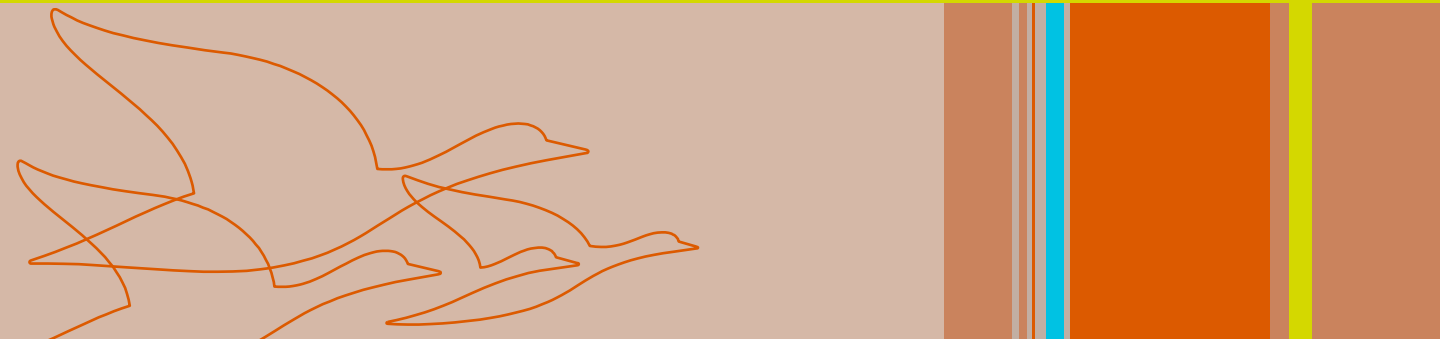




2009 Half-yearly Financial Report

2009 HALF-YEARLY FINANCIAL REPORT

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2009 Interim Management Report

INTERIM MANAGEMENT REPORT

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Accor's results for the first six months of 2009 were impacted by an exceptionally weak economic environment. Deployment of the announced cost-reduction plans has considerably enhanced the Group's responsiveness in both the hotel operations and the support functions.

2009 interim consolidated results

Income statement

<i>(in € millions)</i>	First-Half 2008 Adjusted⁽¹⁾	First-Half 2009	% change as reported	% change like-for-like⁽²⁾
Revenue	3,758	3,410	-9.3%	-8.1%
EBITDAR ⁽³⁾	1,088	924	-15.1%	-15.0%
<i>EBITDAR margin</i>	<i>29.0%</i>	<i>27.1%</i>	<i>-1.9,pt</i>	<i>-2.2,pt</i>
EBIT	425	242	-43.0%	-39.0%
Operating profit before tax and non-recurring items	393	182	-53.7%	-44.5%
Net profit/(loss), Group share	310	(150)	n/m	-
ROCE ⁽⁴⁾	14.5%	12.1%	-2.4pt	

(1) As a result of applying IFRIC 13 from January 1, 2009, the Group reviewed its accounting policy for recognizing award credits under customer loyalty programs. The new accounting method has been applied on a retrospective basis, with pro forma data provided for the six months ended June 30, 2008.

(2) At constant scope of consolidation and exchange rates

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

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

In an extremely weak economic environment, **consolidated revenue** for the first half of 2009 totaled €3,410 million, down 9.3% on a reported basis and 8.1% like-for-like compared with first-half 2008.

Prepaid Services: firm margin resistance despite a decline in interest income

Revenue from the **Prepaid Services** business came to €465 million for the period, up 1.3% as reported and 5.7% like-for-like. The growth was achieved despite sharply higher jobless rates, particularly in Europe, and lower interest rates, which had a negative impact on interest income recognized in revenue.

Like-for-like, operating revenue (i.e. excluding interest income) rose by 6.8% over the period, compared with a 1.2% decline in financial income. Excluding operations in Argentina, where tax incentives have been eliminated, revenue increased by 7.8% in the first half.

The currency effect reduced interim revenue by 3.8%, mainly due to the weakness of the British pound and Latin American currencies against the euro.

Among other factors, revenue growth reflected the **stepped-up marketing and sales initiatives**, which drove the development of new products and the penetration of new markets, in particular with the launch of travel agency cards in the United Kingdom and holiday vouchers in Rumania. Other initiatives targeted France's prefunded Universal Employment Service Vouchers (CESU Social) program, which is designed to support people most hurt by the recession.

EBIDTAR margin stood at **43.2%**, up **0.8 points on a reported basis and 0.4 points like-for-like**. Margin improvement was led by a 1.1-point like-for-like gain in the margin on operating revenue, feeding through to a 51.3% flow-through ratio excluding interest income. The decline in interest income reduced total margin for the period by 0.7 points like-for-like.

In Europe, EBITDAR margin narrowed by 1.4 points like-for-like, impacted by rising jobless rates in the region and the steep decline in interest rates. In Latin America, it improved by 2.0 points like-for-like, despite the decelerated growth in interest income following the drop in interest rates since May 2009.

Hotels: withstanding the crisis, depending on the segment

Hotels revenue amounted to €2,534 million in the first half, a decline of 9.6% as reported and of 11.4% like-for-like, reflecting the sustained, severe deterioration in the economic environment over the period.

The expansion strategy added 4.4% to growth, thanks to i) the Group's sustained expansion dynamic, which led to the opening of 12,100 rooms over the period, including 4,240 in franchised hotels, an increase of 26% over first-half 2008; and ii) the €73-million impact of the full consolidation of Orbis. The sale of hotel properties under the asset-right strategy reduced growth for the period by 2.1%. The currency effect was a negative 0.4% for the period.

Like-for-like, revenue declined by 13.3% in the Upscale and Midscale segment, 7.3% in the Economy segment and 12.8% in the Economy Hotels US segment.

The Group's ability to limit the revenue decline compared with the competition was supported by a certain **number of marketing and sales initiatives** deployed as part of the **battle for revenue** process. The battle for revenue is being supported by the success of the A|Club loyalty program, whose more than 3 million cardholders account for 10% of retail customer revenue, just one year after launch.

In addition, the **first half saw** operating costs in the owned/leased hotels **already reduced by €72 million**, out of the announced €120-million target for the year.

Accor confirms its objective of opening **30,000 new rooms in 2009. 12,000 have already been opened in the first six months** of the year, of which 78% under low capital-intensive ownership structures (management contracts, franchise agreements and variable rent leases), 58% in the Economy and Budget segments, 35% in Europe and 35% in Asia. Pursuing this expansion dynamic remains a priority, with **103,000 rooms** in the **pipeline**.

- **Upscale and Midscale Hotels hard hit by recession**

In the Upscale and Midscale segment, revenue declined by 11.9% as reported in the first half, and by 13.3% like-for-like. EBITDAR margin came to 23.6% of revenue, down 4.1 points as reported and like-for-like. The response ratio¹ stood at 33.9%, excluding support costs, and at 45.5% after accounting for the €25-million reduction in support costs driven by the cost-cutting plans.

- **Economy hotels outside the United States: resilient revenue and margins, led by a solid performance in France**

In a lackluster economic environment, Economy Hotels outside the US proved to be more resilient than the other segments, with revenue retreating by 7.6% as reported during the first half and by 7.3% like-for-like. EBITDAR margin stood at 34.1%, down 1.9 points as reported and 2.3 points like-for-like. The firm resistance was primarily due to operations in France, where margin was down 0.4-points like-for-like, to 30.5% on reported basis.

The response ratio, including support costs, was 34.9%.

- **Economy Hotels US: deeply impacted by two straight years of recession**

Motel 6 **revenue** contracted by **2.0% on a reported basis in the first half** and by 12.8% like-for-like.

Although still affected by the severely weakened US economy, Motel 6 is still faring better than the competitors

, with RevPAR two points higher than the peer group's. In the United States, the Economy segment is generally outperforming the Upscale and Midscale segment by around 10 points of RevPAR.

EBITDAR margin amounted to 30.8%, down 7.1 points as reported and 5.7 points like-for-like, while the response ratio was 18.7%, in a country that has been in recession for more than two years.

¹ The ratio of the change in like-for-like EBITDAR/change in like-for-like revenue is known as the flow-through ratio when like-for-like revenue goes up and as the response ratio when like-for-like revenue goes down (in which case it is equal to 1 – [change in like-for-like EBITDAR/change in like-for-like revenue]).

CONSOLIDATED RESULTS

EBITDAR (earnings before interest, taxes, depreciation, amortization and rental expense) represents a key financial performance indicator. It amounted to €924 million in the first half of 2009, down 15.0% like-for-like compared with the year-earlier period. On a reported basis, EBITDAR declined by 15.1% or €164 million year-on-year, as follows:

- Like-for-like growth:	€(163) million
- Business development:	€28 million
- Currency effect:	€(14) million
- Disposals:	€(15) million

EBITDAR represented 27.1% of consolidated revenue, compared with 29.0% in first-half 2008. This margin reflects the **support-cost savings** already achieved in the first half, which totaled **€37 million out of the full-year target of €80 million**.

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 the first half of 2009, it fell 53.7% to €182 million as reported, or by 44.5% like-for-like.

Rental expense totaled €435 million, compared with €453 million in first-half 2008, with the variable-rent leases set up in recent years helping to save €15 million. Depreciation, amortization and provision expense stood at €247 million for the period.

Net financial expense amounted to €58 million, versus €50 million in first-half 2008.

The share of profits of associates came to a loss of €2 million versus a profit of €18 million in the prior-year period, reflecting the full consolidation of Orbis since July 1, 2008.

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.

Gains and losses on the management of hotel properties totaled a net loss of €11 million compared with a net gain of €107 million in first-half 2008, which primarily included an €85 million capital gain on the sale of 49 hotels to AXA Real Estate IM.

Gains and losses on the management of other assets amounted to a net loss of €4 million, versus a net gain of €23 million in first-half 2008, which mainly reflected a €34 million capital gain on the disposal of the Brazilian foodservices business in the first quarter of that year.

Impairment losses for the period, which reflected the decline in the underlying assets' balance sheet value, came to €194 million, compared with €36 million in first-half 2008. They primarily resulted from impairment testing of the goodwill on the acquisition of Motel 6 (€118 million) and hotel assets in Italy. These losses reflected the decline in the asset's balance sheet value and did not have any cash impact. In addition, the net loss includes €53 million in restructuring costs, primarily related to Group reorganization programs.

Income tax expense amounted to €52 million, versus €152 million in first-half 2008. The effective tax rate (expressed as a percentage of operating profit before tax) was 27.1% versus 29.0%.

After minority interests of €18 million, the **net loss, Group share** stood at €150 million, compared with a net profit of €310 million for first-half 2008. The first-half 2008 figure was lifted by €130 million in capital gains, compared with the €15 million in capital losses recognized in first-half 2009.

As a result, **earnings per share** fell to a loss of €0.68 from a profit of €1.40 in first-half 2008, based on the weighted average 220,465,000 shares outstanding during the period.

Cash flows

<i>(in € millions)</i>	First-Half 2008	First-Half 2009
Funds from operations before non-recurring items	487	378
Renovation and maintenance expenditure	(184)	(180)
Free cash flow	303	198
Expansion expenditure	(594)	(480)
<i>Of which Hotels</i>	(574)	(173)
<i>Of which Prepaid Services</i>	(5)	(20)
<i>Of which Other Businesses</i>	(15)	(287)
Proceeds from disposals of assets	503	77
Dividends paid	(714)	(369)
Shares issued/(cancelled)	6	170
Change in working capital requirement	(147)	(313)
CIWLT withholding tax refund	-	(242)
Other	(84)	70
Decrease/(increase) in net debt	(727)	(889)

Funds from operations declined to €378 million from €487 million in first-half 2008,

At €180 million, **maintenance and renovation expenditure** was stable for the period. Of the total, €159 million was committed in the Hotels business.

Expansion expenditure totaled €480 million. Outlays in the Hotels business stood at €173 million, compared with €574 million in the first half of 2008, when call options were exercised on hotel properties, mainly in France and the United States. In the Other Businesses, expansion expenditure amounted to €287 million, of which €269 million committed to purchase an additional 15% interest in Groupe Lucien Barrière.

Asset disposals totaled €77 million, from the sale of hotels and non-strategic business assets, compared with €503 million in first-half 2008, which primarily reflected the divestment of the Brazilian foodservices business and the sale of around 50 hotels.

Cash dividends paid in first-half 2009 amounted to €201 million (€170 million for shares issued on the reinvestment of dividend), versus €714 million in the year-earlier period. The sharp decline reflected the fact that a special dividend of €1.50 per share was paid in 2008 (for a total of €332 million), while in 2009, part of the dividend was reinvested in new shares and therefore did not result in a cash outlay.

In February 2009, Accor paid €242 million to the French State in settlement of **tax reassessments** on **CIWLT**.

Financial ratios

The main financial ratios attest to the solidity of Accor's balance sheet at June 30, 2009.

Net debt amounted to €1,961 million, an increase of €889 million from December 31, 2008, while gearing stood at 59% at June 30, 2009, compared with 28% at June 30, 2008.

The ratio of funds from operations before non-recurring items to adjusted net debt is calculated according to a method used by the main rating agencies, with net debt adjusted for the 8% discounting of future minimum lease payments. The ratio **stood at 21.5%** at June 30, 2009, **compared with 24.2% at June 30, 2008** and 25.8% at December 31, 2008.

Return on capital employed declined by a sharp 2.4 points during the first half, to 12.1% at period-end from 14.5% at June 30, 2008.

Outlook for 2009

July business trends

Prepaid Services: growth in revenue despite the faster decline in interest income

Revenue was up 0.6% like-for-like and year-on-year in July, reflecting a 4.4% increase in operating revenue and a 21.9% drop in interest income recognized in revenue.

Latin America is faring better than Europe, with stronger operating revenue growth (up 6.3% versus 3.3% in Europe) offsetting a steeper decline in interest income (down 26.5% versus 18.8% in Europe). The faster decline in interest income that began in May 2009 is gaining momentum early in the third quarter.

Hotels: improving trends in July, buoyed by the increase in the proportion of leisure travelers during the summer

In **Upscale and Midscale Hotels in Europe**, July RevPAR was down 12.7% like-for-like, compared with a 19.2% decline in the second quarter.

In the **Economy Hotels segment in Europe**, July RevPAR was down 8.5% like-for-like, compared with a 9.7% decline in the second quarter.

In the **US Economy Hotels** business, July RevPAR was down 15.2% for the month, versus a 15.7% decline in the second quarter, primarily due to the slower decline in average room rates (down 4.7% versus 5.3% in the second quarter).

Full-year earnings objective

In the absence of any visibility in the economic environment, the target for operating profit before tax and non-recurring items has been based on the following assumptions:

In the Hotels business:

- No major improvement in business expected in the second half.
- The **plan to reduce operating costs** in the owned/leased hotels will be **stepped up** to €150 million from €120 million, to ensure that the response rate holds steady at 35%.

In Prepaid Services:

- A more than 25% decline in interest income in the second half, causing like-for-like revenue to show only a slight gain for the year.
- An operating margin of more than 40% for the year.

Consolidated earnings:

- An €80-million reduction in support costs over the year.

The target for operating profit before tax and non-recurring items has been set at **between €400 million and €450 million.**

Business strategy

Given the depth and speed of the changes ahead, the transformation and development of the two core businesses will be stepped up.

As part of this process, the Board of Directors has approved Gilles Pélisson's recommendation to commission 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.

New corporate governance

Since the May 13, 2009 Annual Meeting, the Board of Directors has been comprised of the following members: Jean-Paul Bailly, Thomas J. Barrack, Sébastien Bazin, Philippe Citerne, Gabriele Galateri di Genola, Denis Hennequin, Bertrand Meheut, Virginie Morgon, Gilles Pélisson, Alain Quinet, Franck Riboud and Patrick Sayer.

The Board has determined which of its members qualify as independent directors. It considers that **Jean-Paul Bailly**, Chairman of the French Post Office (La Poste), **Philippe Citerne**, the former Chief Operating Officer of Société Générale, **Gabriele Galateri di Genola**, Non-executive Chairman of Telecom Italia SpA, **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 criteria for independence recommended in the AFEP-MEDEF corporate governance code for listed companies. Of these, six are independent, in line with the balance between independent and non-independent directors recommended by the AFEP/ MEDEF code.

In addition, **Philippe Citerne**, an independent director, was appointed Vice Chairman of the Board, in the newly created position of "Leading Independent Director." As the preferred contact for shareholders not represented on the Board, he will be responsible for organizing a meeting of only the independent directors whenever necessary, and at least once a year.

The Board's operations are organized around three Committees, whose members were designated by the directors as follows:

- **Audit and Risks Committee:** Philippe Citerne, Chairman, Jean-Paul Bailly, Denis Hennequin, Virginie Morgon and Alain Quinet.
- **Compensation, Appointments and Corporate Governance Committee:** Bertrand Meheut, Chairman, Jean-Paul Bailly, Thomas Barrack, Franck Riboud and Patrick Sayer.
- **Commitments Committee:** Sébastien Bazin, Chairman, Philippe Citerne, Gabriele Galateri di Genola, Denis Hennequin and Patrick Sayer.

The Audit and Risks Committee and the Compensation, Appointments and Corporate Governance Committee are chaired by an independent director and all three committees have a majority of independent members.

Other significant transactions and events of the period

Creation of a leading joint venture with MasterCard Europe in the European prepaid market

In mid February, Accor Services and MasterCard Europe announced a strategic alliance resulting in the creation of PrePay Solutions, which is owned 67% by Accor Services and 33% by MasterCard Europe.

PrePay Solutions will provide services to Accor Services and MasterCard, enabling each firm to offer its respective customers – corporates, local authorities and government agencies for Accor Services, banks and other financial institutions for MasterCard – solutions leveraging the partners' closely related expertise in prepaid services and electronic payments. These customers will therefore be able to take advantage of the strong growth in the European prepaid market, which is estimated at €130 billion. At the same time, PrePay Solutions will market prepaid solutions directly to its own customers, such as retailers.

Successful bond issues in January and April 2009

On January 28 and April 23, 2009, Accor successfully placed two €600 million issues of fixed-rate bonds, the first maturing February 4, 2014 and paying 7.50% interest and the second maturing May 6, 2013 and paying 6.50% interest.

The bonds were placed with more than, respectively, 200 and 350 European institutional investors. These bond issues aim to reinforce the Group's liquidity, to diversify its financial resources and to increase the average maturity of its debt.

Stake in Groupe Lucien Barrière increased to 49%

Under the agreements signed in January 2004 between Colony Capital, the Desseigne Barrière family and Accor, 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 the independent experts, excluding the highest and the lowest valuations, in accordance with the agreements signed in 2004. Following this valuation process, Colony Capital decided to exercise the put option at a price of €153 million, which was paid on April 15, 2009.

The impact on Accor's net debt should be €260 million based on the proportional consolidation of 49% of Groupe Lucien Barrière debt in the second half of 2009.

Accor Sells Stake in Club Méditerranée

As part of its refocusing strategy, Accor sold 1,063,830 Club Méditerranée shares, corresponding to around a 4% interest in the company's capital, to Group Crédit Agricole SA for €9.40 a share, representing a total amount of €10 million.

The transaction was carried out in cooperation with Club Méditerranée management.

Accor retains 98,800 Club Méditerranée shares, which will later be sold on the open market.

Main risks and uncertainties

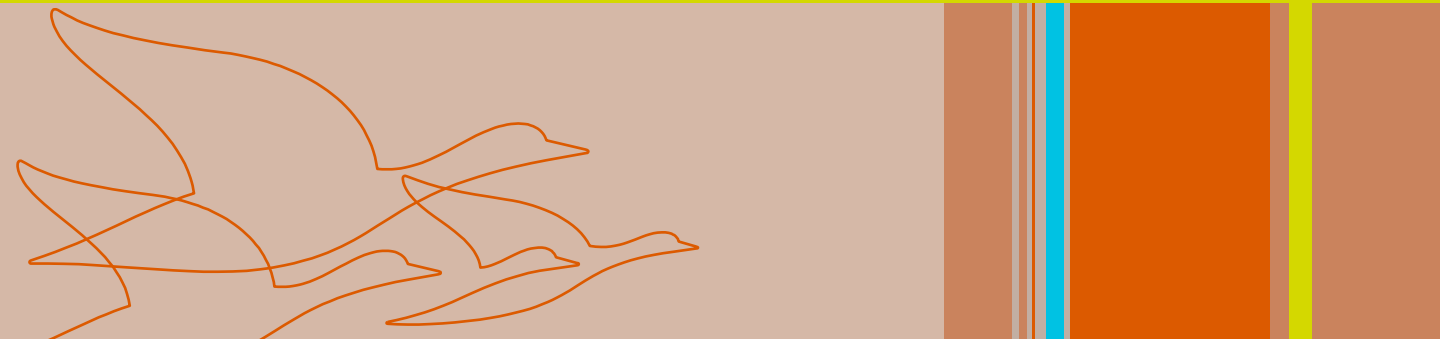
The main risks and uncertainties that may affect the Group in the last six months of the year are presented in the 2008 Registration Document under "Risk Factors."

Main related-party transactions

The main related-party transactions are presented in detail in Note 46 to the interim consolidated financial statements.

Subsequent events

Post balance-sheet events are presented in Note 45 to the interim consolidated financial statements.



