Letter to Shareholders

ACCOR

March 2010
No 34

2009 operating profit before tax
At the upper end of the announced target

Dear Shareholders,

2009 was shaped by an unprecedented economic crisis. The Hotels business was impacted by drastic travel budget cutbacks by many of our corporate customers, while the Services business was adversely affected by higher unemployment and lower interest rates.

Operating profit before tax and non-recurring items totaled €448 million, at the upper end of the target announced in August 2009, despite the €39 million negative impact from the devaluation of the Venezuelan bolivar. In the end, Accor held up well thanks to our operational responsiveness, diligent cost management and assertive sales and marketing initiatives. The responsiveness of our operating and head office teams helped to reduce costs by more than €250 million, exceeding the announced target.

Our financial situation remains solid with debt representing a limited €1.6 billion at December 31, 2009 and €2.5 billion in unused, confirmed lines of credit. These represent key advantages that will help ensure a strong rebound tomorrow.

We are confident as we move into 2010. In Europe, we've seen stabilization in hotel occupancy rates since December 2009, and average room rates generally stabilize three to nine months after occupancy rates. However, we're remaining vigilant, which can be seen in the decision to maintain our plan to reduce support costs by €45 million. We've also maintained our expansion projects. After opening more than 27,000 rooms in 2009, we plan to open an additional 30,000 in 2010. In Services, the business environment should be more favorable in emerging markets, where the increase in people in work is expected to drive stronger revenue growth. Lower interest rates and persistent high unemployment in Europe should continue to have a negative impact on growth in first-half 2010 before stabilizing in the second.

"We're confident in the ability of our two businesses to grow profitably over the long term once they are independent."

Lastly, 2010 will be shaped by the proposed demerger of the Group's two businesses. By creating two industry-leading companies with powerful ambitions, we have laid the groundwork that will enable both businesses to grow faster.

Rest assured that these strategic initiatives, combined with the responsiveness of our teams, will give birth to two global market leaders capable of creating shareholder value.

I would like to thank you for your loyalty and look forward to seeing you at our Shareholders' Meeting on June 29.

Gilles C. Pélisson
Chairman and Chief Executive Officer

Demerger by end-June 2010

Last December, the Board of Directors approved the potential benefits of the demerger. Reviews carried out by senior management clearly showed that the demerger would enable the Hotels and Prepaid Services businesses – each a world leader in its industry – to step up their pace of growth.

On February 23, 2010, the Board of Directors approved the demerger and defined the demerger process, which was announced when the 2009 annual results were published on February 24. Next June 29, at the Extraordinary Shareholders' Meeting, you will have the opportunity to vote on the project to demerge our Hotels and Prepaid Services businesses. This process will lead to the stock market listing of Accor Services' operations, which will be combined into a new company whose name will be disclosed in the coming weeks.

The project, which has been carefully prepared by the Accor Hospitality and Accor Services teams, reflects the transformation of the two businesses that has been underway for more than three years, as well as their critical mass and their independent management. It will enable you to become a shareholder of two global market leaders, each with a higher market value:

- The Hotels unit, the number one hotel manager in the world, is committed to becoming the leading European hotel franchisor and one of the world's top three hotel groups.
- The Services unit is the world leader in employee and public benefits and a major provider of prepaid services.

I am fully confident in our ability to build two outstanding companies, each a leader in its respective industry with strong prospects for global development.

G.C.P.

More than **150,000** employees | **100** countries | **4,100** hotels | **33** million service users

Revenue
€7,065 million — down 7.9%

Consolidated revenue ended the year down 7.9% at **comparable scope of consolidation and exchange rates.** As published, revenue declined by 8.5% due to the difficult economic environment, the impact of asset disposals and the currency effect, which reduced revenue by 1.4%.

EBITDAR margin
28% of revenue — down 1.5 pt

Consolidated EBITDAR amounted to €1,976 million, while EBITDAR margin stood at 28.0%, down 1.7 points as reported and 1.5 points like-for-like compared with 2008.

