	24	893
Prepaid services voucher reserve funds	437	(437)	-	-
Receivables on disposals of assets	6	-	-	6
Short-term loans	13	(1 146)	1 146	13
Cash and cash equivalents	1 247	(837)	(316)	94
TOTAL CURRENT ASSETS	4 211	(3 530)	860	1 541
Assets held for sale	34	-	-	34
TOTAL ASSETS	11 849	(4 347)	857	8 359
EQUITY AND LIABILITIES In € millions	Consolidated Balance Sheet June 2009	Adjustments to the New Services Holding combined financial	Pro forma adjustments	Pro forma Balance Sheet June 2009
Share capital	676	-	-	676
Additional paid-in capital	2 372	-	-	2 372
Retained earnings	363	(655)	1 767	1 475
Hedging instruments reserve	(12)	-	1	(11)
Reserve for actuarial gains/losses	92	(1)	(115)	(24)
Reserve related to employee benefits	(23)	(5)	115	87
Currency translation reserve	(249)	15	(1)	(235)
Net profit, Group share	(150)	(98)	13	(235)
SHAREHOLDERS' EQUITY, GROUP SHARE	3 069	(744)	1 780	4 105
Minority interests	266	(42)	47	271
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTERESTS	3 335	(786)	1 827	4 376
Other long-term financial debt	2 798	(17)	(1 458)	1 323
Long-term finance lease liabilities	152	1	(2)	151
Deferred tax liabilities	190	(64)	3	129
Non-current provisions	130	(13)	-	117
TOTAL NON-CURRENT LIABILITIES	6 605	(879)	370	6 096
Trade payables	717	(191)	5	531
Other payables and income tax payable	1 449	(199)	32	1 282
Prepaid services voucher in circulation	2 584	(2 584)	-	-
Current provisions	216	(12)	(5)	199
Short-term debt and finance lease liabilities	230	(455)	454	229
Bank overdrafts	48	(27)	1	22
TOTAL CURRENT LIABILITIES	5 244	(3 468)	487	2 263
Liabilities of assets classified as held for sale	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	11 849	(4 347)	857	8 359

B. At December 31, 2009

ASSETS In € millions	Consolidated Balance Sheet Dec. 2009	Adjustments to the New Services Holding combined financial statements	Pro forma adjustments	Pro forma Balance Sheet Dec. 2009
GOODWILL	1 777	(557)	-	1 220
INTANGIBLE ASSETS	488	(99)	-	389
PROPERTY, PLANT AND EQUIPMENT	4 306	(37)	-	4 269
Long-term loans	107	-	-	107
Investments in associates	191	-	-	191
Other financial investments	130	(3)	-	127
TOTAL NON-CURRENT FINANCIAL ASSETS	428	(3)	-	425
Deferred tax assets	291	(24)	(2)	265
TOTAL NON-CURRENT ASSETS	7 290	(720)	(2)	6 568
Inventories	60	(13)	-	47
Trade receivables	1 350	(894)	2	458
Other receivables and accruals	1 113	(238)	(23)	852
Prepaid services voucher reserve funds	565	(565)	-	-
Receivables on disposals of assets	43	-	-	43
Short-term loans	17	(1 044)	1 044	17
Cash and cash equivalents	1 164	(795)	214	583
TOTAL CURRENT ASSETS	4 312	(3 549)	1 237	2 000
Assets held for sale	144	-	-	144
TOTAL ASSETS	11 746	(4 269)	1 235	8 712
EQUITY AND LIABILITIES In € millions	Consolidated Balance Sheet Dec. 2009	Adjustments to the New Services Holding combined financial	Pro forma adjustments	Pro forma Balance Sheet Dec. 2009
Share capital	676	-	-	676
Additional paid-in capital	2 379	-	-	2 379
Retained earnings	363	(207)	1 359	1 515
Hedging instruments reserve	(12)	-	-	(12)
Reserve for actuarial gains/losses	(26)	1	-	(25)
Reserve related to employee benefits	102	(6)	-	96
Currency translation reserve	(203)	(8)	-	(211)
Net profit, Group share	(282)	(11)	31	(262)
SHAREHOLDERS' EQUITY, GROUP SHARE	2 997	(231)	1 390	4 156
Minority interests	257	(19)	48	286
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTERESTS	3 254	(250)	1 438	4 442
Other long-term financial debt	2 332	(15)	(818)	1 499
Long-term finance lease liabilities	143	-	-	143
Deferred tax liabilities	211	(62)	3	152
Non-current provisions	132	(16)	-	116
TOTAL NON-CURRENT LIABILITIES	6 072	(343)	623	6 352
Trade payables	709	(140)	1	570
Other payables and income tax payable	1 463	(162)	(15)	1 286
Prepaid services voucher in circulation	2 883	(2 883)	-	-
Current provisions	242	(59)	(5)	178
Short-term debt and finance lease liabilities	285	(641)	631	275
Bank overdrafts	88	(41)	-	47
TOTAL CURRENT LIABILITIES	5 670	(3 926)	612	2 356
Liabilities of assets classified as held for sale	4	-	-	4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	11 746	(4 269)	1 235	8 712

C. At June 30, 2010

ASSETS In € millions	Consolidated Balance Sheet June 2010	Adjustments to the New Services Holding combined financial	Pro forma adjustments	Pro forma Balance Sheet June 2010
GOODWILL	890	-	-	890
INTANGIBLE ASSETS	406	-	-	406
PROPERTY, PLANT AND EQUIPMENT	3 921	-	-	3 921
Long-term loans	132	-	-	132
Investments in associates	223	-	-	223
Other financial investments	132	-	-	132
TOTAL NON-CURRENT FINANCIAL ASSETS	487	-	-	487
Deferred tax assets	262	-	-	262
TOTAL NON-CURRENT ASSETS	5 966	-	-	5 966
Inventories	40	-	-	40
Trade receivables	419	-	1	420
Other receivables and accruals	886	-	40	926
Prepaid services voucher reserve funds	-	-	-	-
Receivables on disposals of assets	40	-	-	40
Short-term loans	11	-	-	11
Cash and cash equivalents	1 286	-	(600)	686
TOTAL CURRENT ASSETS	2 682	-	(559)	2 123
Assets held for sale	4 755	(3 710)	0	1 045
TOTAL ASSETS	13 403	(3 710)	(559)	9 134