Financial Consolidated Statements

June 30, 2009

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

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► Consolidated Income Statements

In € millions	Notes	Restated 2008 (*)	Restated June 2008 (*)	June 2009
Revenue		7 593	3 699	3 354
Other operating revenue		129	59	56
CONSOLIDATED REVENUE	3	7 722	3 758	3 410
Operating expense	4	(5 432)	(2 670)	(2 486)
EBITDAR	5	2 290	1 088	924
Rental expense	6	(903)	(453)	(435)
EBITDA	7	1 387	635	489
Depreciation, amortization and provision expense	8	(446)	(210)	(247)
EBIT	9	941	425	242
Net financial expense	10	(86)	(50)	(58)
Share of profit of associates after tax	11	20	18	(2)
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS		875	393	182
Restructuring costs	12	(56)	(10)	(53)
Impairment losses	13	(57)	(36)	(194)
Gains and losses on management of hotel properties	14	111	107	(11)
Gains and losses on management of other assets	15	13	23	(4)
OPERATING PROFIT BEFORE TAX		886	477	(80)
Income tax expense	16	(273)	(152)	(52)
Profit or loss from discontinued operations	17	-	-	-
NET PROFIT	42	613	325	(132)
Net Profit, Group Share		575	310	(150)
Net Profit, Minority interests	27	38	15	18
Weighted average number of shares outstanding (in thousands)	25	221 237	221 659	220 465
EARNINGS PER SHARE (in €)		2,60	1,40	(0,68)
Diluted earnings per share (in €)	25	2,59	1,39	(0,68)
Earnings per share from continuing operations (in €)		2,60	1,40	(0,68)
Diluted earnings per share from continuing operations (in €)		2,59	1,39	(0,68)
Earnings per share from discontinued operations (in €)		N/A	N/A	N/A
Diluted earnings per share from discontinued operations (in €)		N/A	N/A	N/A

(*) As a result of applying IFRIC 13 from January 1, 2009, the Group had to review its accounting policy for recognizing award credits under customer loyalty programs. The new accounting method has been applied on a retrospective basis, with restated data provided for the six months ended June 30, 2008 and the year ended December 31, 2008 (see Note 1 page 14 for further information).

► Statements of Comprehensive Income

In € millions	Notes	Restated 2008 (*)	Restated June 2008 (*)	June 2009
NET PROFIT	42	613	325	(132)
Currency translation adjustment		(267)	(93)	105
Change in fair value resulting from "Available-for-sale financial assets"		1	3	-
Effective portion of gains and losses on hedging instruments in a cash flow hedge		(6)	-	(6)
Actuarial gains and losses on defined benefits plans		(4)	6	0
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method		-	-	-
Other comprehensive income, net of tax	29	(276)	(84)	99
TOTAL COMPREHENSIVE INCOME		337	241	(33)
Comprehensive income, Group share		344	226	(38)
Comprehensive income, Minority interests		(7)	15	5

(*) As a result of applying IFRIC 13 from January 1, 2009, the Group had to review its accounting policy for recognizing award credits under customer loyalty programs. The new accounting method has been applied on a retrospective basis, with restated data provided for the six months ended June 30, 2008 and the year ended December 31, 2008 (see Note 1 page 14 for further information).

► Consolidated Balance Sheets

Assets

ASSETS In € millions	Notes	Restated Dec 2007 (*)	Restated June 2008 (*)	Restated Dec 2008 (*)	June 2009
GOODWILL	18	1 967	1 887	1 932	1 924
INTANGIBLE ASSETS	19	369	382	512	503
PROPERTY, PLANT AND EQUIPMENT	20	3 321	3 366	4 324	4 524
Long-term loans	21	107	90	78	101
Investments in associates	22	421	451	176	184
Other financial investments	23	182	171	149	140
TOTAL NON-CURRENT FINANCIAL ASSETS		710	712	403	425
Deferred tax assets	16	203	195	226	228
TOTAL NON-CURRENT ASSETS		6 570	6 542	7 397	7 604
Inventories		74	92	103	71
Trade receivables	24	1 598	1 227	1 313	1 347
Other receivables and accruals	24	715	746	824	1 090
Prepaid services voucher reserve funds		392	425	441	437
Receivables on disposals of assets	30 & 31	52	33	16	6
Short-term loans	30 & 31	22	25	34	13
Cash and cash equivalents	30 & 31	1 138	1 280	1 253	1 247
TOTAL CURRENT ASSETS		3 991	3 828	3 984	4 211
Assets held for sale	33	277	377	36	34
TOTAL ASSETS		10 838	10 747	11 417	11 849

(*) As a result of applying IFRIC 13 from January 1, 2009, the Group had to review its accounting policy for recognizing award credits under customer loyalty programs. The new accounting method has been applied on a retrospective basis, with restated data provided for the six months ended June 30, 2008 and the year ended December 31, 2008 (see Note 1 page 14 for further information).

Equity and Liabilities

EQUITY AND LIABILITIES In € millions	Notes	Restated Dec 2007 (*)	Restated June 2008 (*)	Restated Dec 2008 (*)	June 2009
Share capital		665	665	660	676
Additional paid-in capital		2 276	2 282	2 226	2 372
Retained earnings		(102)	150	151	363
Fair value adjustments on financial instruments reserve	26	66	2	(6)	(12)
Reserve related to employee benefits		59	70	82	92
Reserve for actuarial gains/losses		(19)	(13)	(23)	(23)
Currency translation reserve		(145)	(238)	(367)	(249)
Net profit, Group share		883	310	575	(150)
SHAREHOLDERS' EQUITY, GROUP SHARE	25	3 683	3 228	3 298	3 069
Minority interests	27	61	58	258	266
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTERESTS		3 744	3 286	3 556	3 335
Convertible or exchangeable bonds (OCEANE)	28, 30 & 31	-	-	-	-
Other long-term financial debt	30 & 31	1 056	1 995	1 927	2 798
Long-term finance lease liabilities	30 & 31	216	165	161	152
Deferred tax liabilities	16	170	174	199	190
Non-current provisions	34	118	109	131	130
TOTAL NON-CURRENT LIABILITIES		5 304	5 729	5 974	6 605
Trade payables	24	679	645	765	717
Other payables and income tax payable	24	1 569	1 558	1 613	1 449
Prepaid services voucher in circulation		2 894	2 494	2 587	2 584
Current provisions	34	248	212	191	216
Short-term debt and finance lease liabilities	30 & 31	109	91	165	230
Bank overdrafts	30 & 31	35	18	122	48
TOTAL CURRENT LIABILITIES		5 534	5 018	5 443	5 244
Liabilities of assets classified as held for sale	33	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		10 838	10 747	11 417	11 849

(*) As a result of applying IFRIC 13 from January 1, 2009, the Group had to review its accounting policy for recognizing award credits under customer loyalty programs. The new accounting method has been applied on a retrospective basis, with restated data provided for the six months ended June 30, 2008 and the year ended December 31, 2008 (see Note 1 page 14 for further information).

► Consolidated Cash Flow Statements

In € millions	Notes	Restated 2008 (*)	Restated June 2008 (*)	June 2009
+ EBITDA		1 387	635	489
- Net financial expense		(86)	(50)	(58)
- Income tax expense		(277)	(149)	(73)
- Non cash revenue and expense included in EBITDA		38	10	16
- Elimination of provision movements included in net financial expense, income tax expense and non-recurring taxes		41	39	2
+ Dividends received from associates		8	2	2
= Funds from Ordinary Activities	35	1 111	487	378
+ Decrease (increase) in operating working capital	36	25	(147)	(313)
= Net cash from operating activities		1 137	340	65
+ Cash received (paid) on non-recurring transactions (included restructuring costs and non-recurring taxes)		(86)	(31)	(43)
+ Decrease (increase) in non-operating working capital		-	-	(242)
= Net cash from operating activities including non-recurring transactions (A)		1 050	309	(220)
- Renovation and maintenance expenditure	37	(488)	(184)	(180)
- Development expenditure	38	(1 091)	(594)	(480)
+ Proceeds from disposals of assets		560	503	77
= Net cash used in investments/ divestments (B)		(1 019)	(275)	(583)
+ Proceeds from issue of share capital	(**)	8	7	170
- Capital reduction		(62)	(1)	-
- Dividends paid		(719)	(714)	(369)
- Repayment of long-term debt		(781)	(766)	(1 235)
- Payment of finance lease liabilities		(65)	(56)	(1)
+ New long term debt		1 742	1 710	2 189
= Increase (decrease) in long-term debt		896	888	953
+ Increase (decrease) in short-term debt		23	(14)	42
= Net cash from financing activities (C)		146	166	796
- Effect of changes in exchange rates (D)		(140)	(41)	82
= Net change in cash and cash equivalents (E)=(A)+(B)+(C)+(D)	31	37	159	75
+ Cash and cash equivalents at beginning of period		1 103	1 103	1 131
+ Effect of changes in fair value of cash and cash equivalents		(9)	-	(7)
- Cash and cash equivalents at end of period		1 131	1 262	1 199
= Net change in cash and cash equivalents	31	37	159	75

(*) As a result of applying IFRIC 13 from January 1, 2009, the Group had to review its accounting policy for recognizing award credits under customer loyalty programs. The new accounting method has been applied on a retrospective basis, with restated data provided for the six months ended June 30, 2008 and the year ended December 31, 2008 (see Note 1 page 14 for further information).

(**) Including stock dividends paid in first-half 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)	Fair value adjustments on Financial Instruments reserve	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
At January 1, 2008	221 527 644	665	2 276	(145)	66	-	(19)	59	789	3 691	61	3 752
Changes in accounting policies (*)	-	-	-	-	-	-	-	-	(8)	(8)	-	(8)
Restated January 1, 2008	221 527 644	665	2 276	(145)	66	-	(19)	59	781	3 683	61	3 744
Issues of share capital												
- On exercise of stock options	194 567	0	6	-	-	-	-	-	-	6	-	6
Capital reduction	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Dividends paid (4)	-	-	-	-	-	-	-	-	(698)	(698)	(17)	(715)
Effect of scope changes	-	-	-	-	-	-	-	-	-	-	-	-
Change in reserve for employee benefits	-	-	-	-	-	-	-	11	-	11	-	11
Other Comprehensive Income	-	-	-	(93)	(64)	-	6	-	67	(84)	-	(84)
Net Profit	-	-	-	-	-	-	-	-	310	310	15	325
Total Comprehensive Income	-	-	-	(93)	(64)	-	6	-	377	226	15	241
At June 30, 2008 (2)	221 722 211	665	2 282	(238)	2	-	(13)	70	460	3 228	58	3 286
Issues of share capital												
- On exercise of stock options	10 011	1	1	-	-	-	-	-	-	2	-	2
Capital reduction (3)	(1 837 699)	(6)	(57)	-	-	-	-	-	-	(63)	1	(62)
Dividends paid	-	-	-	-	-	-	-	-	-	-	(5)	(5)
Change in reserve for employee benefits	-	-	-	-	-	-	-	12	-	12	-	12
Effect of scope changes	-	-	-	-	-	-	-	-	-	-	226	226
Other Comprehensive Income	-	-	-	(129)	(2)	(6)	(10)	-	-	(147)	(45)	(192)
Net Profit	-	-	-	-	-	-	-	-	265	265	23	288
Total Comprehensive Income	-	-	-	(129)	(2)	(6)	(10)	-	265	118	(22)	96
At December 31, 2008	219 894 523	660	2 226	(367)	0	(6)	(23)	82	726	3 298	258	3 556
Issues of share capital												
- Stock dividends and performance share grants	5 358 327	16	146	-	-	-	-	-	-	162	8	170
Dividends paid (4)	-	-	-	-	-	-	-	-	(363)	(363)	(8)	(371)
Change in reserve for employee benefits	-	-	-	-	-	-	-	10	-	10	-	10
Effect of scope changes	-	-	-	-	-	-	-	-	-	-	3	3
Other Comprehensive Income	-	-	-	118	-	(6)	0	-	-	112	(13)	99
Net Profit	-	-	-	-	-	-	-	-	(150)	(150)	18	(132)
Total Comprehensive Income	-	-	-	118	-	(6)	0	-	(150)	(38)	5	(33)
At June 30, 2009	225 252 850	676	2 372	(249)	0	(12)	(23)	92	213	3 069	266	3 335

(*) As a result of applying IFRIC 13 from January 1, 2009, the Group had to review its accounting policy for recognizing award credits under customer loyalty programs. As the new accounting method has been applied on a retrospective basis, the Group had to restate the amount of shareholders' equity at December 31, 2007 (see Note 1 page 14 for further information).

(1) Exchange differences on translating foreign operations for the six months ended June 30, 2009, in the amount of €118 million, mainly concern changes in exchange rates against the euro of the Polish Zloty (€17 million negative impact), the US dollar (€16 million negative impact), the Brazilian real (€62 million positive impact), the Australian dollar (€45 million positive impact) and the British pound (€44 million positive impact).

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

	USD	GBP	BRL	PLN	AUD
December 2008	1,3917	0,9525	3,2436	4,1535	2,0274
June 2009	1,4134	0,8521	2,7469	4,4520	1,7359

(2) At June 30, 2008, Accor held 8,390,150 shares in treasury, with a fair value of €478 million. These shares have been deducted from equity at cost.

(3) Capital reductions resulting from the cancellation of shares acquired under the 2007 and 2008 buyback programs (see Note 2.A.4).

(4) The 2007 and 2008 dividends were as follows:

In €	2007	2008
Dividend per share	1,65	1,65
Exceptional dividend per share	1,50	NA

Number of Accor's shares is detailed as follows:

Details on shares	June 2008	Dec 2008	June 2009
Total number of shares authorized	230 112 361	219 894 523	225 252 850
Number of fully paid shares issued and outstanding	230 112 361	219 894 523	225 252 850
Number of shares issued and outstanding not fully paid	-	-	-
Par value per share (in €)	3	3	3
Treasury stock	8 390 150	-	-
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, 2009	219 894 523
Stock dividends	5 308 523
Performance shares grant	49 804
Outstanding shares at June 30, 2009	225 252 850
Accor's share capital at June 30, 2009	225 252 850
Outstanding shares at June 30, 2009	225 252 850
Stock option plans (see Note 25.3)	9 806 610
Performance shares grants (see Note 25.3)	322 829
Potential number of shares	235 382 289

Full conversion would have the effect of reducing debt at June 30, 2009 as follows:

	In € millions
Theoretical impact of exercising stock options (*)	428
Theoretical impact on net debt of exercising all equity instruments	428

(*) assuming exercise of all options outstanding at June 30, 2009.

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

Accor's share capital at June 30, 2009	225 252 850
Outstanding shares at June 30, 2009	225 252 850
Effect of share issues on the weighted average number of shares	(4 788 146)
Weighted average number of ordinary shares during the period	220 464 704 (See Note 25)
Impact of dilutive performance shares at June 30, 2009	26 759
Weighted average number of shares used to calculate diluted earning per share	220 491 463 (See Note 25)

➤ Key Management Ratios

	Note	June 2008	Dec 2008	June 2009
Gearing	(a)	28%	30%	59%
Adjusted Funds from Ordinary Activities / Adjusted Net Debt	(b)	24,2%	25,8%	21,5%
Return On Capital Employed	(c)	14,5%	14,1%	12,1%
Economic Value Added (EVA ®) (in € millions)	(d)	304	360	308

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

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 2008	Dec 2008	June 2009
Net debt at end of the period	931	1 072	1 961
Debt restatement prorated over the period	311	(51)	(240)
Average net debt	1 242	1 021	1 721
8% discounted rental commitments (*)	4 073	4 141	3 967
Total Adjusted net debt	5 315	5 162	5 688
Funds from Ordinary Activities	1 084	1 111	1 002
Rental amortization	200	219	222
Adjusted Funds from Ordinary Activities	1 284	1 330	1 224
Adjusted Funds from Ordinary Activities / Adjusted Net Debt	24,2%	25,8%	21,5%

(*) 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.

At December 31, 2008, the difference between the value of future minimum lease payments discounted at 8% (€4,006 million) and the value used in the above table to calculate adjusted net debt (€4,141 million) corresponds to prorated discounted future minimum lease payments for the Motel 6 units in the United States and the hotels leased from Genefim in France that the Group purchased during the year. Note that at the same time, Funds from Ordinary Activities generated by the leased hotels, prorated over the period prior to their purchase by the Group, were recognized in consolidated funds from operations before non-recurring items in 2008.

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

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

2008 and 2009 Economic Value Added (EVA) have been calculated as follows:

		June 2008	Dec 2008	June 2009
Cost of equity	(1)	9,93%	9,00%	9,47%
Cost of debt (after tax)		3,37%	3,35%	3,32%
Equity/debt weighting				
----- Equity		77,96%	76,85%	62,98%
----- Debt		22,04%	23,15%	37,02%
Weighted Average Cost of Capital (WACC)	(2)	8,48%	7,69%	7,19%
ROCE after tax	(3)	11,53%	11,27%	10,18%
Capital Employed (in € millions)		9 966	10 089	10 307
Economic Value Added (in € millions)	(4)	304	360	308

(1) The Beta used to calculate the cost of equity for 2008 and 2009 was 1 and the 10-year OAT rate as at each year-end has been used as the risk-free rate.

(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, 2009 the data used in the formula were as follows:

EBITDA	: €1,251 million (see ROCE hereafter)
Depreciation, amortization and provisions	: €246 million
Effective tax rate	: 26.2% (see Note 16.2)
Capital employed	: €10,307 million (see ROCE hereafter)

(4) EVA is determined as follows:
(ROCE after tax – WACC) x Capital employed

A 0.1 point increase or decrease in the Beta would have had a €43 million impact on 2008 EVA and a €37 million impact on 2009 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 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 2009, ROCE stood at 12.1% versus 14.1% in December 2008 and 14.5% in June 2008.

In € millions	June 2008	Dec 2008	June 2009
Capital employed	10 258	10 308	10 358
Adjustments on capital employed (1)	(311)	(316)	(255)
Effect of exchange rate on capital employed (2)	19	97	204
Restated Average Capital Employed	9 966	10 089	10 307
EBITDA	1 406	1 387	1 238
Interest income on external loans and dividends	(12)	8	7
Share of profit of associates before tax (see Note 11)	51	28	6
Restated Adjusted EBITDA	1 445	1 423	1 251
Restated ROCE (Adjusted EBITDA/Capital Employed)	14,5%	14,1%	12,1%

(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 June 30 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 2008 (12 months)		Dec 2008		June 2009 (12 months)	
	Capital Employed In € millions	ROCE %	Capital Employed In € millions	ROCE %	Capital Employed In € millions	ROCE %
HOTELS	7 124	14,0%	7 477	12,9%	7 927	9,9%
Upscale and Midscale Hotels	4 071	11,9%	4 258	10,8%	4 436	7,7%
Economy Hotels	1 661	22,8%	1 778	21,1%	1 890	17,7%
Economy Hotels United States	1 392	9,8%	1 441	9,1%	1 601	6,8%
PREPAID SERVICES	1 885	21,0%	1 761	23,3%	1 599	25,9%
OTHER BUSINESSES						
Casinos	483	9,8%	471	9,4%	461	9,3%
Restaurants	187	8,9%	138	7,5%	94	5,3%
Onboard Train Services	142	8,6%	110	8,3%	78	12,9%
Holding Companies and other	145	N/A	132	N/A	148	N/A
RESTATED GROUP TOTAL	9 966	14,5%	10 089	14,1%	10 307	12,1%

► 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 2009 Accor Group consolidated financial statements for the six months ended June 30, 2009 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union as of that date. They include comparative interim and annual 2008 financial information, prepared in accordance with the same standards.

At June 30, 2009, 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.
- IFRIC 12 "Service Concession Arrangements" which is applicable from January 1, 2009 only by European Union companies whose financial year begins on or after March 29, 2009.
- IFRIC 15 "Agreements for the Construction of Real Estate" which is applicable from January 1, 2010.
- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation" which is applicable from January 1, 2009 only by European Union companies whose financial year begins on or after June 30, 2009.
- The revised version of the Amendment to IAS 39 and IFRS 7 "Reclassification of Financial Instruments: effective date and transition" which has not yet been adopted.
- Amendments to IFRIC 9 and IAS 39 "Embedded Derivatives" which have not yet been adopted.
- Amendment to IFRS 7 "Improving Disclosures about Financial Instruments" which has not been adopted.

The differences between the standards and interpretations published by the IASB and those adopted by the European Union do not have a material impact on the Accor Group's financial statements for the following reasons:

- Application of IAS 39 and IFRIC 12, IFRIC 15 and IFRIC 16 will have no impact on the Group's financial statements when they are adopted by the European Union and become applicable by the Group.
- Accor has not applied the Amendment to IAS 39 and IFRS 7, which has since been revised and allows the reclassification of certain financial assets. Consequently, amendments to IFRIC 9 and IAS 39 have no impact on the Group's financial statements.
- Application of the amendment to IFRS 7 will require the Group to present (i) additional disclosures about the fair values of its financial instruments and (ii) a maturity analysis of its financial liabilities. However, these disclosures will not have an impact on the Group's financial position.

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 as adopted by the European Union came into force on January 1, 2009 and their application was mandatory at that date:

- IFRS 8 "Operating Segments": IFRS 8 replaces IAS 14 "Segment Reporting." Whereas IAS 14 required segment information to be presented based on primary and secondary segment reporting formats (business segments and geographical segments), IFRS 8 requires segment information to be presented by operating segment on the same basis as that used for internal reporting purposes. The amount of each segment item reported is now the measure reported to Management for the purposes of making decisions about allocating resources to the segment and assessing its performance. The operating segments defined by the Group under the new standard are the same as the business segments defined under IAS 14. Likewise, the indicators used to assess the performance of the segments correspond to those already presented when IAS 14 was applied. Consequently, the Group's adoption of IFRS 8 had no impact on the presentation of the consolidated financial statements.
- Revised version of IAS 1 "Presentation of Financial Statements": application of this standard led the Group to alter the presentation of its financial statements although this had no impact on its financial position. The changes are as follows:

- The statement of changes in shareholders' equity now only shows transactions with owners of the Company in their capacity as owners, with all non-owner changes in equity (i.e. comprehensive income) included in the statement of comprehensive income.
- All items of income and expense recognized in a period are presented in two statements: a separate income statement (displaying components of profit or loss) and a statement of comprehensive income (beginning with profit or loss and displaying components of other comprehensive income).