Operating profit before tax and non-recurring items
€448 million — down 38%

Representing the result of operations after the cost of financing Group businesses and before tax, operating profit before tax and non-recurring items is stated after fixed asset holding costs (rental expense plus depreciation and interest) but includes the share of profit of associates. It totaled €448 million, at the upper end of the target announced in August 2009, despite the €39 million negative impact from the devaluation of the Venezuelan bolivar. At **constant scope of consolidation and exchange rates,** operating profit before tax and non-recurring items declined by 38.0%, of which 44.5% in the first half and 32.7% in the second.

Net loss, Group share
€282 million

The net loss, Group share came to €282 million for the year. It includes €387 million in impairment losses, of which write-downs of €113 million on Motel 6 goodwill and €100 million on Kadeos intangible assets, and €127 million in restructuring costs.

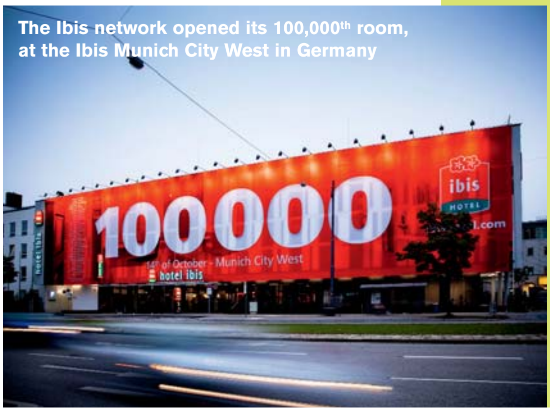
Operating profit before non-recurring items, net of tax
€328 million

Operating profit before non-recurring items, net of tax came to €1.47 per share, down 46% from 2008.

Dividend — Payout rate
€1.05 per share — of more than 70%

Despite the €275 million decline in operating profit before non-recurring items, net of tax, shareholders at the Shareholders' Meeting on June 29, 2010 will be asked to approve the payment of a dividend of €1.05 per share, compared with €1.65 the year before. This would represent a payout rate of more than 70% before non-recurring items.


hotelF1 Duo room



The Ibis network opened its 100,000th room, at the Ibis Munich City West in Germany

FOCUS

A solid financial position

- The ratio of funds from operations to adjusted net debt (1) came to 20%. An indicator of the Group's solvability, this ratio is used by the main rating agencies in determining Accor's credit rating, which in turn plays a critical role in its ability to raise financing. Accor's long-term BBB- rating by Standard & Poors and Fitch has been confirmed. In early 2010, Fitch removed its rating watch on Accor.
- Net debt totaled €1,624 million at December 31, 2009. Adjusted for the acquisition of an additional 15% interest in Groupe Lucien Barrière and a payment to the French State in settlement of tax assessments on Compagnie Internationale des Wagons-Lits, cash flow for the year would have been at breakeven. Gearing stood at 50%.
- As of December 31, 2009, Accor had €2.5 billion in unused, confirmed lines of credit and no major refinancing needs before 2012.

Cost-reduction plans more effective than forecast

In 2009's especially difficult economic environment, Accor implemented two plans to reduce hotel operating expenses and support function costs in order to limit the crisis' negative impact on earnings.

Operating costs for owned and leased hotels were reduced by €165 million, compared with a targeted €150 million.

Support costs were reduced by €87 million, versus a target of €80 million. Thanks to these measures, the hotel response ratio was held to 40%, five points more than the target.

(1) Adjusted for the 8% discounting of future minimum lease payments

Hotels

Revenue €5,186 million

Hotels revenue contracted by 10.1% like-for-like and 9.8% on a reported basis, highlighting the greater resilience of the Economy segment in Europe and reflecting a slight upturn in business at year-end. In all, revenue declined by 11.5% in Upscale and Midscale hotels, 6.1% in the Economy segment, and 13.8% in the US Economy segment, which has not yet shown any signs of a recovery.

With the exception of Economy Hotels in the US, **occupancy rates** began to stabilize in December 2009 and January 2010. Average room rates generally stabilize three to nine months after occupancy rates.

Hotel portfolio by operating structure at year-end 2009 (1)

Owned 20%	Fixed-rent leases 20%	
Capital-intensive structures 40 %		
Variable-rent leases 17%	Management contracts 22%	Franchises 21%
Low capital-intensive structures 60%		

(1) In number of rooms.