EQUITY AND LIABILITIES In € millions	Consolidated Balance Sheet June 2010	Adjustments to the New Services Holding	Pro forma adjustments	Pro forma Balance Sheet June 2010
Share capital	678	-	-	678
Additional paid-in capital	2 392	-	-	2 392
Retained earnings	(2 773)	1 190	42	(1 541)
Hedging instruments reserve	(13)	-	-	(13)
Reserve for actuarial gains/losses	(26)	(2)	-	(28)
Reserve related to employee benefits	109	-	-	109
Currency translation reserve	231	(109)	-	122
Net profit, Group share	(15)	(61)	12	(64)
SHAREHOLDERS' EQUITY, GROUP SHARE	583	1 018	54	1 655
Minority interests	302	(19)	-	283
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTERESTS	885	999	54	1 938
Other long-term financial debt	2 001	-	(557)	1 444
Long-term finance lease liabilities	143	-	-	143
Deferred tax liabilities	139	-	-	139
Non-current provisions	99	-	-	99
TOTAL NON-CURRENT LIABILITIES	3 267	999	(503)	3 763
Trade payables	572	-	2	574
Other payables and income tax payable	4 100	23	(15)	4 108
Prepaid services voucher in circulation	-	-	-	-
Current provisions	160	-	-	160
Short-term debt and finance lease liabilities	120	-	(43)	77
Bank overdrafts	39	-	-	39
TOTAL CURRENT LIABILITIES	4 991	23	(56)	4 958
Liabilities of assets classified as held for sale	5 145	(4 732)	0	413
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	13 403	(3 710)	(559)	9 134

Cash Flows Statements

A. At June 30, 2009

In € millions	Consolidated Balance Sheet June 2009 (*)	Adjustments to the New Services Holding combined financial statements	Pro forma adjustments	Pro forma Balance Sheet June 2009
+ EBITDA	286	-	-	286
- Net financial expense	(53)	-	18	(35)
- Income tax expense	(12)	3	(5)	(14)
- Non cash revenue and expense included in EBITDA	14	1	-	15
- Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes	2	(2)	-	-
+ Dividends received from associates	2	-	-	2
+ Impact of discontinued activities	139	(129)	-	10
= Funds from Ordinary Activities	378	(127)	13	264
+ Decrease (increase) in operating working capital	(148)	(18)	(1)	(167)
= Net cash from operating activities	230	(145)	12	97
+ Cash received (paid) on non-recurring transactions (included restructuring costs and non-recurring taxes)	(37)	(1)	-	(38)
+ Decrease (increase) in non-operating working capital	(242)	-	-	(242)
+ Impact of discontinued activities	(171)	170	-	(1)
= Net cash from operating activities including non-recurring transactions (A)	(220)	24	12	(184)
- Renovation and maintenance expenditure	(161)	-	-	(161)
- Development expenditure	(182)	-	-	(182)
+ Proceeds from disposals of assets	60	-	-	60
+ Impact of discontinued activities	(300)	21	-	(279)
= Net cash used in investments/ divestments (B)	(583)	21	-	(562)
+ Proceeds from issue of share capital	162	-	-	162
+ Minority interests in share issues by subsidiaries	8	(7)	(1)	-
- Capital reduction	-	-	-	-
- Dividends paid	(369)	-	-	(369)
+ Technical impact on dividends	-	63	-	63
- Repayment of long-term debt	(1 235)	-	(366)	(1 601)
- Payment of finance lease liabilities	(1)	-	-	(1)
+ New long term debt	2 069	-	-	2 069
= Increase (decrease) in long-term debt	833	-	(366)	467
+ Increase (decrease) in short-term debt	(235)	225	(4)	(14)
+ Technical demerger impact	-	-	-	-
+ Impact on equity of transfers between the Hospitality and New Services businesses	-	5	(35)	(30)
+ Technical impact on equity	-	-	22	22
+ Technical impact on short-term debt	-	-	(5)	(5)
+ Impact on short-term debt of transfers between the Hospitality and New Services businesses	-	(193)	191	(2)
= Impact of the demerger and inter-business transfers	-	(188)	173	(15)
+ Impact of discontinued activities	397	(248)	-	149
= Net cash from financing activities (C)	796	(155)	(198)	443
- Effect of changes in exchange rates (D)	40	6	9	55
- Effect of changes in exchange rates on discontinued activities (D)	42	(42)	-	-
= Net change in cash and cash equivalents (E)=(A)+(B)+(C)+(D)	75	(146)	(177)	(248)
+ Cash and cash equivalents at beginning of period	1 131	(664)	(140)	327
+ Effect of changes in fair value of cash and cash equivalents	(7)	-	-	(7)
+ Reclassification of the period-end cash and cash equivalent of discontinued activities in "Assets held for sale"	-	-	-	-
- Cash and cash equivalents at end of period	1 199	(810)	(317)	72
= Net change in cash and cash equivalents	75	(146)	(177)	(248)

(*) In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", the 2009 interim and annual income statements have been adjusted to exclude operations discontinued in 2010 (see Note 17).

B. At December 31, 2009

In € millions	Consolidated Balance Sheet Dec 2009 (*)	Adjustments to the New Services Holding combined financial statements	Pro forma adjustments	Pro forma Balance Sheet Dec. 2009
+ EBITDA	664	2	(1)	665
- Net financial expense	(124)	4	45	(75)
- Income tax expense	(56)	-	(11)	(67)
- Non cash revenue and expense included in EBITDA	31	(2)	-	29
- Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes	1	(1)	-	-
+ Dividends received from associates	4	-	-	4
+ Impact of discontinued activities	323	(255)	(20)	48
= Funds from Ordinary Activities	843	(252)	13	604
+ Decrease (increase) in operating working capital	(49)	12	-	(37)
= Net cash from operating activities	794	(240)	13	567
+ Cash received (paid) on non-recurring transactions (included restructuring costs and non-recurring taxes)	(130)	(2)	-	(132)
+ Decrease (increase) in non-operating working capital	(242)	-	-	(242)
+ Impact of discontinued activities	(39)	38	(12)	(13)
= Net cash from operating activities including non-recurring transactions (A)	383	(204)	1	180
- Renovation and maintenance expenditure	(288)	-	-	(288)
- Development expenditure	(420)	-	-	(420)
+ Proceeds from disposals of assets	339	-	-	339
+ Impact of discontinued activities	(361)	54	-	(307)
= Net cash used in investments/ divestments (B)	(730)	54	-	(676)
+ Proceeds from issue of share capital	169	-	-	169
+ Minority interests in share issues by subsidiaries	6	(7)	-	(1)
- Capital reduction	-	-	-	-
- Dividends paid	(396)	-	-	(396)
+ Technical impact on dividends	-	165	-	165
- Repayment of long-term debt	(1 251)	-	273	(978)
- Payment of finance lease liabilities	(8)	-	-	(8)
+ New long term debt	1 710	-	-	1 710
= Increase (decrease) in long-term debt	451	-	273	724
+ Increase (decrease) in short-term debt	(109)	(263)	23	(349)
+ Technical demerger impact	-	4	-	4
+ Impact on equity of transfers between the Hospitality and New Services businesses	-	367	(459)	(92)
+ Technical impact on equity	-	-	38	38
+ Technical impact on short-term debt	-	-	(23)	(23)
+ 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	28	233
+ Impact of discontinued activities	206	(78)	-	128
= Net cash from financing activities (C)	327	22	324	673
- Effect of changes in exchange rates (D)	8	3	29	40
- Effect of changes in exchange rates on discontinued activities (D)	(36)	35	-	(1)
= Net change in cash and cash equivalents (E)=(A)+(B)+(C)+(D)	(48)	(90)	354	216
+ Cash and cash equivalents at beginning of period	1 131	(664)	(140)	327
+ Effect of changes in fair value of cash and cash equivalents	(7)	-	-	(7)
+ Reclassification of the period-end cash and cash equivalent of discontinued activities in "Assets held for sale"	-	-	-	-
- Cash and cash equivalents at end of period	1 076	(754)	214	536
= Net change in cash and cash equivalents	(48)	(90)	354	216