The Group has elected not to change the account headings used in its financial statements.

- IFRIC 13 « Customer Loyalty Programs »: this interpretation alters the accounting treatment of customer loyalty programs by requiring recognition of the revenue corresponding to the award credits to be deferred whereas the Group's current policy consists of recording a provision for the cost of its loyalty programs. The consideration allocated to these award credits – measured by reference to their fair value – is recognized as revenue when the credits are redeemed by the customer. The Group's adoption of IFRIC 13, which was accounted for as a change in accounting policy in accordance with IAS 8 (adjustments of comparative amounts disclosed for prior periods presented), gave rise to the following impacts on the consolidated financial statements:

In € millions	Published December 2007	IFRIC 13 Impact	Restated December 2007	Published June 2008	IFRIC 13 Impact	Restated June 2008	Published December 2008	IFRIC 13 Impact	Restated December 2008
Consolidated Revenue	8 121	-	8 121	3 766	(8)	3 758	7 739	(17)	7 722
Operating expense	(5 800)	-	(5 800)	(2 678)	8	(2 670)	(5 449)	17	(5 432)
Operating Profit Before Tax and Non Recurring Items	907	-	907	393	0	393	875	0	875
Gains and losses on management of other assets	188	-	188	23	(0)	23	12	1	13
Income tax expense	(234)	-	(234)	(152)	(0)	(152)	(272)	(1)	(273)
Net Profit	912	-	912	325	0	325	613	0	613
Deferred tax assets	199	4	203	191	4	195	222	4	226
Total Assets	10 834	4	10 838	10 743	4	10 747	11 413	4	11 417
Retained Earnings	(94)	(8)	(102)	157	(7)	150	158	(7)	151
Net profit, Group Share	883	-	883	310	0	310	575	0	575
Total Shareholders' Equity and Minority Interests	3 752	(8)	3 744	3 293	(7)	3 286	3 563	(7)	3 556
Other payables and income tax payable	1 557	12	1 569	1 547	11	1 558	1 602	11	1 613
Total Liabilities and Shareholders' Equity	10 834	4	10 838	10 743	4	10 747	11 413	4	11 417

- Amendment to IAS 23 « Borrowing costs »: borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are already capitalized as part of the cost of that asset. This amendment had therefore no impact on the consolidated financial statements.
- Amendment to IFRS 2 « Vesting Conditions and Cancellations »: this amendment specifies that all features of a share-based payment that are not vesting conditions should be included in the fair value of the equity instruments granted. In addition, if an entity or counterparty can choose whether to meet a non-vesting condition, the entity should treat the entity's or counterparty's failure to meet that non-vesting condition during the vesting period as a cancellation. The Group's application of this amendment had no impact on the consolidated financial statements.
- Amendments to IAS 32 and IAS 1 « Puttable financial instruments and obligations arising on liquidation »: these amendments require puttable financial instruments and obligations arising on liquidation to be classified as equity rather than as liabilities. They do not apply to firm or conditional commitments to purchase minority interests. As the Group did not hold any puttable financial instruments at December 31, 2008 its application of the amendments did not impact the prior-year comparative data included in the consolidated financial statements.
- Amendments to IFRS 1 and IAS 27 « Cost of an investment in a subsidiary jointly controlled entity or associate »: these amendments only concern separate financial statements and their application had no impact on the Group's consolidated accounts.
- IFRIC 11 « IFRS 2: Group and Treasury Share Transactions »: the Group early adopted IFRIC 11 on January 1, 2008 but this did not have an impact on the consolidated financial statements for the periods presented.
- IFRIC 14 « IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ». The Group's application of this interpretation did not have an impact 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, 2009 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 39	“Financial Instruments: Recognition and Measurement: Eligible Hedged Items”	July 1, 2009	These standards are currently not expected to have a material impact on the consolidated financial statements.
IFRS revised 1	Revised version of IFRS 1 “First-time Adoption of International Financial Reporting Standards”	July 1, 2009	
Amendments to IFRS 1	Additional Exemptions for First-time Adopters	January 1, 2010	
Amendment to IFRS 2	“Group Cash-settled Share- based Payment Transactions”	January 1, 2010	
	“Annual Improvements April 2009”	January 1, 2010	
IFRIC 17	“Distributions of Non-cash Assets to Owners”	July 1, 2009	
IFRIC 18	“Transfers of Assets from Customers”	July 1, 2009	
IAS revised 27	Revised version of IAS 27 “Consolidated and Separate Financial Statements”	July 1, 2009	These standards will be applied prospectively to business combinations occurring on or after January 1, 2010. In application of the revised standards the Group will be required to change its method for recognizing future business combinations and future transactions relating to minority interests.
IFRS revised 3	Revised version of IFRS 3 “Business Combinations”	July 1, 2009	

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.

The economic and financial crisis in 2008 led to reduced revenue and earnings visibility. The crisis continued during the first half of 2009 and, as a result, the interim consolidated financial statements have been prepared by reference to the current environment, particularly for the purpose of estimating the value of financial instruments, non-current assets and projected benefit obligations under retirement and other post-employment benefit plans. There have been no changes in measurement or estimation methods compared with those applied at the December 31, 2008 close.

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 2009.

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 31). 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.

The assets and liabilities of subsidiaries acquired during the period are initially recognized at their fair value at the acquisition date. Minority interests are determined based on the initially recognized fair values of the underlying assets and liabilities.

In accordance with IAS 27 "Consolidated and Separate Financial Statements", potential voting rights held by Accor that are currently exercisable (call options) are taken into account to determine the existence of control over the company concerned.

B. Goodwill

In the year following the acquisition of a 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.

B.1. POSITIVE GOODWILL

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

Goodwill arising on the acquisition of associates – corresponding to companies over which the Group exercises significant influence – is included in the carrying amount of the associate concerned.

Goodwill arising on the acquisition of subsidiaries and jointly controlled entities is reported separately.

In accordance with IFRS 3 "Business Combinations", goodwill is not amortized but is tested for impairment at least once a year and more frequently if there is any indication that it may be impaired. The methods used to test goodwill for impairment are described in Note 1.D.6. If the carrying amount of goodwill exceeds its recoverable amount, an irreversible impairment loss is recognized in profit.

B.2. NEGATIVE GOODWILL

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

C. Foreign currency translation

The presentation currency is the euro.

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

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

In the income statement, income and 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".

D. Non-current assets

D.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.D.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.

D.2. PROPERTY, PLANT AND EQUIPMENT

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

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

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

	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	

D.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.

D.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.

D.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 Fair value adjustments on Financial Instruments reserve) and are recognized in 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 cost acquisition, including any goodwill arising. 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.

D.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, all the property, plant and equipment incorporated to a hotel are grouped together to create a cash-generating unit.

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.R.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.

D.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.

E. Inventories

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

F. Prepaid Services voucher reserve funds

Prepaid Services voucher reserve funds are held in special escrow accounts, to comply with legal requirements in France on the use of Ticket Restaurant operating funds. They require issuers of prepaid services vouchers to set aside the equivalent of the aggregate face value of outstanding vouchers in a special reserve fund.

G. 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”.

H. Employee benefits expense

Employee benefits expense includes all amounts paid or payable to employees, including profit-sharing and the cost of share-based payments.

I. 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.

J. 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".

K. 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.

L. 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.

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

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

M. Share-based payments

M.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 twelve stock option plans set up between 2003 and June 2009. Eleven of these plans do not have any specific vesting conditions except for the requirement for grantees to continue to be employed by the Group at the starting date of the exercised period. One plan is a performance option plan with vesting conditions other than market

conditions. As for the other plans, grantees must continue to be employed by the Group at the starting date of the exercised 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 the goods and services received at the grant date, as determined using the Black & Scholes option-pricing model. The grant date is defined as the date when the plan's terms and conditions are communicated to Group employees 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.

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.

M.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.

N. 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.

N.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.

N.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.

N.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.

N.4. BANK BORROWINGS

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

N.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.

N.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.

O. 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.

P. 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.D.7).

Q. 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 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. Changes in the debt arising from business plan adjustments are recognized in goodwill. Discounting adjustments are recognized in financial expense.

R. Income statement and cash flow statement presentation

R.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 the prepaid services businesses, fees received from client companies, contributions received from restaurant operators, royalties for the use of Group trademarks and technical assistance fees.
- For onboard train services, sleeping compartment and food services billed to railway operators and grants received.
- For casinos, gross gaming receipts (slot machines and traditional casino games).

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 and other sales taxes.

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.

R.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.

R.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 $1 - (\text{change in like-for-like EBITDAR} / \text{change in like-for-like revenue})$.

R.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.

R.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.

R.6. RESTRUCTURING COSTS

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

R.7. IMPAIRMENT LOSSES

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

R.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.

R.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.

R.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.

R.11. PROFIT OR LOSS FROM DISCONTINUED OPERATIONS

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.

R.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.

S. Earnings per share

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

T. 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 26, 2009.

Note 2. Significant Events and Changes in Scope of Consolidation

A. Divestments and returns to shareholders

A.1. STRATEGIC REFOCUSING ON HOTELS AND PREPAID SERVICES

In line with the Group strategy announced to the financial markets in 2006, 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	1,063,830 shares or approximately 4%	€10 million	€(3) million	98,800 shares or approximately 1%

(*) 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" strategy 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.



* In mature markets.

REAL ESTATE POLICY SINCE JANUARY 1, 2005

Since January 1, 2005, the operating structures of 646 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	375	3 295	1 170	1 451	2 621
Sales & Lease Back	1	3	3	(5)	(2)
Sales & Management Back	22	624	375	315	690
Sales & Franchise Back	147	180	161	139	300
Outright sales	101	458	376	127	503
Total	646	4 560	2 085	2 027	4 112

(*) 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:

	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
2005 - June 2009	Other	Germany & Mexico	10	NA	NA
Total 2005-2009			375		

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	1 025	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
2005-June 2009	Other	95	N/A	92	73
Total 2005 - 2009		3 295	N/A	1 170	2 621

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 41.

The sale and variable leaseback transaction carried out in 2008 with a real estate consortium including Caisse des Dépôts et Consignations and two investment funds managed by Axa Real Estate Investment Managers concerned the Novotel, Mercure, Ibis, All Seasons, Etap Hotel and Formule 1 brands.

The €518 million transaction included a €50 million renovation program at the new owner's expense (see Note 41). Accor is committed to financing a €27 million renovation program (see Note 41), of which €5 million was incurred during first-half 2009. Insurance premiums, property taxes and structural maintenance capex are now payable by the owner of the properties.

This transaction enabled Accor to reduce its adjusted net debt by €323 million in 2008, of which €267 million was added to the Group's cash reserves, and added around €5 million to 2008 profit before tax.

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 to June 2009	Other	Australia / United States	8	Accor continues to manage the hotels under a management contract
Total 2005 - 2009			22	

These transactions impacted the consolidated financial statements as follows:

		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 - Juin 09	Other	38	N/A	43	96
Total 2005 - 2009		624	N/A	375	690

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 248 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	12	8	France, United States, Germany	27	27	28
TOTAL	147	101		638	537	803

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 90,000 rooms were opened in the period 2006-2009 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 2008, the Group added 97 hotels (12,100 rooms) to its portfolio through acquisitions and organic growth. In addition, 48 hotels (6,072 rooms) were closed during the period.

Hotel portfolio by brand and type of management at June 30, 2009

In number of hotels	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
Sofitel	17	6	10	87	6	126
Pullman	10	8	6	13	3	40
Novotel	68	64	111	103	46	392
Mercure	68	99	84	206	240	697
Adagio	1	3	-	19	1	24
Suitehotel	8	9	-	3	6	26
All Seasons	3	10	3	9	35	60
Ibis	128	135	213	79	276	831
Etap Hotel	66	58	76	5	194	399
Formule 1	201	94	10	11	45	361
Motel 6 / Studio 6	341	349	1	-	329	1 020
Other	19	5	1	24	6	55
Total	930	840	515	559	1 187	4 031
<i>Total in %</i>	<i>23,1%</i>	<i>20,8%</i>	<i>12,8%</i>	<i>13,9%</i>	<i>29,4%</i>	<i>100,0%</i>

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
Sofitel	2 779	1 501	1 627	23 035	1 965	30 907
Pullman	2 687	2 228	1 160	4 190	623	10 888
Novotel	11 615	12 151	18 398	22 766	5 963	70 893
Mercure	7 961	15 512	12 383	30 568	20 121	86 545
Adagio	96	313	-	2 744	111	3 264
Suitehotel	1 085	1 312	-	378	542	3 317
All Seasons	330	738	661	1 402	2 822	5 953
Ibis	17 270	17 296	28 369	14 410	20 501	97 846
Etap Hotel	5 569	6 015	6 928	677	14 362	33 551
Formule 1	14 765	7 454	2 991	1 250	2 890	29 350
Motel 6 / Studio 6	38 623	39 456	72	-	24 801	102 952
Other	3 533	652	161	4 697	822	9 865
Total	106 313	104 628	72 750	106 117	95 523	485 331
Total in %	21,9%	21,6%	15,0%	21,9%	19,7%	100,0%

Hotel portfolio by region and type of management at June 30, 2009

In number of hotels	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
France	309	135	242	53	675	1 414
Europe excluding France	193	303	216	74	103	889
North America	345	349	1	12	329	1 036
Latin America & Caribbean	18	7	40	91	18	174
Other Countries	65	46	16	329	62	518
Total	930	840	515	559	1 187	4 031
Total in %	23,1%	20,8%	12,8%	13,9%	29,4%	100,0%

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
France	28 492	12 904	31 147	6 514	50 002	129 059
Europe excluding France	26 198	44 185	30 326	10 986	10 923	122 618
North America	39 808	39 456	72	3 665	24 801	107 802
Latin America & Caribbean	2 410	1 150	8 066	13 118	2 105	26 849
Other Countries	9 405	6 933	3 139	71 834	7 692	99 003
Total	106 313	104 628	72 750	106 117	95 523	485 331
Total in %	21,9%	21,6%	15,0%	21,9%	19,7%	100,0%

Hotel portfolio by region and brand at June 30, 2009

In number of hotels	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Total
Sofitel	15	20	9	10	72	126
Pullman	13	12	-	-	15	40
Novotel	124	141	7	18	102	392
Mercure	255	235	-	81	126	697
Adagio	21	3	-	-	-	24
Suitehotel	18	6	-	-	2	26
All Seasons	28	2	-	-	30	60
Ibis	379	302	-	54	96	831
Etap Hotel	287	112	-	-	-	399
Formule 1	268	34	-	10	49	361
Motel 6 / Studio 6	-	-	1 020	-	-	1 020
Other	6	22	-	1	26	55
Total	1 414	889	1 036	174	518	4 031
Total (in %)	35,1%	22,1%	25,7%	4,3%	12,9%	100,0%

In number of rooms	France	Europe (excl. France)	North America	Latin America & Caribbean	Other countries	Total
Sofitel	1 915	4 789	2 893	1 745	19 565	30 907
Pullman	3 378	2 824	-	-	4 686	10 888
Novotel	16 342	26 434	1 957	2 955	23 205	70 893
Mercure	23 724	31 363	-	10 628	20 830	86 545
Adagio	3 011	253	-	-	-	3 264
Suitehotel	2 094	931	-	-	292	3 317
All Seasons	2 318	117	-	-	3 518	5 953
Ibis	33 403	38 398	-	8 231	17 814	97 846
Etap Hotel	22 167	11 384	-	-	-	33 551
Formule 1	19 894	2 461	-	2 905	4 090	29 350
Motel 6 / Studio 6	-	-	102 952	-	-	102 952
Other	813	3 664	-	385	5 003	9 865
Total	129 059	122 618	107 802	26 849	99 003	485 331
<i>Total (in %)</i>	<i>26,6%</i>	<i>25,3%</i>	<i>22,2%</i>	<i>5,5%</i>	<i>20,4%</i>	<i>100,0%</i>

Hotel development projects in progress at June 30, 2009

The number of new rooms represented by hotel development projects in progress at June 30, 2009 is as follows:

In number of rooms	Owned	Fixed Lease	Variable Lease	Managed	Franchised	Total
2009	1 840	1 241	2 429	7 681	5 250	18 441
2010	6 265	1 268	3 382	13 536	6 265	30 716
2011	4 063	1 175	3 353	17 476	2 251	28 318
2012 and after	2 386	-	2 527	20 059	248	25 220
Total	14 554	3 684	11 691	58 752	14 014	102 695

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.

The difference between the cost of the additional stake and the net assets acquired amounted to €44 million before deferred taxes. Of this, €31 million was recognized as fair value adjustments to 21 hotel properties. After purchase accounting adjustments, goodwill amounted to €13 million.

The acquired items are as follows (in € millions and on a 100% basis):

	ORBIS Historical cost
Property, plant and equipment	403
Intangible assets	126
Financial assets	3
<i>Non-current assets</i>	532
Cash and cash equivalents	21
<i>Current assets (excluding cash and cash equivalents)</i>	96
<i>Non current liabilities</i>	119
<i>Current liabilities</i>	132
Net assets acquired	398

Revenue of the acquired company in 2008	328
Net Profit of the acquired company in 2008	26
Net Profit of the acquired company from the date of the acquisition	4

B.1.3. Buyout of the remaining 50% stake in hotel operations in Portugal in 2007

At the beginning of July 2007, Accor acquired for €69 million the Armorim group's 50% stake in the joint venture created by the two companies in 1997 to develop and operate hotels in Portugal. At the same time, Accor sold the Sofitel Thalassa Vilalara to Amorim for €27 million.

Following completion of these transactions, Accor became the sole owner of its hotel operations in Portugal, with a portfolio of 29 hotels. These operations were proportionately consolidated in the first half of 2007 and fully consolidated from July 1, 2007.

The difference between the cost of the additional stake in the joint venture and Accor's equity in the underlying net assets amounted to €14 million. Purchase accounting adjustments included fair value adjustments (excluding deferred taxes) to the assets of four Ibis hotels for €12 million (of which €5 million allocated to lands and €7 million to the buildings) and one Mercure unit (of which €1 million to the building). Goodwill recognized on the transaction came to €4 million.

B.1.4. 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 €200 million.

B.2. PREPAID SERVICES DIVISION DEVELOPMENT STRATEGY

B.2.1. 2006 Acquisitions

In **February 2006**, Accor Services first acquired **Stimula**, an organizer of distribution network and sales force incentive programs. With this acquisition, Accor Services became the leading player in the French corporate incentive market, with revenues (including Stimula) of some €200 million and 200 employees in France. Stimula was acquired for €7.3 million, paid in cash. The business combination was accounted for by the purchase method, leading to the recognition of contractual customer relationships in intangible assets for €1.6 million and goodwill for €5.6 million.

In **March 2006**, Accor Services acquired **Commuter Check Services Corporation**, an American company issuing transit vouchers. These checks allow companies to help their employees finance their daily commuting expenses. Commuter Check Services Corporation is a major player in this market in the US, with business volumes of \$79 million in 2005, a portfolio of around 3,700 customers and 110,000 users in 10 major American cities, including San Francisco, Boston and Philadelphia, in particular. Commuter Check Services Corporation was acquired for \$35 million (€28.4 million) paid in cash. The business combination was accounted for by the purchase method, leading to the recognition of contractual customer relationships in intangible assets for €2.1 million and goodwill for €25.5 million. Commuter Check Services Corporation reported 2007 revenue of €6 million.

In **August 2006**, the acquisition of Italian meal voucher issuer **Serial** consolidated Accor Services Italy's leadership position. Since its creation in 1998, Serial had established a strong position in the small business segment, with an issue volume more than €97 million. Serial was acquired for €42.9 million, paid in cash. The business combination was accounted for by the purchase method, leading to the recognition of contractual customer relationships in intangible assets for €7.3 million and goodwill for €34.9 million. Serial reported 2007 revenue of €9 million.

B.2.2. 2007 Acquisitions

In **January 2007**, Accor Services acquired **Autocupon**, Mexico's second largest petrol cards seller from the Pegaso group. The acquisition cost included €7 million in cash and an estimated €1 million earn-out payment.

In **January 2007**, Accor Services acquired **Tintelingen B.V.**, a B2B issuer of Christmas gift cards in the Netherlands, offering a wide range of products and services. The acquisition cost included €3 million in cash and an estimated €1 million earn-out payment at the end of June 2009.

In **March 2007**, Accor Services acquired **Kadéos**, the PPR group's gift card and voucher business. This acquisition positions Accor Services as the leader of the gift card and voucher market in France. These products for businesses and consumers are sold in more than 82 chains and can be used in nearly 1,000 stores in France, as well as on e-commerce sites. Kadéos was acquired for €211 million, paid in cash. The difference between the cost of the business combination and the net assets acquired amounted to €218 million before deferred taxes. Of this, €19 million was recognized under "contractual customer relationships", €19 million under "brands", €18 million under "exclusive distribution rights" and €181 million under "goodwill". Kadéos generated €29 million in revenue in 2007.

