

Revenue

up **7.1%***

EBITDAR margin

up **1.9 pt***

EBIT

up **82.4%***

Dividend

€0.62
per share

2010 KEY FIGURES

Dear Shareholders,

I'm very pleased and excited to address you for the first time since taking over at the head of Accor last December. I am delighted to create with you a trusting relationship that I hope will be constructive and rewarding. As you know, I'm not completely new to Accor as I was a member of the Board of Directors for more than a year and a half, but my perspective on the Group is now different from the one I had when I was a Director.

My first travels as the head of Accor took me beyond the borders of Europe. I wanted to meet team members in the field and in our subsidiaries to learn about the challenges facing our business and about Accor's culture. I was impressed by the spirit of entrepreneurship and innovation that is shared by employees, all of whom are driven by the same focus on excellence and service and the same desire to improve. Only by constantly questioning our assumptions and actions will we be able to continue to lead our industry. At Accor, hospitality, commitment and a passion for our business are more than just words. They are federating values that our teams apply on the job every day. I am proud to join the 145,000 employees of the world's leading hotel operator.

In 2010, the unique, invaluable spirit of Accor combined with the validity of our business model enabled the Group to rebound faster and more strongly than the others and to post exceptional results. The recovery apparent in the first half was amply confirmed in the second part of the year, allowing us to meet all our objectives. Our revenue rose by 7.1% like-for-like to €5,948 million, with a solid recovery in all business segments. All our key indicators were excellent, in terms of both operations – with a significant improvement in the Group's profitability as EBITDAR margin rose by 1.9 point – and asset disposals. Our asset management plan has enabled us to considerably reduce the Group's debt faster than expected.

Backed by a solid financial position, the new Accor – 100% focused on the hotels business – is poised for growth. We will stay the course while advancing at a more sustained pace. Accor derives its strength from a unique business model, with an extensive portfolio of brands, strategic geographic coverage and unrivaled expertise in hotel operations. I want to leverage these undisputed assets to step up the deployment of our proven strategy. I have emphasized three priority value-creating vectors for growth: strengthening the brands, more effectively promoting our skills and expertise, and accelerating our development in both mature and emerging markets.

To successfully carry out this ambitious undertaking, I know I can rely on the support of a team of people who – thanks to their strong personalities and recognized expertise – are fully up to the challenge. Our Executive Committee, intentionally small so as to be more responsive, will be the motor that drives Accor's transformation.

We're confident that 2011 will be a year of accelerated development as we pursue our goal of moving Accor to the forefront of the global hospitality industry.

I look forward to speaking to you directly at the Annual General Meeting of Shareholders on May 30.



Denis Hennequin

Chairman and
Chief Executive Officer



Revenue

€5,948 million
up **7.1%***

Consolidated revenue for 2010 rose **by 7.1% at constant scope of consolidation and exchange rates**, compared with the previous year. The Group benefited from favorable hotel cycle dynamics in all segments. The pace of growth accelerated in the second half, led by occupancy rates that continued to improve and room prices that confirmed their recovery in the year's final quarter. First apparent in Germany and the United Kingdom, the recovery then spread to France, followed by most other European countries. Revenue was also bolstered by sustained demand in emerging markets.

EBITDAR margin

30.5%
du chiffre d'affaires
up **1.9 pt***

The Group's operating performance improved sharply, with EBITDAR margin amounting to **1.9 point at constant scope of consolidation and exchange rates**. EBITDAR margin was led by higher occupancy rates and the better-than-expected results of cost containment measures, which led to €132 million in support cost savings over two years, of which €45 million in 2010.

EBIT

€446 million
up **82.4%***

EBIT **rose by 82.4% like-for-like**, to €446 million from €235 million in 2009, led by the firm recovery in the Up & Midscale segment.

Net debt

€730 million,
compared with €1,624 million
at year-end 2009

The substantial reduction in debt that led to the Group's solid financial position was due mainly to the stepped-up deployment of the property management program.

