ACCORHOTELS

Feel Welcome

Registration Document
and Annual Financial Report 2015

Content

AFR Information disclosed in the Annual Financial Report is indicated in the contents by the pictogram.

ACCORHOTELS

Feel Welcome

Registration Document

AND ANNUAL FINANCIAL REPORT

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The original French version of this translated Registration Document was filed with the *Autorité des Marchés Financiers* on March 24, 2016 in accordance with article 212-13 of the General Regulations of the *Autorité des Marchés Financiers*.

It may be used in connection with a financial transaction in conjonction with an Information Memorandum approved by the *Autorité des Marchés Financiers.*

This document was prepared by the issuer and is binding on its signatories.

SOFITEL LEGEND SO SOFITEL SOFITEL MGALLERY pullman NOVOTEL Mercure MAMA SHELTER adagio ibis ibis STYLES ibis budget hotelF1

1 Corporate PRESENTATION

1.1 CORPORATE PROFILE

The Accor Group became **AccorHotels** in 2015 but its legal business name remains unchanged.

AccorHotels is a Group united by a shared passion for hospitality and driven by a shared promise to make everyone *Feel Welcome*.

Over **190,000 women and men** in nearly **3,900 AccorHotels establishments** look after thousands of guests every day in 92 countries.

AccorHotels is the world's leading hotel operator and offers its customers, partners and employees:

- its dual expertise as a hotel operator and franchisor **(HotelServices)** and a hotel owner and investor **(HotelInvest)**;
- a large portfolio of internationally renowned brands covering the full spectrum, with luxury **(Sofitel, Pullman, MGallery by Sofitel, Grand Mercure, The Sebel)**, midscale **(Novotel, Mercure, Mama Shelter, adagio)** economy **(ibis, ibis Styles, ibis budget, adagio access and hotelF1)** establishments;
- a powerful marketplace and loyalty program **Le Club AccorHotels;**
- almost half a century of commitment to corporate citizenship and solidarity with the **PLANET 21** program.

1.2 CORE BUSINESSES

1.2.1 HOTELS

Present in every segment, from luxury to economy, AccorHotels is uniquely positioned in the global hospitality market.

A PORTFOLIO STRUCTURED TO MEET DEMAND, FROM LUXURY TO ECONOMY

Luxury and upscale

Sofitel and its Ambassadors bring French elegance to the world through a collection of prestigious hotels, offering their guests and partners personalized service that combines an emotional experience, outstanding performance and excellence. The Sofitel family comprises three labels that all share the same DNA.

- Sofitel Legend, an iconic AccorHotels brand;
- Sofitel hotels & resorts, combining local culture and French *art de vivre;*
- Sofitel SO, the ideal experience for international, cosmopolitan travelers.

Network: 114 hotels, 29,538 rooms in 41 countries.

Guests: 46% business – 54% leisure.

With MGallery by Sofitel, AccorHotels offers charming locations with their own exciting story. These boutique hotels, boasting the best of French hospitality, will inspire travelers who are curious about the world around them.

Network: 82 hotels, 8,333 rooms in 23 countries.

Guests: 36% business – 64% leisure.

With Pullman Hotels & Resorts AccorHotels welcomes a new generation of upscale hotels. The cosmopolitan brand offers ultra-connected travelers an experience that combines efficiency and comfort.

Network: 108 hotels, 31,450 rooms in 31 countries.

Guests: 55% business – 45% leisure.

Grand Mercure blends local culture with a universal sense of hospitality. In Asia, the Middle East and Latin America, the brand's distinctive personality in each country ensures that guests feel at home. Its hotels are cultural gems in magnificent locations.

Network: 46 hotels, 9,648 rooms in 11 countries.

Guests: 50% business – 50% leisure.

Independence takes on a whole new meaning at The Sebel Hotels and Apartments, with its elegant apartments, spacious design and personalized service. Thanks to this upscale collection of hotels and apartments, travelers looking for autonomy and unparalleled hospitality in a calm and relaxing environment are in for an unforgettable experience.

Network: 25 hotels, 1,667 rooms in 3 countries.

Guests: 52% business – 48% leisure.

Midscale

NOVOTEL

Novotel is suited to everyone: from families to solo travelers, travelling for business or leisure. In these hotels, everything has been designed to make you feel perfectly at home. And the teams, famous for their attention to detail, are always ready to help. This unique approach to hospitality, underpinned by simplicity and elegance, is appreciated across the world.

Within the Novotel family, Suite Novotel offers midscale travelers a warm welcome, 30-square-meter suites and innovative services including free massages, the loan of a vehicle and a gourmet shop. Everything is designed to allow business and leisure guests to enjoy complete autonomy and freedom during their stay.

Network: 459 hotels, 87,169 rooms in 61 countries.

Guests: 51% business – 49% leisure.

Mercure

In Mercure hotels, every stay is unique. Run by passionate hoteliers, Mercure hotels have a strong local feel that is in tune with the location and people. Mercure does everything it can to provide you with a high-quality and immensely enjoyable experience. (Re) discover Mercure and enjoy a local hotel experience.

Network: 741 hotels, 93,897 rooms in 56 countries.

Guests: 58% business – 42% leisure.

MAMA SHELTER

More than just a place to eat and sleep, Mama is an urban kibbutz, a living space for sharing experiences and meeting new people. Mama feels like a mother's love – a warm embrace, a comfortable haven, generous and unique dishes concocted by top chefs. Just like a mother, Mama's overriding aim is to take care of you.

Network: 6 hotels, 702 rooms in 3 countries.

adagio adagio access

You're new in town but you already feel at home. Your apartment is spacious and has everything you need including a kitchen, and our hotel services make life easy for you with 24/7 reception, housekeeping and a breakfast buffet. For a few days or several months, make yourself at home at adagio aparthotels. You can choose from three ranges:

- adagio, standard aparthotels;
- adagio access, the economy range;
- adagio premium, high-end aparthotels.

Network: 97 aparthotels, 10,532 apartments in 11 countries.

Guests: 58% business – 42% leisure.

Economy

ibis

Some people say you can't put a price on comfort. ibis hotels prove otherwise, offering guests comfort at unbeatable prices with modern rooms, innovative bed linen, cozy and stylish living spaces and 24/7 reception services. Welcome to Europe's leading low-cost hotel chain.

Network: 1,068 hotels, 134,786 rooms in 64 countries.

Guests: 52% business – 48% leisure.

ibis Styles

Creativity, design and fun are the watchwords for ibis Styles. Upbeat and trendy, this multi-style brand offers a unique blend of comfort and design, as well as services like Wi-Fi and family rooms. Everything is in place to cater to the needs of the modern traveler at an all-inclusive price.

Network: 310 hotels, 29,274 rooms in 30 countries.

Guests: 52% business – 48% leisure.

ibis budget

ibis *budget* provides a clever, cozy and low-cost offer, with rooms for one, two or three people, fun living spaces, XL showers, and all-you-can-eat breakfast buffets. The leading low-cost hotel skillfully blends simplicity and quality.

Network: 551 hotels, 52,699 rooms in 17 countries.

Guests: 52% business – 48% leisure.

hotelF1

hotelF1 offers fully renovated Duo and Trio rooms featuring a contemporary design as well as new reception and breakfast areas. More dynamic than ever, hotelF1 has established itself as an unconventional brand that meets the expectations of cost-conscious consumers.

Network: 237 hotels, 17,860 rooms in 1 country.

For various contractual reasons, 8 hotels representing 1,099 rooms are still operated under the Formule 1 brand.

A GLOBAL PRESENCE IN EVERY MARKET SEGMENT

AccorHotels operates worldwide, with a unique portfolio of 3,873 hotels (511,517 rooms) as of December 31, 2015 and a presence in every market segment.

Hotel portfolio by region and brand at December 31, 2015

	France		Europe (excl. France and Mediterranean)		Asia-Pacific		Americas		Mediterranean, Middle East and Africa		Total	
Brand	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**
Sofitel	11	1,509	17	4,292	43	13,045	17	4,012	26	6,680	114*	29,538
Pullman	13	3,652	12	3,112	63	18,888	6	1,885	14	3,913	108	31,450
MGallery	24	1,756	11	1,433	27	2,921	3	291	17	1,932	82	8,333
Grand Mercure	-	-	-	-	40	8,132	4	964	2	552	46	9,648
The Sebel	-	-	-	-	25	1,667	-	-	-	-	25	1,667
Luxury & Upscale	**48**	**6,917**	**40**	**8,837**	**198**	**44,653**	**30**	**7,152**	**59**	**13,077**	**375**	**80,636**
Novotel	112	15,391	113	22,404	118	28,304	29	6,077	56	11,164	428	83,340
Suite Novotel	19	2,198	8	1,158	-	-	-	-	4	473	31	3,829
Mercure	239	23,411	265	34,900	93	15,229	71	10,621	73	9,736	741	93,897
adagio	28	3,315	10	1,137	-	-	7	547	5	733	50	5,732
Midscale	**398**	**44,315**	**396**	**59,599**	**211**	**43,533**	**107**	**17,245**	**138**	**22,106**	**1,250**	**186,798**
Multi-brand	**1**	**51**	**2**	**324**	**20**	**2,515**	**-**	**-**	**4**	**675**	**27**	**3,565**
ibis	384	33,746	264	36,286	153	26,781	138	20,281	129	17,692	1,068	134,786
ibis Styles	155	11,101	67	6,588	59	8,407	9	1,154	20	2,024	310	29,274
ibis *budget*	330	25,489	142	15,752	32	3,873	22	5,169	25	2,416	551	52,699
adagio access	45	4,530	2	270	-	-	-	-	-	-	47	4,800
hotelF1	237	17,860	-	-	-	-	-	-	-	-	237	17,860
Formule 1		-	1	63	7	1,036	-	-	-	-	8	1,099
Economy	**1,151**	**92,726**	**476**	**58,959**	**251**	**40,097**	**169**	**26,604**	**174**	**22,132**	**2,221**	**240,518**
TOTAL	**1,598**	**144,009**	**914**	**127,719**	**680**	**130,798**	**306**	**51,001**	**375**	**57,990**	**3,873**	**511,517**

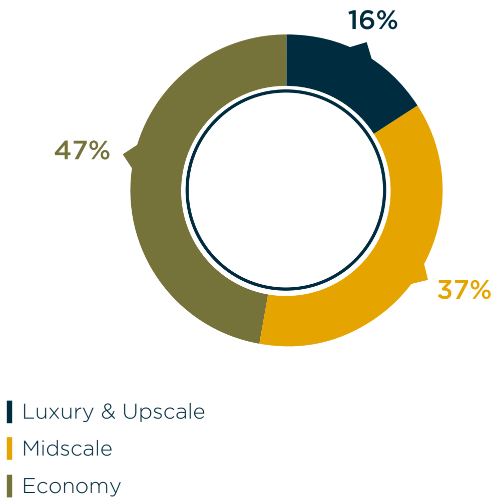
* *121 hotels are marlieted through the TARS reservation system.*

AccorHotels is the largest hotel group in **Europe,** with a network of 2,512 hotels and 271,728 rooms, representing 53% of its room base at December 31, 2015. In other regions, its expertise is deployed through 680 hotels (26% of the room base) in the **Asia-Pacific** region, 306 hotels (10% of the room base) in **Americas** region, and 375 hotels (11% of the room base) in the **Mediterranean, Africa** and the **Middle East.**

Hotel portfolio by region at December 31, 2015

Hotel portfolio by segment at December 31, 2015

(% based on number of rooms)



DIFFERENTIATED OPERATING STRUCTURES

AccorHotels hotels are affiliated with the Group *via* four main operating structures – franchise agreements, management contracts, leases and ownership. As part of the Group's organization into the HotelInvest and HotelServices businesses, all of the owned and leased hotels are integrated into the HotelInvest portfolio and are operated by HotelServices under management contracts.