(*) In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", the 2009 interim and annual income statements have been adjusted to exclude operations discontinued in 2010 (see Note 17).

C. At June 30, 2010

In € millions	Consolidated Balance Sheet June 2010 (*)	Adjustments to the New Services Holding combined financial statements	Pro forma adjustments	Pro forma Balance Sheet June 2010
+ EBITDA	379	-	(2)	377
- Net financial expense	(73)	5	20	(48)
- Income tax expense	(71)	-	1	(70)
- Non cash revenue and expense included in EBITDA	11	-	-	11
- Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes	41	-	-	41
+ Dividends received from associates	-	-	-	-
+ Impact of discontinued activities	131	(123)	-	8
= Funds from Ordinary Activities	418	(118)	19	319
+ Decrease (increase) in operating working capital	32	(39)	-	(7)
= Net cash from operating activities	450	(157)	19	312
+ Cash received (paid) on non-recurring transactions (included restructuring costs and non-recurring	(91)	(21)	(2)	(114)
+ Decrease (increase) in non-operating working capital	237	-	-	237
+ Impact of discontinued activities	(253)	276	-	23
= Net cash from operating activities including non-recurring transactions (A)	343	98	17	458
- Renovation and maintenance expenditure	(89)	-	-	(89)
- Development expenditure	(167)	-	-	(167)
+ Proceeds from disposals of assets	221	(7)	7	221
+ Impact of discontinued activities	(42)	29	-	(13)
= Net cash used in investments/ divestments (B)	(77)	22	7	(48)
+ Proceeds from issue of share capital	14	-	-	14
+ Minority interests in share issues by subsidiaries	4	(2)	-	2
- Capital reduction	-	-	-	-
- Dividends paid	(245)	-	6	(239)
+ Technical impact on dividends	-	2	-	2
- Repayment of long-term debt	(226)	-	-	(226)
- Payment of finance lease liabilities	(6)	-	-	(6)
+ New long term debt	24	(1)	-	23
= Increase (decrease) in long-term debt	(208)	(1)	-	(209)
+ Increase (decrease) in short-term debt	(823)	324	-	(499)
+ Technical demerger impact	-	-	(5)	(5)
+ Impact on equity of transfers between the Hospitality and New Services businesses	-	1 469	(1 465)	4
+ Technical impact on equity	-	-	11	11
+ Technical impact on short-term debt	-	-	620	620
+ Impact on short-term debt of transfers between the Hospitality and New Services businesses	-	75	(5)	70
= Impact of the demerger and inter-business transfers	-	1 544	(844)	700
+ Impact of discontinued activities	2 267	(2 297)	-	(30)
= Net cash from financing activities (C)	1 009	(430)	(838)	(259)
- Effect of changes in exchange rates (D)	(20)	28	-	8
- Effect of changes in exchange rates on discontinued activities (D)	158	(157)	-	1
= Net change in cash and cash equivalents (E)=(A)+(B)+(C)+(D)	1 413	(439)	(814)	160
+ Cash and cash equivalents at beginning of period	1 076	(754)	214	536
+ Effect of changes in fair value of cash and cash equivalents	(4)	-	-	(4)
+ Reclassification of the period-end cash and cash equivalent of discontinued activities in "Assets held for sale"	(1 238)	1 193	-	(45)
- Cash and cash equivalents at end of period	1 247	-	(600)	647
= Net change in cash and cash equivalents	1 413	(439)	(814)	160

(*) In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", the 2009 interim and annual income statements have been adjusted to exclude operations discontinued in 2010 (see Note 17).

Changes in Equity

A. At June 30, 2009

	Total Equity January 1st, 2009	Issues / reduction of share capital	Total comprehensive income	Effect of scope changes	Dividends paid	Other	Total Equity June 30, 2009
Changes in consolidated equity	3 556	170	(33)	3	(371)	10	3 335
Adjustments to the New Services Holding combined financial statements	(691)	(8)	(153)	4	64	(1)	(785)
Pro forma adjustments	1 828	-	14	(16)	-	-	1 826
Changes in pro forma equity	4 693	162	(172)	(9)	(307)	9	4 376

B. At December 31, 2009

	Total Equity January 1st, 2009	Issues / reduction of share capital	Total comprehensive income	Effect of scope changes	Dividends paid	Other	Total Equity December 31, 2009
Changes in consolidated equity	3 556	175	(107)	7	(397)	20	3 254
Adjustments to the New Services Holding combined financial statements	(691)	(7)	(82)	367	165	(2)	(250)
Pro forma adjustments	1 828	-	33	(423)	-	-	1 438
Changes in pro forma equity	4 693	168	(156)	(49)	(232)	18	4 442

C. At June 30, 2010

	Total Equity January 1st, 2010	Issues / reduction of share capital	Total comprehensive income	Effect of scope changes	Dividends paid	Other	Total Equity June 30, 2010
Changes in consolidated equity	3 254	19	426	2	(245)	7	3 463
Adjustments to the New Services Holding combined financial statements	(250)	(2)	(174)	1 471	2	6	1 053
Pro forma adjustments	1 438	-	16	(1 454)	-	-	(0)
Impact IFRIC 17	-	-	-	(2 578)	-	-	(2 578)
Changes in pro forma equity	4 442	17	268	(2 559)	(243)	13	1 938