Pullman Paris La Défense

Sustained deployment of the asset-right strategy (2) in a depressed real estate market

In all, 216 hotels changed their ownership structure in 2009, which had an impact of €360 million on adjusted net debt. As of December 31, 2009, **60% of the rooms in the hotel base were held under variable-rent leases, management contracts or franchise agreements.**

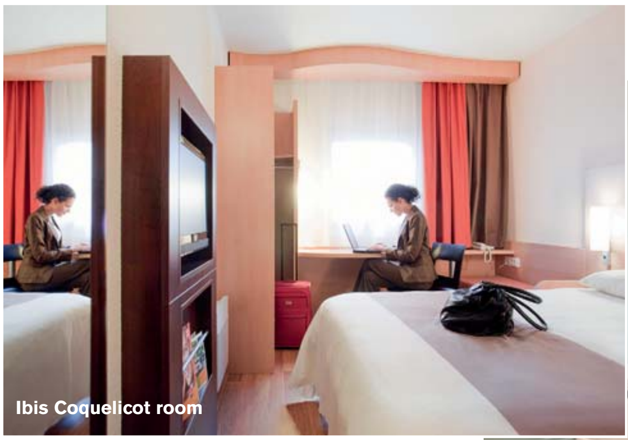
In February 2010, the Group announced a **new real estate transaction involving five hotels** in four European countries, carried out with the Invesco Real Estate investment fund. It covers the sale and variable leaseback of four Novotel and Mercure hotels and the sale and management-back of one Pullman hotel. The **€154 million** transaction will have a **€93 million impact on net debt in 2010.**

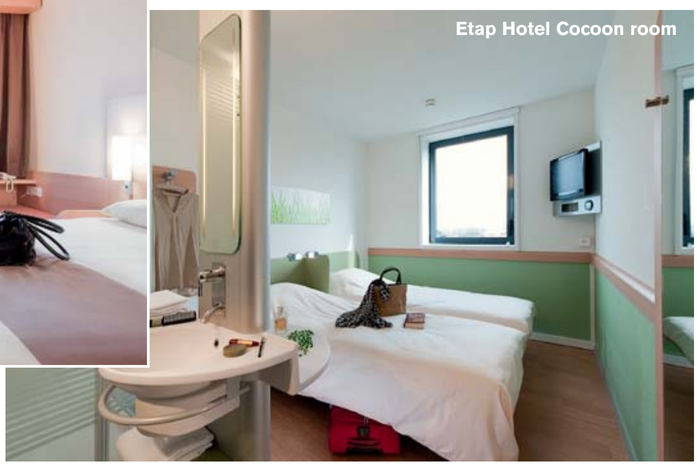
(2) The asset-right strategy involves finding the most appropriate ownership structure for each hotel.

Sustained expansion in 2009

Of the **27,300 rooms** opened in 2009, more than 80% were in the Economy and Midscale segments and 81% concerned asset-light ownership structures based on variable-rent leases, management contracts or franchise agreements. Most of the rooms were opened in high potential regions, such as Asia (35%) and Europe (32%).

As of December 31, 2009, there were **around 103,000 rooms in the pipeline,** of which half were in the Economy or Budget segments and more than 85% were held under asset-light structures.


Ibis Coquelicot room


Etap Hotel Cocoon room

Services

Revenue €943 million

The slight 1.4% like-for-like increase in Prepaid Services revenue (down 3.6% as reported) reflected the business' strong, sustainable growth fundamentals, in spite of the year's exceptionally severe global crisis. Operating revenue rose 3.9% like-for-like, while financial revenue was dragged down 15.0% like-for-like by the fall in interest rates.

The sustained rise in unemployment, particularly in Europe, is expected to further impact growth in **operating revenue,** notably in the first half. The environment should be more favorable in emerging markets, where the increase in people in work is expected to drive stronger revenue growth.

Financial revenue, on the other hand, will continue to be held back by declining interest rates in the first half, before stabilizing in the second.