Franchise agreements: Franchised hotels are operated by their owners. AccorHotels provides various services to its franchisees, such as the use of its brands, first and foremost, and access to the Group's centralized booking system. The other services offered to hotel owners include access to the centralized purchasing system and to Académie AccorHotels for employee training. AccorHotels is remunerated for these services *via* fees, including trademark fees and sales and marketing fees, as well as through the invoicing of additional services, where applicable.

Management contracts: Hotels under management contracts are similar to franchised hotels in that the personnel is employed directly by the hotel (except for the managing director who is an AccorHotels employee). AccorHotels only records the fees paid by the owner and not the hotel's revenue. However, these hotels are managed by AccorHotels. The fees received include the trademark and sales and marketing fees paid by franchisees, as well as a management fee corresponding to a percentage of EBITDAR and, in some cases, an incentive fee subject to performance criteria.

Leases: The income statement of leased hotels are fully consolidated by AccorHotels, which pays rent to the owner. The rent can either be fixed or variable. Fixed rent corresponds to a percentage of asset value, while variable rent is usually indexed to the hotel's revenue. For some hotels, particularly in South America, the rent paid by AccorHotels corresponds to a percentage of the hotel's EBITDAR.

Ownership: Owned hotels are fully consolidated. While AccorHotels only receives fees from franchised and managed hotels, it records all of the operating income and expenses in its accounts for owned and leased hotels.

AccorHotels' strategy is to choose the operating structure of its hotels in accordance with:

- their positioning (luxury and upscale, midscale or economy);
- the size of the country and type of economy (developed or emerging);
- their location (large, mid-size or small city);
- their return on capital employed;
- their earnings volatility;
- their EBIT margin.

In mature markets, the Group prefers asset-light operating structures based on:

- management contracts in the luxury segment;
- management contracts or franchise agreements in the upscale segment;
- management contracts and/or franchise agreements in the midscale segment;
- franchise agreements in the economy segment in Europe.

In emerging markets, the Group focuses on:

- management contracts in the luxury and upscale segments;
- joint ventures with local partners in some countries, like India, and management contracts in the midscale segment;
- all types of operating structures in the economy segments, depending on the brand and the location in key cities.

As of year-end 2015, 65% of the room base was operated under arrangements that limited earnings volatility, such as management contracts and franchise agreements.

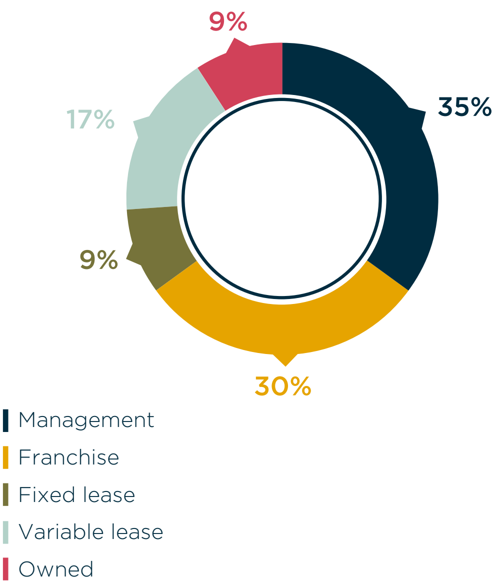
Hotel portfolio by operating structure and brand at December 31, 2015

	Owned		Fixed lease		Variable lease		Managed		Franchised		Total	
Brand	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**	**Hotels**	**Rooms**
Sofitel	17	2,642	4	1,199	5	651	85	23,850	3	1,196	114*	29,538
Pullman	5	1,119	5	1,219	7	2,249	72	20,912	19	5,951	108	31,450
MGallery	3	291	5	581	3	432	32	3,733	39	3,296	82	8,333
Grand Mercure	-	-	-	-	-	-	28	8,336	18	1,312	46	9,648
The Sebel	-	-	-	-	-	-	12	1,079	13	588	25	1,667
Luxury & Upscale	**25**	**4,052**	**14**	**2,999**	**15**	**3,332**	**229**	**57,910**	**92**	**12,343**	**375**	**80,636**
Novotel	49	9,848	37	7,500	106	17,932	149	35,408	87	12,652	428	83,340
Suite Novotel	1	118	6	971	11	1,396	5	637	8	707	31	3,829
Mercure	39	6,282	47	7,744	66	9,934	194	30,880	395	39,057	741	93,897
adagio	2	207	8	916	5	586	32	3,757	3	266	50	5,732
Midscale	**91**	**16,455**	**98**	**17,131**	**188**	**29,848**	**380**	**3,031**	**493**	**52,682**	**1,250**	**186,798**
Multi-brand	**1**	**294**	**1**	**51**	**-**	**-**	**22**	**3,031**	**3**	**189**	**27**	**3,565**
ibis	121	18,272	98	13,722	197	29,140	158	28,945	494	44,707	1,068	134,786
ibis Styles	7	791	12	1,025	9	1,692	43	7,025	239	18,741	310	29,274
ibis *budget*	65	6,786	77	8,538	85	10,564	40	5,723	284	21,088	551	52,699
adagio access	-	-	4	383	1	160	42	4,257	-	-	47	4,800
hotelF1	20	1,455	-	-	158	12,578	-	-	59	3,827	237	17,860
Formule 1	1	63	-	-	-	-	7	1,036	-	-	8	1,099
Economy	**214**	**27,367**	**191**	**23,668**	**450**	**54,134**	**290**	**46,986**	**1,076**	**88,363**	**2,221**	**240,518**
TOTAL	**331**	**48,168**	**304**	**43,849**	**653**	**87,314**	**921**	**178,609**	**1,664**	**153,577**	**3,873**	**511,517**

* *121 hotels are marlieted through the TARS reservation system.*

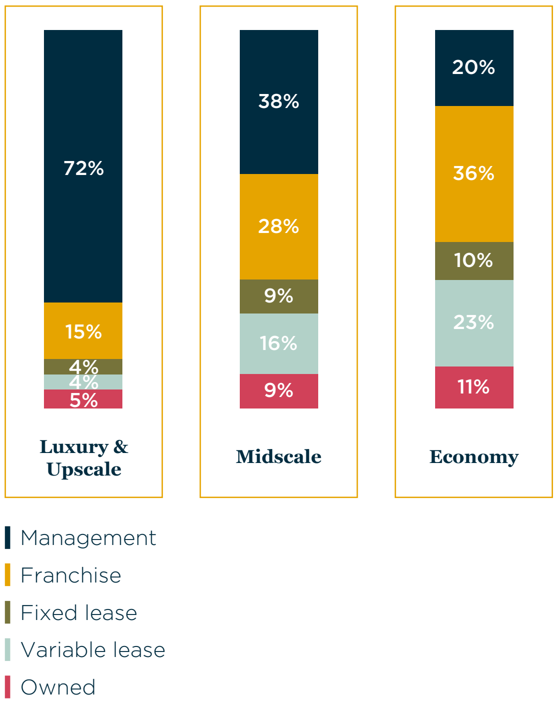
Hotel portfolio by operating structure at December 31, 2015

(% based on number of rooms)



Hotel portfolio by segment and operating structure at December 31, 2015

(% based on number of rooms)

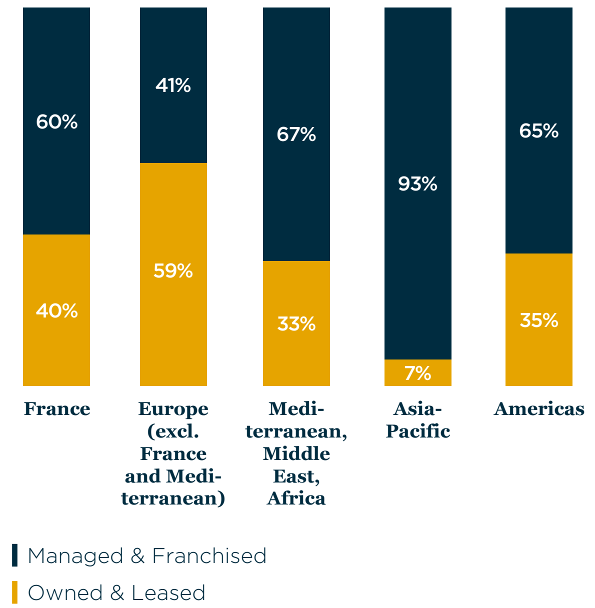


Hotel portfolio by operating structure and region at December 31, 2015

	Owned		Fixed lease		Variable lease		Managed		Franchised		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
France	62	6,537	40	4,578	401	46,168	108	13,370	987	73,356	1,598	144,009
Europe (excl. France and Mediterranean)	168	26,400	185	28,356	131	20,432	117	16,988	313	35,543	914	127,719
Mediterranean, Middle East, Africa	55	7,853	32	4,059	53	7,450	131	27,031	104	11,597	375	57,990
Asia-Pacific	14	2,265	43	6,298	5	1,105	432	97,744	186	23,386	680	130,798
Americas	32	5,113	4	558	63	12,159	133	23,476	74	9,695	306	51,001
TOTAL	**331**	**48,168**	**304**	**43,849**	**653**	**87,314**	**921**	**178,609**	**1,664**	**153,577**	**3,873**	**511,517**

Hotel portfolio by region and operating structure at December 31, 2015

(% based on number of rooms)



PROPERTY

Around half of property, plant and equipment recognized in the consolidated balance sheet primarily corresponds to hotel assets that are either owned outright or held under finance leases. The cost value of consolidated property, plant and equipment stood at €5,731 million at December 31, 2015, while their carrying amount was €3,024 million, representing 33.8% of total consolidated assets at that date (see note 15 to the consolidated financial statements, page 214).

The above breakdown of the hotel portfolio shows the number of rooms, the type of operating structure and the location of the hotels at December 31, 2015. The cost value of the assets is presented on page 169.