► Pro forma Income Statements

In € millions	2009	June 2009	June 2010
CONSOLIDATED REVENUE	5 490	2 686	2 849
Operating expense	(3 970)	(1 977)	(2 016)
EBITDAR	1 520	709	833
Rental expense	(855)	(423)	(456)
EBITDA	665	286	377
Depreciation, amortization and provision expense	(429)	(217)	(223)
EBIT	236	69	154
Net financial expense	(75)	(35)	(48)
Share of profit of associates after tax	(3)	(2)	10
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS	158	32	116
Restructuring costs	(110)	(49)	(11)
Impairment losses	(241)	(193)	(35)
Gains and losses on management of hotel properties	7	(11)	20
Gains and losses on management of other assets	(29)	(4)	(47)
OPERATING PROFIT BEFORE TAX	(215)	(225)	43
Income tax expense	(44)	(3)	(95)
Profit or loss from discontinued operations	9	(1)	(11)
Net Profit from continuing operations	(259)	(228)	(52)
Net Profit from discontinued operations	9	(1)	(11)
NET PROFIT	(250)	(229)	(63)
Net Profit, Group Share from continuing operations	(269)	(235)	(52)
Net Profit, Group Share from discontinued operations	7	(1)	(12)
Net Profit, Group Share	(262)	(236)	(64)
Net Profit, Minority interests from continuing operations	10	7	-
Net Profit, Minority interests from discontinued operations	2	-	1
Net profit, Minority interests	12	7	1
Weighted average number of shares outstanding (in thousands)	222 890	220 465	225 627
EARNINGS PER SHARE (in €)	(1,18)	(1,07)	(0,28)
Diluted earnings per share (in €)	(1,18)	(1,07)	(0,28)
Earnings per share from continuing operations (in €)	(1,16)	(1,03)	(0,23)
Diluted earnings per share from continuing operations (in €)	(1,15)	(1,01)	(0,23)
Earnings per share from discontinued operations (in €)	0,04	(0,00)	(0,05)
Diluted earnings per share from discontinued operations (in €)	0,04	(0,00)	(0,05)

► Pro forma Statements of Comprehensive Income

In € millions	2009	June 2009	June 2010
NET PROFIT	(250)	(229)	(63)
Currency translation adjustment	101	62	335
Change in fair value resulting from "Available-for-sale financial assets"	-	-	-
Effective portion of gains and losses on hedging instruments in a cash flow hedge	(6)	(5)	(1)
Actuarial gains and losses on defined benefits plans	(1)	0	(3)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	-	-	-
Other comprehensive income, net of tax	94	57	331
TOTAL COMPREHENSIVE INCOME	(156)	(172)	268
Comprehensive income, Group share	(172)	(167)	265
Comprehensive income, Minority interests	16	(5)	3

► Pro forma Balance Sheets

Assets

ASSETS In € millions	June 2009	Dec. 2009	June 2010
GOODWILL	1 281	1 220	890
INTANGIBLE ASSETS	390	389	406
PROPERTY, PLANT AND EQUIPMENT	4 480	4 269	3 921
Long-term loans	101	107	132
Investments in associates	184	191	223
Other financial investments	136	127	132
TOTAL NON-CURRENT FINANCIAL ASSETS	421	425	487
Deferred tax assets	212	265	262
TOTAL NON-CURRENT ASSETS	6 784	6 568	5 966
Inventories	59	47	40
Trade receivables	476	458	420
Other receivables and accruals	893	852	926
Receivables on disposals of assets	6	43	40
Short-term loans	13	17	11
Cash and cash equivalents	94	583	686
TOTAL CURRENT ASSETS	1 541	2 000	2 123
Assets held for sale	34	144	1 045
TOTAL ASSETS	8 359	8 712	9 134

Equity and Liabilities

EQUITY AND LIABILITIES	June	Dec.	June
In € millions	2009	2009	2010
Share capital	676	676	678
Additional paid-in capital	2 372	2 379	2 392
Retained earnings	1 475	1 515	(1 541)
Hedging instruments reserve	(11)	(12)	(13)
Reserve for actuarial gains/losses	(24)	(25)	(28)
Reserve related to employee benefits	87	96	109
Currency translation reserve	(235)	(211)	122
Net profit, Group share	(235)	(262)	(64)
SHAREHOLDERS' EQUITY, GROUP SHARE	4 105	4 156	1 655
Minority interests	271	286	283
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTERESTS	4 376	4 442	1 938
Other long-term financial debt	1 323	1 499	1 444
Long-term finance lease liabilities	151	143	143
Deferred tax liabilities	129	152	139
Non-current provisions	117	116	99
TOTAL NON-CURRENT LIABILITIES	6 096	6 352	3 763
Trade payables	531	570	574
Other payables and income tax payable	1 282	1 286	4 108
Current provisions	199	178	160
Short-term debt and finance lease liabilities	229	275	77
Bank overdrafts	22	47	39
TOTAL CURRENT LIABILITIES	2 263	2 356	4 958
Liabilities of assets classified as held for sale	-	4	413
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	8 359	8 712	9 134

➤ Pro forma Cash Flow Statements

In € millions	2 009	Juin 2009	Juin 2010
+ EBITDA	665	286	377
- Net financial expense	(75)	(35)	(48)
- Income tax expense	(67)	(14)	(70)
- Non cash revenue and expense included in EBITDA	29	15	11
- Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes	-	-	41
+ Dividends received from associates	4	2	-
+ Impact of discontinued activities	48	10	8
= Funds from Ordinary Activities	604	264	319
+ Decrease (increase) in operating working capital	(37)	(167)	(7)
= Net cash from operating activities	567	97	312
+ Cash received (paid) on non-recurring transactions (included restructuring costs and non-recurring taxes)	(132)	(38)	(114)
+ Decrease (increase) in non-operating working capital	(242)	(242)	237
+ Impact of discontinued activities	(13)	(1)	23
= Net cash from operating activities including non-recurring transactions (A)	180	(184)	458
- Renovation and maintenance expenditure	(288)	(161)	(89)
- Expansion expenditure	(420)	(182)	(167)
+ Proceeds from disposals of assets	339	60	221
+ Impact of discontinued activities	(307)	(279)	(13)
= Net cash used in investments/ divestments (B)	(676)	(562)	(48)
+ Proceeds from issue of share capital	169	162	14
+ Minority interests in share issues by subsidiaries	(1)	-	2
- Capital reduction	-	-	-
- Dividends paid	(396)	(369)	(239)
+ Technical impact on dividends	165	63	2
- Repayment of long-term debt	(978)	(1 601)	(226)
- Payment of finance lease liabilities	(8)	(1)	(6)
+ New long term debt	1 710	2 069	23
= Increase (decrease) in long-term debt	724	467	(209)
+ Increase (decrease) in short-term debt	(349)	(14)	(499)
+ Technical demerger impact	4	-	(5)
+ Impact on equity of transfers between the Hospitality and New Services businesses	(92)	(30)	4
+ Technical impact on equity	38	22	11
+ Technical impact on short-term debt	(23)	(5)	620
+ Impact on short-term debt of transfers between the Hospitality and New Services businesses	306	(2)	70
= Impact of the demerger and inter-business transfers	233	(15)	700
+ Impact of discontinued activities	128	149	(30)
= Net cash from financing activities (C)	673	443	(259)
- Effect of changes in exchange rates (D)	40	55	8
- Effect of changes in exchange rates on discontinued activities (D)	(1)	-	1
= Net change in cash and cash equivalents (E)=(A)+(B)+(C)+(D)	216	(248)	160
+ Cash and cash equivalents at beginning of period	327	327	536
+ Effect of changes in fair value of cash and cash equivalents	(7)	(7)	(4)
+ Increase (decrease) assets held for sale	-	-	(45)
- Cash and cash equivalents at end of period	536	72	647
= Net change in cash and cash equivalents	216	(248)	160