In **June 2007**, Accor Services acquired **Surfgold**, Asia's leading provider of marketing services, for €10 million paid in cash plus an estimated €4 million earn-out payment. By providing access to Surfgold's portfolio of leading Asian companies and to its incentive and loyalty program management platform, the acquisition enables Accor Services to professionalize and broaden the scope of its reward and loyalty programs, especially its range of gift vouchers. The difference between the cost of the business combination and the net assets acquired amounted to €9 million before deferred taxes. Of this, €5 million was recognized under "contractual customer relationships". The €5 million earn-out payment made during the first half of 2009 was added to the original goodwill.

In **September 2007**, Accor Services acquired **PrePay Technologies Ltd**, the UK's leading issuer of prepaid card solutions for a total of €57 million paid in cash plus an approximately €3 million earn-out payment made at the end of 2008. This acquisition strengthens Accor Services' leadership position and diversifies its portfolio of products and prepaid services in the UK. The difference between the cost of the business combination and the net assets acquired amounted to €53 million before deferred taxes. Of this, €14 million was recognized under "IT platform", €3 million under "contractual customer relationships", €2 million under "brands" and €1 million under "e-money user licence".

In **December 2007**, Accor Services acquired the 64% interest previously held by venture capital firm GeoCapital Partners in **Motivano UK**, a leading online employee benefits solution provider. Motivano UK's current management

team will retain a 36% interest in the company. The acquisition will further strengthen Accor Services' position as a leading provider of solutions in the area of employee and constituent benefits. Motivano UK was acquired for €6 million in cash. The difference between the cost of the business combination and the net assets acquired amounted to €10 million before deferred taxes. Of this, €2 million was recognized under "contractual customer relationships", €1 million under "IT Platform" and €1 million under "brands". Motivano UK reported 2008 revenue of €3 million.

B.2.3. 2008 Acquisitions:

In January 2008, Accor Services acquired 80 % of **Quasar**, a German reward and loyalty program operator, for €10 million in cash. The difference between the cost of the business combination and the net assets acquired amounted to €9 million before deferred taxes. Of this, €2 million was recognized under "contractual customer relationships" and €1 million was recognised under "brands". Quasar generated €11 million in revenue in 2008.

B.2.4. Developments in first-half 2009

On February 9, 2009 Accor Services and MasterCard entered into a strategic alliance resulting in the creation of a new company, PrePay Solutions. Accor is the majority shareholder with 67%, while MasterCard Europe holds a 33% stake. The creation of PrePay Solutions is underpinned by Accor Services' subsidiary PrePay Technologies Limited, the UK market leader in prepaid cards that was acquired in 2007.

The new company will combine the prepaid and electronic payments expertise of both organizations. PrePay Solutions will market prepaid card-based solutions enabling corporations, the public sector and financial institutions to reduce costs and enhance efficiency.

B.3. ACQUISITION OF 50% OF ACCOR BRAZIL IN 2006

At the beginning of December 2006, Accor acquired Brookfield Asset Management Inc.'s and Espirito Santo Resources, Ltd.'s combined 50% stake in Brazil's Ticket Serviços for €197 million.

Ticket Serviços manages prepaid services vouchers and hotels in Brazil under Accor brands and food catering services under a local brand. It was previously jointly held by Accor (50%), Brookfield Asset Management Inc. (40%) and Espirito Santo Resources, Ltd. (10%). With the completion of the transaction, Accor held 100% of the company's prepaid services vouchers and hotel operations and a 50% stake in its food services operations, with Compass owning the other 50%.

The business combination was accounted for by the purchase method, leading to the recognition of goodwill for €163 million.

B.4. ACCOR INCREASED AT 49% ITS STAKE IN GROUPE LUCIEN BARRIÈRE IN 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 had been €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.

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 first-half 2009, Colony Capital sold 3,358,006 Accor shares and purchased 1,638,971 new Accor shares. As a result, the concert group held 64,549,554 shares at June 30, 2009, representing 28.66% of the capital and 32.81% of the voting rights.

In July, the concert group continued to buy and sell Accor shares and voting rights, to end up with 65,844,245 shares at July 31, representing 29.23% of the capital and 27.96% of the voting rights.

D. Two Bond Issue

Accor completed successfully two €600 million bond issues in 2009:

- On January 28th 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 April 23th 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.

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

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 2009	June 2008	2008
HOTELS	898	1 001	308	99	217	11	2 534	2 803	5 750
Upscale and Midscale Hotels	562	665	27	51	156	11	1 472	1 671	3 427
Economy Hotels	336	336	-	48	61	0	781	845	1 723
Economy Hotels US	-	-	281	-	-	-	281	287	600
PREPAID SERVICES	102	157	7	175	24	-	465	459	978
OTHER BUSINESSES	246	115	-	-	47	3	411	496	994
Casinos	156	-	-	-	7	-	163	170	346
Restaurants	49	-	-	-	1	-	50	134	187
Onboard Train Services	41	83	-	-	-	-	124	148	306
Holding Companies and other	0	32	-	-	39	3	74	44	155
Total June 2009	1 246	1 273	315	274	288	14	3 410		
Total June 2008	1 383	1 375	326	350	314	10		3 758	
Total 2008	2 787	2 935	683	663	633	21			7 722

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

Consolidated revenue for June 30, 2009 totalled €3,410 million, compared with €3,758 million for the same period of 2008. The period-on-period decrease of €348 million or (9.3) % breaks down as follows:

✓ Like-for-like growth	(304)	€ m	(8,1)%
✓ Business expansion	+161	€ m	+4,3%
✓ Currency effects	(36)	€ m	(1,0)%
✓ Disposals	(169)	€ m	(4,5)%
Decrease in first-half 2009 Revenue	(348)	€ m	(9,3)%

Decrease in first-half 2009 consolidated revenue by business:

	Reported change	Like-for-like change	
	€ m	€ m	%
HOTELS	(269)	(320)	(11,4)%
Upscale and Midscale Hotels	(199)	(221)	(13,3)%
Economy Hotels	(64)	(62)	(7,3)%
Economy Hotels US	(6)	(37)	(12,8)%
PREPAID SERVICES	+6	+26	+5,7%
OTHER BUSINESSES	(85)	(10)	(2,0)%
Casinos	(7)	(10)	(5,9)%
Restaurants	(84)	(10)	(7,5)%
Onboard Train Services	(24)	+6	+3,7%
Holding Companies and other	+30	+4	+10,2%
Group Total	(348)	(304)	(8,1)%

Decrease in first-half 2009 consolidated revenue by region:

	Reported change	Like-for-like change	
	€ m	€ m	%
France	(137)	(98)	(7,1)%
Europe (excl. France)	(102)	(157)	(11,4)%
North America	(11)	(44)	(13,6)%
Latin America & Caribbean	(76)	+10	+2,8%
Other Countries	(26)	(12)	(3,8)%
Worldwide Structures	+4	(3)	(28,4)%
Group Total	(348)	(304)	(8,1)%

At June 30, 2009, **revenue from managed and franchised hotels**, included in the hotels' revenue presented above of €2,534 million, amounted to €96 million. This amount breaks down as follows:

In € millions	Management fees	Franchise fees	June 2009	June 2008	2008
HOTELS					
Upscale and Midscale Hotels	55	12	67	83	167
Economy Hotels	7	15	22	21	44
Economy Hotels United States	-	7	7	4	11
Total June 2009	62	34	96		
Total June 2008	75	33		108	
Total 2008	154	68			222

Note 4. Operating Expense

In € millions		2008	June 2008	June 2009
Cost of goods sold	(1)	(806)	(308)	(338)
Employee benefits expense	(2)	(2 790)	(1 381)	(1 306)
Energy, maintenance and repairs		(386)	(188)	(191)
Taxes, insurance and service charges (co-owned properties)		(267)	(138)	(134)
Other operating expense	(3)	(1 183)	(655)	(517)
TOTAL OPERATING EXPENSE		(5 432)	(2 670)	(2 486)

(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	2008	June 2008	June 2009
Full-time equivalent (*)	85 592	81 104	79 423
Ratio employee benefits expense / FTE (€k)	(33)	(34)	(33)

(*) 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 €10.5 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 2009	June 2008	2008
HOTELS	235	291	90	23	47	14	700	874	1 815
Upscale and Midscale Hotels	133	168	3	6	24	13	347	461	950
Economy Hotels	102	123	-	17	23	1	266	304	636
Economy Hotels US	-	-	87	(0)	-	-	87	109	229
PREPAID SERVICES	33	79	2	88	8	(9)	201	195	426
OTHER BUSINESSES	20	6	(0)	(1)	11	(13)	23	19	49
Casinos	15	-	-	-	2	-	17	21	50
Restaurants	2	-	-	-	(0)	-	2	9	14
Onboard Train Services	3	1	-	-	-	0	4	3	11
Holding Companies and other	(0)	5	(0)	(1)	9	(13)	(0)	(14)	(26)
Total June 2009	288	376	92	110	66	(8)	924		
Total June 2008	338	479	118	107	68	(22)		1 088	
Total 2008	713	995	252	226	141	(37)			2 290

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

Consolidated EBITDAR for June 30, 2009 totalled €924 million compared with €1,088 million for the same period of 2008. The period-on-period decrease breaks down as follows:

✓ Like-for-like growth	(163)	€ m	(15,0)%
✓ Business expansion	+28	€ m	+2,6%
✓ Currency effects	(14)	€ m	(1,3)%
✓ Disposals	(15)	€ m	(1,4)%
Decrease in first-half 2009 EBITDAR	(164)	€ m	(15,1)%

Decrease in first-half 2009 EBITDAR by business:

	Reported change	Like-for-like change	
	€ m	€ m	%
HOTELS	(174)	(191)	(21,8)%
Upscale and Midscale Hotels	(114)	(121)	(26,2)%
Economy	(38)	(40)	(13,2)%
Economy US	(22)	(30)	(27,6)%
PREPAID SERVICES	+6	+13	+6,8%
OTHER BUSINESSES	+4	+15	+77,1%
Casinos	(4)	(3)	(16,2)%
Restaurants	(7)	(2)	(18,5)%
Onboard Train Services	+1	+3	+83,5%
Holding Companies and other	+14	+17	+127,5%
Group total	(164)	(163)	(15,0)%

Decrease in first-half 2009 EBITDAR by region:

	Reported change	Like-for-like change	
	€ m	€ m	%
France	(50)	(46)	(13,7)%
Europe (excl. France)	(103)	(112)	(23,3)%
North America	(26)	(35)	(29,6)%
Latin America & Caribbean	+3	+13	+12,4%
Other Countries	(2)	+6	+8,2%
Worldwide Structures	+14	+11	+50,8%
Group total	(164)	(163)	(15,0)%

Note 6. Rental Expense

Rental expense amounted to €435 million in June 2009 compared with €903 million in December 2008 and €453 million in June 2008.

In accordance with the policy described in Note 1.D.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, 2009 was €169 million (see Note 30.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 €435 million in rental expense corresponds to 1,355 hotel leases, including 32.8% 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	2008	June 2008	June 2009
HOTELS	(886)	(442)	(427)
Upscale and Midscale Hotels	(529)	(269)	(247)
Economy	(258)	(124)	(129)
Economy US	(99)	(49)	(51)
PREPAID SERVICES	(16)	(8)	(9)
OTHER BUSINESSES	(1)	(3)	1
Casinos	(5)	(4)	(2)
Restaurants	(4)	(3)	(1)
Onboard Train Services	(3)	(1)	(1)
Holding Companies and other	11	5	5
Total	(903)	(453)	(435)

B. Rental expense by type of contract

Rental expense breaks down as follows by type of contract:

In € millions	Number of hotels (1)	June 2009 rental expense (6 months)	Fixed rental expense (6 months)	Variable rental expense	Fixed rental expense (12 months)
Fixed rent with purchase option	444	(62)	(62)	-	(124)
Fixed rent without purchase option	324	(133)	(133)	-	(266)
Fixed rent with a variable portion (2)	72	(36)	(30)	(6)	(60)
Land rent	-	(8)	(7)	(1)	(14)
Office rental expenses (Hotels business)	-	(13)	(12)	(1)	(24)
Fees on intragroup rent guarantees on Hotels business	-	(10)	(8)	(2)	(16)
Total hotel fixed rental expense	840	(262)	(252)	(10)	(504)
Variable rent with a minimum (3)	97	(34)	(30)	(4)	(60)
Variable rent with a minimum and cap (4)	8	(7)	(3)	(4)	(6)
Variable rent without a minimum (5)	410	(124)	-	(124)	-
Total hotel variable rental expense	515	(165)	(33)	(132)	(66)
Total hotel rental expense	1 355	(427)	(285)	(142)	(570)
Rental expense not related to hotels	-	(18)	(16)	(2)	(32)
Internal lease guarantee fees	-	10	8	2	16
Total rental expense	1 355	(435)	(293)	(142)	(586)

(1) Detail by brand and type of contract at June 30, 2009 is presented as follows:

Leased hotels at June 30, 2009	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	-	3	-	7	16
Pullman	-	5	3	4	-	2	14
Novotel	3	50	11	17	4	90	175
Mercure	9	69	21	16	1	67	183
Adagio	-	3	-	-	-	-	3
Suitehotel	3	6	-	-	-	-	9
All Seasons	-	2	8	-	-	3	13
Ibis	20	100	15	52	2	159	348
Etap Hotel	1	56	1	4	1	71	134
Formule 1	80	2	12	-	-	10	104
Motel 6	326	22	1	1	-	-	350
Other	1	4	-	-	-	1	6
Total	444	324	72	97	8	410	1 355

(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 (376 hotels), or a percentage of EBITDAR (34 hotels). None of the leases contains any minimum rent clauses.

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
2009	(266)	2018	(394)
2010	(538)	2019	(355)
2011	(527)	2020	(321)
2012	(515)	2021	(269)
2013	(502)	2022	(243)
2014	(487)	2023	(216)
2015	(477)	2024	(176)
2016	(463)	2025	(151)
2017	(436)	>2026	(603)
		Total	(6 939)

At June 30, 2009, 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 €3,967 million.

Interest expense related to adjusted net debt, estimated at 8%, amounted to €316 million. The difference between the 2010 minimum rent (€538 million) and interest expense (€316 million) amounted to €222 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 & Caribbean	Other Countries	Worldwide Structures (1)	June 2009	June 2008	2008
HOTELS	128	73	39	7	16	11	274	432	930
Upscale and Midscale Hotels	63	19	3	2	3	10	100	193	422
Economy Hotels	65	54	-	5	13	1	138	179	378
Economy Hotels US	-	-	36	(0)	-	-	36	60	130
PREPAID SERVICES	31	75	2	87	6	(9)	192	187	410
OTHER BUSINESSES	13	6	(0)	(1)	13	(8)	23	16	47
Casinos	11	-	-	-	4	-	15	16	45
Restaurants	1	-	-	-	(0)	-	1	6	10
Onboard Train Services	1	1	-	-	-	0	2	2	9
Holding Companies and other	(0)	5	(0)	(1)	9	(8)	5	(8)	(17)
Total June 2009	172	154	41	93	35	(6)	489		
Total June 2008	219	248	69	87	32	(20)		635	
Total 2008	478	531	152	187	71	(32)			1 387

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

Consolidated EBITDA for June 30, 2009 totalled €489 million compared with €635 million for the same period of 2008.

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

✓ Like-for-like growth	(152)	€ m	(23,9)%
✓ Business expansion	+27	€ m	+4,2%
✓ Currency effects	(8)	€ m	(1,3)%
✓ Disposals	(13)	€ m	(2,2)%
Decrease in first-half 2009 EBITDA	(146)	€ m	(23,2)%

Decrease in first-half 2009 EBITDA by business:

	Reported change	Like-for-like change	
	€ m	€ m	%
HOTELS	(158)	(179)	(41,4)%
Upscale and Midscale Hotels	(93)	(110)	(56,9)%
Economy	(41)	(39)	(21,8)%
Economy US	(24)	(30)	(49,7)%
PREPAID SERVICES	+5	+12	+6,3%
OTHER BUSINESSES	+7	+15	+94,1%
Casinos	(1)	(3)	(17,9)%
Restaurants	(5)	(2)	(28,7)%
Onboard Train Services	0	+3	+150,8%
Holding Companies and other	+13	+17	+214,2%
Group total	(146)	(152)	(23,9)%

Decrease in first-half 2009 EBITDA by region:

	Reported change	Like-for-like change	
	€ m	€ m	%
France	(47)	(42)	(19,0)%
Europe (excl. France)	(94)	(106)	(42,7)%
North America	(28)	(35)	(50,8)%
Latin America & Caribbean	+6	+14	+15,8%
Other Countries	+3	+6	+17,9%
Worldwide Structures	+14	+11	+54,2%
Group total	(146)	(152)	(23,9)%

Note 8. Depreciation, Amortization and Provision Expense

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

In € millions	2008	June 2008	June 2009
Depreciation and amortization	(442)	(201)	(243)
Provision	(4)	(9)	(4)
Total	(446)	(210)	(247)

Note 9. EBIT by Business and Region

In € millions	France	Europe (excl. France)	North America	Latin America & Caribbean	Other Countries	Worldwide Structures (1)	June 2009	June 2008	2008
HOTELS	65	(3)	1	2	(1)	7	71	266	566
Upscale and Midscale Hotels	22	(34)	1	(2)	(8)	5	(16)	102	215
Economy Hotels	43	31	-	4	7	2	87	133	284
Economy Hotels US	-	-	0	(0)	-	-	0	31	67
PREPAID SERVICES	26	70	1	83	5	(10)	175	171	379
OTHER BUSINESSES	(1)	(4)	(0)	(1)	12	(10)	(4)	(12)	(4)
Casinos	0	-	-	-	4	-	4	6	23
Restaurants	(2)	-	-	-	(0)	-	(2)	3	4
Onboard Train Services	1	(1)	-	-	-	0	0	(1)	4
Holding Companies and other	(0)	(3)	(0)	(1)	8	(10)	(6)	(20)	(35)
Total June 2009	90	63	2	84	16	(13)	242		
Total June 2008	143	178	38	78	15	(27)		425	
Total 2008	321	377	84	168	36	(45)			941

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

Consolidated EBIT for June 30, 2009 totalled €242 million compared with €425 million for the same period of 2008.

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

✓ Like-for-like growth	(166)	€ m	(39,0)%
✓ Business expansion	(8)	€ m	(1,8)%
✓ Currency effects	(9)	€ m	(2,2)%
✓ Disposals	(0)	€ m	(0,0)%
Decrease in first-half 2009 EBIT	(183)	€ m	(43,0)%

Decrease in first-half 2009 EBIT by business:

	Reported change	Like-for-like change	
	€ m	€ m	%
HOTELS	(195)	(192)	(72,3)%
Upscale and Midscale Hotels	(118)	(118)	(115,6)%
Economy	(46)	(44)	(33,0)%
Economy US	(31)	(30)	(99,0)%
PREPAID SERVICES	+4	+9	+5,1%
OTHER BUSINESSES	+8	+17	+149,4%
Casinos	(2)	(3)	(53,4)%
Restaurants	(5)	(2)	(62,5)%
Onboard Train Services	+1	+2	+332,9%
Holding Companies and other	+14	+20	+101,7%
Group total	(183)	(166)	(39,0)%

Decrease in first-half 2009 EBIT by region:

	Reported change	Like-for-like change	
	€ m	€ m	%
France	(53)	(47)	(32,5)%
Europe (excl. France)	(115)	(111)	(62,3)%
North America	(36)	(36)	(95,8)%
Latin America & Caribbean	+6	+13	+16,2%
Other Countries	+1	+5	+35,0%
Worldwide Structures	+14	+10	+37,4%
Group total	(183)	(166)	(39,0)%

Note 10. Net Financial Expense

In € millions	2008	June 2008	June 2009
Net financial expense (1)	(102)	(50)	(60)
Other financial income and expense (2)	16	-	2
Net financial expense	(86)	(50)	(58)

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

In € millions	2008	June 2008	June 2009
- Net financial expense - cash	(99)	(49)	(59)
- Net financial expense - non-cash	(3)	(1)	(1)
Total Net financial expense	(102)	(50)	(60)

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	2008	June 2008	June 2009
- Dividend income from non-consolidated companies (Available for sale financial assets)	1	-	-
- Exchange gains and losses (excl. financial instruments at fair value)	12	-	2
- Movements in provisions	3	-	-
Total Other financial income and expense	16	-	2

Exchange gains and losses mainly concern foreign currency debt measured at amortized cost and various dividend and capital flows in foreign currencies.

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

In € millions	2008	June 2008	June 2009
Share of profit of associates before tax	27	22	(1)
Share of tax of associates	(7)	(4)	(1)
Share of profit of associates after tax	20	18	(2)

The main contributions are as follows:

In € millions	2008	June 2008	June 2009
Asia/Australia Hotels	3	2	1
Orbis (Hotels, Poland) (*) (Note 2.B.1.2)	9	10	-
Tunisian and Moroccan investment funds (STI and RISMA)	0	-	-
Sofitel London St James (Hotels, UK)	1	-	-
Société Hôtelière Paris les Halles	4	4	-
Sofitel Hotels US	2	-	(1)
The Grand Real Estate	-	-	(1)
Other	1	2	(1)
Share of profit of associates after tax	20	18	(2)

(*) Following the acquisition of an additional 4.53% interest in Orbis during the second half of 2008, this sub-group has been fully consolidated.