Occupancy rates, average room rates and Revenue Per Available Room (RevPAR) are described in the analysis of consolidated results on page 162.

Hotel projects currently underway are presented in note 3 to the consolidated financial statements on page 195.

Environmental issues are described in the environmental commitments section on page 65.

MARKETS AND COMPETITION

AccorHotels ranks sixth in the global hotel industry, based on number of rooms.

Hotel companies ranked by number of rooms worldwide at January 1, 2016

Rank	Group	Number of rooms	Number of hotels
1	Hilton Worldwide	751,350	4,565
2	Marriott International	746,523	4,366
3	Intercontinental Hotels Group	744,368	5,032
4	Wyndham Hotel Group	678,042	7,812
5	**AccorHotels**	**511,517**	**3,873**
6	Choice Hotels International	507,483	6,423

Sources: MKG Hospitality database – March 2016.

The above competitors share two characteristics: they are all well established in the United States and they mainly operate through franchise agreements.

European hospitality companies by number of rooms at January 1, 2016(28-country European Union)

Rank	Group	Number of rooms	Number of hotels
1	**AccorHotels**	**274,149**	**2,535**
2	Intercontinental Hotels Group	90,946	590
3	Best Western	90,340	1,300
4	Louvre Hotels Group (Jin Jiang)	68,912	973
5	Whitbread	60,261	708

Source: MKG Hospitality database - January 2016.

According to the MKG Hospitality report, three AccorHotels chains rank among the top ten, in number of rooms, in the 28-country European Union.

European integrated hotel chains by number of rooms at January 1, 2016 (28-country European Union)

Rank	Chain	Number of rooms	Number of hotels
1	**ibis megabrand (ibis, ibis Styles, ibis *budget*)**	**133,498**	**1,397**
2	Best Western	90,340	1,300
3	Holiday Inn	66,898	476
4	**Mercure**	**60,859**	**531**
5	Premier Inn	60,261	708
6	**Novotel/Suite Novotel**	**43,353**	**263**
7	NH Hotels	43,196	287
8	Hilton International	36,008	136
9	Travelodge	35,997	489
10	Radisson Blu	31,804	140

Sources: MKG Hospitality database – January 2016.

1.2.2 OTHER BUSINESSES

Other businesses, which are not material compared with the hotels business, include the corporate departments and the marginal Casinos business. They are presented as part of the "Multi-brand" segment.

1.3 FINANCIAL HIGHLIGHTS

In compliance with European Commission Regulation 1606/2002 of the European Parliament and of the Council dated July 19, 2002 and European Commission Regulation 1725/2003 dated September 29, 2003, AccorHotels has prepared its consolidated financial statements since 2005 in accordance with the International Financial Reporting Standards (IFRSs), as published by the International Accounting Standards Board (IASB) and adopted by the European Union.

The following financial highlights have been taken directly from the consolidated financial statements at December 31, 2015.

CONSOLIDATED FINANCIAL HIGHLIGHTS

(in millions of euros)	**2014**	**2015**
Consolidated revenue	5,454	5,581
EBITDAR	1,772	1,780
EBIT	602	665
Operating profit before tax and non-recurring items	578	605
Net profit/(loss)	240	271
Net profit/(loss), Group share	223	244

PER-SHARE DATA

(in euros)	**2014**	**2015**
Earnings per share	0.97	0.88
Diluted earnings per share	0.96	0.88
Ordinary dividend per share	0.95	1.00 (1)

(1) Submitted for approval at the Annual Shareholders' Meeting of April 22, 2016.

TOTAL ASSETS

(in millions of euros)	**2014**	**2015**
Total non-current assets	4,794	4,756
Total current assets	3,614	3,990
Assets held for sale	347	208
Total assets	8,754	8,953

EQUITY AND NET DEBT

(in millions of euros)	**2014**	**2015**
Shareholders' equity, Group share	3,657	3,762
Minority interests	213	225
Total equity	3,869	3,987
Net debt	159	-194

1.4 MILESTONES

1967

- Paul Dubrule and Gérard Pélisson create SIEH.
- First Novotel hotel opens in Lille.

1974

- First ibis hotel opens in Bordeaux.
- Acquisition of Courtepaille.

1975

- Acquisition of Mercure.

1976

- Hotel operations are launched in Brazil.
- Ticket Restaurant® meal vouchers are introduced in Brazil, Italy, Germany, Belgium and Spain.

1980

- Acquisition of Sofitel (43 hotels and two seawater spas).

1981

- Initial public offering of SIEH shares on the Paris Bourse.
- Start-up of Services operations in Mexico.

1982

- Acquisition of Jacques Borel International, European leader in managed food services (Générale de Restauration) and concession restaurants (Café Route, L'Arche), and world leader in the issuance of meal vouchers (Ticket Restaurant®), with 165 million vouchers a year distributed in eight countries.

1983

- Creation of Accor following the merger of Novotel SIEH Group and Jacques Borel International.

1985

- Creation of Formule 1, a new hotel concept based on particularly innovative construction and management techniques.
- Creation of Académie Accor, France's first corporate university for service activities.
- Acquisition of Lenôtre, which owns and manages caterer boutiques, gourmet restaurants and a cooking school.

1988

- 100 new hotels and 250 restaurants are opened during the year, for an average of one opening a day.
- Start-up of Services operations in Argentina.

1989

- Formule 1 expands outside France, with two properties in Belgium.
- Alliance formed with Groupe Lucien Barrière SAS to develop hotel-casino complexes.

1990

- Acquisition of the Motel 6 chain in the United States, comprising 550 properties. With its global brands, Accor becomes the world's leading hotel group, in terms of hotels directly owned or managed (excluding franchises).
- Ticket Restaurant® business launched in Venezuela.

1991

- Successful public offer for Compagnie Internationale des Wagons-Lits et du Tourisme, which is active in hotels (Pullman, PLM, Altea, Arcade), car rental (Europcar), onboard train services (Wagons-Lits), travel agencies (Wagonlit Travel), managed food services (Eurest) and highway restaurants (Relais Autoroute).
- Creation of Etap Hotel.

1993

- Accor Asia Pacific Corp. is created by the merger of Accor's Asia-Pacific businesses with Quality Pacific Corp.
- Interest acquired in the Pannonia chain (24 hotels), as part of Hungary's privatization program.
- Services business starts up operations in Czech Republic, Austria and Luxembourg.

1994

- Partnership between Carlson and Wagonlit Travel in business travel services.
- Ticket Restaurant® introduced in Slovakia, Uruguay and Hungary.

1995

- Eurest is sold to Compass, making Accor the largest shareholder in the world's leading food services company.
- Disposal of 80% of the concession restaurants business.
- Introduction of an extensive training and communication program to improve environmental protection.

1996

- Accor becomes the market leader in the Asia-Pacific region, with 144 hotels in 16 countries and 56 projects under construction.
- Management of the ibis, Etap Hotel and Formule 1 chains is consolidated within Sphere International.
- Launch of the Compliment Card in partnership with American Express.

1997

- Accor changes its corporate governance system. Paul Dubrule and Gérard Pélisson become Co-Chairmen of the Supervisory Board, while Jean-Marc Espalioux is appointed Chairman of the Management Board.
- Carlson and Wagonlit Travel merge to form Carlson Wagonlit Travel, owned equally by Accor and Carlson Companies.
- Public offer made for all outstanding shares of Accor Asia Pacific Corp.
- Acquisition of a majority interest in SPIC, renamed Accor Casinos.

1998

- Introduction of the Corporate Card in partnership with Air France, American Express and Crédit Lyonnais.
- Development of new partnerships, with Air France, French National Railways SNCF, American Express, Crédit Lyonnais, Danone, France Telecom and others.

1999

- The hotel portfolio grows by 22% with 639 new properties, led by the acquisition of Red Roof Inn in the United States.
- Deployment of the Internet strategy.
- The 50% interest in Europcar International is sold.

2000

- Launch of accorhotels.com.
- Brand logos are redesigned to highlight the Accor name, raising international visibility and public awareness.
- 38.5% interest in Go Voyages acquired.
- 80% interest in Courtepaille sold.

2001

- Broader presence in the Chinese hotel market in partnership with Zenith Hotel International and Beijing Tourism Group.
- Suitehotel launched in Europe.

2002

- Acquisition of a 30% interest in German hotel group Dorint AG (87 hotels, 15,257 rooms).
- Accor Casinos is now equally-owned with the Colony Capital investment fund, with Accor continuing to manage the company.
- Stake in Go Voyages is raised to 60%.

2003

- Stake in Orbis is raised to 35.58% by purchasing an 8.41% interest held by minority shareholders.
- Stake in Go Voyages raised to 70% following the acquisition of an additional 10% interest.
- All the Dorint hotels are cobranded as Dorint Sofitel, Dorint Novotel and Dorint Mercure.

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, Société des Hôtels et Casino de Deauville, Accor Casinos and their respective subsidiaries. Accor owns 34% of the new combination.
- Acquisition of a 28.9% interest in Club Méditerranée.
- Stake in Go Voyages is raised from 70% to 100%.

2005

- Colony Capital invests €1 billion in Accor in exchange for €500 million in ORA equity notes and €500 million in convertible bonds, enabling Accor to strengthen its equity base and step up the pace of expansion.
- Accor implements a new property management strategy and signs an initial agreement with French real estate company Foncière des Murs to transform fixed-rent leases on 128 hotels in France into variable leases.

2006

- Accor changes its corporate governance system from a Supervisory Board and Management Board to a Board of Directors, with Serge Weinberg as Chairman and Gilles Pélisson as Chief Executive Officer.
- As part of the non-strategic asset disposal process, Accor sells its 1.42% stake in Compass Group PLC and its 50% interest in Carlson Wagonlit Travel, as well as most of its investment in Club Méditerranée (22.9% out of a total 28.9% stake).
- As part of the on-going shift in the Hotels business model, Accor carries out a second transaction with Foncière des Murs, involving 59 hotels and five seawater spas in France, as well 12 hotels in Belgium. The deal means that Accor continues to operate the hotels under 12-year leases with variable rents and no guaranteed minimum, renewable four times per hotel at Accor's option.
- Accor sells six US Sofitel hotels to a joint venture comprised of GEM Realty Capital, Whitehall Street Global Real Estate Limited Partnership 2005 and Accor, which remains a 25% shareholder in the joint venture and continues to manage the hotels under the Sofitel brand through a 25-year contract.
- Compagnie des Wagons-Lits wins a tender from French National Railways SNCF for onboard food services on the TGV Est Européen high-speed train line.