► Changes in Pro forma Shareholders' Equity

In € millions	Number of shares outstanding	Share capital	Additional paid-in capital	Currency translation reserve (1)	Hedging Instruments reserve	Reserve for actuarial gains/losses	Reserve related to employee benefits	Retained earnings and profit for the period	Transactions with Edenred (3)	External changes in combination scope (4)	Shareholders' equity	Minority interests	Transactions with Edenred (3)	Total Minority interests	Consolidated shareholders' Equity	Recognition of debt towards Edenred shareholders (5)	Consolidated shareholders' Equity (6)
At January 1, 2009	219 894 523	660	2 226	(308)	(6)	(24)	78	1 885	(105)	5	4 411	280	2	282	4 693		4 693
Issues of share capital																	
- On exercise of stock options	5 358 327	16	146	-	-	-	-	-	-	-	162	-	-	-	162	-	162
Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid (2)	-	-	-	-	-	-	-	(302)	-	(302)	(5)	(5)	(5)	(307)	-	(307)	(307)
Change in reserve for employee benefits	-	-	-	-	-	-	9	-	-	9	-	-	-	9	-	9	9
Effect of scope changes	-	-	-	-	-	-	-	-	18	(26)	(8)	(0)	-	(0)	(8)	-	(8)
Other Comprehensive Income				73	(5)					68	(12)		(12)	56			56
Net Profit	-	-	-	-	-	-	-	(235)	-	(235)	7	-	-	7	(228)	-	(228)
Total Comprehensive Income				73	(5)			(235)			(167)	(5)		(5)	(172)		(172)
At June 30, 2009	225 252 850	676	2 372	(235)	(11)	(24)	87	1 348	(87)	(21)	4 105	269	2	271	4 376		4 376
Issues of share capital																	
- In cash	205 349	0	7	-	-	-	-	-	-	-	7	-	-	-	7	-	7
- On exercise of stock options	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid (2)	-	-	-	-	-	-	-	82	-	82	(8)	(8)	(8)	74	-	74	74
Change in reserve for employee benefits	-	-	-	-	-	-	9	-	-	9	-	-	-	9	-	9	9
Effect of scope changes	-	-	-	-	-	-	-	-	(72)	30	(42)	(2)	4	2	(40)	-	(40)
Other Comprehensive Income				24	(1)	(1)				22	15		15	37			37
Net Profit	-	-	-	-	-	-	-	(27)	-	(27)	5	-	-	5	(22)	-	(22)
Total Comprehensive Income				24	(1)	(1)		(27)			(5)	20		20	15		15
At December 31, 2009	225 458 199	676	2 379	(211)	(12)	(25)	96	1 403	(159)	9	4 156	280	6	286	4 442		4 442
Issues of share capital																	
- Performance share grants	26 166	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- On exercise of stock options	429 169	2	13	-	-	-	-	-	-	-	15	-	-	-	15	-	15
- On mergers	(34 638)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Stock dividends and performance share grants	-	-	-	-	-	-	-	-	-	-	-	2	-	2	2	-	2
Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid (2)	-	-	-	-	-	-	-	(237)	-	(237)	(6)	(6)	(6)	(243)	-	(243)	(243)
Change in reserve for employee benefits	-	-	-	-	-	-	13	-	-	13	-	-	-	13	-	13	13
Effect of scope changes	-	-	-	-	-	-	-	-	30	(9)	21	-	(2)	(2)	19	(2 578)	(2 559)
Other Comprehensive Income				333	(1)	(3)				329	2		2	331			331
Net Profit	-	-	-	-	-	-	-	(64)	-	(64)	1	-	-	1	(63)	-	(63)
Total Comprehensive Income				333	(1)	(3)		(64)			265	3		3	268		268
At June 30, 2010 (3)	225 878 896	678	2 392	122	(13)	(28)	109	1 102	(129)		4 233	279	4	283	4 516	(2 578)	1 938

(1) Exchange differences on translating foreign operations between December 31, 2009 and June 30, 2010 in the amount of €333 million positive impact, mainly concern changes in exchange rates against the euro of the US dollar (€266 million positive impact), the Australian dollar (€40 million positive impact), the British pound (€30 million positive impact) and the Brazilian real (€24 million negative impact).

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

	USD	GBP	BRL	AUD
Juin 2009	1,4134	0,8521	2,7469	1,7359
Décembre 2009	1,4406	0,8881	2,5113	1,6008
Juin 2010	1,2271	0,8175	2,2082	1,4403

(2) This corresponds to dividends paid by the Hospitality entities to non-Group shareholders and dividends paid by Edenred to Accor Hotels. The accounting treatment of these transactions is described in the paragraph "Recognition of dividends" of the « Basis of Preparation » note.

(3) These correspond for the most part to the impact of selling Edenred entities previously owned by Accor. The accounting treatment of these transactions is described in "Basis of Preparation" note.

(4) These are mainly companies operating in the Edenred business acquired by the Accor Group. The accounting treatment of these transactions is described in the "Basis of Preparation" note.

(5) This column shows the debt recognized in application of IFRIC 17 (see Note 2.F).

(6) IFRIC 17 has been applied in the financial statement at June 30, 2010 (see Note 2.F).