Note 12. Restructuring Costs

Restructuring costs can be analyzed as follows:

In € millions	2008	June 2008	June 2009
Movements in Restructuring provisions	6	13	(13)
Restructuring costs	(62)	(23)	(40)
Total Restructuring costs	(56)	(10)	(53)

Restructuring costs in 2008 and 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

In € millions	2008	June 2008	June 2009
Goodwill	(14)	(13)	(155)
Intangible assets	-	-	(9)
Property, plant and equipment	(43)	(23)	(30)
Financial assets	-	-	-
Impairment Losses	(57)	(36)	(194)

The main assets and cash generating units for which impairment losses were recognized in 2008 and 2009 were as follows:

A. Impairment of goodwill

In € millions	2008	June 2008	June 2009
HOTELS	(10)	(9)	(151)
Upscale and Midscale Hotels	(7)	(7)	(33)
Economy Hotels	(3)	(2)	0
Economy Hotels US	-	-	(118)
PREPAID SERVICES	(2)	(2)	(1)
OTHER BUSINESSES	(2)	(2)	(3)
Casinos	-	-	-
Restaurants	(1)	(1)	(1)
Onboard Train Services	-	-	-
Holding Companies and other	(1)	(1)	(2)
TOTAL	(14)	(13)	(155)

In 2008, impairment losses resulted mainly from reviews of the recoverable amount of residual goodwill.

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).

Sensitivity analysis:

At December 31, 2008, a 25-basis point increase in the discount rate would have no impact on impairment losses recognized in 2008. A 50-basis point increase in the discount rate would have the effect of increasing impairment losses recognized in 2008 by approximately €15 million. A 100-basis point increase would have a €106 million impact, mainly on hotel assets in the United States.

At June 30, 2009, the use of a 7.44% WACC (corresponding to the Group's WACC plus 25 basis points) would have no impact on impairment losses recognized at that date. The use of a 7.69% WACC (corresponding to the Group's WACC plus 50 basis points) would have an impact of around €24 million and the use of an 8.19% WACC (corresponding to the Group's WACC plus 100 basis points) would have an impact of around €114 million.

B. Impairment of intangible assets with an indefinite useful life

Impairments recognized in 2008 were not material.

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.

C. Impairment of property, plant and equipment

In € millions	2008	June 2008	June 2009
HOTELS	(43)	(23)	(30)
Upscale and Midscale Hotels	(21)	(7)	(17)
Economy Hotels	(14)	(9)	(10)
Economy Hotels US	(8)	(7)	(3)
PREPAID SERVICES	-	-	-
OTHER BUSINESSES	-	-	0
Casinos	-	-	-
Restaurants	-	-	0
Onboard Train Services	-	-	-
Holding Companies and other	-	-	-
TOTAL	(43)	(23)	(30)

In 2008, the €43 million in impairment losses on property, plant and equipment corresponded mainly to provisions booked on the basis of regular reviews of asset values. Impairment losses recognized during the year concerned 75 hotels for €47 million and impairment losses reversed during the year concerned 15 hotels for €4 million.

In first-half 2009, impairment losses recognized during the semester concerned 67 hotels for €30 million. No impairment losses were reversed during the period.

Note 14. Gains and Losses on Management of Hotel Properties

In € millions	2008	June 2008	June 2009
Disposal gains and losses	109	107	2
Provisions for losses on hotel properties	2	-	(13)
Total	111	107	(11)

In first-half 2008, the total included:

- ✓ An €85 million gain on the sale to Axa Reim of 49 units under a sale-and-variable leaseback arrangement based on a percentage of revenue (see Note 2.A.2.1).
- ✓ A €7 million gain on the sale in France of units under a sale and franchise-back arrangement.
- ✓ €15 million in gains on disposal of non-strategic assets in Europe.

In 2008, the total included:

- ✓ An €87 million gain on the sale to Axa REIM of 55 units under a sale-and-variable leaseback arrangement based on a percentage of revenue (see Note 2.A.2.1).
- ✓ A €9 million gain on the sale in France of units under a sale and franchise-back arrangement.
- ✓ €12 million in gains on disposal of non-strategic assets in Europe

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.
- ✓ €5 million in losses 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.

Note 15. Gains and Losses on Management of Other Assets

In € millions	2008	June 2008	June 2009
Disposal gains and losses	41	36	1
Provision movements	(5)	(4)	(2)
Gains and losses on non-recurring transactions	(23)	(9)	(3)
Total	13	23	(4)

In first-half 2008, the total mainly included:

- ✓ A €34 million gain on the sale of the Brazilian Food Services Business.
- ✓ An additional €4 million impairment loss recognized on the Club Méditerranée shares held by the Group.

In fiscal 2008, the total mainly included:

- ✓ Net gains on disposals of non-strategic assets for €41 million, including the Brazilian Food Services Business (€32 million gain) and office properties (€7 million gain).
- ✓ An additional €23 million impairment loss recognized on the Club Méditerranée shares held by the Group.

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.

Note 16. Income Tax Expense

Note 16.1 Income tax expense for the period

In € millions	2008	June 2008	June 2009
Current tax	(254)	(149)	(73)
Sub-total, current tax	(254)	(149)	(73)
Deferred taxes (expense) income on new temporary differences and reversals of temporary differences arising in prior periods	(20)	(4)	21
Deferred taxes arising from changes in tax rates or tax laws	1	1	-
Sub-total, deferred tax	(19)	(3)	21
Income tax expense excluding tax on the profits of associates	(273)	(152)	(52)
Tax on profits of associates	(7)	(4)	(1)
Tax of the period	(280)	(156)	(53)

Note 16.2. Effective tax rate

In € millions	2008	June 2008	June 2009
Operating profit before tax (a)	886	477	(80)
Non deductible impairment losses	(18)	(8)	162
Elimination of intercompany capital gains	298	208	35
Tax on share of profit (loss) of associates	7	4	1
Other	7	8	5
Total permanent differences (non-deductible expenses) (b)	294	212	203
Untaxed profit and profit taxed at a reduced rate (c)	(422) (*)	(341)	(33)
Profit taxed at standard rate (d) = (a) + (b) + (c)	758	348	90
Standard tax rate in France (e)	34,43%	34,43%	34,43%
Tax at standard French tax rate (f) = (d) x (e)	(261)	(120)	(31)
Effects on tax at standard French tax rate of:			
. Differences in foreign tax rates	39	20	7
. Unrecognized tax losses for the period	(31)	(19)	(22)
. Utilization of tax loss carryforwards	7	2	3
. Changes in deferred tax rates	1	1	-
. Share of profit (loss) of associates	7	4	1
. Net charges to/reversals of provisions for tax risks	(6)	(6)	(2)
. Other items	-	(9)	(8)
Total effects on tax at standard French tax rate (g)	17	(7)	(21)
Tax at standard rate (h) = (f) + (g)	(244)	(127)	(52)
Tax at reduced rate (i)	(29) (*)	(25)	-
Income tax expense (j) = (h) + (i)	(273)	(152)	(52)
Pre-tax operating profit taxed at standard rate	757	348	90
Income tax expense	(222)	(100)	(24)
Group effective tax rate	29,3%	28,7%	26,2%

(*) In 2008, untaxed profit and profit taxed at a reduced rate mainly concerns real estate transactions in France and Switzerland with Axa Reim (see. Note 2.A.2.1). In France, €80.9 million in capital gains were taxed at the rate of 16.5% under the SIIC (REIT-style) tax regime, representing €13 million in tax, while in Switzerland, capital gains of €18.9 million were taxed in the amount of €6.8 million.

In addition, gains on sales of shares in France (mainly Accor Services shares transferred within the Group) were taxed at the reduced rate of 5%.

Note 16.3 Details of deferred tax (Balance Sheet)

In € millions	2008	June 2008	June 2009
Timing differences between company profit and taxable profit	164	130	162
Timing differences between consolidated profit and company profit	57	46	29
Recognized tax losses	5	19	37
Sub-total, deferred tax assets	226	195	228
Timing differences between company profit and taxable profit	40	27	36
Timing differences between consolidated profit and company profit	159	147	154
Sub-total, deferred tax liabilities	199	174	190
Deferred tax assets, net (liabilities)	27	21	38

Note 16.4 Unrecognized deferred tax assets

Unrecognized deferred tax assets at June 30, 2009 amounts to €227 million (December 31, 2008: €204 million and June 30, 2008: €200 million).

Unrecognized deferred tax assets at June 30, 2009 will expire in the following periods if not utilized:

In € millions	Deductible temporary differences	Tax loss carryforwards (1)	Tax credits	Total
Y+1	-	5	-	5
Y+2	-	1	-	1
Y+3	1	1	-	2
Y+4	6	23	-	29
Y+5 and beyond	3	18	-	21
Evergreen	-	169	-	169
Deferred tax, net	10	217	-	227

(1) Unrecognized deferred tax assets at June 30, 2009 include €74 million corresponding to the tax loss carry forwards of the NewGen companies in Germany, France and Austria (see Note 2.B.1.4).

Note 17. Profit or Loss from Discontinued Operations

In accordance with IFRS 5, profit or loss from discontinued operations includes:

- The profit or loss of the period of discontinued operation; and
- The profit or loss recognised on the disposal of the assets constituting the discontinued operations.

In 2008 and 2009, no sale had been classified as discontinued operations.

Note 18. Goodwill

In € millions	June 2008	Dec 2008	June 2009
Goodwill (gross value)	2 325	1 932	2 071
Less impairment losses and amortization	(438)	-	(147)
Goodwill, net	1 887	1 932	1 924

In € millions	Notes	June 2008	Dec 2008	June 2009
HOTELS				
Germany	2.B.1.4	192	201	202
Upscale and Midscale France		180	184	180
Australia		178	144	167
Motel 6		192	212	97
Economy (excluding Motel 6)		90	91	92
Asia		37	41	42
Hungary		25	25	25
Egypt		24	24	24
Poland	2.B.1.2	-	95	13
The Netherlands		13	13	13
Switzerland		11	11	11
Portugal		19	9	9
Italy		33	33	-
Other hotels (< €6 million)		3	2	1
Sub-total Hotels		997	1 085	876
PREPAID SERVICES				
France (Kadéos)	2.B.2.2	181	181	181
Ticket Brazil		144	111	132
United Kingdom		90	83	69
Romania		37	37	37
Italy		36	33	33
USA		32	33	33
Mexico		34	31	31
Sweden		19	19	19
Australia		12	11	12
Germany		14	14	11
Asia		9	10	10
Venezuela		7	9	9
Other Prepaid Services (< €6 million)		73	73	66
Sub-total Prepaid Services		688	645	643
OTHER BUSINESSES				
Casinos (Accor Casinos, SHCD and Groupe Lucien Barrière SAS)	2.B.4	162	162	367
Lenôtre		25	25	24
Other businesses (< €6 million)		15	15	14
Sub-total Other businesses		202	202	405
Goodwill, net		1 887	1 932	1 924

During 2008, accumulated goodwill impairment losses at the first time adoption of IFRSs, were written off by reducing the gross amount of the goodwill concerned.

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

In € millions	Notes	June 2008	Dec 2008	June 2009
Carrying amount at beginning of period		1 967	1 967	1 932
Goodwill recognized on acquisitions for the period and other increases		28	159	230
. Groupe Lucien Barrière SAS . Hotels, Belgium	2.B.4	-	-	204
. Upscale and Midscale Hotels France . Hotels, Germany (Earn-Out Newgen)	2.B.1.4	5	11	2
. Hotels, Poland (Consolidation of Orbis) . Economy Hotels (excluding Motel 6)	2.B.1.2	2	10	1
. Other acquisitions of Prepaid Services . Prepaid Services, Asia (Surfgold)	2.B.2.2	-	104	-
. Prepaid Services, Sweden . Prepaid Services, Mexico		-	1	-
. Prepaid Services, United Kingdom (Acquisition of Motivano) . Prepaid Services, Germany (Acquisition of Quasar)	2.B.2.2	2	8	11
. Prepaid Services, Australia (Davidson & Trahaire) . Prepaid Services, Venezuela (Acquisition of Minority Interests)		1	-	5
. Lenôtre (Acquisition of stores) . Other		-	-	2
		7	8	-
		8	8	-
		-	4	-
		-	2	-
		1	1	-
		2	2	2
Disposals		(77)	(79)	(16)
Impairment losses	13	(13)	(14)	(155)
Translation adjustment		(6)	(64)	53
Reclassifications on Property, Plant and Equipment	(*)	(15)	(27)	(90)
Reclassifications of Assets held for sale		-	-	-
Other reclassifications and movements		3	(10)	(30)
Carrying amount at end of period		1 887	1 932	1 924

(*) Including Orbis purchase accounting adjustments.

Note 19. Intangible Assets

In € millions	June 2008	Dec 2008	June 2009
Gross value			
Motel 6 brand (1)	129	145	143
Kadeos brand (2)	19	19	19
Other brands and networks (3)	67	92	97
Licenses, software	181	164	216
Other intangible assets (4)	228	338	307
Total intangible assets at cost	624	758	782
Accumulated amortization and impairment losses			
Licenses, software	(127)	(120)	(165)
Other intangible assets	(115)	(126)	(114)
Total accumulated amortization and impairment losses	(242)	(246)	(279)
Intangible assets, net	382	512	503

- (1) The decrease in value of the Motel 6 brand at June 30, 2009 was due to the change in the dollar/euro exchange rate (1.392 at December 31, 2008 versus 1.413 at June 30, 2009).
- (2) The Kadeos brand was valued following the acquisition of this company in March 2007 (see Note 2.B.2.2).
- (3) Including €52 million corresponding to land use rights for Ibis and Novotel hotels in China.
- (4) Including €155 million in lease premiums (of which €94 million increase in land use rights following the 2008 acquisition of Orbis) and the €50 million value attributed to customer lists (of which €19 million for Kadeos customer lists).

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

In € millions	June 2008	Dec 2008	June 2009
Carrying amount at beginning of period	369	369	512
Additions	10	13	2
Internally-generated assets	9	22	10
Intangible assets of newly consolidated companies (*)	27	133	6
Amortization for the period	(20)	(42)	(21)
Impairment losses for the period	-	-	(9)
Disposals	(3)	(4)	3
Translation adjustment	(13)	(28)	(3)
Reclassifications	3	49	3
Carrying amount at end of period	382	512	503

(*) Following the acquisition of an additional 4.53% interest in Orbis during the second half of 2008, this sub-group has been fully consolidated.

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

In € millions	June 2008	Dec 2008	June 2009
Motel 6 brand	129	145	143
Kadéos brand	19	19	19
Other brands and Networks	67	92	97
Carrying amount at end of period	215	256	259

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 €7 million have been signed for the purchase of intangible assets at June 30, 2009. 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 2008	Dec 2008	June 2009
Land	378	519	523
Buildings	2 124	2 639	2 867
Fixtures	1 768	2 089	2 203
Equipment and furniture	1 527	1 619	1 688
Constructions in progress	262	312	329
Property, plant and equipment, at cost	6 059	7 178	7 610

In € millions	June 2008	Dec 2008	June 2009
Buildings	(686)	(768)	(860)
Fixtures	(901)	(981)	(1 055)
Equipment and furniture	(971)	(964)	(1 007)
Constructions in progress	(4)	(3)	(4)
Total of amortization	(2 562)	(2 716)	(2 926)
Land	(4)	(6)	(5)
Buildings	(82)	(81)	(98)
Fixtures	(32)	(36)	(39)
Equipment and furniture	(10)	(12)	(15)
Constructions in progress	(3)	(3)	(3)
Total of impairment losses	(131)	(138)	(160)
Accumulated amortization and impairment losses	(2 693)	(2 854)	(3 086)

In € millions	June 2008	Dec 2008	June 2009
Land	374	513	518
Buildings	1 356	1 790	1 909
Fixtures	835	1 072	1 109
Equipment and furniture	546	643	666
Constructions in progress	255	306	322
Property, plant and equipment, net	3 366	4 324	4 524

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

In € millions	June 2008	Dec 2008	June 2009
Net carrying amount at beginning of period	3 321	3 321	4 324
Property, plant and equipment of newly acquired companies	24	423	202
Capital expenditure	456	1 240	(*) 317
Disposals	(106)	(158)	(33)
Amortization for the period	(179)	(393)	(220)
Impairment losses for the period	(23)	(43)	(27)
Translation adjustment	(48)	(89)	(11)
Reclassification of assets held for sale (see Note 33)	(71)	44	(17)
Other reclassifications	(8)	(21)	(11)
Net carrying amount at end of period	3 366	4 324	4 524

(*) Including 9 hotels in France and 84 hotels in the United States acquired following the exercise of purchase options.

At June 30, 2009, contracts totalling €247 million have been signed for the purchase of property, plant and equipment. They are not recognised in the balance sheet. At December 31, 2008, contracts totaled €234 million.

In addition, under the Foncière des Murs transactions (see Note 2.A.2.1 and Note 41), Accor is committed to carrying out €98 million worth of work over the period 2005-2009 and Foncière des Murs is committed to carrying out €151 million worth of work over the same period. At June 30, 2009, €98 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 carrying out €27 million worth of work in France and Switzerland.

Borrowing costs included in the carrying amount of property, plant and equipment at June 30, 2009 came to €3 million (€7 million at December 31, 2008). The capitalization rate used to determine the amount of borrowing costs eligible for capitalization was 4.74% (Group average borrowing cost at December 31, 2008).

Note 20.2 Finance leases

At June 30, 2009, the carrying amount of finance leases recognized in the balance sheet in net value is €108 million (December 31, 2008: €125 million), as follows:

In € millions	June 2008	Dec 2008	June 2009
Land	20	24	22
Buildings	160	160	144
Fixtures	56	66	68
Equipment and furniture	11	15	7
Property, plant and equipment, at cost	247	265	241
Buildings	(88)	(81)	(81)
Fixtures	(38)	(46)	(50)
Equipment and furniture	(9)	(13)	(2)
Cumulated amortization and impairment losses	(135)	(140)	(133)
Property, plant and equipment, net	112	125	108

Finance lease liabilities can be analyzed as follows by maturity:

	Debt in € millions Non Discounted
2009	169
2010	152
2011	137
2012	121
2013	108
2014	99
2015	84
2016	81
2017	77
2018	68
2019	59
2020	55
2021	51
2022	46
> 2023	42

Note 21. Long-Term Loans

In € millions	June 2008	Dec 2008	June 2009
Gross value	108	96	119
Cumulated impairment losses	(18)	(18)	(18)
Long-term loans, net	90	78	101

In € millions	June 2008	Dec 2008	June 2009
Hotels, Asia-Pacific (1)	77	67	77
Other	13	11	24
Total	90	78	101

(1) Loans to hotels in the Asia-Pacific region mainly include loans to Tahl (an Australian property company) for €56 million at June 30, 2009.

Note 22. Investments in Associates

In € millions	June 2008	Dec 2008	June 2009
Accor Asia-Pacific subsidiaries (*)	92	94	107
Moroccan investment fund (RISMA) (1)	34	35	33
Société Hôtelière Paris Les Halles (2)	14	12	12
Egyptian investment fund	10	12	11
The Grand Real Estate (Sofitel The Grand, Hotels, Netherlands) (3)	11	10	8
Sofitel London St James (Hotels, United Kingdom)	5	4	5
Orbis (Hotels, Poland) (Note 2.B.1.2) (4)	276	-	-
Sofitel Hotels, USA (25%) (Note 2.A.2.2) (5)	(9)	(12)	(12)
Other	18	21	20
Total	451	176	184

(*)The Asia-Pacific investments primarily include Interglobe Hotels Entreprises Limited for €36 million, Ambassador Inc and Ambatel Inc (South Korea) for €13 million and Sofitel Mumbai for €9 million.

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

Risma (Moroccan investment fund) (In € millions)	June 2008	Dec 2008	June 2009
Revenue	51	98	43
Net profit (loss)	2	1	(6)
Net cash/(Net debt)	(126)	(138)	(149)
Equity	83	94	87
Market capitalization	205	163	153
Total assets	276	278	297
% 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 2008	Dec 2008	June 2009
Revenue	31	67	29
Net profit (loss)	12	12	0
Net cash/(Net debt)	(80)	(77)	(91)
Equity	42	35	35
Market capitalization	N/A	N/A	N/A
Total assets	156	137	146
% 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 2008	Dec 2008	June 2009
Revenue	N/A	11	4
Net profit (loss)	N/A	(4)	(3)
Net cash/(Net debt)	N/A	(6)	(15)
Equity	N/A	16	15
Market capitalization	N/A	N/A	N/A
Total assets	N/A	28	34
% interest held	N/A	58,00%	58,00%

This company was fully consolidated in 2007 and accounted for by the equity method in 2008 following a sale-and-management-back transaction.

(*) The percentage of control is 40 %

(4) Key figures for Orbis are as follows:

Orbis (Hotels, Poland) (In € millions)	June 2008	Dec 2008	June 2009
Revenue	158	N/A	N/A
Net profit (loss)	21	N/A	N/A
Net cash/(Net debt)	(78)	N/A	N/A
Equity	499	N/A	N/A
Market capitalization	626	N/A	N/A
Total assets	738	N/A	N/A
% interest held	45,48%	N/A	N/A

Following the acquisition of an additional 4.53% interest in Orbis during the second half of 2008, this sub-group has been fully consolidated.

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

Sofitel Hotels USA (In € millions)	June 2008	Dec 2008	June 2009
Revenue	81	167	71
Net profit (loss)	4	8	(4)
Net cash/(Net debt)	(419)	(469)	(463)
Equity	(37)	(46)	(50)
Market capitalization	N/A	N/A	N/A
Total assets	433	481	467
% interest held	25,00%	25,00%	25,00%

Note 23. Other Financial Investments

In € millions	June 2008	Dec 2008	June 2009
Investments in non-consolidated companies (<i>Available for sale financial assets</i>)	166	157	115
Deposits (<i>Loans and Receivables</i>)	64	67	66
Other financial investments, at cost	230	224	181
Accumulated impairment losses	(59)	(75)	(41)
Other financial investments, net	171	149	140

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

Other financial investments break down as follows:

In € millions	June 2008	Dec 2008	June 2009
Club Méditerranée (1)	33	14	1
Other (2)	138	135	139
Other financial investments, net	171	149	140

(1) At June 30, 2009, Accor held 98,800 shares corresponding to around 1% of Club Méditerranée share capital (see Note 2.A.1). The remaining shares were carried in the balance sheet in an amount of €1 million, corresponding to the share price at that date of €10.65 per share.