2007

- Accor sells two other US Sofitel units in New York and Philadelphia to a joint venture comprised of GEM Realty Capital, Whitehall Street Global Real Estate Limited Partnership and Accor. Accor remains a 25% shareholder in the venture and continues to manage the hotels under the Sofitel brand through a 25-year management contract.
- As part of the on-going shift in the Hotels business model, Accor sells 47 hotel properties in France and 10 in Switzerland to a real estate consortium comprising two investment funds managed by AXA Real Estate Investment Managers and Caisse des Dépôts et Consignations. Accor continues to operate the hotels under 12-year leases with variable rents and no guaranteed minimum, renewable six times per hotel at Accor's option.
- Also as part of the sustained implementation of the Hotels strategy, Accor sells 30 hotels in the United Kingdom to Land Securities and leases them back under 12-year leases with variable rents and no guaranteed minimum, renewable six times.
- In addition, a memorandum of understanding is signed with Moor Park Real Estate for the sale of 72 hotels in Germany and 19 in the Netherlands, with Accor continuing to operate the units under similar leaseback conditions.
- Accor Services acquires Kadeos, Prepay Technologies and Surf Gold.
- Red Roof Inn is sold to Citigroup Inc.'s Global Special Situations Group and Westbridge Hospitality Fund II, LP.
- The Italian food services business is sold to Barclays Private Equity.
- 28,400 new rooms opened during the year.

2008

- As part of its strategy of refocusing on its two core businesses, Services and Hotels, Accor sells its remaining 50% stake in the Brazilian food services business to Compass Group.
- Pursuing its asset-right strategy, Accor sells the Sofitel The Grand hotel in Amsterdam under a sale and management-back arrangement for an enterprise value of €92 million.
- In line with its commitment to expanding the Hotels business in Central Europe, Accor raises its interest in the Poland-based Orbis hotel group to 50% by acquiring an additional 4.53% stake in the company.
- Accor launches A|Club, a free cross-brand loyalty program that earns points in more than 2,000 hotels and 90 countries worldwide.
- Accor continues to expand worldwide with the opening of 28,000 new rooms.

2009

- Gilles Pélisson, Chief Executive Officer, is appointed Chairman of the Board of Directors.
- Accor raises its stake in Groupe Lucien Barrière to 49%.
- In late August, the Board of Directors approves Gilles Pélisson's recommendation to conduct a review of the potential benefits of demerging the Hotels and Prepaid Services businesses into two self-managing companies, each with its own strategy and resources for growth. The findings demonstrate the sustainable, profitable nature of each business, as well as their ability to meet the challenges of future growth and development. At year-end, the Board of Directors therefore approves the potential benefits of demerging the two businesses.
- In line with its on-going asset-right strategy, Accor announces a major real estate transaction in the budget segment in France, with the sale of 158 hotelF1 properties, representing a total of 12,300 rooms.
- 27,300 new rooms are opened during the year.

2010

- Initiated in 2009, the project to demerge the Hotels and Prepaid Services businesses is approved by shareholders at the Combined Ordinary and Extraordinary Meeting on June 29, 2010 and becomes effective on July 2 following the initial stock market listing of Edenred, the new company formed from the Services business.
- In line with its asset management strategy, Accor continues to dispose of non-strategic operations and hotel properties during the year, including (i) the sale of Compagnie des Wagons-Lits' onboard rail catering businesses in July, (ii) the sale of two portfolios of European hotels, one of five hotels to Invesco Real Estate in February and the other of 49 hotels to Predica and Foncière des Murs in August, and (iii) the sale and franchise back of 18 hotels in Sweden in December.
- Denis Hennequin is appointed Chief Executive Officer in December, then Chairman and Chief Executive Officer in January 2011.
- Following the opening of 25,000 new rooms during the year, the Accor portfolio comprises more than 500,000 rooms at year-end.

2011

- Now a pure player in hotels, Accor launches its new corporate signature: "Open New Frontiers in Hospitality" and revitalizes its economy brands around the ibis megabrand, with ibis, all seasons and Etap Hotel being transformed into the new ibis, ibis Styles and ibis *budget* brands.
- In March, Accor sells its 49% stake in Groupe Lucien Barrière and in September, completes the disposal of Lenôtre to Sodexo.
- As part of its asset-light strategy, Accor confirms its ability to continue actively managing its assets in order to focus on its core hotel operator business, with the sale and franchise-back of its 52.6% stake in Hotel Formula 1 (South Africa), the sale and variable leaseback of seven Suite Novotel hotels (France) and the sales and management-back of the Novotel New York Times Square, Pullman Paris Bercy and Sofitel Arc de Triomphe.
- In December, Accor strengthens its presence in Australia and New Zealand with the acquisition of Mirvac, involving 48 hotels (6,100 rooms) and a 21.9% equity interest in Mirvac Wholesale Hotel Fund (MWHF). As a result, Accor's offering in the two countries totals 241 hotels across every hospitality segment.
- In September, a franchise contract is signed with Jupiter Hotels Ltd., whose 24 hotels (2,664 rooms) increases to 68 the number of Mercure hotels in the United Kingdom.
- Annual room openings reach a new historic high, with 38,700 units coming on line during the year.

2012

- As part of its asset management strategy, Accor restructures its hotel base in North America by selling the Motel 6/Studio 6 chain for €1.5 billion. Accor announces the sale of the Pullman Paris Rive Gauche and the sale and management-back refinancing of such properties as the Pullman Paris Tour Eiffel, the Novotel Times Square in New York and the Sofitel Paris La Défense.
- Accor continues to expand with the opening of 38,000 new rooms in every segment, mostly under management and franchise contracts and more than 70% located in emerging markets. Accor strengthens its market leadership in Brazil by acquiring the Posadas hotel chain.
- Throughout the year, Accor works on revitalizing its brand portfolio. In the Economy segment, it implements the ibis megabrand project that enables more than 1,500 hotels to embrace the new ibis, ibis Styles and ibis *budget* standards, while in the Upscale segment, it initiates MGallery's repositioning, led by its boutique hotels, and launches Mei Jue in China. The Group also consolidates Sofitel's image with high-profile openings in Mumbai, Bangkok and Agadir and enhances Pullman's image with a vast renovation program.

2013

- Several major projects were completed in 2013, including some that were initiated in prior years, such as the renovation of a large number of Pullman hotels, the project to move MGallery further upmarket and enhance its visibility, and the final stages of deployment of the ibis megabrand.
- Progress was also made on the development strategy, particularly *via* several high-profile openings in the Middle East, which included the first Pullman hotel in Dubai and an ibis/Novotel complex in Abu Dhabi.
- At the same time, the strategy of optimizing the property portfolio was pursued, with the two most significant transactions concerning the sale and management-back of the Sofitel Paris Le Faubourg early in the year for €113 million and the sale of the interest in Australian hotel owner TAHL for a total of €100 million.

2014

- In 2014, Accor began an in-depth transformation of its organization around two separate but strategically related businesses – hotel operator and brand franchisor HotelServices and hotel owner and investor HotelInvest.
- It also pursued its development in fast-growing regions, particularly in the Asia-Pacific region, and acquired hotel portfolios in Switzerland, the United Kingdom, Germany and the Netherlands, representing a total of 110 hotels.
- In addition, Accor forged alliance with Huazhu and reinforced the existing partnership with Orbis to guarantee new development capabilities in China and Central Europe respectively and acquired a 35% stake in Mama Shelter, a source of inspiration for new, innovative "lifestyle" concepts.
- Lastly, the Group launched its five-year, €225 million digital plan to streamline and personalize its communications with customers, employees and partners.

2015

- In 2015, the Group maintained its strategic, operational and cultural transformation dynamic.
- Accor boosted its visibility and the strength of its brands, especially its corporate brand, by adopting the same name as its market place, AccorHotels, which brings together all of the Group's brands.
- The AccorHotels.com booking platform has became a market place, offering independent hotels selected by AccorHotels the chance to be listed alongside the Group's hotels.
- The Group consolidated its worldwide leadership in the Luxury segment with the announced acquisition of the FRHI Group and its three flagship brands Fairmont, Raffles and Swissôtel.
- AccorHotels continued restructuring its hotel portfolio through various buyback operations and the sale of profitable portfolios, and continued its development in fast-growing regions, with a record 229 hotel openings worldwide, including two in Iran.

1.5 STRATEGIC VISION AND OUTLOOK

In a challenging overall context in 2015, shaped by a mixed global economy, a tense geopolitical environment and the growing digitization and transformation of the tourism sector, AccorHotels pressed ahead with its strategy and delivered excellent annual results reflecting the benefits of its transformation plan.

2015 was particularly rich in events for the Group, which since November 2013 has had a new strategy, laid down by its Chairman and Chief Executive Officer, Sébastien Bazin.

AccorHotels now has two distinct businesses and areas of expertise: operator and brand franchisor HotelServices, and owner and investor HotelInvest. The new structure by business line reaffirms the strategic nature of our two traditional areas of expertise, separating the relevant functions, responsibilities and objectives in order to build a more efficient business model. The 1,288 HotelInvest hotels are operated by HotelServices under management contracts. The two businesses each have their own reporting process, based on separate income statements and separate performance indicators, but are managed by a single Executive Committee. Strategic support functions, such as Finance, Human Resources, Legal Affairs and Communications, are still centralized at corporate level.

Several major transactions were carried out in 2015, including:

- the acquisition of FastBooking, a company specializing in digital services for hotel operators, which now serves as the marketing platform for the accorhotels.com marketplace, launched in June 2015; To speed up its digital transformation, the Group has opened its distribution platform to a selection of independent hotel operators alongside the hotels in its brand portfolio;
- the deconsolidation of 93 HotelInvest hotels and the signing of an agreement to restructure a portfolio of 85 hotels through a new franchisee operator 70%-owned by Eurazeo and 30%-owned by AccorHotels, as part of the Group's plan to restructure its real estate assets;
- the announcement of the acquisition of the Fairmont Raffles Hotels International Group, creating a new world leader in the luxury hotel segment.

1.5.1 2015: EXCELLENT PERFORMANCE REFLECTING THE BENEFITS OF THE TRANSFORMATION PLAN

In 2015, AccorHotels continued the transformation of its business model at a very brisk pace. The results are visible in its operational and financial performance. In a mixed economic environment characterized by strong growth in Europe and the emerging markets but difficulties in France and Brazil, the Group posted excellent results and set new performance records. 2015 was also the year of a cultural transformation within the Group, embodied by the change of name from Accor to AccorHotels to underscore the connection with the hotel business and to merge the corporate brand with that of the digital platform. The Group's new promise, "Feel Welcome," further reflects its unifying spirit.

1. CONTINUATION OF HOTELINVEST'S TRANSFORMATION

HotelInvest's main challenges are to:

1/ Strengthen its position as the **leading hotel investor** in the Economy and Midscale segments **in Europe**, with strategic positions in emerging markets;

2/ Optimize **cash flow generation** and reduce earnings volatility, particularly by reducing the number of lease contracts. As part of this process, lease contracts on certain hotels earmarked for restructuring will not be systematically renewed when they expire. In addition, hotel development will no longer take place *via* lease contracts, except for contracts on which AccorHotels has already made a commitment;

3/ Manage and rationalize the asset portfolio, with a focus on **creating value** through the strategic allocation of capital expenditure;

4/ Support the Group's growth strategy, by **holding a selective portfolio of profitable hotel property assets**.