Number of Accor's shares is detailed as follows:

Details on shares	June 2009	Dec. 2009	June 2010
Total number of shares authorized	225 252 850	225 458 199	227 898 962
Number of fully paid shares issued and outstanding	225 252 850	225 458 199	227 898 962
Number of shares issued and outstanding not fully paid	-	-	-
Par value per share (in €)	3	3	3
Treasury stock	-	-	2 020 066
Number of shares held for allocation on exercise of stock options and grants	-	-	-

Number of outstanding shares at June 30, 2010 and number of potential shares that could be issued breaks down as follows:

Outstanding shares at January 1, 2010	225 458 199
Stock dividends	26 166
Shares from conversion of stock option plans	429 169
Performance shares grant	1 985 428
Outstanding shares at June 30, 2010	227 898 962
Accor's share capital at June 30, 2010	227 898 962
Number of shares bought back at June 30, 2010	(2 020 066)
Outstanding shares at June 30, 2010	225 878 896
Stock option plans (see Note 25.3)	9 471 193
Performance shares grants (see Note 25.3)	116 653
Potential number of shares	235 466 742

Full conversion would have the effect of reducing debt at June 30, 2010 as follows:

	In € millions
Theoretical impact of exercising stock options (*)	419
Theoretical impact on net debt of exercising all equity instruments	419

(*) assuming exercise of all options outstanding at June 30, 2010.

Average number of ordinary shares at June 30, 2010 before and after dilution is presented as follows:

Accor's share capital at June 30, 2010	227 898 962	
Outstanding shares at June 30, 2010	225 878 896	
Effect of share issues on the weighted average number of shares	(1 208 655)	
Adjustment from stock option plans exercised during the period	(259 828)	
Effect of weighting the average number of shares held in treasury	1 216 504	
Weighted average number of ordinary shares at June 30, 2010	225 626 916	(cf. Note 25)
Impact of dilutive performance shares at June 30, 2010	506 512	
Weighted average number of shares used to calculate diluted earning per share at June 30, 2010	226 133 428	(cf. Note 25)

► Key Management Ratios

	Note	Dec. 2009	June 2010 (1)
Gearing	(a)	30%	50%
Adjusted Funds from Ordinary Activities / Adjusted Net Debt	(b)	15,5%	17,5%
Return On Capital Employed		10,5%	9,5%

(1) Excluding impact of discontinued activities

Note (a): Gearing corresponds to the ratio of net debt to equity (including minority interests).

(**)The gearing ratio takes into account the effect of applying IFRIC 17 in the financial statements at June 30, 2010 (see Note 2.F).

As of July 2, 2010, after payment of the dividend, i.e. elimination of the debt recognized following adoption of IFRIC 17 (see Note 2.F) and excluding Edenred's balance sheet at June 30, 2010, gearing would stand at 21%.

Note (b): Adjusted Funds from Ordinary Activities / Adjusted Net Debt is calculated as follows, corresponding to the method used by the main rating agencies:

	Dec. 2009	June 2010 (1)
Net debt at end of the period	1 321	964
Debt restatement prorated over the period	(45)	101
Average net debt	1 276	1 065
Rental commitments discounted at 8% (*)	3 761	3 778
Total Adjusted net debt	5 037	4 843
Funds from Ordinary Activities	557	611
Rental amortization	222	235
Adjusted Funds from Ordinary Activities	779	846
Adjusted Funds from Ordinary Activities / Adjusted Net Debt	15,5%	17,5%

(1) Excluding impact of discontinued activities

(*) Rental commitments correspond to the amounts presented in Note 6 C. They do not include any variable or contingent rentals. The 8% rate is the rate used by Standard & Poor's.

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

Adjusted net debt at June 30, 2010 is based on rental commitments discounted at 8% (€3,778 million).

► Working Capital, Prepaid Services Voucher in Circulation and Prepaid Services Voucher Reserve Funds

In € millions	Dec. 2009	June 2010	Variation
Inventories	47	40	(7)
Trade receivables	458	420	(38)
Other receivables and accruals	852	926	74
WORKING CAPITAL ITEMS - ASSETS	1 357	1 386	29
Trade payables	570	574	4
Other payables (*)	1 286	4 108	2 822
WORKING CAPITAL ITEMS - LIABILITIES	1 856	4 682	2 826
WORKING CAPITAL	499	3 296	2 797

December 31, 2009 WORKING CAPITAL	499
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Change in working capital (1)	13
Reclassification from cash and cash equivalents to restricted cash	237
Development Expenditure	-
Disposals	(45)
Translation adjustment	14
Reclassifications (*)	2 578
NET CHANGE IN WORKING CAPITAL	2 797

June 30, 2010 WORKING CAPITAL	3 296
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(*) In June 2010, this includes €2,578 million in debt, representing the fair value of the Edenred shares distributed to shareholders on July 2, 2010 (see Note 2.F).

(1) The change in working capital breaks down as follows:

Continuing operations (2)	(7)
Discontinued activities (Edenred, GLB, Onboard Train Services)	20
Working Capital	13

(1) See cash flow statements

► Changes in Debt

Long and short-term debt

Long and short-term debt at June 30, 2010 breaks down as follows by currency and interest rate after hedging transactions:

In € millions	June 2009	Effective rate June 2009 %	Dec. 2009	Taux effectif Dec. 2009 %	June 2010	Effective rate June 2010 %
Long and short-term borrowings	1 467	5,50	1 679	5,59	1 467	6,23
Long and short-term finance lease liabilities	169	-	151	-	150	-
Purchase commitments	25	-	11	-	2	-
Changes in fair value of financial liabilities	-	-	-	-	-	-
Liability derivatives	22	-	21	-	30	-
Other short-term financial liabilities and bank overdrafts	42	-	102	-	54	-
Long and short-term debt	1 725	-	1 964	-	1 703	-

In € millions	June 2009	Dec. 2009	June 2010
Long-term debt	1 474	1 642	1 587
Short-term debt	251	322	116
Total long and short-term debt	1 725	1 964	1 703

Maturities of debt

At June 30, 2010, maturities of debt were as follows:

In € millions	June 2009	Dec. 2009	June 2010
Year Y+1	251	322	115
Year Y+2	34	31	29
Year Y+3	94	24	610
Year Y+4	620	625	601
Year Y+5	608	606	21
Year Y+6	17	18	3
Beyond	101	338	324
Total long and short-term debt	1 725	1 964	1 703

This analysis of debt by maturity over the long-term is considered as providing the most meaningful liquidity indicator. In the above presentation, all derivatives are classified as short-term. Borrowings and short-term investments denominated in foreign currencies have been translated into euros at the rate on the balance sheet date.

At June 30, 2010, Accor had several unused confirmed lines of credit with maturities of more than one year, for a total of €2,030 million, expiring between February 2011 and August 2013.

First-half 2010 finance costs amounted to €48 million. Future finance costs are estimated at €286 million for the period from July 1, 2010 to June 30, 2014 and €54 million thereafter.

2009 financial costs amounted to €75 million. Future financial costs are estimated at €318 million for the period from January 2010 to December 2013 and €66 million thereafter.

First-half 2009 finance costs amounted to €35 million. Future finance costs are estimated at €266 million for the period from July 1, 2009 to June 30, 2013 and €17 million thereafter.

These estimates are based on the average cost of debt of the period, after hedging. They have been determined by applying the assumption that no facilities will be rolled over at maturity.