*like-for-like

Mercure Rimini Artis - Rimini - Italy



Ibis Al Rigga - Dubai
United Arab Emirates



100% hÔtelier

2010 was an eventful, historic year for Accor, which pursued its refocusing on its core hotel operations business with:

- The demerger of the Services business culminating in the initial public offering of Edenred on July 2.
- The disposal of the Compagnie des Wagons-Lits onboard rail catering business on July 7, 2010.

Accor's completed its refocusing initiatives in early March 2011 with the sale of its 49% equity stake in Groupe Lucien Barrière.

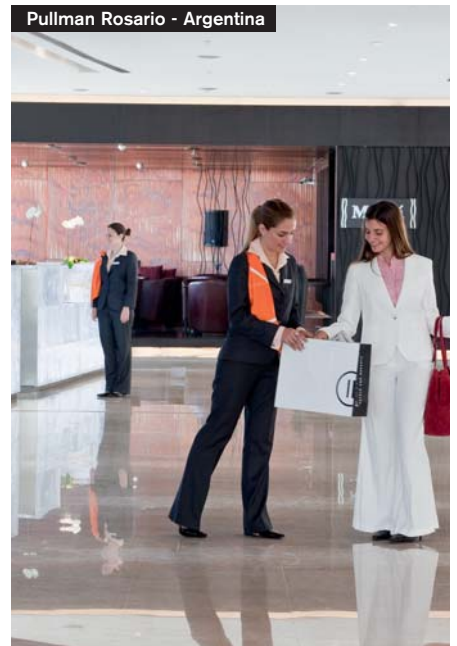


A solid recovery across all segments

The Up & Midscale segment saw a rapid upswing in business and posted excellent results in 2010. Revenue rose by 9% like-for-like, while EBITDAR margin rose by 2.7 points to 28.5% of revenue, an all-time high. All segment brands contributed to this solid performance, in particular Sofitel and Pullman, whose results were lifted by the rebound in corporate activity. From a geographic standpoint, growth was driven by the Asia-Pacific region, Latin America and leading European cities.

Economy Hotels (excluding the US), which are more resistant to business cycles and less volatile, posted 6.8% revenue growth, thanks to higher occupancy rates. Led by ibis, EBITDAR margin rose by one point to 37% of revenue, its pre-crisis level. The recovery was particularly strong in Germany and the United Kingdom.

An upturn in **Economy Hotels US** began in June 2010. Revenue rose slightly, thanks in particular to greater demand in the fourth quarter. Average rates, which remained lower throughout the year, had a direct impact on profitability, as operating margin was down 1.3 points for the year (to 29.7% of revenue) but rose in the second half.



Accor: a few figures

- No.1 hotel operator worldwide
- No.1 hotel employer worldwide with **145,000** employees
- More than **4,200** hotels
- More than **500,000** rooms
- In **90** countries



A portfolio of powerful, strategically aligned brands



(1) In the US and Canada
 (2) In France only
 (3) In Asia and Brazil
 (4) In EMEA





Etap Hotel Wien Messe - Vienna - Austria



FOCUS ON...

The Asset Right strategy, a unique business model

Accor's expansion is underpinned by a unique, dynamic hotel property management strategy. Called "asset right", the strategy consists of adapting hotel operating structures to each unit's market segment and location.

Accor is the only hotel group that manages properties on its own behalf (either owned or operated under fixed-rent and variable-rent leases) as well as for third-party owners or investors through franchise or management contracts.

The program's objective since 2006 has been to encourage the use of less capital-intensive operating structures in order to reduce capital employed and attenuate earnings volatility. To this end, Accor focuses its development on an "asset light" strategy and is selling hotel properties while continuing to manage them over the long term.

Accorhotels.com has become

France's **no. 1** website for hotel bookings, with nearly **8 million** visits a month, an increase of **34%** year on year.

The strengths of a group refocused on its core business

A comprehensive brand portfolio aligned with the Group's strategic vision

Accor is the only hotel Group with operations in all market segments, from budget to luxury. This extensive lineup makes it possible to satisfy growing customer demand for greater segmentation.