(2) Including shares in a Dutch property company for €18 million and shares in TAHL, an Australian property company, for €19 million.

Note 24. Receivables and Payables

Note 24.1 Trade receivables and related provision

In € millions	June 2008	Dec 2008	June 2009
Gross value	1 286	1 375	1 414
Provisions	(59)	(62)	(67)
Net	1 227	1 313	1 347

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 2008	Dec 2008	June 2009
Recoverable VAT	225	305	193
Prepaid wages and salaries and payroll taxes	16	9	14
Other prepaid and recoverable taxes (*)	25	24	267
Other receivables	344	345	403
Other prepaid expenses	155	159	233
Other receivables and accruals, at cost	765	842	1 110
Provisions	(19)	(18)	(20)
Other receivables and accruals, net	746	824	1 090

(*) Including €242 million paid by CIWLT in February 2009 in settlement of a tax reassessment (see Note 40).

Note 24.3 Details of other payables

In € millions	June 2008	Dec 2008	June 2009
VAT payable	119	186	103
Wages and salaries and payroll taxes payable	436	490	427
Other taxes payable (*)	339	327	311
Other payables (*)	478	445	452
Deferred income	186	165	156
Other payables	1 558	1 613	1 449

(*) Including €192 million of "précompte" (see Note 40).

Note 24.4 Analysis of other receivables / payables' periods

In € millions at June 30, 2009	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	June 2009	Dec 2008	June 2008
Inventories	71	-	-	71	103	92
Trade receivables	1 347	-	-	1 347	1 313	1 227
Recoverable VAT	166	27	-	193	305	225
Prepaid payroll taxes	14	-	-	14	9	16
Other prepaid and recoverable taxes	267	-	-	267	24	25
Other receivables	381	2	-	383	327	325
CURRENT ASSETS	2 246	29	-	2 275	2 081	1 910
Trade payables	715	1	1	717	765	645
VAT payable	103	-	-	103	186	119
Wages and salaries and payroll taxes payable	410	16	1	427	490	436
Other taxes payable	311	-	-	311	327	339
Other payables	450	2	-	452	445	478
CURRENT LIABILITIES	1 989	19	2	2 010	2 213	2 017

Note 25. Potential Ordinary Shares

Note 25.1. Number of potential shares

At June 30, 2009, the Company's share capital was made up of 225,252,850 ordinary shares. The average number of ordinary shares outstanding during the period was 220,464,704. **The number of outstanding shares at June 30, 2009 was 225,252,850.**

In addition, employee stock options exercisable for 9,806,610 ordinary shares, representing 4.35% of the capital, were outstanding at June 30, 2009 (see Note 25.3).

In 2008 and 2009, Accor also made performance share grants to members of senior management, with vesting conditions based on the Group's results:

- On March 28, 2008, Accor made 107,034 performance share grants, with vesting conditions based on the Group's 2008 and 2009 results (see Note 25.3). The performance targets were only partly met in 2008, with the result that only 80,276 shares have vested.
- 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).

Conversion of all of the potential shares presented above would have the effect of increasing the number of shares outstanding to 235,382,289.

Note 25.2. Diluted earnings per share

Based on the above number of potential shares and the average Accor share price for first-half 2009 of €30.51 the diluted weighted average number of shares outstanding in first-half 2009 was 220,491,462. Diluted earnings per share were therefore calculated as follows:

In € millions	Dec 2008	June 2008	June 2009
Net profit, Group share	575	310	(150)
Weighted average number of ordinary shares (in thousands)	221 237	221 659	220 465
Number of shares resulting from the exercise of stock options (in thousands)	840	1 237	-
Number of shares resulting from performance shares grants (in thousands)	-	-	26
Fully diluted weighted average number of shares (in thousands)	222 077	222 896	220 491
Diluted earnings per share (in €)	2,59	1,39	(0,68)

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 2009:

- All of the stock options outstanding under the 14 plans in force at June 30, 2009
- Performance shares granted in 2009
- 53,517 performance shares granted under the 2008 plan, for which fulfillment of the related performance targets will be assessed at end-2009.

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, 2009, 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 5	January 4, 2001	8 years	1 957 000	from 4/01/04 until 4/01/09	32	40,58 €	Equity
Plan 6	January 8, 2002	8 years	3 438 840	from 8/01/05 until 8/01/10	2 032	37,77 €	Equity
Plan 7 (*)	July 12, 2002	7 years	104 361	from 12/07/05 until 12/07/09	3 890	39,10 €	Equity
Plan 8	January 3, 2003	8 years	148 900	from 4/01/06 until 3/01/11	67	31,83 €	Equity
Plan 9	January 7, 2004	8 years	1 482 900	from 8/01/07 until 7/01/12	1 517	35,68 €	Equity
Plan 10 (*)	July 9, 2004	8 years	88 131	from 9/07/07 until 9/07/12	3 390	33,94 €	Equity
Plan 11	January 12, 2005	7 years	1 298 950	from 13/01/09 until 12/01/12	903	32,42 €	Equity
Plan 12	January 9, 2006	7 years	1 231 200	from 10/01/10 until 09/01/13	191	46,15 €	Equity
Plan 13	March 24, 2006	7 years	666 950	from 25/03/10 until 24/03/13	818	49,10 €	Equity
Plan 14	March 22, 2007	7 years	1 492 845	from 23/03/11 until 22/03/14	958	68,65 €	Equity
Plan 15	May 14, 2007	7 years	95 000	from 15/05/11 until 14/05/14	11	71,72 €	Equity
Plan 16 (*)	September 13, 2007	8 years	1 403	from 13/09/10 until 13/09/15	40	60,44 €	Equity
Plan 17	March 28, 2008	7 years	1 409 400	from 29/03/12 until 28/03/15	1 022	46,46 €	Equity
Plan 18	September 30, 2008	7 years	75 000	from 01/10/12 until 30/09/15	6	42,70 €	Equity
Plan 19	February 24, 2009	8 years	969 965	from 01/04/13 until 31/03/17	1 138	27,45 €	Equity

(*) Plans 7, 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 only partially met in 2008 and grantees are guaranteed to receive a total of 20,781 stock options at the end of the vesting period, provided that they continue to be employed by the Group at that date.

Changes in outstanding stock options during 2008 and 2009 are as follows:

	June 30, 2008		December 31, 2008		June 30, 2009	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding at beginning of period	8 472 298	44,71 €	8 472 298	44,71 €	9 591 890	45,16 €
Options granted	1 409 400	46,46 €	1 485 803	46,28 €	969 965	27,45 €
Options cancelled or expired	(127 075)	41,18 €	(163 253)	42,50 €	(755 245)	42,35 €
Options exercised	(194 567)	36,81 €	(202 958)	36,81 €	-	-
Options outstanding at end of period	9 560 056	45,18 €	9 591 890	45,16 €	9 806 610	43,62 €
Options exercisable at end of period	3 414 433	37,42 €	3 396 422	37,42 €	4 009 422	35,35 €

Outstanding options at June 30, 2009 are as follows:

	Exercise price	Number of outstanding options	Remaining life of the options
Plan 6	37,77 €	1 384 398	6 months
Plan 7	39,10 €	74 503	12 days
Plan 8	31,83 €	55 950	1.5 years
Plan 9	35,68 €	1 145 561	2.5 years
Plan 10	33,94 €	83 510	3 years
Plan 11	32,42 €	1 265 500	2.5 years
Plan 12	46,15 €	1 211 400	3.5 years
Plan 13	49,10 €	642 050	3.8 years
Plan 14	68,65 €	1 428 820	4.8 years
Plan 15	71,72 €	95 000	5 years
Plan 16	60,44 €	1 403	6.3 years
Plan 17	46,46 €	1 373 550	5.8 years
Plan 18	42,70 €	75 000	6.3 years
Plan 19	27,45 €	969 965	7.8 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 twelve plans set up from 2003 to June 2009.

The fair value of these options at the grant date has been determined using the Black & Scholes option-pricing model.

The main data and assumptions used for the fair value calculations are as follows:

	Plan 8	Plan 9	Plan 10	Plan 11	Plan 12	Plan 13
Accor share price at the option grant date	30,50 €	35,18 €	33,71 €	31,64 €	49,80 €	48,30 €
Option exercise price	31,83 €	35,68 €	33,94 €	32,42 €	46,15 €	49,10 €
Expected volatility (*)	39,58%	39,68%	39,18%	37,64%	35,36%	34,60%
Contractual life of the options	8 years	8 years	8 years	7 years	7 years	7 years
Expected share yield (**)	3,54%	3,44%	3,55%	2,94%	3,13%	3,74%
Fair value of options (***)	8,91 €	10,52 €	10,07 €	8,48 €	14,11 €	12,57 €

	Plan 14	Plan 15	Plan 16	Plan 17	Plan 18	Plan 19
Accor share price at the option grant date	70,95 €	70,45 €	62,35 €	47,10 €	37,12 €	25,49 €
Option exercise price	68,65 €	71,72 €	60,44 €	46,46 €	42,70 €	27,45 €
Expected volatility (*)	31,73%	31,60%	27,57%	27,87%	26,72%	31,91%
Contractual life of the options	7 years	7 years	8 years	7 years	7 years	8 years
Expected share yield (**)	3,94%	4,25%	4,15%	3,84%	4,03%	2,63%
Fair value of options (***)	20,38 €	19,36 €	16,66 €	11,55 €	7,00 €	5,78 €

(*) Weighted volatility based on exercise periods

(**) 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, and
- 2.53% for plans 17, 18 and 19.

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

Maturities of stock options

The Group has decided to base the 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 €10.5 million at June 30, 2009 (December 31, 2008: €22 million, June 30, 2008: €11 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 June 30, 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

Grantees are therefore guaranteed to receive a total of 26,758 shares, provided that they continue to be employed by the Group at that date.

2009 Plan

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

- 207,364 have a two-year vesting period followed by a two-year lock-up period.
- 35,189 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 – will be 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.

Note 26. Cumulative Unrealized Gains and Losses on Financial instruments

In € millions	June 2008	Dec 2008	June 2009
OCEANE convertible bonds	2	-	-
Equity notes	-	-	-
Mutual fund units	-	-	-
Interest rate and currency swaps	-	(6)	(12)
Fair value adjustments to non-consolidated investments	-	-	-
Fair value adjustments to available-for-sale investments	-	-	-
Impact on equity	2	(6)	(12)

Change in fair value adjustments on financial instruments recognized in equity

In € millions	June 2008	Dec 2008	June 2009
Available for sale Financial Assets	(64)	(66)	-
<i>Gains (losses) recognised in Equity during the period</i>	(64)	(66)	-
<i>Gains (losses) reclassified to profit or loss</i>	-	-	-
Cash flow hedges	-	(6)	(6)
<i>Gains (losses) recognised in Equity during the period</i>	-	(6)	(6)
<i>Gains (losses) reclassified to profit or loss</i>	-	-	-
Changes in Reserve	(64)	(72)	(6)

Note 27. Minority interests

In € millions	
At December 31, 2007	61
Minority interests in profit for the period	38
Dividends paid to minority interests	(22)
Translation adjustment	(45)
Changes in scope of consolidation (1)	226
At December 31, 2008	258
Minority interests in profit for the period	18
Dividends paid to minority interests	(8)
Translation adjustment	(13)
Changes in scope of consolidation	11
At June 30, 2009	266

(1) The main change for the year concerned the full consolidation of the Orbis subsidiaries following the acquisition of a further 4.53% stake in the sub-group during the second half of 2008. Orbis was previously accounted for by the equity method. Minority interests in Orbis subsidiaries amounted to €179 million at December 31, 2008.

Note 28. Convertible or Exchangeable Bonds (OCEANE)

The Group did not have any convertible or exchangeable bonds in its financial statements at either June 30, 2009 or December 31, 2008.

Note 29. Comprehensive Income

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

In € millions	Dec 2008			June 2008			June 2009		
	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	(267)	-	(267)	(93)	-	(93)	105	-	105
Change in fair value resulting from "Available-for-sale financial assets"	1	-	1	-	-	-	-	-	-
Effective portion of gains and losses on hedging instruments in a cash flow hedge	(6)	-	(6)	3	-	3	(6)	-	(6)
Actuarial gains and losses on defined benefits plans	(6)	2	(4)	9	(3)	6	0	-	0
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	-	-	-	-	-	-	-	-	-
Total Other Comprehensive income	(278)	2	(276)	(81)	(3)	(84)	99	-	99

Comprehensive income can be reconciled with net profit for the period as follows:

In € millions	Dec 2008	June 2008	June 2009
Currency translation adjustment	-	-	-
Change in fair value resulting from "Available-for-sale financial assets"	(23)	(4)	(0)
Effective portion of gains and losses on hedging instruments in a cash flow hedge	-	-	-
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	-	-	-
Total reclassification adjustments	(23)	(4)	(0)

Note 30. Debt by Currency and Maturity

Note 30.A Long and short-term debt

Long and short-term debt at June 30, 2009 breaks down as follows by currency and interest rate after hedging transactions:

In € millions	June 2008	Effective rate June 2008 %	Dec 2008	Effective rate Dec 2008 %	June 2009	Effective rate June 2009 %
EUR	1 758	4,56	1 595	4,61	2 557	4,52
PLN	-	-	100	7,20	100	4,73
CNY	-	-	79	4,75	88	4,58
USD	10	6,95	50	2,01	14	1,76
AUD	53	7,87	43	5,54	50	4,04
Other currencies (1)	161	5,76	114	5,14	122	4,42
Long and short-term borrowings	1 982	4,76	1 981	4,74	2 931	4,50
Long and short-term finance lease liabilities	178	-	180	-	169	-
Purchase commitments	80	-	65	-	36	-
Changes in fair value of financial liabilities	-	-	-	-	-	-
Liability derivatives	-	-	87	-	26	-
Other short-term financial liabilities and bank overdrafts	29	-	62	-	66	-
Long and short-term debt	2 269	-	2 375	-	3 228	-

(1) including about JPY €27 million and CHF €24 million as at June 30, 2009

At June 30, 2009, derivative instruments recorded in assets and held as hedges of debt amounted to €7 million.

In € millions	June 2008	Dec 2008	June 2009
Long-term debt	2 160	2 088	2 950
Short-term debt	109	287	278
Total long and short-term debt	2 269	2 375	3 228

Note 30.B Maturities of debt

At June 30, 2009, maturities of debt were as follows:

In € millions	June 2008	Dec 2008	June 2009
Year Y+1	109	287	278
Year Y+2	100	70	88
Year Y+3	57	168	1 108
Year Y+4	1 559	1 326	667
Year Y+5	248	346	937
Year Y+6	32	18	25
Beyond	164	160	125
Total long and short-term debt	2 269	2 375	3 228

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. The breakdown of interest rate and currency hedging instruments by maturity is disclosed in Note 30.E on Financial instruments.

At June 30, 2009, Accor had several unused confirmed lines of credit with maturities of more than one year, for a total of €1,820 million, expiring between June 2012 and August 2013. The Group intends to roll over its short-term facilities which have therefore been reclassified as long-term debt in an amount of €98 million. Excluding these reclassifications, unused confirmed undrawn long-term lines of credit amount to €1,722 million.

First-half 2009 financial costs amounted to €50 million. Future financial costs are estimated at €472 million for the period from end-June 2009 to end-June 2013 and €32 million thereafter.

First-half 2008 financial costs amounted to €49 million. Future financial costs were estimated at €331 million for the period from end-June 2008 to end-June 2012 and €38 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 30.C Long and short-term debt before and after hedging

At June 30, 2009, long and short-term debt breaks down as follows before hedging transactions:

In € millions	Total debt		
	Amount	Rate	% of total debt
EUR	2 669	4,35%	91%
PLN	93	4,77%	3%
CNY	88	4,58%	3%
AUD	5	6,32%	0%
USD	4	1,96%	0%
Other currencies	72	6,13%	3%
Total long and short-term debt	2 931	4,42%	100%

Long and short-term debt after currency and interest rate hedging breaks down as follows at June 30, 2009:

In € millions	Total debt		
	Amount	Rate	% of total debt
EUR	2 557	4,52%	87%
PLN	100	4,73%	3%
CNY	88	4,58%	3%
AUD	50	4,04%	2%
USD	14	1,76%	1%
Other currencies	122	4,42%	4%
Total long and short-term debt	2 931	4,50%	100%

Note 30.D Long and short-term debt by interest rate after hedging

In € millions	Total debt	
	Amount	Rate
June 2008	1 982	4,76%
December 2008	1 981	4,74%
June 2009	2 931	4,50%

At June 30, 2009, 54% of long and short-term debt was fixed rate, with an average rate of 6.62%, and 46% was variable rate, with an average rate of 2.01%.

At June 30, 2009, fixed rate debt was denominated primarily in EUR (99%), while variable rate debt was denominated mainly in EUR (74%), PLN (7%) and CNY (7%).

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, except in the case of a loan to Orbis, a listed company that is 50%-owned by Accor that has been fully consolidated since July 1, 2008.

Note 30.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, 2009:

Forward sales and currency swaps In € millions	Maturity 2009	Maturity 2010	June 30, 2009 Nominal amount	June 30, 2009 Fair value
USD	10	-	10	-
AUD	46	-	46	2
JPY	27	-	27	(1)
Other	22	7	29	-
Forward sales	105	7	112	1

Forward purchases and currency swaps In € millions	Maturity 2009	Maturity 2010	June 30, 2009 Nominal amount	June 30, 2009 Fair value
GBP	344	64	408	(5)
SEK	82	2	84	-
USD	34	-	34	1
MXN	33	19	52	(1)
CHF	16	-	16	-
Other	59	14	73	(2)
Forward purchases	568	99	667	(7)

TOTAL CURRENCY HEDGING	673	106	779	(6)
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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, 2009, currency instruments had a positive fair value of €6 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, 2009:

In € millions	2009	2010	2011	2012	Beyond	June 30, 2009 Notional amount	June 30, 2009 Fair value
EUR: Fixed-rate borrower swaps and caps	-	-	-	-	352	352	17
Interest rate hedges	-	-	-	-	352	352	17

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, 2009, interest rate instruments had a negative fair value of €17 million.

3. Fair value of financial instruments

The carrying amount and fair value of financial instruments at June 30, 2009 are as follows:

In € millions		June 30, 2009 Carrying amount	June 30, 2009 Fair value
FINANCIAL LIABILITIES		3 228	3 323
Bonds	(1)	1 190	1 285
Bank borrowings		1 481	1 481
Finance lease liabilities		169	169
Other financial liabilities		363	363
Interest rate derivatives (<i>Cash Flow Hedge</i>)	(2)	24	24
Currency derivatives (<i>Fair Value Hedge</i>)	(2)	1	1
FINANCIAL ASSETS		(1 267)	(1 267)
Marketable securities	(3)	(1 061)	(1 061)
Cash		(173)	(173)
Other		(19)	(19)
Interest rate derivatives (<i>Cash Flow Hedge</i>)	(2)	(7)	(7)
Currency derivatives (<i>Fair Value Hedge</i>)	(2)	(7)	(7)
NET DEBT		1 961	2 056

(1) The fair value of listed bonds corresponds to their quoted market value on the Luxembourg Stock Exchange 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, 2009 Carrying amount	June 30, 2009 Fair value
Bonds and other negotiable debt securities	(a)	(166)	(166)
Money market securities	(b)	(880)	(880)
Mutual fund units convertible into cash in less than three months (*)	(c)	(12)	(12)
Other		(3)	(3)
Total marketable securities		(1 061)	(1 061)

(*) 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 30.F Credit rating

At June 30, 2009, 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	July 09, 2009	Negative	April 3, 2009
Fitch Ratings	BBB-	F3	July 2, 2009	Stable	July 2, 2009

Note 31. Net Debt and Net Cash

In € millions	June 2008	Dec 2008	June 2009
Convertible bonds	-	-	-
Other long-term financial debt (1)	1 995	1 927	2 798
Long-term finance lease liabilities	165	161	152
Short-term borrowings	91	165	230
Bank overdrafts	18	35	22
Liabilities derivatives	-	87	26
Total debt	2 269	2 375	3 228
Short-term loans	(25)	(34)	(13)
Marketable securities (2)	(946)	(1 054)	(1 061)
Cash	(329)	(194)	(173)
Asset derivatives	(5)	(5)	(14)
Short-term receivables on disposals of assets	(33)	(16)	(6)
Financial Assets (3)	(1 338)	(1 303)	(1 267)
Net debt	931	1 072	1 961

(1) See Note 2.D.

(2) See Note 30.E.

(3) Included €755 million related to Prepaid Services compared with €804 million at December 31, 2008.

