

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. The resulting reassessments 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.

In December 2008, the Cergy-Pontoise Administrative Tribunal has ruled that for the years 1998 to 2002 CIWLT was not entitled to have the reassessments overturned. Following this decision, CIWLT will have to pay to the French Administration a total amount of approximately €245 million in the first quarter of 2009. CIWLT will appeal the ruling to the Versailles Administrative Court of Appeal in the first quarter 2009.