Long and short-term debt by interest rate after hedging

In € millions	Total debt	
	Amount	Rate
June 2009	1467	5,50%
December 2009	1679	5,59%
June 2010	1467	6,23%

The loan agreements do not contain any rating triggers. However, certain loan agreements include acceleration clauses that may be triggered in the event of a change of control, defined as the acquisition of more than 50% of outstanding voting rights. Of the Group's total debt of €1,467 million loans worth €1,441 million are subject to change of control clauses. In the case of bonds, the acceleration clause would be triggered only if the change of control led to Accor's credit rating being downgraded to non-investment grade.

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

Financial instruments

Fair value of financial instruments

The carrying amount and fair value of financial instruments at June 30, 2010 are as follows:

In € millions	June 30, 2010 Carrying amount	June 30, 2010 Fair value
FINANCIAL LIABILITIES	1 703	1 840
Bonds (1)	1 441	1 580
Bank borrowings	19	19
Finance lease liabilities	150	150
Other financial liabilities	63	61
Interest rate derivatives (<i>Cash Flow Hedge</i>) (2)	30	30
Currency derivatives (<i>Fair Value Hedge</i>) (2)	-	-
FINANCIAL ASSETS	(739)	(739)
Marketable securities (3)	(533)	(533)
Cash	(147)	(147)
Other	(51)	(51)
Interest rate derivatives (<i>Cash Flow Hedge</i>) (2)	-	-
Currency derivatives (<i>Fair Value Hedge</i>) (2)	(8)	(8)
NET DEBT	964	1 101

- (1) The fair value of listed bonds corresponds to their quoted market value on the Luxembourg Stock Exchange and on Bloomberg on the last day of the period.
- (2) The fair value of derivative instruments (interest rate and currency swaps and forward contracts) is determined by reference to the market price that the Group would pay or receive to unwind the contracts (level 2 valuation technique).
- (3) Marketable securities break down as follows:

In € millions	June 30, 2010 Carrying amount	June 30, 2010 Fair value
Bonds and other negotiable debt securities (a)	(503)	(503)
Money market securities (b)	(19)	(19)
Mutual fund units convertible into cash in less than three months (*) (c)	(11)	(11)
Other	-	-
Total marketable securities	(533)	(533)

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

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

Credit rating

At June 30, 2010, Accor credit ratings were as follows:

Rating Agency	Long-term debt	Short-term Debt	Last update of the rating	Outlook	Last update of the outlook
Standard & Poor's	BBB-	A-3	June,18, 2010	Negative	June,18, 2010

► Net Debt and Net Cash

In € millions	June 2009	Dec. 2009	June 2010
Other long-term financial debt (1)	1 323	1 499	1 444
Long-term finance lease liabilities	151	143	143
Short-term borrowings	229	275	77
Bank overdrafts	-	26	9
Liabilities derivatives	22	21	30
Total debt	1 725	1 964	1 703
Short-term loans	(13)	(17)	(11)
Marketable securities (2)	(14)	(466)	(533)
Cash	(66)	(111)	(147)
Asset derivatives	(13)	(6)	(8)
Short-term receivables on disposals of assets	(6)	(43)	(40)
Financial Assets	(112)	(643)	(739)
Net debt	1 613	1 321	964

(1) See Note 2.D.

(2) See section "Marketable securities break down" mentioned on the previous page.

In € millions	June 2009	Dec. 2009	June 2010
Net debt at beginning of period	749	749	1 321
Change in long-term debt	511	679	(56)
Change in short-term financial liabilities	(21)	114	(207)
Change in short-term financial assets	345	(157)	(103)
Cash and cash equivalents change	29	(64)	9
Changes for the period	864	572	(357)
Net debt at end of period	1 613	1 321	964

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

In € millions	June 2009	Dec. 2009	June 2010
Balance sheet cash and cash equivalents	94	583	686
Bank overdrafts	-	(26)	(9)
Derivatives included in liabilities	(22)	(21)	(30)
Cash flow Statement cash and cash equivalents	72	536	647

► EBITDAR by Business and Region

In € millions	France	Europe (excl. France)	North America	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	June 2010	June 2009 (2)	2009 (2)
HOTELS	268	345	77	39	73	18	820	700	1 507
Upscale and Midscale Hotels	157	203	4	12	44	16	436	347	765
Economy Hotels	111	142	-	27	29	2	311	266	577
Economy Hotels US	-	-	73	-	-	-	73	87	165
OTHER BUSINESSES	6	10	-	-	6	(9)	13	9	13
Total June 2010	274	355	77	39	79	9	833		
Total June 2009	241	296	90	21	59	2		709	
Total 2009	522	630	174	52	126	16			1 520

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

(2) In accordance with IFRS 5, Edenred, Onboard Train Services, and Groupe Lucien Barrière EBITDAR have been reported in Profit or loss from discontinued operations (See Note 17).

Consolidated EBITDAR for June 30, 2010 totalled €833 million compared with €709 million for the same period of 2009. The period-on-period increase breaks down as follows:

• Like-for-like growth	+92	M€	+13,0%
• Business expansion	+5	M€	+0,8%
• Currency effects	+26	M€	+3,7%
• Disposals	+1	M€	+0,1%
Increase in first-half 2010 EBITDAR	+124	M€	+17,4%

Change in first-half 2010 EBITDAR by business:

	Δ June 2010 / June 2009		Like-for-like change	
	€ m	€ m	€ m	%
HOTELS	+120	+90	+12,8%	
Upscale and Midscale Hotels	+89	+76	+21,7%	
Economy	+45	+27	+10,1%	
Economy US	(14)	(13)	(14,8)%	
OTHER BUSINESSES	+4	+2	+26,9%	
Group total	+124	+92	+13,0%	

Change in first-half 2010 EBITDAR by region:

	Δ June 2010 / June 2009		Like-for-like change	
	€ m	€ m	€ m	%
France	+33	+25	+10,4%	
Europe (excl. France)	+59	+50	+16,8%	
North America	(13)	(13)	(14,3)%	
Latin America & Caribbean	+18	+8	+39,9%	
Other Countries	+20	+16	+27,4%	
Worldwide Structures	+7	+6	N/A	
Group total	+124	+92	+13,0%	

► EBITDA by Business and Region

In € millions	France	Europe (excl. France)	North America	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	June 2010	June 2009 (2)	2009 (2)
HOTELS	154	118	26	15	33	16	362	273	645
Upscale and Midscale Hotels	87	50	3	5	17	14	176	99	267
Economy Hotels	67	68	-	10	16	2	163	138	310
Economy Hotels US	-	-	23	-	-	-	23	36	68
OTHER BUSINESSES	4	9	(0)	0	8	(6)	15	13	20
Total June 2010	158	127	26	15	41	10	377		
Total June 2009	131	78	38	6	29	4		286	
Total 2009	303	191	75	15	62	19			665

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

(2) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière, and Onboard train services EBITDA have been reported in Profit or loss from discontinued operations (See Note 17).