HotelInvest will retain the vast majority of owned hotels, limiting property sales to hotels that are performing well below average. HotelInvest is also responsible for allocating maintenance and development expenditure and may decide to acquire other hotel properties to drive the creation of greater value.

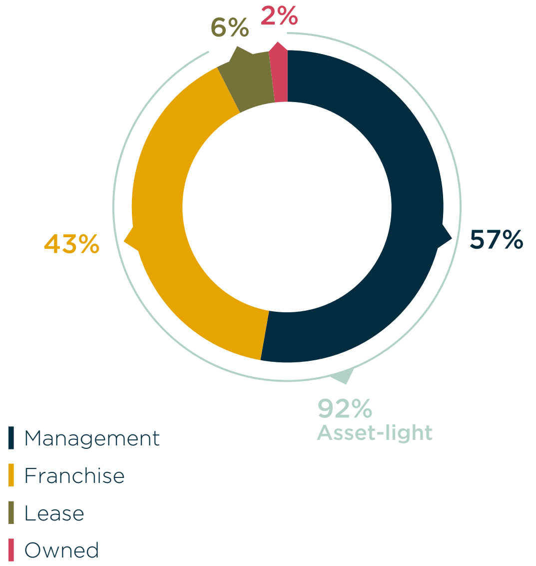
To address these challenges and above all improve HotelInvest's performance, 93 restructuring operations were carried out in 2015 (up from 48 in 2014), on hotel property portfolios acquired in 2014 from Moor Park, Axa and Tritax, as well as on individual hotels.

In addition, in January 2016, AccorHotels announced the signing of an agreement with a new franchisee operator 70%-owned by Eurazeo and 30%-owned by AccorHotels for the restructuring of a portfolio of 85 hotels in Europe. Of the 85 hotels, 57 are leased hotels from the Foncière des Régions, Axa and Invesco portfolios, which were the subject of transactions in the fourth quarter of 2015. The remaining 28 are owned hotels. This major deal, which took place in several stages, illustrates the Group's ability to implement virtuous and innovative solutions to optimize the HotelInvest business.

Lastly, following the December 2014 announcement of the Group's strategic alliance with Huazhu in China, which was finalized in January 2016, 12 previously owned hotels were transferred to our Chinese partner.

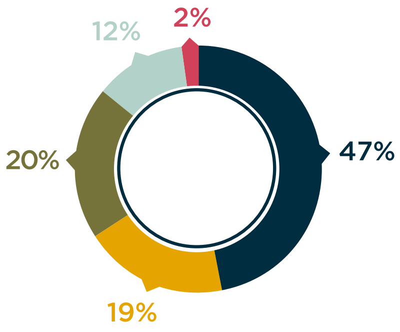
2. RECORD DEVELOPMENT WITH A FOCUS ON MARKETS IN "NEW ECONOMIES"

In 2015, the Group opened 229 hotels or 36,172 new rooms across the world, enabling it to offer a total of more than half a million rooms to its customers. Franchise agreements and management contracts accounted for 92% of this development, representing more than two hotel openings every three days and 100 rooms every day, while leased hotels represented 6% and owned hotels 2%. Of these openings, 70% were outside Europe, with 39% in the Asia-Pacific region, 16% in the Americas and 15% in the Mediterranean, Middle East, Africa region.



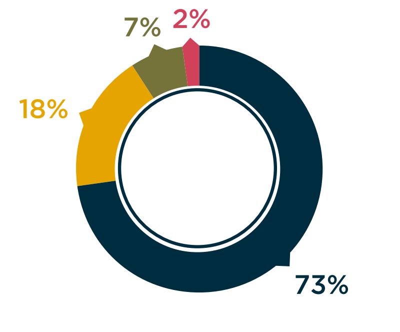
At the same time, the development pipeline increased to nearly 160,000 rooms at the end of 2015. Of the total, 47% are in the Asia-Pacific region, 19% in the Americas, 14% in Europe (excl. France and Mediterranean) and 12% in the Mediterranean, Middle East, Africa region. The breakdown by segment is in line with previous half-years, with the Economy segment dominating.

Openings in 2015*



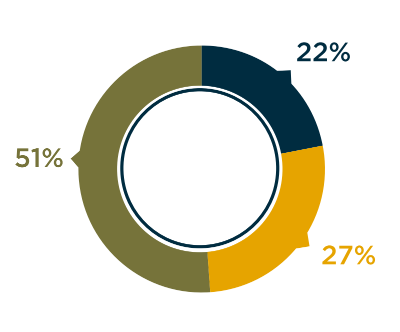
Regions

- Asia-Pacific
- Americas
- Mediterranean, Middle East, Africa
- Europe (excl. France and Mediterranean)
- France



Operating structures

- Management
- Franchise
- Lease
- Owned



Segments

- Luxury & Upscale
- Midscale
- Economy

** in number of rooms*

3. RECORD FINANCIAL RESULTS IN 2015

The Group recorded an excellent financial performance in 2015:

- **revenue of €5,581 million**, up 2.9% at constant scope of consolidation and exchange rates, thanks to healthy growth in most of the Group's key markets (excluding France and Brazil);
- **EBIT of €665 million**, resulting in a **record margin** of 11.9% and reflecting the swift and efficient implementation of the HotelInvest restructuring strategy;
- **record operating free cash flow** of €341 million before acquisitions and disposals;
- a positive net cash position.

The Group also enjoys a very strong financial position, with €3 billion of resources, allowing it to be proactive and flexible in the implementation of its strategy.

In addition, all of the 2015 objectives assigned to HotelServices and HotelInvest were met during the year:

For **HotelServices:**

- a 49.8% EBITDA margin, adjusted for the Sales & Marketing fund and the loyalty programs;
- very strong cash flow, amounting to 76.8% of EBITDA;

For **HotelInvest:**

- a 7.8% EBIT margin, up sharply since the start of the restructuring plan (6.1% in 2014 and 4.1% in 2013);
- very strong cash flow, amounting to 44% of EBITDA after maintenance and development expenditure;
- an increase in HotelInvest's gross asset value to €6.9 billion at December 31, 2015, supported by business during the year (*versus* €6.3 billion a year earlier).

1.5.2 OUTLOOK

"In an extraordinarily volatile global economic context, and at a time when the hospitality industry is reinventing itself, the opportunities available are numerous and the Group's objectives for 2016 are clear: strengthen our position as the world's leading hotel operator, and continue to significantly improve our operational and financial performance," said Sébastien Bazin, Chairman and CEO of AccorHotels on the 2015 annual results press release.

In 2016, the Group intends to accelerate its transformation by seizing opportunities in line with the strategy set in late 2013.

The strategic avenues are the same, with several major projects on the agenda in 2016:

- complete HotelInvest's transformation plan;
- successfully continue to implement all of the digital plan programs and speed up the development of the accorhotels.com marketplace;
- consolidate the Group's development pipeline to keep up fast and profitable expansion;
- capitalize on improvement drivers, particularly through Food & Beverage and Purchasing;
- continue to revamp the Group's management culture.

1.5.3 IMPLEMENTATION OF THE DIGITAL ROADMAP

In October 2014, AccorHotels announced the rollout of an ambitious five-year €225 million investment plan that will engage the Group in a wide-ranging digital transformation aimed at consolidating its leadership across the guest experience value chain. In June 2015, the value of the plan was increased by 10% following the launch of the accorhotels.com marketplace. In 2015, €78 million was spent (€5 million in 2014), with an impact as anticipated on the performances of the HotelServices business.

The "Leading Digital Hospitality" plan is based on a holistic response to the challenges of an increasingly digital world, in a market environment shaped by the accelerating pace of technological change, the arrival of new disruptors and rapid changes in guest behavior.

Built around three targets – customers, employees and partners – the plan is designed to rethink the role of digital technology and incorporate it into every aspect of the customer journey, while also improving our offering for investor partners and consolidating our distribution market share. It is being supported by two pillars, IT infrastructure and data management. Broken down into eight programs, its implementation is proceeding smoothly, with achievements already visible in 2015 and more than a hundred initiatives currently underway.

AN INTEGRATED PLAN BASED ON EIGHT PROGRAMS

Four of the programs are focused on guest benefits, in a commitment to understanding guests better and improving their experience in our hotels. At the same time, they will allow AccorHotels to step up the acquisition of new guests in the databases and help to retain their business.

- **"Mobile First"** is aligned with the growing migration to mobile devices, such as smartphones and tablets, offering a single app incorporating all of our guest services before, during and after the stay. Downloads were up 16% in 2015.
- **"Customer Centric"** will develop and use databases to ensure personalized follow-up and services, while centralizing guest feedback on the corporate Voice of the Guest platform, rolled out in 3,700 hotels at end-2015.
- **"Seamless Journey"** aims to deliver a smooth guest experience at every stage of their journey, with electronic payment solutions, one-click booking, online check-in and the virtual Le Club Accorhotels card. It was offered in 2,500 hotels at end-2015.
- **"Mice & BtoB"** is developing innovative digital solutions for businesses, such as online booking of meeting rooms, and will increasingly incorporate BtoB services in the global booking website, accorhotels.com. At the end of 2015, 120 French companies were using this solution available in 3,000 the Group's hotels.

In addition to guests, the plan also includes programs dedicated to employees and partners:

- **"Employee Friendly"** aims to simplify check-in processes using tablets and smartphones, develop online training solutions and encourage experience sharing *via* "AccorLive," our corporate social network.
- **"Owner & Franchise Centric"** makes AccorHotels the industry's most efficient and transparent partner, in particular by offering comprehensive dynamic pricing and revenue management solutions, a dedicated portal to access personalized information and services, and an optimized billing process, starting in 2015.

Lastly, our digital transformation also involves consolidating our IT applications and systems to make them even more robust and agile. In this regard, the following programs were implemented in 2015:

- **"Infrastructure Transformation"** focuses on optimizing systems to bring new services to market more quickly and keep pace with rising transaction volumes.
- **"Business Intelligence & Analytics"** ensures that operational decisions are increasingly based on analyses of the large volumes of data collected, particularly from the hotels.

The digital plan is supported by the robust resources already in place, such as:

- the Accor Reservation System **(TARS)**;
- the Group's multi-brand booking portal, **accorhotels.com**, which was opened up to a selection of independent hotels in September 2015, effectively transforming it into a hotel marketplace;
- the **Le Club Accorhotels** multi-brand loyalty program, which had 25 million cardholders at the end of 2015, after gaining more than 7 million new members over the year (on top of a gain of 4 million in 2014). The Club's contribution to overall revenue increased from 24% at end-2014 to 28% at end-2015.