Ticket Restaurant® France

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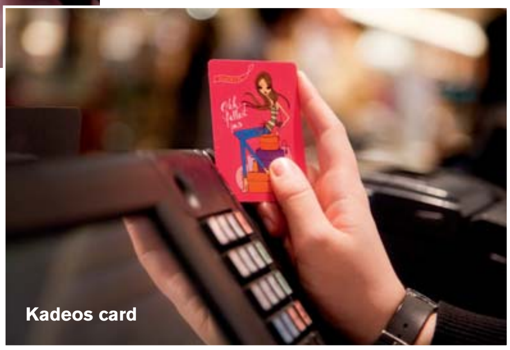
Successful deployment of the EcoCheque® in Belgium

Accor Services Belgium is the first issuer in Europe to market vouchers for the purchase of "green" goods and services. With the Ticket EcoCheque® voucher, Accor is playing a pioneering role in the provision of environmentally responsible benefits for company employees.

Six months after its rollout, Ticket EcoCheque® already has more than 500,000 users and 3,000 affiliated service providers with over €40 million in issue volume and ranks second in the product lineup behind the Ticket Restaurant® voucher. Rechargeable batteries, battery chargers, energy-efficient light bulbs, bicycles and "green" households products account for most of the purchases. The Ticket EcoCheque® voucher is an undeniable marketing success that provides a breath of fresh air in a gloomy economic environment.



Kadeos card

Jacques Stern appointed Deputy Chief Executive Officer of Accor, in charge of Accor Services and Finance

The Board of Directors has approved Gilles Pélisson's recommendation to appoint Jacques Stern as Deputy Chief Executive Officer of Accor, in charge of Accor Services and Finance. Accor Services, the world leader in prepaid services, will benefit from Jacques Stern's expertise. Leveraging his skills and in-depth knowledge of both prepaid services and financial markets, he will deploy the most appropriate strategy to enable Accor Services to respond to the challenges of its future development and its listing as a separate company.

Hotels: profile and strengths

The world's leading hotel operator, Accor Hospitality aims to **become Europe's largest hotel franchisor and one of the world's top three hotel groups by 2015.**

Key figures

- 4,100 hotels in 90 countries
- Nearly 500,000 rooms
- 100,000 rooms in the pipeline

Powerful, complementary brands,...

...ranging from luxury to budget hotels, recognized and appreciated for their quality of service around the world.

	Standardized	Non-standardized	Long stay
Luxury		SOFITEL LUXURY HOTELS	
Upscale		pullman HOTELS AND RESORTS; MGallery	
Midscale	Novotel HOTELS; Suite HOTEL	Mercure	adagio city aparthotel
Economy	ibis HOTEL	all seasons HOTELS	
Budget	Etap HOTEL; HOTEL FORMULE1; hotelF1 In France; motel 6 In the US		studio 6 extended stay In the US

Undeniable strengths

- A portfolio of powerful brands.
- Operating excellence, supported by an outstanding team recognized for its expertise, a comprehensive range of innovative services and a dynamic distribution strategy.
- A unique business model based on faster implementation of the asset-right strategy underway since 2005.
- A sustained expansion plan, with the goal of opening 35,000 to 40,000 rooms a year at cruising speed.
- A company with a people-driven strategy.

Services: profile and strengths

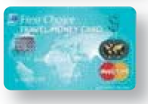
In a growth environment, Accor Services is committed to **being the world leader in employee and public benefits and a major provider of prepaid services that help organizations improve their performance.**

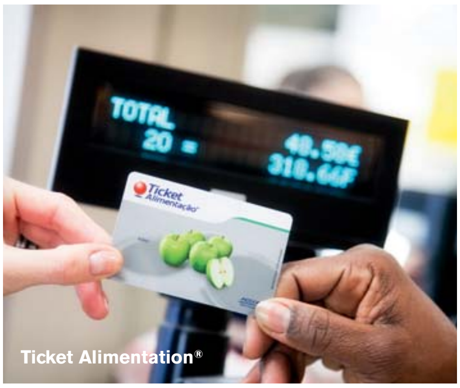
Key figures

- Operations in 40 countries
- 490,000 corporate and public institution customers
- 33 million users
- 1.2 million affiliated service providers
- 6,100 employees

A wide range of products

In addition to its flagship Ticket Restaurant® meal vouchers, Accor Services offers **a wide range of products** in response to increasing customer demand.