Unique expertise as the world's leading hotel operator

Today, Accor manages nearly 400,000 rooms in hotels that are owned, leased or operated under management contracts, which together account for 80% of the total network. This no. 1 ranking provides the Group with powerful, recognized expertise that it can leverage when partnering with hotel owners and franchisees.

Leadership positions on four continents

Accor is the market leader in Europe, Africa and the Middle East, Latin America and the Asia-Pacific region, in either the number of hotels or the number of rooms. This dense global coverage is a strategic asset when moving into new markets, particularly in the emerging economies.

A business model built on solid fundamentals

Accor's business model now enables the Group to generate – for the first time – free cash flow after capital expenditure and before disposals, create value through the deployment of its asset management strategy; and pay down debt, thereby ensuring the financial flexibility needed to accelerate its development.

Novotel Marseille Vieux Port - France



Accelerated deployment of the Asset Management program

In line with its "**Asset Right**" strategy, Accor set a goal of selling 450 hotels during the 2010-2013 period in order to make a positive impact of €2 billion on adjusted net debt.

By the end of 2010, 30% of the program has been carried out, enabling 171 hotels representing more than 18,000 rooms to be refinanced. This in turn led to a €630 million reduction in adjusted net debt and had a cash impact of €541 million. In August,

a major property transaction was signed with Predica and Foncière des Murs to sell 49 hotel properties in Europe, to be leased back under variable-rent contracts. At year-end, 43 of the transactions had been finalized.

Accor has announced it is stepping up its divestment program and has set a new objective of a **€1.2 billion impact on adjusted net debt over two years (2011 and 2012)**.



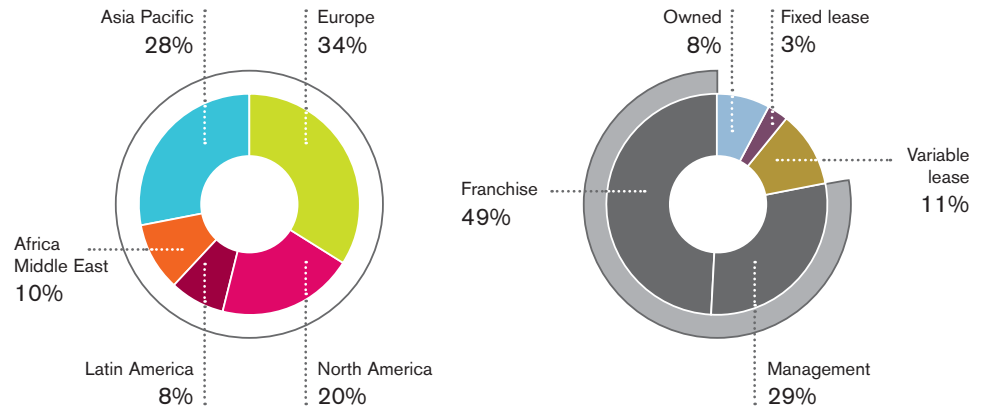
Dynamic expansion of the hotel portfolio

In 2010, Accor opened **214 hotels**, representing nearly **25,000 new rooms**.

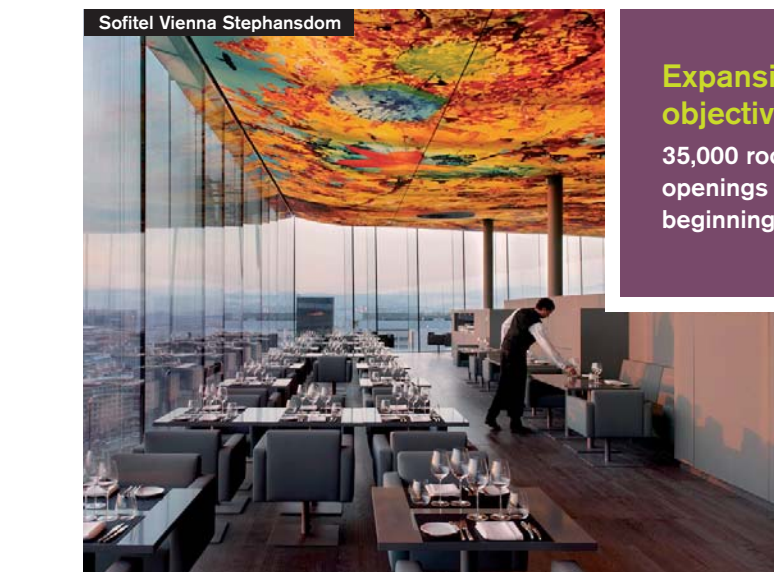
46% of them were in fast-growing countries.