Consolidated EBITDA for June 30, 2010 totalled €377 million compared with €286 million for June 30, 2009.

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

• Like-for-like growth	+81	M€	+27,8%
• Business expansion	(2)	M€	(0,6)%
• Currency effects	+11	M€	+3,9%
• Disposals	+1	M€	+0,2%
Increase in first-half 2010 EBITDA	+91	M€	+31,5%

Change in first-half 2010 EBITDA by business:

	Δ June 2010 / June 2009		Like-for-like change	
	€ m	€ m	€ m	%
HOTELS	+89	+79	+28,7%	
Upscale and Midscale Hotels	+77	+70	+69,5%	
Economy	+25	+21	+15,5%	
Economy US	(13)	(12)	(35,1)%	
OTHER BUSINESSES	+2	+2	+13,8%	
Group total	+91	+81	+27,8%	

Change in first-half 2010 EBITDA by region:

	Δ June 2010 / June 2009		Like-for-like change	
	€ m	€ m	€ m	%
France	+27	+23	+16,3%	
Europe (excl. France)	+49	+46	+60,0%	
North America	(12)	(12)	(32,5)%	
Latin America & Caribbean	+9	+4	+63,5%	
Other Countries	+12	+14	+49,4%	
Worldwide Structures	+6	+6	N/A	
Group total	+91	+81	+27,8%	

► EBIT by Business and Region

In € millions	France	Europe (excl. France)	North America	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	June 2010	June 2009 (2)	2009 (2)
HOTELS	95	40	(12)	9	11	12	155	70	235
Upscale and Midscale Hotels	47	(3)	0	0	3	10	57	(17)	31
Economy Hotels	48	43	-	9	8	2	110	87	205
Economy Hotels US	-	-	(12)	-	-	-	(12)	0	(1)
OTHER BUSINESSES	1	(1)	-	-	6	(7)	(1)	(1)	1
Total June 2010	96	39	(12)	9	17	5	154		
Total June 2009	66	(6)	1	1	10	(3)		69	
Total 2009	170	28	2	5	24	7			236

- (1) "Worldwide Structures" corresponds to revenue (royalties) and costs that are not specific to a single geographic region.
(2) In accordance with IFRS 5, Edenred, Groupe Lucien Barrière, and Onboard train services EBIT have been reported in Profit or loss from discontinued operations (See Note 17).

Consolidated EBIT for June 30, 2010 totalled €154 million compared with €69 million for June 30, 2009.

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

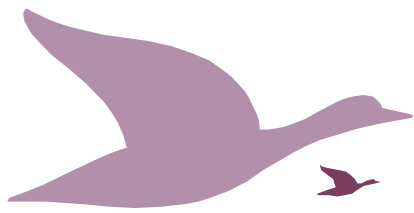
• Like-for-like growth	+78	M€	+109,3%
• Business expansion	(9)	M€	(12,4)%
• Currency effects	+6	M€	+8,1%
• Disposals	+10	M€	+14,4%
Increase in first-half 2010 EBIT	+85	M€	+120,0%

Change in first-half 2010 EBIT by business:

	Δ June 2010 / June 2009		Like-for-like change	
	€ m	€ m	€ m	%
HOTELS	+85	+77	+106,6%	
Upscale and Midscale Hotels	+74	+69	N/A	
Economy	+23	+20	+22,8%	
Economy US	(12)	(12)	N/A	
OTHER BUSINESSES	(0)	+1	N/A	
Group total	+85	+78	+109,3%	

Change in first-half 2010 EBIT by region:

	Δ June 2010 / June 2009		Like-for-like change	
	€ m	€ m	€ m	%
France	+30	+21	+31,0%	
Europe (excl. France)	+45	+45	N/A	
North America	(13)	(12)	N/A	
Latin America & Caribbean	+8	+4	N/A	
Other Countries	+7	+12	+115,1%	
Worldwide Structures	+8	+8	N/A	
Group total	+85	+78	+109,3%	



**Auditors' Report on the 2010 Half-year
Financial Information**

DELOITTE & ASSOCIES
185, avenue Charles-de-Gaulle
92524 Neuilly-sur-Seine Cedex
S.A. au capital de € 1.723.040

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

ERNST & YOUNG et Autres
41, rue Ybry
92576 Neuilly-sur-Seine Cedex
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Accor

(Six months period ended June 30, 2010)

Statutory auditors' review report on FIRST HALF-YEAR financial information for 2010

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Annual General Meetings and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying half-year consolidated financial statements of ACCOR, for the six months ended June 30, 2010 ;
- the verification of the information contained in the half-year management report.

These half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of half-year financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-year consolidated financial statements do not give a true and fair view of the assets and liabilities and of the financial

position of the Group as at June 30, 2010 and of the results of its operations for the period then ended in accordance with IFRSs as adopted by the European Union.

Without affecting the conclusion expressed above, we draw your attention to the accounting consequences of the demerger described in note 2F to the consolidated financial statements which describes the application of IFRIC 17. Application of this new interpretation led to a temporary reduction in shareholders' equity at June 30, 2010 due to the recognition of a €2,578 million debt representing the fair value of the Edenred shares delivered to Accor shareholders in connection with the demerger.

II. Specific verification

We have also verified the information given in the half-year management report on the half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the half-year consolidated financial statements.

Neuilly-sur-Seine, August 25, 2010

The statutory auditors

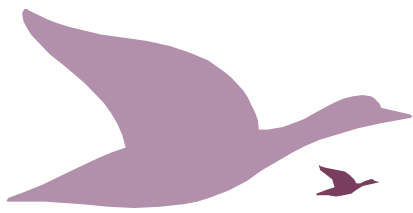
French original signed by

DELOITTE & ASSOCIES

ERNST & YOUNG et Autres

David Dupont Noel

Bruno Bizet



**Statement by the Person Responsible for
the 2010 Half-Year Financial Report**

Statement by the Person Responsible for the 2010 Half-Year Financial Report

I hereby declare that, to the best of my knowledge, the consolidated financial statements have been prepared under generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position and results of all the companies within the consolidation taken as a whole and that the interim management report includes a fair review of the material events that occurred in the first six months of the financial year and their impact on the interim accounts, a description of the principal risks and uncertainties for the remaining six months of the year and the main related-party transactions.

Paris, August 26, 2008

Gilles C.Pélisson
Chairman and Chief Executive Officer