WORLD LEADER in employee and public benefits		MAJOR PROVIDER of prepaid services to help improve the performance of an organization		
Meal vouchers / Food vouchers	**Other benefits**	**Expense Management**	**Rewards and incentives**	**New markets**
The leader in every country where we are in	Drivers of growth and profitability	A major player The Latin American market leader	A major player The European and Asian market leader	Positioned in new markets created by prepaid electronic solutions
Ticket Restaurant® Ticket Alimentaçaõ®	Ticket Childcare Vouchers® Ticket CESU® Ticket Compliments® Ticket EcoCheque®	Ticket Car®	Ticket Compliments®	
Human Resources manager		CFO / Purchasing manager		



Ticket Alimentation®

Solid success drivers

- Strong growth in issue volume and revenue, which rose respectively by an average 10.5% and 12.3% a year between 2003 and 2009.
- Strong growth in operating free cash flow, up an average 15.1% a year between 2003 and 2009.
- Low cyclicality. Excluding exceptional exogenous factors during the year, growth would have exceeded 10% in 2009.
- High sustainability, underpinned by geographic, product, customer and media diversity.

To ensure the successful listing of this relatively uncyclical, low-capital-intensive growth company whose operations are well distributed between developed and emerging markets, the Services team can leverage such strong values as the spirit of enterprise, innovation, performance, simplicity and sharing.

Ticket Compliments®

Ticket Cesu®

More information at www.accor.com,
Finance section, "Demerging the Two Businesses and Details of the Demerger Process"

Benefits of the demerger

Today, it is apparent that Hotels and Services leverage specific skills and expertise, and operate in different business environments.

Accor Hospitality and Accor Services are already two self-managing businesses, each with critical mass and leadership in its market, with **two corporate mission projects capable of creating new value.**

Demerging these two businesses will support and accelerate their transformation and development. The demerger offers benefits for both businesses, because it will make it possible to:

- Deploy two corporate mission projects, led by dedicated management teams, thereby strengthening employee pride in each company.
- Create two pure players, listed separately without any capital ties, but instead with targeted investors specific to each business, thereby heightening each unit's visibility
- Offer both businesses new opportunities for partnerships, strategic alliances and financial transactions to fund future growth, in particular through the ability to pay in shares.

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Colony Capital and Eurazeo have committed to supporting the two companies by holding their shares in Accor SA and the new company (Accor Services) until January 1, 2012, as announced on December 15, 2009 in their press release.

FOCUS

Allocation of net debt

The proposed debt allocation aims to ensure that each company enjoys a rating and a capital structure in line with its peer group, and to provide each one with the resources necessary for its independent, long-term growth.

Accor Hospitality

- Debt adjusted to strong cash flow in 2010/2011
- An investment grade rating (BBB or BBB-), supported by the disposal of non-strategic assets, including the 49% interest in Groupe Lucien Barrière, and certain hotel assets.

Accor Services

- Debt corresponding to a strong investment grade rating (BBB+).