In € millions	June 2008	Dec 2008	June 2009
Net debt at beginning of period	204	204	1 072
Change in long-term debt	888	896	953
Change in short-term financial liabilities	-	37	42
Cash and cash equivalents change	(158)	(37)	(75)
Reclassifications	(3)	(28)	(31)
Changes for the period	727	868	889
Net debt at end of period	931	1 072	1 961

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 2008	Dec 2008	June 2009
Balance sheet cash and cash equivalents	1 280	1 253	1 247
Bank overdrafts	(18)	(35)	(22)
Derivatives included in liabilities	-	(87)	(26)
Cash flow Statement cash and cash equivalents	1 262	1 131	1 199

Note 32. Analysis of financial assets and liabilities under IFRS 7

At June 30, 2009, financial assets and liabilities broke down as follows by category:

In € millions	Category in the balance-sheet	Carrying amount			Fair value		
		30.06.2008	31.12.2008	30.06.2009	30.06.2008	31.12.2008	30.06.2009
HELD TO MATURITY FINANCIAL ASSETS		154	181	166	154	181	166
Bonds and other negotiable debt securities	Cash and cash equivalents	154	181	166	154	181	166
LOANS AND RECEIVABLES		2 216	2 368	2 413	2 216	2 368	2 413
Short-term loans	Short-term loans	25	34	13	25	34	13
Long-term loans	Long-term loans	90	78	101	90	78	101
Receivables on disposals of assets	Receivables on disposals of assets	33	16	6	33	16	6
Deposits	Other financial investments	64	66	66	64	66	66
Trade receivables	Trade receivables	1 227	1 313	1 347	1 227	1 313	1 347
Money Market securities	Cash and cash equivalents	775	858	880	775	858	880
Other	Cash and cash equivalents	2	3	-	2	3	-
AVAILABLE FOR SALE FINANCIAL ASSETS		122	94	89	122	94	89
Investments in non-consolidated companies	Other financial investments	107	82	74	107	82	74
Mutual fund units convertible into cash	Cash and cash equivalents	8	12	12	8	12	12
Other	Cash and cash equivalents	7	-	3	7	-	3
FINANCIAL ASSETS AT FAIR VALUE		5	5	13	5	5	13
Interest rate derivatives	Cash and cash equivalents	1	5	7	1	5	7
Currency derivatives	Cash and cash equivalents	4	-	6	4	-	6
CASH AT BANK	Cash and cash equivalents	329	194	173	329	194	173
FINANCIAL ASSETS		2 826	2 842	2 854	2 826	2 842	2 854

In € millions	Category in the balance-sheet	Carrying amount			Fair value		
		30.06.2008	31.12.2008	30.06.2009	30.06.2008	31.12.2008	30.06.2009
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	87	25	-	87	25
Currency derivatives	Bank overdrafts	-	74	1	-	74	1
Interest rate derivatives	Bank overdrafts	-	13	24	-	13	24
FINANCIAL LIABILITIES AT AMORTISED COST		2 896	3 018	3 898	2 896	3 018	3 993
Convertible bonds/Equity Notes	Other long-term financial debt	-	-	1 190	-	-	1 285
Bank Borrowings	Other long-term financial debt	1 972	1 927	1 481	1 972	1 927	1 481
Finance lease liabilities	Long-term finance lease liabilities + short-term debt and finance lease liabilities	178	180	169	178	180	169
Other debts	Other long-term financial debt + short-term debt	101	146	341	101	146	341
Trade payables	Trade payables	645	765	717	645	765	717
CASH AT BANK	Bank overdrafts	18	35	22	18	35	22
FINANCIAL LIABILITIES		2 914	3 140	3 945	2 914	3 140	4 040

For cash and cash equivalents, trade receivables, receivables on disposal assets, loans, deposits, held to maturity, trades payables, other debts and finance lease liabilities, Accor considers their carrying amount to be the best proxy for market value.

The methods used to measure the fair value of derivative instruments, mutual fund unit convertible into cash and bonds are described in Note 30.

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

Note 33. Assets and Liabilities Held for Sale

In € millions		June 2008	Dec 2008	June 2009
Disposal groups classified as "held for sale"		-	-	-
Hotels to be sold to Foncière des Murs in France and Belgium	(a)	21	-	-
Hotels to be sold to Axa REIM in France and Switzerland	(b)	21	-	-
Hotels to be sold to investors (France)	(c)	273	3	5
Hotels to be sold in United States	(d)	55	26	19
Hotels to be sold in Germany	(e)	2	2	-
Hotels to be sold in China	(f)	-	-	2
Hotels to be sold in Switzerland	(g)	-	-	2
Hotels to be sold in Portugal	(h)	-	-	1
Other		5	5	5
Total non-current assets classified as held for sale		377	36	34
Total assets classified as held for sale		377	36	34
Total liabilities classified as held for sale		-	-	-

- (a) During 2006, in line with the asset management policy, the Group decided to sell to Foncière des Murs 76 hotel properties, including 64 units in France and 12 units in Belgium. In 2006, 70 units were sold. The carrying amount of the remaining six units (€21 million) was reclassified in the 2007 consolidated balance sheet under "Assets held for sale". The sale of these assets did not go through and they were therefore reclassified as "Property, plant and equipment" at December 31, 2008.
- (b) During 2007, in line with the asset management policy, the Group decided to sell hotels in France and in Switzerland to a Real Estate Consortium made up of Caisse des Dépôts et Consignations and two investment funds managed by Axa Real Estate Investment Managers. The €218 million carrying amount of these hotels was reclassified in the consolidated balance sheet at December 31, 2007 under "Assets held for sale", in accordance with IFRS 5. The hotels were mainly sold in the first-half 2008.
- (c) During first-half 2008, in line with the asset management policy, the Group decided to sell 9 hotel properties in France. The sale of some of these assets did not go through and they were therefore reclassified as "Property, plant and equipment" at December 31, 2008 for an amount of €208 million.
During second-half 2008, in line with the asset management policy, the Group decided to sell 5 hotel properties in France. In accordance with IFRS 5, the €3 million carrying amount of these hotels was reclassified in the consolidated balance sheet at December 31, 2008 under "Assets held for sale".
At June 30, 2009, in line with the asset management policy the Group plans to sell 9 units in France. In accordance with IFRS 5, the €5 million carrying amount of these hotels was reclassified in the consolidated balance sheet at June 30, 2009 under "Assets held for sale".
- (d) During 2008, in line with the asset management policy, the Group decided to sell 17 Motel 6 units and one Studio 6 unit. In accordance with IFRS 5, the €26 million carrying amount of these hotels was reclassified under "Assets held for sale".
At June 30, 2009, in line with the asset management policy, the Group plans to sell 14 Motel 6 units and 1 Studio 6 unit. In accordance with IFRS 5, the €19 million carrying amount of these hotels was reclassified in the consolidated balance sheet at June 30, 2009 under "Assets held for sale".
- (e) During 2008, in line with the asset management policy, the Group planned to sell a land in Germany. In accordance with IFRS 5, the €2 million carrying amount of this land was reclassified in the consolidated balance sheet at December 31, 2009 under "Assets held for sale". The sale of this asset did not go through and it was therefore reclassified as "Property, plant and equipment" at June 30, 2009.
- (f) At June 30, 2009, in line with the asset management policy, the Group plans to sell 2 hotel properties in China. In accordance with IFRS 5, the €2 million carrying amount of these hotels was reclassified in the consolidated balance sheet at June 30, 2009 under "Assets held for sale".
- (g) At June 30, 2009, in line with the asset management policy, the Group plans to sell 1 hotel property in Switzerland. In accordance with IFRS 5, the €2 million carrying amount of this hotel was reclassified in the consolidated balance sheet at June 30, 2009 under "Assets held for sale".
- (h) At June 30, 2009, in line with the asset management policy, the Group plans to sell 1 hotel property in Portugal. In accordance with IFRS 5, the €1 million carrying amount of this hotel was reclassified in the consolidated balance sheet at June 30, 2009 under "Assets held for sale".

Note 34. Provisions

Movements in long-term provisions between December 31, 2008 and June 30, 2009 can be analyzed as follows:

In € millions	December 31, 2008	Equity impact (*)	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope (*)	June 30, 2009
- Provisions for pensions	101	0	7	(3)	(3)	(0)	1	103
- Provisions for loyalty bonuses	30	-	2	(1)	(5)	(0)	1	27
- Provisions for claims and litigation and others contingencies	-	-	-	-	(0)	(0)	(0)	(0)
TOTAL LONG-TERM PROVISIONS	131	0	9	(4)	(8)	(0)	2	130

(*) See Note 34.C

Movements in short-term provisions between December 31, 2008 and June 30, 2009 can be analyzed as follows:

In € millions	December 31, 2008	Equity impact	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope	June 30, 2009
- Tax provisions	17	-	4	(2)	(1)	0	1	19
- Restructuring provisions	47	-	37	(20)	(1)	1	(1)	63
- Provisions for claims and litigation and others contingencies	127	-	30	(17)	(8)	1	1	134
TOTAL SHORT-TERM PROVISIONS	191	-	71	(39)	(10)	2	1	216

At June 30, 2009, ordinary provisions for claims and litigation and others include:

- €36 million provisions for various claims ;
- €28 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 2008	Dec 2008	June 2009
EBIT	4	3	1
Finance cost, net	(2)	(3)	(1)
Provision for losses on hotel properties	(8)	(21)	6
Provision on other assets and restructuring provisions	(14)	(18)	11
Provision for tax	(18)	(17)	2
TOTAL	(38)	(56)	19

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 (55% of the obligation), in the Netherlands (16% of the obligation) and in Italy (7% of the obligation). The Netherlands plan is closed to new members and is fully funded, with the result that no provision has been recognized in the balance sheet. 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.

2008	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%	5,0%	3%-4%	2%-10%
Payroll tax rate	46%	23%	13%	22%	36%	29%	17%	40%	46%	9%-45%
Discount rate	5,50%	5,50%	5,90%	5,50%	5,50%	5,50%	3,25%	6,00%	5,50%	4% - 8,68%
Expected Rates of return on 2008 plan assets	2,20%-4,5%	4%-5%	5,5%	4,3%	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 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%	5,0%	3%-4%	2%-10%
Payroll tax rate	46%	23%	13%	22%	36%	29%	17%	40%	46%	9%-45%
Discount rate	5,50%	5,50%	5,90%	5,50%	5,50%	5,50%	3,25%	6,00%	5,50%	4% - 8,68%
Expected Rates of return on 2009 plan assets	2,20%-4,5%	4%-5%	5,5%	4,3%	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 French Social Security Financing Act for 2008 provided for an additional tax levy payable on retirement bonuses in the event of compulsory retirement before the age of 65. This additional tax is 25% in 2008 and 50% as of 2009. The Act also discontinued the favourable tax and social security regime for retirement bonuses negotiated with employees retiring before the statutory age of 65 and paid before 2010.

The Act has led the Group to adjust its assumptions concerning the rate of payroll taxes due on the benefits. In view of the difference in the employer contributions payable on compulsory and voluntary retirement, the corresponding benefit obligation was €11 million higher at December 31, 2007.

This increase in the obligation represents an actuarial loss that had been recognised in full in equity, in accordance with the Group's current policy for recognizing actuarial gains and losses.

The French Social Security Financing Act for 2009 eliminated compulsory retirement bonuses, with all retirements being on a voluntary basis. Consequently, the effects of the 2008 Social Security Financing Act recognized in the 2007 accounts have been cancelled in the 2008 accounts.

C. Funded status of post-employment defined benefit plans

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

At June 30, 2009

In € millions	Pensions	Other post-employment benefits (*)	Total
Present value of funded obligation	120	-	120
Fair value of plan assets	(85)	-	(85)
Excess of benefit obligation/(plan assets)	35	-	35
Present value of unfunded obligation	-	93	93
Unrecognized past service cost	-	-	-
Liability recognized in the balance sheet	35	93	128

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

At December 31, 2008

In € millions	Pensions	Other post-employment benefits (*)	Total
Present value of funded obligation	116	-	116
Fair value of plan assets	(79)	-	(79)
Excess of benefit obligation/(plan assets)	37	-	37
Present value of unfunded obligation	-	94	94
Unrecognized past service cost	-	-	-
Liability recognized in the balance sheet	37	94	131

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

Change in the funded status of post-employment defined benefit plans by geographical area

In € millions	Pensions											Other benefits	2009	2008
	2009											2009		
	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	34	28	6	8	9	3	7	14	63	7	180	30	210	196
Current service cost	1	0	0	0	0	-	0	0	2	0	4	1	6	10
Interest Cost	1	1	0	0	0	-	0	1	2	0	5	1	5	9
Employee contributions for the period	-	0	-	-	0	-	0	-	-	-	0	-	0	0
(Gains) losses on curtailments/settlements	(1)	-	-	(0)	(0)	(0)	-	(0)	(2)	(0)	(3)	(1)	(4)	(0)
Effect of changes in scope of consolidation	3	-	-	-	-	-	-	-	-	(0)	3	(0)	3	11
Benefits paid during the period	(0)	-	(0)	(0)	-	(0)	(1)	(1)	(0)	(0)	(3)	(1)	(4)	(14)
Actuarial (gains)/losses recognised during the period	-	-	-	-	-	-	-	-	-	-	-	(4)	(4)	3
Exchange differences on foreign plans	(0)	-	1	-	-	(0)	(0)	-	-	(0)	0	(0)	0	(4)
Reclassification in Assets/Liabilities held for sale	(0)	-	(0)	-	-	-	-	-	0	0	0	0	0	1
Other	(1)	-	(0)	-	0	-	0	(0)	-	(0)	(1)	0	(1)	(1)
Projected benefit obligation at the end of the period	38	29	7	8	9	3	7	13	64	8	186	27	213	210
In € millions	France	Europe excluding France							Worldwide structures	Other	Total	Other benefits	Total	Total
Fair value of plan assets at the beginning of the period	3	28	4	2	7	-	5	-	30	0	79	-	79	79
Actual return on plan assets	0	1	0	0	0	-	0	-	1	0	2	-	2	5
Employers contributions for the period	-	0	0	-	0	-	0	-	0	0	1	-	1	2
Employee contributions for the period	-	0	-	-	0	-	0	-	-	-	0	-	0	0
Benefits paid during the period	-	-	(0)	-	-	-	(1)	-	-	-	(1)	-	(1)	(6)
Exchange differences on foreign plans	-	-	1	-	-	-	(0)	-	-	-	0	-	0	(1)
Assets acquired in business combinations	2	-	-	-	-	-	-	-	-	-	2	-	2	(0)
Other	-	-	0	-	-	-	0	-	-	0	0	-	0	(0)
Fair value of plan assets at the end of the period	5	29	5	2	7	-	6	-	31	0	85	-	85	79
In € millions	France	Europe excluding France							Worldwide structures	Other	Total	Other benefits	Total	Total
Unfunded obligation at the beginning of the period	31	0	2	6	2	3	2	14	32	7	100	30	131	118
Reclassification on Assets/Liabilities held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unfunded obligation at the end of the period	33	0	2	6	2	3	1	13	33	8	101	27	128	131
In € millions	France	Europe excluding France							Worldwide structures	Other	Total	Other benefits	Total	Total
Adjustment to plan assets and plan surplus recognized in assets	2	-	-	-	-	-	-	-	-	-	2	-	2	-
Provision at the end of the exercise	35	0	2	6	2	3	1	13	33	8	103	27	130	131
In € millions	France	Europe excluding France							Worldwide structures	Other	Total	Other benefits	Total	Total
Current service cost	1	0	0	0	0	-	0	0	2	0	4	1	6	10
Interest cost	1	1	0	0	0	-	0	1	2	0	5	1	5	9
Expected return on plan assets	(0)	(1)	(0)	(0)	(0)	-	(0)	-	(1)	(0)	(2)	-	(2)	(4)
Past service cost recognized during the period	0	-	-	-	-	-	-	-	-	-	0	-	0	-
(Gains) losses on curtailments/settlements	(1)	-	-	(0)	(0)	(0)	-	(0)	(2)	(0)	(3)	(1)	(4)	(0)
Actuarial (gains)/losses recognised during the period	-	-	-	-	-	-	-	-	-	-	-	(4)	(4)	(3)
Expense for the period	1	0	0	0	0	(0)	0	1	1	1	4	(3)	1	12
Change in actuarial (gains) losses	-	-	-	-	-	-	-	-	-	-	-	-	-	5

Reconciliation of provisions for pensions between January 1, 2008 and June 30, 2009

In € millions	Amount
Provision at January 1, 2008	118
Charge for the year	12
Benefits paid	(11)
Actuarial gains and losses	5
Changes in scope of consolidation (1)	11
Translation adjustment	(4)
Provision at December 31, 2008	131
Charge for the year	1
Benefits paid	(4)
Actuarial gains and losses	-
Changes in scope of consolidation	2
Changes in exchange rates	-
Other	-
Provision at June 30, 2009	130

(1) €13 million from the consolidation of Orbis, €(1) million related to the sale of the Brazilian food services business and €(1) million related to the sale of Abidjan Catering.

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

In € millions	June 2008	Dec 2008	June 2009
Actuarial debt			
Actuarial gains and losses related to experience adjustment	-	6	-
Actuarial gains and losses related to changes in assumptions	(9)	-	-
Fair value on assets			
Actuarial gains and losses related to experience adjustment	-	(1)	-

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, 2008, 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 €6.6 million reduction in the projected benefit obligation, a 0.5-point decrease in the discount rate would lead to a €6.6 million increase in the projected benefit obligation. The impact on the cost for the year would not be material.

At June 30, 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 €6.0 million reduction in the projected benefit obligation, a 0.5-point decrease in the discount rate would lead to a €6.0 million increase in the projected benefit obligation. The impact on the cost for the year would not be material.

Note 35. Reconciliation of Funds from Operations

In € millions	June 2008	Dec 2008	June 2009
Net Profit, Group share	310	575	(150)
Minority interests	15	38	18
Depreciation, amortization and provision expense	210	451	247
Share of profit of associates, net of dividends received	(16)	(12)	5
Deferred tax	3	19	(21)
Change in financial provisions and provisions for losses on asset	43	69	239
FUNDS FROM OPERATIONS	565	1 140	338
(Gains) losses on disposals of assets, net	(143)	(150)	(3)
(Gains) losses on non-recurring transactions (included restructuring costs and exceptional taxes)	65	121	43
FUNDS FROM ORDINARY ACTIVITIES	487	1 111	378

Note 36. Working Capital, Prepaid Services Voucher in Circulation and Prepaid Services Voucher Reserve Funds

In € millions	Dec 2008	June 2009	Variation
Inventories	103	71	(32)
Trade receivables	1 313	1 347	34
Other receivables and accruals	824	1 090	266
Prepaid Service voucher reserve funds	441	437	(4)
WORKING CAPITAL ITEMS - ASSETS	2 681	2 945	264
Trade payables	765	717	(48)
Other payables	1 613	1 449	(164)
Prepaid Services voucher in circulation	2 587	2 584	(3)
WORKING CAPITAL ITEMS - LIABILITIES	4 965	4 750	(215)
WORKING CAPITAL	2 284	1 805	(479)

December 31, 2008 WORKING CAPITAL	2 284
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Change in working capital (1)	(555)
Development Expenditure	25
Disposals	-
Translation adjustment	37
Reclassifications	14
NET CHANGE IN WORKING CAPITAL	(479)

June 30, 2009 WORKING CAPITAL	1 805
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(1) See cash flow statements

Note 37. 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	June 2008	Dec 2008	June 2009
HOTELS	166	429	159
- Upscale and Midscale Hotels	95	220	81
- Economy	47	139	58
- Economy US	24	70	20
PREPAID SERVICES	5	24	16
OTHER BUSINESSES	13	35	5
Casinos	7	15	2
Restaurants	4	6	1
Onboard Train Services	1	3	1
Holding Companies and other	1	11	1
RENOVATION AND MAINTENANCE EXPENDITURE	184	488	180

Note 38. 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 2009	June 2008	Dec 2008
HOTELS	11	74	16	12	59	1	173	348	1 014
Upscale and Midscale Hotels (1)	9	47	3	8	22	1	90	110	545
Economy Hotels (2)	2	27	-	4	37	-	70	69	207
Economy Hotels US	-	-	13	-	-	-	13	169	262
PREPAID SERVICES (3)	-	1	-	1	10	8	20	5	19
OTHER BUSINESSES	278	9	-	-	-	-	287	15	53
Casinos (4)	278	-	-	-	-	-	278	9	20
Restaurants	-	-	-	-	-	-	-	1	2
Onboard Train Services	-	-	-	-	-	-	-	4	4
Holding Companies and other	-	9	-	-	-	-	9	1	27
Total June 30, 2009	289	84	16	13	69	9	480		
Total June 30, 2008	42	78	176	14	55	3		368	
Total December 31, 2008	303	369	269	29	109	7			1 086

(*) "Worldwide Structures" corresponds to development expenditure that is not specific to a single geographic region.

- (1) Including:
- Call options exercised on the land and buildings of a Novotel hotel in Germany (€15 million)
 - €10 million in loans granted to owners of Upscale hotels in Spain and in the Netherlands.
 - €5 million in construction financing for a Novotel hotel in Germany.
 - €5 million in construction financing for a Novotel hotel in New Zealand.
- (2) Including development expenditure:
- on 49 new Ibis hotels in China (€23 million),
 - on four new Etap Hotel units and four new Ibis hotels in Poland (€9 million), and
 - on one new Novotel unit and five new Ibis hotels in Spain (€5 million).
- (3) Including €8 million for the acquisition by Accor Services of minority interest in various subsidiaries (in Singapore and in India).
- (4) Including €269 million for the acquisition of an additional 15% stake in Groupe Lucien Barrière, lifting the Group's interest to 49%.

Development expenditure related to assets held for sale

No development expenditure was made in respect of assets held for sale at June 30, 2009.

Note 39. Segment Information

The Group has identified six operating segments:

- Hotels, with a portfolio of brands on every segment of the market and its 4,031 establishments in around 100 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.
- Prepaid services. Accor is a world-leading issuer of prepaid service vouchers and cards.
- Restaurants. Accor offers a full range of gourmet dining activities, notably through its Lenôtre subsidiary.
- 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.
- Other activities, notably the Group Financial Managements.