1.5.4 ACQUISITION AND STRATEGIC PARTNERSHIP

1. ACQUISITION OF THE FAIRMONT RAFFLES HOTELS INTERNATIONAL (FRHI) GROUP

On December 9, 2015, AccorHotels announced the signing of an agreement with Qatar Investment Authority (QIA) and Kingdom Holding Company of Saudi Arabia (KHC) for the purchase of three iconic brands, Fairmont, Raffles and Swissôtel, creating a global leader in the Luxury segment. This strategic acquisition of a portfolio of 155 hotels (of which 40 under development) will give AccorHotels compelling global leadership in luxury hotels, while significantly strengthening its presence in North America.

The FRHI Group hotels and resorts are located in 34 countries around the globe, including the world's major tourist destinations, particularly in the United States, the leading outbound travel market. With nearly 500 Luxury and Upscale hotels, AccorHotels stands to rank as one of the best global players in this critical segment in terms of international reach, development potential and profitability.

The Group aims to generate approximately €65 million in revenue and cost synergies by combining brands, distribution platforms and loyalty programs.

The deal's funding through a cash payment of $840 million and a reserved capital increase of 46.7 million Accor shares will enable the Group to consolidate its shareholding structure through the acquisition of stakes by two high-profile investors, both specialists in the global hotel industry. QIA and KHC will both become Accor shareholders, holding 10.5% and 5.8% of share capital respectively, subject to shareholder approval at an Extraordinary Shareholders' Meeting. Prior to this, this transaction is subject to the regulatory approvals of the antitrust authorities.

2. FINALIZATION OF THE STRATEGIC ALLIANCE WITH HUAZHU (CHINA LODGING)

AccorHotels and Huazhu (China Lodging Group) finalized in January 2016 the strategic and long-term partnership signed a year earlier (December 2014), thereby creating a leading player in the Chinese hotel industry.

This major alliance will accelerate both partners' expansion in what is today one of the largest and fastest-growing domestic travel markets, and one that is set to become the world's largest outbound travel market. The objective of the alliance is to bring together the best of both partners, combining AccorHotels' internationally recognized brands and powerful global distribution network with the extensive coverage, local reputation and strong development capability of Huazhu Hotels Group in China.

Benefiting from an exclusive master franchise for AccorHotels, Huazhu is now in charge of operating and developing the Economy and Midscale ibis, ibis Styles and Mercure brands in China, Taiwan and Mongolia. Novotel and Grand Mercure will be jointly managed by Huazhu and AccorHotels.

AccorHotels will continue to operate and develop all of its Luxury and Upscale brands in China – Sofitel, Pullman, MGallery and The Sebel. Huazhu holds a 30% stake in AccorHotels' Upscale and Luxury business in China, and will help accelerate future development in that country thanks to its close ties with key Chinese business partners and investors. All AccorHotels establishments in China will continue to operate in accordance with their existing international standards, benefiting from the global distribution and loyalty platforms already in place, together with the added support of Huazhu's networks and domestic reputation. They will maintain their identities and unique features, while benefiting from Huazhu's extensive on-the-ground support capabilities and local expertise.

Huazhu plans to open 350 to 400 new hotels under the AccorHotels brands in the medium term. The agreement offers the 75 million cardholders in the two partners' guest loyalty programs the opportunity to stay in a combined network of more than 6,500 hotels around the world.

The arrangement provides for AccorHotels to have a 10.8% stake in Huazhu and a seat on the company's Board of Directors.

2 Corporate RESPONSIBILITY

Leading the way, in 2015 AccorHotels pursued its commitment and reaffirmed its 2020 objectives.

Imagine a city with 500,000 inhabitants. Imagine thousands of lives crossing paths on a daily basis. Imagine hundreds of thousands of people with access to food, heating, lighting, washing facilities and supplies… That city is AccorHotels, the world's leading hotel operator with 3,900 hotels in 92 countries. Just like a modern metropolis, our hotels welcome over 120 million guests and serve 200 million meals each year.

We are fully aware of the challenges this represents and of our responsibility as a company and economic player, so we have always been fully committed to limiting the negative impacts of our activity and creating tangible benefits for our employees, guests, suppliers, partners and host communities. With our 190,000 employees demonstrating, on a daily basis, their commitment to providing a warm welcome and excellent hospitality for all our guests, we see our corporate social responsibility process feeding into every aspect of the AccorHotels business. We focus this energy on concrete initiatives which reach beyond the company in order to prevent child sex tourism, sustain agroforestry and support the least fortunate in society.

In 2015, our PLANET 21 program ended on a very positive note which is testimony to the hard work and commitment of all the teams. In 2016, it will be the turn of our ambitious 2020 plan to make its mark and drive the change towards positive hospitality wherever we are.

Sébastien Bazin, Chairman and Chief Executive Officer

2.1 VISION AND COMMITMENTS

2.1.1 THE ACCORHOTELS CSR APPROACH: COMBINING BUSINESS WITH SUSTAINABLE DEVELOPMENT

AccorHotels has a simple mission: to welcome guests and provide them with lodging and meals around the world. In order to do this, we must make strategic decisions which address two imperatives. The first, inherent to any company, is to make a profit. The second is an expression of awareness of global challenges which demands that economic players, in particular major groups like AccorHotels, the sector leader, assume new responsibilities such as sharing the value they create, nurturing fair and equitable stakeholder relations, integrating social responsibility and environmental considerations into their business practices and the opportunities and constraints inherent in the ever-increasing digitization of the economy.

In 2015, AccorHotels stepped up the changes it made to its business and corporate culture. With its "Leading Digital Hospitality" plan "Food & Beverage" plan and new values, the Group focused on innovation and also renovation of its fundamentals. Indeed, AccorHotels embraced change by reworking its values. Its "Passionate about guests" value embedded the process and highlighted the importance it places on customer relations, a key part of the Group's guest care policy; the "Performance" value became "Sustainable Performance" to mark the Group's quest to create long-term positive value for the greatest number.

By placing sustainability at the core of its values, AccorHotels is committing to making CSR an integral part of its operating model. Another major move in this direction: the environmental and social performance criteria defined in 2015 will be used to calculate the variable portion of the salary of all qualifying employees. From 2016 onward, 24,000 employees from the management team down to the hotel supervisor will qualify for variable payments. In total, up to 20% of the variable portion may be based on individual and collective environmental and social performance.

In this way, the AccorHotels CSR process is helping to change the Group. 2015 was devoted to making maximum progress in order to bring the PLANET 21 2011-2015 program to the best possible conclusion and devise the future program for 2020. The latter was designed to support each of the Group's assets which play a major part in value creation: its human capital, its brand portfolio and digital expertise, its buildings and its relations with its business partners, society in general and local communities.

THE SUSTAINABLE DEVELOPMENT CRITERIA ARE DEFINED BY THE GROUP'S BUSINESS MODEL AND THE EXPECTATIONS OF STAKEHOLDERS

The AccorHotels Group: a global city

Hotels at AccorHotels are like a city where half a million people live every day. As such, they form living communities deeply anchored in their cultural, historical or natural heritage, interacting both with people in the local economy to procure goods and services and with the host population and local authorities.

Their operations are seamlessly interwoven with our stakeholders' activities and expectations, especially at the local level. AccorHotels is the sum of its 3,900 hotels, each of which is primarily focused on the economic actors and communities living nearby. As a result, managing stakeholder relationships is an intrinsic part of our business, and a strategic driver for a hospitality company.

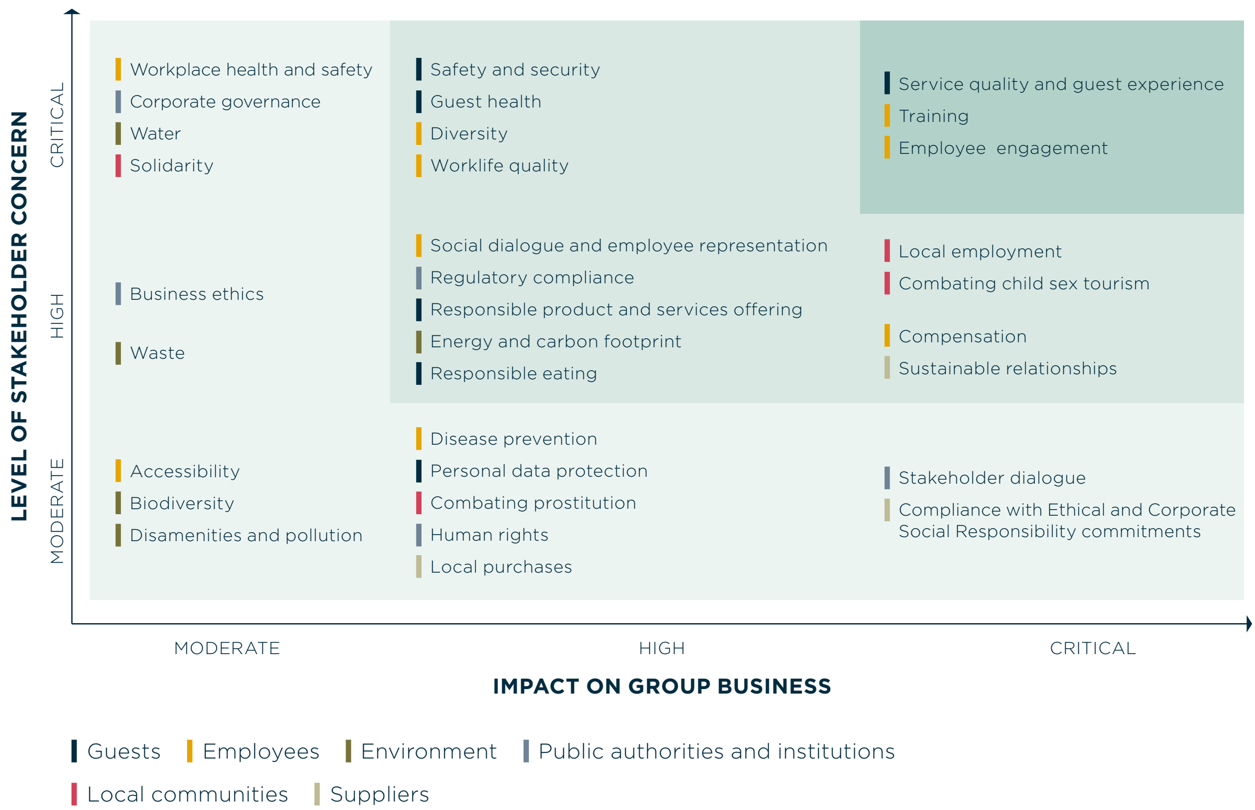
Assessing the materiality of issues

In 2015, AccorHotels updated its original 2013 assessment of the materiality of these issues. This assessment focuses on:

- identifying stakeholder concerns and expectations and determining their degree of importance;
- benchmarking the performance of AccorHotels against industry practices;
- measuring the impact of stakeholder expectations on AccorHotels business, either financially or in terms of reputation.