78% of them are operated under franchise or management contracts, in line with the Group's asset-light development strategy.

With the year's opening, Accor has crossed the symbolic threshold of **500,000 rooms**. Of the total, 64% are operated under **asset-light** structures (franchise agreements, management contracts or variable-rent leases), a 4-point increase over 2009.



They opened in 2010.....



Expansion objectives
35,000 room openings a year beginning in 2012.





Executive Committee

In late January 2011, Denis Hennequin announced the creation of a new Executive Committee. Intentionally smaller and with strengthened expertise, the Executive Committee is focused on the Group's strategic objectives. It is comprised of eight members:

Denis Hennequin

Chairman and
Chief Executive Officer



Yann Caillère

President and Chief
Operating Officer,
in charge of worldwide
operations.



Grégoire Champetier

Global Chief Marketing
Officer, responsible for
Brand Strategy, Design
Strategy, Marketing
and Distribution.



Anne-Marie Cambourieu

Global Chief Human
Resources Officer,
responsible for
Organization,
Transformation and
Sustainable Development.



Dominique Esnault

Global Chief Operations
Support, in charge of
Development, Franchising,
Procurement, Technical
Services & Design
Management.



Pascal Quint

Corporate Secretary in
charge of Legal Affairs,
Insurance, Risk
Management and,
the Audit Department.
He is also Secretary
of the Board of Directors.



Sophie Stabile

Global Chief Financial
Officer, responsible
for Group Information
Systems.



Marc Vieilledent

Global Executive
Vice President Asset
Management, responsible
for Asset Management
& Strategy together with
Mergers - Acquisitions.





Board of Directors

The Accor Board of Directors, meeting on Tuesday, February 22, 2011 under the chairmanship of Denis Hennequin and acting on a recommendation by the Compensation and Appointments Committee, appointed **Mercedes Erra** as a new director. Ratification of the appointment will be submitted to shareholder approval at the Annual Meeting on May 30, 2011.

Mercedes Erra*, Executive Co-Chairman of Euro RSCG Worldwide, will bring to the Board her recognized experience in building and managing brands. In particular, she has contributed to major strategic shifts in such brands as Danone (health), Evian (youth), Air France (travel) and Canal+ (media creativity).

The Board of Directors has eleven members:

Denis Hennequin, Chairman and Chief Executive Officer.

Jean-Paul Bailly*, Chairman of Groupe La Poste.

Thomas J. Barrack, Founder, Chairman and Chief Executive Officer of Colony Capital LLC.

Sébastien Bazin, Managing Director Europe and Chief Executive Officer of Colony Capital SAS.

Philippe Citerne*, Former Chief Operating Officer of Société Générale.

Mercedes Erra*, Executive Co-Chairman of Euro RSCG Worldwide.

Sophie Gasperment*, Chief Executive Officer of The Body Shop International (L'Oréal Group).

Bertrand Meheut*, Chairman of the Groupe Canal+ Management Board.

Virginie Morgon, Member of the Eurazeo Management Board.

Franck Riboud*, Chairman and Chief Executive Officer of Danone.

Patrick Sayer, Chairman of the Management Board of Eurazeo.

* Directors who are independent.