Demerger process

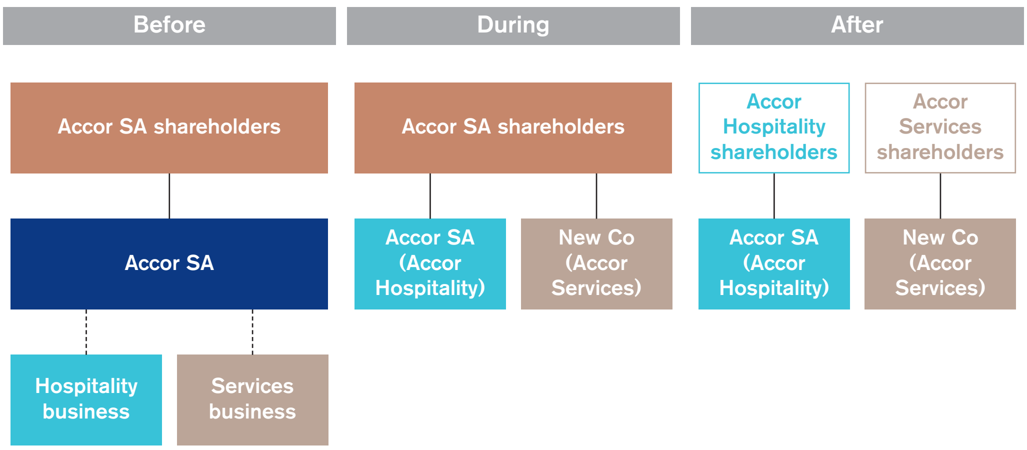
Following the meeting with bondholders and shareholders' approval at the Extraordinary Shareholders' Meeting on June 29, 2010, Accor's two core businesses will be demerged through a transaction that involves a capital contribution and a share distribution.

Accor SA will retain the Hotels business, as well as non-strategic businesses (Lenôtre, Compagnie des Wagons-Lits and its stake in Groupe Lucien Barrière), while a new company will be created for the Services business.

All of the Services subsidiaries' shares will be contributed to the new company, whose shares will then be distributed to Accor SA shareholders.

In this way, **each Accor SA shareholder will receive one share of the new company** (Accor Services, whose new name will be announced within a few weeks) **for every Accor SA share held. The new shares will be attributed automatically by your bank or broker.**

The Accor Services shares will be freely traded on the NYSE-Euronext™ Paris stock exchange.



Proposed timetable with an Extraordinary Shareholders' Meeting held on June 29, 2010

End May 2010
Prospectus filed with French securities regulator AMF, to list shares of the new company (Accor Services) on the NYSE-Euronext™ stock exchange.

June 29, 2010
Extraordinary Shareholders' Meeting of Accor SA shareholders to vote on the demerger.

Early July 2010
Shares of the new company (Accor Services) start trading on NYSE-Euronext™ Paris.

More information at www.accor.com, Finance section, "Demerging the Two Businesses and Details of the Demerger Process"

Attentive to your concerns

A Combined Ordinary and Extraordinary Shareholders' Meeting

Will be held at 10:00 a.m. on June 29, 2010 at Novotel Paris Est (1, place de la République, 93177 Bagnolet - FRANCE)
Registered shareholders will receive the notice of meeting directly, while holders of bearer shares should request the notice from their broker or banker.

A dividend of €1.05 per share

At the Shareholders' Meeting on June 29, 2010, shareholders will be asked to approve the payment of a dividend of **€1.05 per share.** This would represent the payout of more than 70% of 2009 operating profit before non-recurring items, net of tax, payable in cash.

The Accor Shareholders Club

If you own 50 Accor bearer shares or one Accor registered share, you can join the Accor Shareholders Club free of charge on the www.accor.com (finance section).
As a member, you are entitled to the A/Club Platinum Card, ensuring you a special welcome in more than 2,000 Accor hotels. The application form may be filled out directly online on the "Club Actionnaires" page in the "Espace Actionnaires" section.

A special "demerger" section on www.accor.com

A section on "Demerging the Two Businesses and Details of the Demerger Process" has been added to the Finance pages at www.accor.com. This section of the website will keep you informed of developments in the project to demerge Accor's two core businesses. Consult it regularly for the latest information.

Shareholder calendar

- **April 20, 2010:**
  Publication of Accor's first-quarter revenue
- **June 29, 2010:**
  Extraordinary Shareholders' Meeting
- **July 19, 2010:**
  Publication of the new company's (Accor Services) first-half revenue
- **July 20, 2010:**
  Publication of Accor's first-half revenue

The Shareholder Club Working Group is working for you

The 15 members of the Shareholder Club Working Group meet twice a year to discuss Accor's communication with private shareholders.
The next meeting is scheduled for April 13.

Registering your Accor shares

Contact the securities services unit of Société Générale, Accor's registrar:
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Société Générale
Département Titres Bourse - Comptes
32, rue du Champ-de-Tir - BP 81236
44312 Nantes Cedex 3 - FRANCE

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