The Sustainable Development Department continuously tracks the Group's CSR issues and challenges. In 2014 and 2015 it conducted three major studies to allow it to quantify the issues with greater accuracy: update of the Group's environmental footprint (see page 28), the first global socioeconomic environmental footprint study carried out by a group in 186 countries and 25 business sectors (see page 28) and a study to gain an insight into how its guests perceive sustainable development (see page 28). In 2015, the Risks and Insurance Department also completely revised its risk mapping method to incorporate CSR considerations. Further details of the Group's risk mapping method can be found in Chapter 3 "Risk Factors".

The diagram below shows the results of the materiality assessment updated to include the lessons learned from the work described above. They show that the quality of service and the guest experience, training, and employee engagement were the three highest-ranking issues, confirming the importance of people in the hospitality industry. The analysis also demonstrated that AccorHotels must address many challenges in the three core aspects of CSR, with a greater emphasis placed on employment issues, followed by social and environmental concerns.



2.1.2 COMMITMENTS SUPPORTED BY THE ETHICS AND CORPORATE SOCIAL RESPONSIBILITY CHARTER

Deeply inspired by a dedication to acting responsibly and sharing value, AccorHotels upholds the highest ethical standards, strengthened over time by assertive commitments to all of its stakeholders. This dedication was reaffirmed in 2014 with the revamped Ethics and Corporate Social Responsibility Charter, which was updated in 2015 to incorporate the new Group's values. The Charter inspires all the AccorHotels socially responsible policies and guides the Group's responsibility process, in the areas of management ethics, integrity, compliance and corporate social responsibility.

Championed by the Chairman and Chief Executive Officer, the Charter presents in detail the foundations of our culture and commitments. The Charter is built on:

- **the Group's six Values** which were redefined in 2015;
- **the frame of reference** that expresses our commitment to complying systematically with applicable laws and regulations and fundamental international principles, such as the ILO conventions or the UN Global Compact, which the Group has been actively supporting since 2003[1] ;
- **AccorHotels ethical commitments** in the way the Group conducts its business, in such areas as fairness and respect for people, compliance with good business practices and the protection of property and data;
- **specific commitments made to the main stakeholder categories:** employees, guests, financial and business partners, suppliers and host communities – as well as in relation to the environment. All of the most frequently expressed expectations are covered, including diversity, work-life balance, hotel security, transparency, child protection and the preservation of natural resources;
- **the Charter distribution process** covers in detail the distribution to employees and outside stakeholders, such as the Group's owner and franchisee partners, and the role of senior management, Human Resources Departments or Legal Departments in reporting concerns and red flags.

SIX VALUES, ONE MISSION

- **Guest Passion:** Hospitality is our trade, pleasing people is what drives us. Our guests are the driver of our decisions, of our actions. We put them first, we care for them. We go the extra mile for them. We enjoy doing it.
- **Innovation:** We heard it was impossible, but together we did it. We stand for bringing guest's dreams to life. We dreamed it, we did it, they love it. We are curious, we welcome ideas. We are free to try, to test, to learn.
- **Sustainable Performance:** We stand for creating value, for as many as possible, over the long term.
- **Trust:** We believe in natural kindness. We support and value each individual and acknowledge their value. We deliver on our commitments. We say what we do, we do what we say.
- **Spirit of Conquest:** Our guests are globetrotters, and so are we. We want to be where they want to be. We explore, we initiate, and we develop. We are ambitious for our guests. We make the impossible possible, we have fun doing it.
- **Respect:** We are connected with the world, and to others. We enjoy the mix of cultures. We are proud of our differences. We put you first and we value you, whoever you are. We care for the planet.

The Charter was officially launched in 2014 and has since been rolled out to all the countries in which the Group operates. It is available on the various Group Intranets and from the AccorHotels website (http://www.accorhotels-group.com/en/sustainable-development.html). Directors are responsible for promoting the values and commitments to their teams and carefully tracking its application.

(1) AccorHotels Group reference texts include the principles of the 1948 Universal Declaration of Human Rights; the Guidelines for Multinational Enterprises issued by the Organization for Economic Cooperation and Development (OECD); the ten principles of the United Nations Global Compact; the International Labour Organization's fundamental conventions (1966 International Convention on the Elimination of All Forms of Racial Discrimination); the 1990 Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families; the 1989 Convention on the Rights of the Child; The Worst Forms of Child Labour Convention; Abolition of Forced Labour Convention (1957); the United Nations Conventions; the 1949 Convention for the Suppression of the Traffic in Persons and of the Exploitation of the Prostitution of Others; the 1966 International Covenant on Economic, Social and Cultural Rights; the Convention against Transnational Organized Crime; and the Financial Action Task Force (FATF).

In 2015, the roll out of a culture of ethics and CSR was stepped up within the Group. The Charter went live and was presented to the Board of Directors and the Group's Executive Committee and all the Executive Committees of the regions and the corporate support functions. It was distributed in the different areas, regions and countries and operating procedures were distributed and implemented locally. The Ethics and Corporate Social Responsibility Charter was also presented to the Group's partners, primarily the International Union of Foodworkers (IUF) and the AccorHotels Franchise Association, and it was decided to incorporate an ethics and corporate social responsibility clause into all new franchise and management contracts as of end of 2015.

A global, Groupwide network of Ethics and CSR correspondents has been put into place. This is led at Corporate level by three people who coordinate deployment of the Charter and lead and track the related projects. The Ethics and CSR correspondents serve as advisors for Charter deployment in their region, leading the related working groups, reporting any issues requiring attention, red flags or best practices and keeping the Executive Committee informed.

PREVENTING BRIBERY

Particular attention is paid to bribery, an issue that is addressed *via* two additional measures:

- **combating bribery of public officials:** AccorHotels pledges that no commission will be paid directly or indirectly to any elected or appointed public official with regard to the Group's contracts or its relations with government agencies;
- **combating bribery in the private sector:** AccorHotels pledges to take all reasonable measures to avoid the use of bribes with regard to both its procurement and sales procedures.

To help employees put these fundamental principles into practice, the Ethics and Corporate Social Responsibility Charter gives real-world examples of situations they could encounter and describes the right way to handle them.

The Ethics and Corporate Social Responsibility Charter plays an important part in preventing bribery. For this reason, it is part of the Group's mapping process which is described in Chapter 3 "Risk Factors". Internal audit grids also cover this issue through the verification of certain processes, such as hotel development and procurement. If employees have a question about a specific situation, they can speak to their manager or contact the Human Resources or Legal Affairs Department in their country. In 2015 the Group adopted a new policy on gifts to deal with the issue of conflicts of interest. It specifically states that all gifts must be refused and recommends how employees should act, depending on the situation.

No incidents of bribery were reported to judicial authorities by AccorHotels in 2015 and no provisions were recognized for bribery-related risks.

THE ACCORHOTELS GROUP FISCAL POLICY

As a matter of policy, AccorHotels aims to apply the local tax laws and regulations of the Group's host countries.

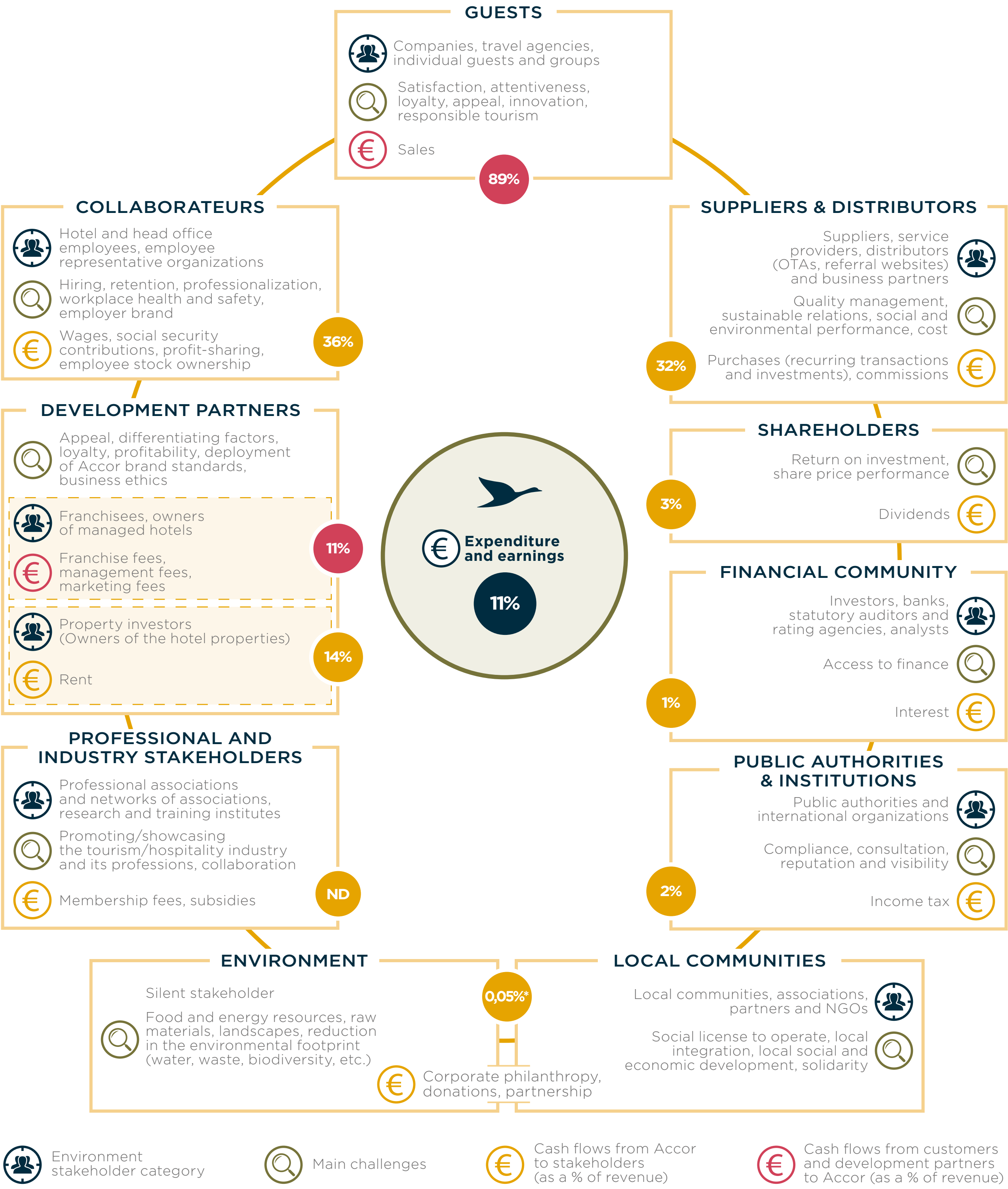
In addition, tax issues are part of a risk management policy that is operated by the Group Fiscal Department in conjunction with the Audit Department. Action plans are drawn up to defend the Group's interests in line with the applicable local regulations and international tax treaties. Documentation on tax positions is consulted, advice is sought from external consultants and dialogue is entered into with the tax authorities to safeguard the Group from these risks. The Group proactively monitors taxation changes and keeps its different correspondents up to date through training initiatives.