Shareholders' Meeting

The Annual Shareholders' Meeting will be held at **10:00 am on Monday, May 30, 2011** at the Novotel Paris Est (1 place de la République, 93177 Bagnole). To take part in this Combined Ordinary and Extraordinary Meeting, shareholders must provide proof of ownership of their shares by midnight on Tuesday, May 24, 2011.

How to vote

There are four ways to vote at the Shareholders' Meeting

- You can attend the Meeting in person.
- You can give proxy to the Chairman of the Shareholders' Meeting.
- You can give proxy to another person of your choice.
- You can vote by post

Holders of **registered shares** will directly receive a notice of meeting, along with an admission card request form and a proxy/postal voting form. To take part in the Meeting, they must complete the form and return it to Société Générale.

To obtain these documents, holders of **bearer shares** should contact their bank or broker, who will then send the form completed by the shareholder plus a certificate of ownership (*attestation de participation*) to Société Générale, Accor's registrar.

Information about the Shareholders' Meeting will also be posted on the Accor website.

Société Générale
Service Assemblées générales
32, rue du Champ-de-Tir
BP 81 236
44 312 Nantes Cedex 3 - France



Dividend

At the Annual General Meeting on May 30, 2011, shareholders will be asked to approve a dividend of €0.62 per share, payable in cash. The total dividend would thus represent 50% of operating profit before non-recurring items, net of tax. It would be paid on June 6, 2011.



Communication 100% online



As part of its commitment to environmental protection – one of the foundations of Accor's Earth Guest sustainable development program – publications are now available solely in electronic format. To receive future issues of the Letter to Shareholders, sign up for an email alert at www.accor.com, Finance section, Shareholders page.

Financial calendar

- **May 30, 2011:**
Annual Shareholders' Meeting
- **July 19, 2011 :**
First half 2011 Revenue

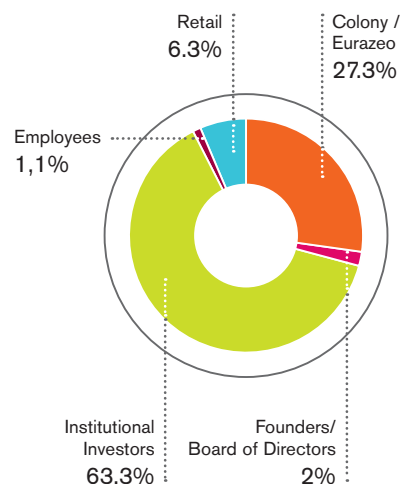
Shareholders Club **A|CLUB**

If you own at least 50 Accor bearer shares or one registered share, you are eligible to join the Accor Shareholders Club free of charge at www.accor.com/Finance section.

Members of the Shareholders Club are entitled to the A|Club Platinum loyalty card, enabling them to earn twice as many points in participating hotels as A|Club Classic members and to take advantage of exclusive benefits. To enjoy these exceptional privileges, fill out the membership form directly online in the Shareholders section of the Accor website (Shareholders Club page).



Accor Shareholding at December 31, 2010



Meeting of the Shareholders Club Working Group on April 22, 2011

The working group on individual shareholder relations was created in 2007. Comprised of 15 Shareholders Club members, its purpose is to promote dialogue between the Company and its retail shareholders.

At its meeting last April 22, members held an open discussion with Denis Hennequin, who outlined the strategy of the New Accor, now that it is refocused on its core hotel business. The working group's agenda included preparations for the Shareholders' meeting and an analysis of investor relations and financial communication resources. This twice-a-year meeting, which coincided with Accor's annual sustainable development day, provided an opportunity to showcase the Earth Guest program.

The Accor share (at April 29, 2011)

- Number of shares: 226,992,901
- Number of voting rights held: 260,202,276
- Par value: €3
- ISIN code: FR0000120404
- Listed on: Euronext Paris, Compartment A
- Market capitalization: €6.8 billion
- Main stock market indices: CAC 40, SBF 120, Euronext 100, CAC Large 60

Shareholder contacts

For information, contact the Shareholder Relations Department.

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