Each segment represents a strategic business offering different products and serving different markets. 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 by segment are presented in the balance sheets below:

At June 30, 2009 In € millions	Hotels	Prepaid Services	Other Businesses	Eliminations	Total consolidated
Goodwill	876	643	405	-	1 924
Intangible assets	351	114	38	-	503
Property, plant and equipment	4 117	37	370	-	4 524
Total non-current financial assets	469	189	438	(671)	425
Deferred tax assets	158	11	59	-	228
TOTAL NON-CURRENT ASSETS	5 971	994	1 310	(671)	7 604
TOTAL CURRENT ASSETS	5 552	3 068	2 200	(6 609)	4 211
Assets held for sale	29	-	5	-	34
TOTAL ASSETS	11 552	4 062	3 515	(7 280)	11 849
SHAREHOLDERS' EQUITY & MINORITY INTERESTS	5 376	711	(2 752)	-	3 335
TOTAL NON-CURRENT LIABILITIES	567	106	2 597	-	3 270
TOTAL CURRENT LIABILITIES	5 609	3 245	3 670	(7 280)	5 244
Liabilities related to assets classified as held for sale	-	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	11 552	4 062	3 515	(7 280)	11 849

At June 30, 2009 In € millions	Up and Midscale Hotels	Economy Hotels	Economy Hotels United States	Total Hotels
Goodwill	686	93	97	876
Intangible assets	144	50	157	351
Property, plant and equipment	2 182	1 138	797	4 117
Total non-current financial assets	422	24	23	469
Deferred tax assets	60	11	87	158
TOTAL NON-CURRENT ASSETS	3 494	1 316	1 161	5 971
TOTAL CURRENT ASSETS	4 076	1 330	146	5 552
Assets held for sale	2	8	19	29
TOTAL ASSETS	7 572	2 654	1 326	11 552
SHAREHOLDERS' EQUITY & MINORITY INTERESTS	3 658	676	1 042	5 376
TOTAL NON-CURRENT LIABILITIES	412	145	10	567
TOTAL CURRENT LIABILITIES	3 502	1 833	274	5 609
Liabilities related to assets classified as held for sale	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	7 572	2 654	1 326	11 552

At June 30, 2009 In € millions	Casinos	Restaurants	Onboard Train Services	Holdings & Other	Total Other Businesses
Goodwill	367	24	8	6	405
Intangible assets	17	1	-	20	38
Property, plant and equipment	241	26	18	85	370
Total non-current financial assets	2	3	-	433	438
Deferred tax assets	5	4	1	49	59
TOTAL NON-CURRENT ASSETS	632	58	27	593	1 310
TOTAL CURRENT ASSETS	93	54	166	1 887	2 200
Assets held for sale	-	3	1	1	5
TOTAL ASSETS	725	115	194	2 481	3 515
SHAREHOLDERS' EQUITY & MINORITY INTERESTS	353	44	102	(3 251)	(2 752)
TOTAL NON-CURRENT LIABILITIES	186	4	15	2 392	2 597
TOTAL CURRENT LIABILITIES	186	67	77	3 340	3 670
Liabilities related to assets classified as held for sale	-	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	725	115	194	2 481	3 515

Note 40. 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.

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 are therefore currently 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 June 30, 2009 (see Note 24.2).

Based on advice from its legal and tax advisors, the company believes that it has strong arguments that should lead to a favourable outcome, 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, 2008.

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.

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 various claims and litigation. The Company believes that these claims and litigations will not give rise to any material costs and will not have a material adverse effect on its financial position, business and/or results of operations.

Note 41. Off-Balance Sheet Commitments at June 30, 2009

Note 41.1 Off-balance sheet commitments given

Off-balance sheet commitments given at June 30, 2009 break down as follows:

In € millions	Less than 1 year	1 to 5 years	Beyond 5 years	June 30, 2009	Dec 31, 2008	June 30, 2008	
Security interests given on assets	(1)	-	-	26	26	17	12
. Groupe Lucien Barrière SAS	(2)	-	-	-	-	140	140
. Other purchase commitments		19	19	-	38	71	51
Purchase commitments		19	19	-	38	211	191
. Construction performance bonds Novotel and Ibis (China)	(3)	36	-	-	36	45	42
. Renovation commitment Axa Reim (France)	(4)	16	-	-	16	20	22
. Renovation commitment Axa Reim (Switzerland)	(4)	6	-	-	6	7	6
. Renovation commitment Moor Park (Germany and the Netherlands)	(5)	9	-	-	9	17	19
. Property development projects in Spain	(6)	14	-	-	14	14	14
. Renovation commitment Land Securities (United Kingdom)	(7)	7	-	-	7	8	14
. Construction commitments Novotel and Ibis (Algeria)	(8)	5	-	-	5	5	8
. Renovation commitment Novotel Paris Tour Eiffel	(9)	-	2	-	2	5	14
. Renovation commitment Foncière des Murs transaction 1 (France)	(10)	-	-	-	-	2	10
. Renovation commitment Foncière des Murs transaction 2 (France)	(10)	0	-	-	0	2	-
. Other renovation commitments	(11)	18	60	74	152	109	114
Capex Commitments		111	62	74	247	234	263
Loan guarantees given		1	4	1	6	6	1
Commitments given in the normal course of business	(12)	84	42	29	155	402	356
Contingent liabilities		1	1	-	2	2	-
Total June 30, 2009		216	128	130	474		
Total December 31, 2008		578	177	117		872	
Total June 30, 2008		357	342	124			823

- (1) Security interests given on assets correspond to pledges and mortgages valued at the net book value of the underlying assets.
- (2) Under the agreements between Colony Capital, the Desseigne Barrière family and Accor, Colony Capital has a put option and Accor has a call option on Colony's 15% interest in Groupe Lucien Barrière SAS. Colony exercised its put at the end of March 2009 and in April Accor acquired Colony's shares for €153 million, raising its stake in Groupe Lucien Barrière to 49%.
- (3) In connection with development in China, Accor issued performance bonds to the developers of 37 Ibis hotels and 4 Novotel hotels. The related commitments at June 30, 2009 amounted to €36 million.
- (4) In connection with the Axa REIM sale-and-variable leaseback transactions, Accor is committed to financing €27 million worth of renovation work in France and Switzerland. The transactions concern 45 hotels in France and 10 in Switzerland. The related commitments at June 30, 2009 amounted to €22 million.
- (5) 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, 2009, the remaining work amounted to €9 million.
- (6) 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, 2009 amounted to €14 million.
- (7) In connection with the Land Securities sale-and-variable leaseback transaction, Accor is committed to financing €17 million (£16 million) worth of renovation work in the UK. As of June 30, 2009, the remaining work amounted to €7 million (£6 million).
- (8) 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, 2009, the remaining work amounted to €5 million.
- (9) 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, 2009, the remaining work amounted to €2 million.
- (10) In connection with the Foncière des Murs sale-and-variable leaseback transactions, Accor is committed to financing €98 million worth of renovation work. As of June 30, 2009, the remaining work amounted €0.3 million.
- (11) Other commitments include €34 million in committed capital expenditure on Australian hotels and €92 million in commitments related to Groupe Lucien Barrière, which has been 49%-owned by Accor since April 2009.

(12) In February 2009, CIWLT paid €242 million in settlement of tax reassessments (see Note 40). 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 41.2 Off-balance sheet commitments received

Off-balance sheet commitments received at June 30, 2009 break down as follows:

In € millions	Less than 1 year	1 to 5 years	Beyond 5 years	June 30, 2009	Dec 31, 2008	June 30, 2008
Irrevocable commitments received for the purchase of intangible assets and property, plant and equipment	5	-	-	5	5	-
Irrevocable commitments received for the purchase of financial assets (1)	-	-	11	11	151	140
Customer orders spanning several years	-	-	-	-	-	-
Purchase commitments received	5	-	11	16	156	140
Sellers' warranties received	-	1	-	1	1	1
Debt waivers granted with a clawback clause	-	-	-	-	-	-
Loan guarantees received	-	-	-	-	4	-
Other guarantees received in the normal course of business (2) + (3) + (4) + (5) + (6)	77	3	3	83	114	164
Other commitments and guarantees received	77	4	3	84	119	165
Total June 30, 2009	82	4	14	100		
Total December 31, 2008	81	173	21		275	
Total June 30, 2008	110	170	25			305

- (1) Under the agreements between Colony Capital, the Desseigne Barrière family and Accor, Colony Capital has a put option and Accor has a call option on Colony's 15% interest in Groupe Lucien Barrière SAS. Colony exercised its put at the end of March 2009 and in April Accor acquired Colony's shares for €153 million, raising its stake in Groupe Lucien Barrière to 49%.
- (2) In connection with the two transactions with Accor, Foncière des Murs agreed to finance a €151 million renovation program. As of June 30, 2009, Foncière des Murs had performed €148 million worth of renovations. As of June 30, 2009, the remaining work amounted to €3 million.
- (3) In connection with transaction in the United Kingdom, Land Securities agreed to finance a €40 million (£35 million) renovation program. As of June 30, 2009, the remaining work amounted to €12 million (£10 million).
- (4) In connection with transaction in the Netherlands and in Germany, Moor Park agreed to finance a €59 million renovation program. As of June 30, 2009, the remaining work amounted to €16 million.
- (5) 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, 2009, the remaining work amounted to €3 million.
- (6) In connection with transaction with Accor, Axa REIM agreed to finance a €50 million renovation program over three years until the end of 2010. As of June 30, 2009 the remaining work in France and Switzerland amounted to €36 million.

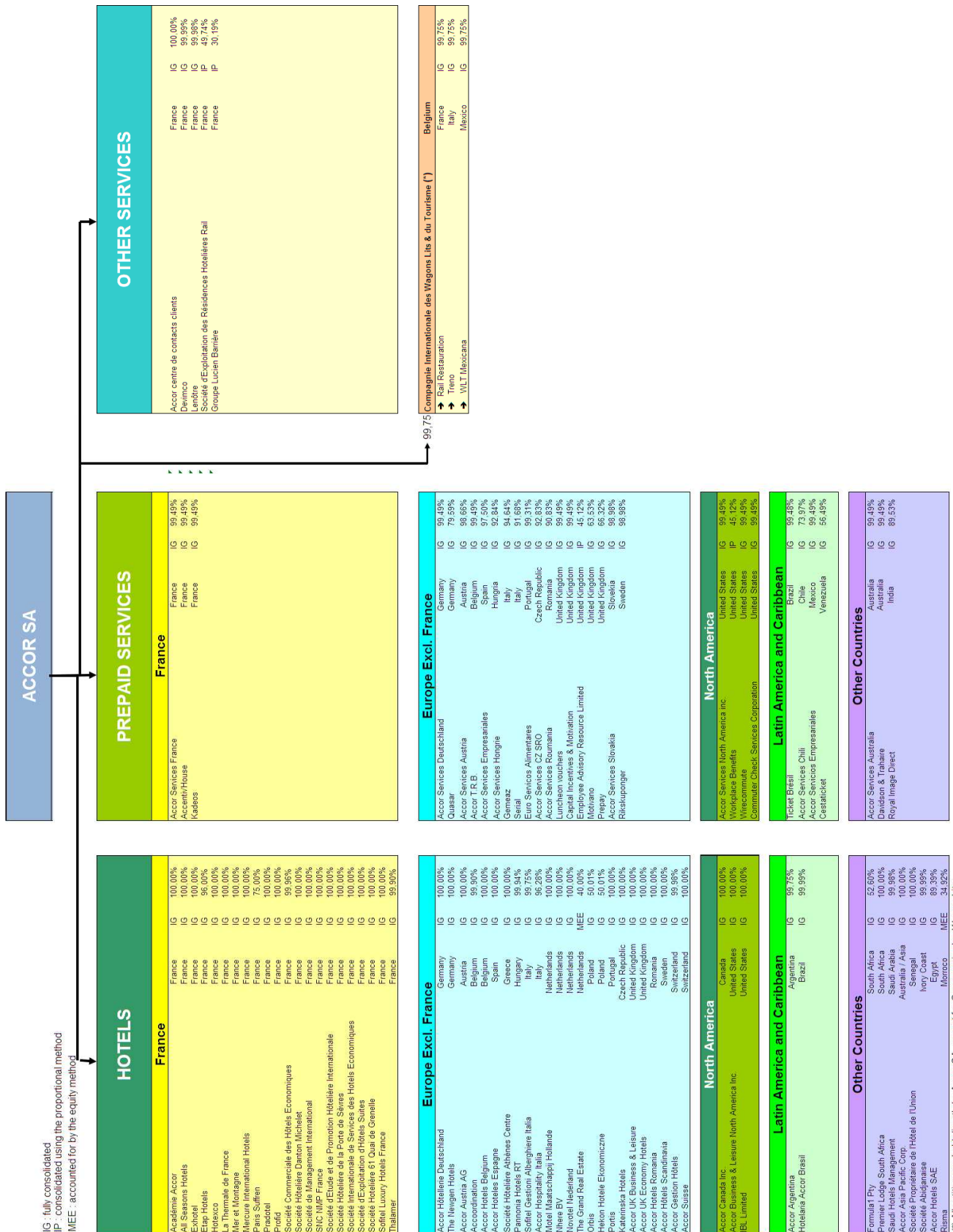
Purchase options under finance leases are not included in this table.

Note 42. Consolidated Companies Net Profit

In € millions	2008	June 2008	June 2009
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS	875	393	182
Cancellation of share of profit of associates after tax	(20)	(18)	2
CONSOLIDATED COMPANIES PROFIT BEFORE TAX	855	375	184
Restructuring costs	(56)	(10)	(53)
Impairment losses	(57)	(36)	(194)
Gains and losses on management of hotel properties	111	107	(11)
Gains and losses on management of other assets	13	23	(4)
Income tax expense	(273)	(152)	(52)
CONSOLIDATED COMPANIES NET PROFIT	593	307	(130)

Note 43. Main Consolidated Companies at June 30, 2009

The main subsidiaries and associates represent 92% of consolidated revenue, 94% of EBITDAR and 92% of EBIT. The many other subsidiaries and associates represent individually less than 1.5% of consolidated revenue, EBITDAR and EBIT.



Note 44. 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
Groupe Lucien Barrière	80	309	183	207	156	(158)
Australia (Allegiance Marketing and Reef Casinos Conso)	18	26	14	30	30	(16)

Above disclosed figures correspond to Group share.

Note 45. Subsequent Events

CLUB MÉDITERRANÉE SHARES

At the beginning of August, Accor sold the 98,800 Club Méditerranée shares held at June 30, 2009 for an average price of €10.21 per share.

The transaction generated a loss of €43 thousand. Accor no longer holds any Club Méditerranée shares.

Note 46. 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 43. 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 2009.

- ✓ **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 47.

- ✓ **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.

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	
		2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
Colony Capital	Long-term loan	-	-	-	-	-	-	-	-	-	-
	GLB put option granted to Accor	-	-	-	-	-	-	-	-	140	- (*)
	Bond issues	-	-	-	-	-	-	-	-	-	-

(*) See Note 2.B.4

Note 47. Corporate Officers' Compensation

In € millions	December 31, 2008		June 30, 2008		June 30, 2009	
	Expenses	Balance sheet amount	Expenses	Balance sheet amount	Expenses	Balance sheet amount
Short-term benefits received	12	6	5	2	5	3
Post-employment benefits	2	6	2	6	1	7
Other long-term benefits	-	-	-	-	-	-
Compensation for loss of office	5	-	-	-	3	1
Share-based payments	5	-	3	-	2	-
Total compensation	24	12	10	8	11	11

Corporate officers are defined as members of the Executive Committee and the Board of Directors.

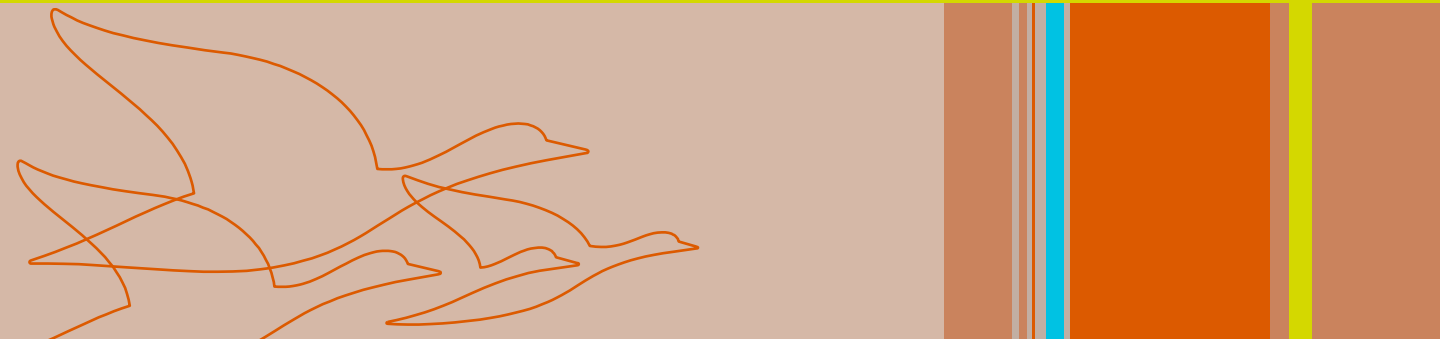
Compensation only concerned the members of the Executive Committee, which currently has nine members compared with twelve until the end of May.

Members of the Board of Directors do not receive any compensation and receive only fees. Directors' fees paid in first-half 2009 by the Group to the members of the Supervisory Board for year 2008 amounted to €590,000.

Note 48. Fees Paid to the Auditors

The table below shows the total fees billed by the Auditors recognized in the income statement in 2009 and prior years.

In € millions	2008	June 2008	June 2009
Statutory and contractual audit fees	(11)	(6)	(6)
Fees for audit-related services	(1)	-	-
Total fees billed by the Auditors	(12)	(6)	(6)



Auditors' Report on the 2009 Half-year

Financial Information

Statutory auditors' review report on first half year performance

For the period January 1, 2009 to June 30, 2009

To the Shareholders,

In accordance with the assignment entrusted to us by your Annual General Meetings and in accordance with Article L.451-1-2 III of the French Monetary and Financial Code (*Code Monétaire et Financier*), we hereby report to you on:

- the limited review of the accompanying half-year consolidated financial statements of ACCOR for the half year period ended June 30, 2009;
- the verification of the information contained in the half-year management report.

These half year consolidated financial statements were prepared under the responsibility of the ACCOR Board of Directors in a context of economic crisis that already prevailed at the previous year-end closing, making the economic outlook difficult to ascertain as described in Note 1 to the financial statements. Our role is to express a conclusion on these financial statements based on our limited review.

1. Conclusion on the financial statements

We conducted our limited review in accordance with professional practice standards applicable in France. A limited review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures. A limited review is substantially less in scope than an audit conducted in accordance with professional practice standards applicable in France. Consequently, the level of assurance we obtained about whether the half-year consolidated financial statements taken as a whole are free of material misstatements is moderate, and lower than that obtained in an audit.

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying half-yearly 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, 2009 and of the results of its operations for the period then ended in accordance with IFRSs as adopted by the European Union.

Without qualifying the conclusion expressed above, we draw your attention to Note 1 to the financial statements which describes new standards and interpretations applied from January 1st, 2009, notably IFRIC 13 and IAS 1 revised.

2. Specific verification

We have also verified the information given in the half-year management report commenting the half-year consolidated financial statements subject to our review.

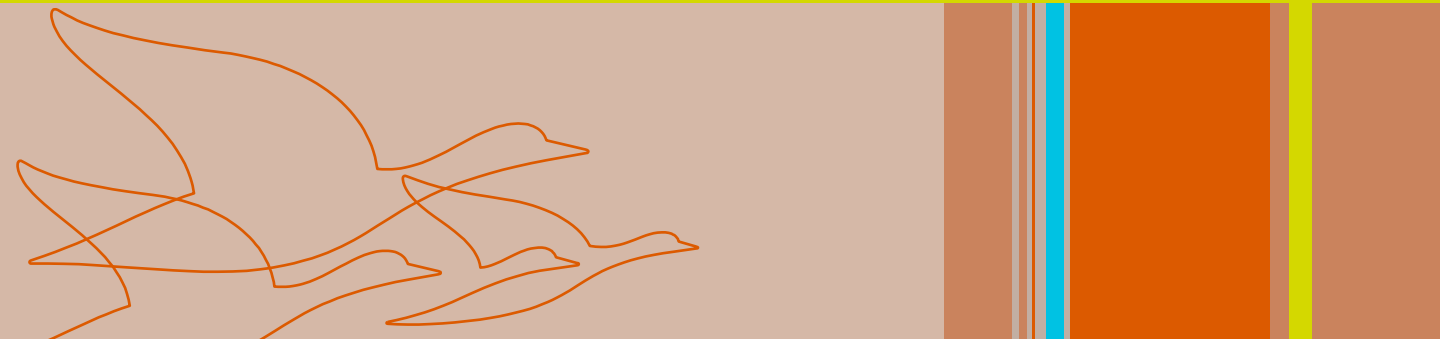
We have no matters to report as to their fair presentation and consistency with the half-year consolidated financial statements.

Neuilly-sur-Seine, on August 26th, 2009

The Statutory Auditors

DELOITTE & ASSOCIES
David Dupont-Noel

ERNST & YOUNG et Autres
Bruno Bizet



**Statement by the Person Responsible for
the 2009 Half-Year Financial Report**

Statement by the Person Responsible for the 2009 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 27, 2009

Gilles C. Pélisson
Chairman and Chief Executive Officer