Finally the Group is involved directly, or through industry associations, in dialogue with the tax and legislative authorities in order to create an environment that is conducive to growth.

2.1.3 THE ACCORHOTELS GROUP'S INTERACTION WITH ITS STAKEHOLDERS

With assistance from the different Group departments, stakeholder maps were created which helped AccorHotels to identify its stakeholders, determine the type of dialogue fostered with each one, and compare stakeholder and corporate views on the criticality of various CSR issues. The diagram gives an overview of the main stakeholders identified and the key challenges associated with each. It also illustrates how these stakeholders share in the financial value that AccorHotels creates.

Stakeholders, the associated challenges and the distribution of revenue



* *Excluding local initiatives (areas, countries, hotels)*

STAKEHOLDER DIALOGUE AND PARTNERSHIPS

Dialogue policy

Implementation of our CSR commitment is supported by continuous stakeholder dialogue, a critical process that plays an ongoing, inherent role at every level of the organization and in every aspect of the business. A corporate stakeholder dialogue procedure, established in 2014, defines the scope of application and implementation of the process, the responsibilities at every level (global, regional, local) and the resources used to enhance dialogue and keep stakeholders informed.

The importance of stakeholders to the AccorHotels Group is illustrated by the Ethics and Corporate Social Responsibility Charter, the most compelling expression of our dedication to social responsibility. As such, it is organized around our flagship commitments to each major stakeholder category (see page 24).

A SOCIAL RESPONSIBILITY RESOLUTION IS PUT TO THE VOTE AT THE ACCORHOTELS ANNUAL GENERAL MEETING

The AccorHotels "tree resolution", the perfect illustration of how far the Group is prepared to take its social responsibility process, was the first non-financial resolution put to the vote at an Annual General Meeting. The commitment: to plant 10 million trees by 2021 as part of the Plant for the Planet program (see also page 62) and promote "insetting" as a founder member of the International Platform for Insetting. Insetting involves developing projects with a high socio-environmental impact within the industries themselves and the sphere of influence of companies who offset. This brings added benefits for the company, its industries and its products and, more generally, for the whole ecosystem. With 96% of the votes, the shareholders were almost unanimous in their support for the Group's agroforestry program.

This unprecedented step of consulting shareholders on a CSR program, the Group's long-term commitment and the comprehensive nature and clarity of the information it delivers at its Annual General Meeting and in its publications, earned AccorHotels the Capital Com ***"Trophée RSE de l'Assemblée Générale"*** [AGM Corporate Social Responsibility Trophy].

Main opportunities for dialogue between AccorHotels and its stakeholders in 2015

At Group level, the main opportunities for dialogue with stakeholders in 2015 were as follows (non-exhaustive list):

- participation at nearly 20 hotel industry investor conferences worldwide: ALIS in Los Angeles, IHIF in Berlin, MIPIM in Cannes, HICSA in Mumbai, AHIC in Dubai, NYU in New York, AHIF in Addis Abeba, HICAP in Hong Kong, RHIC in Moscow, etc.;
- meeting with over 1,000 investors and industry intermediaries (conferences, road shows, reverse road shows);
- annual franchisee conference held in Bordeaux (500 owners) – France, in Germany (60 owners) and in the UK (50 owners);
- launch of a study to understand how AccorHotels guests perceive sustainable development. This study compares the responsible behaviors and attitudes of guests in their homes and at a hotel and measures their perception of sustainable development in the hotels. It was based on some 8,000 questionnaires completed by AccorHotels guests in eight countries. The results will be published in 2016;
- Jean-Marc Borello, Chairman of the Executive Board of the SOS Group and board member of Solidarity AccorHotels, delivered a talk on the Group's solidarity commitment at the Annual General Meeting of Shareholders on April 28, 2015.

ACCORHOTELS, OFFICIAL PARTNER OF COP21

AccorHotels supported the Paris Climate Conference which took place from November 30 to December 11, 2015 in several ways:

- excellence in hospitality training for COP21: AccorHotels took charge of the English language and hospitality training of 300 young people from the Seine Saint-Denis department who were responsible for looking after the official delegations during the event;
- an unprecedented commitment: reflecting its Plant for the Planet program, AccorHotels offset the carbon emissions of all of the nights that guests spent in the Paris region in AccorHotels hotels and also hotels of their competitors, including chain hotels and independent hotels, for the full duration of the conference. To do this, it planted 27,000 trees in Peru in one of the reforestation projects that the Group supports;
- support for the "One Heart One Tree" art installation whereby the general public could use a dedicated app to project a "virtual tree" onto the Eiffel Tower during COP21. Each virtual tree projected was then transformed into a real tree which was planted as part of a reforestation project.

Outside partnerships to extend the process

To capitalize on the capabilities and recommendations of organizations with recognized expertise in key issues, partnerships have been forged to help drive continuous improvement.

End Child Prostitution, Pornography and Trafficking of Children for Sexual Purposes (ECPAT): AccorHotels has been engaged in the fight against child sex exploitation in its hotels through a partnership entered into in 2001 with ECPAT International, an international NGO comprising 77 organizations in more than 70 countries.

Pur Projet: this organization is dedicated to combating climate change through reforestation and forest conservation projects, with a focus on the involvement of local communities. Since 2012, *a partnership with Pur Projet* has supported the development of AccorHotels Plant for the Planet program (see above and page 62).

Energy Observer: AccorHotels became an official sponsor of the Energy Observer boat in 2015. The boat is used to demonstrate technology and as a renewable energy laboratory. The aim of the project is to involve scientists, researchers, engineers and journalists at 101 ports of call throughout the world. Alongside this initiative, AccorHotels has entered a technical and technology partnership with the CEA Tech, an applied research laboratory which specializes in alternative energies and has provided the technology for the boat. The idea behind the partnership is to test the Energy Observer electricity installations in a few hotels before considering a wider-scale roll-out.

International Insetting Platform (IPI): in 2015 AccorHotels joined forces with the other founder members, Adaptogether, Pur Projet and PlanVivo, to launch the IPI, an association governed by the French 1901 act. The platform is open to all operators with objectives or projects for the purpose of sharing knowledge, promoting and improving the visibility of insetting and encouraging innovation in project implementation. (Further information is available at: http://www.insettingplatform.com/).

ACCORHOTELS, A MAJOR PLAYER AND KEY CONTRIBUTOR TO INDUSTRY DEBATE

Institutional relations

AccorHotels has relationships with the government and public authorities and institutions in most of its host countries. Thanks to these relationships, it can make a constructive and transparent contribution to public policy in the areas which concern the Group's business. The ultimate aim of this contribution must be to influence the public decision-makers. AccorHotels has made the following commitments which are included in its Ethics and Corporate Social Responsibility:

- to have a voice to ensure its position on topics of general interest affecting its business are made known to public authorities and institutions, either on an individual basis or through associations;
- to take action to defend its legitimate interests in the knowledge that its action is justified;
- to refrain from seeking undue preferential political or regulatory treatment;
- to demonstrate integrity and intellectual probity in all its dealings with government agencies and public bodies, regardless of the situation or the interest it is defending.

In general, the Group's lobbying actions must comply with its principles of strategic action and its sustainable development and corporate social responsibility policies.

The positions of the AccorHotels Group are systematically supported by Sébastien Bazin, Chairman and Chief Executive Officer, the members of the Executive Committee, or by the international professional groups or organizations (WTTC, ITP, HOTREC, etc.) and national (UMIH, GNC, etc.) industry bodies and organizations of which AccorHotels is a member. The Group does not use an external agency in its dealings with governments and public authorities and institutions.

Creating and sharing corporate social responsibility knowledge

The AccorHotels Group is very active in the production of corporate social responsibility know-how, especially in the hospitality sector. 2015 was a particularly prolific year with a large number of new publications being disclosed on the "Planet 21 Research" open source knowledge sharing platform which can be found in the sustainable development section of the Group's website.

In 2015, the Group updated its 2011 environmental footprint, the first global socioeconomic environmental footprint study to assess the impact of an international hotel group throughout the full cycle of its activity based on several criteria. The second edition, to be published in 2016, provides greater detail on a number of areas which were merely touched on in the first, primarily its impact on water resources and biodiversity. The scope was extended to include indirect effects such as the impact of food storage and transport. This work allowed the Group to ensure that its sustainable development approach is technically robust and gave it the accurate and reliable vision it needed to consolidate its strategy.

AccorHotels is also the originator of the first global socioeconomic environmental footprint study carried out by a group in 186 countries and 25 business sectors. The study, which will be published in 2016, used an innovative method to measure and understand the direct impact of the Group's hotels, the indirect impact of its suppliers'activities and the impact brought about by AccorHotels activities (household consumption made possible by the salaries paid by the Group and its suppliers, tax revenues, public expenditure, etc.).

In 2015, AccorHotels published two studies on the impact of a CSR approach based on guest satisfaction and the financial performance of its hotels:

- "Links between business and CSR performance for key B2B accounts" a study verified by EY;
- "AccorHotels: socially responsible initiatives improve guest satisfaction and profitability", a study conducted by Accenture.

The results of both studies demonstrate a tangible link between the hotels' sustainable development performance and their financial performance. The CSR performance of a hotel impacts favorably on its profitability and guest satisfaction. It also forges a closer relationship between AccorHotels and its key B2B accounts: more than 70% of calls for tender include CSR requirements, and CSR performance is a very important criteria for almost 90% of clients when selecting a service provider in the hospitality industry.

2.2 STEERING THE CSR APPROACH

2.2.1 CSR GOVERNANCE

ETHICS AND CSR COMMITTEE

The Ethics and CSR committee was set up in 2014 in order to:

- inform the Executive Committee about questions pertaining to Ethics and CSR in order to better anticipate the opportunities, challenges and risks associated with them;
- make recommendations regarding the development of our commitments in the areas of human resources, risk management and sustainable development;
- monitor the implementation and performance of the actions we implement, for example the current deployment of the Group's new Ethics & CSR Charter;
- debate any issues concerning managerial ethics, our business conduct or possible conflicts of interest;
- analyze any dysfunctions and implement specific additional monitoring if required.

Chaired by Sven Boinet, Deputy Chief Executive Officer, the Committee comprises five Executive Committee members, four representatives from operations (Central and Eastern Europe, Southeast Asia, Africa, America and the Caribbean) and seven representatives from the directly concerned corporate support functions (Human Resources, Security and Safety, Legal Affairs, CSR, Purchasing and Communications).

The Committee met four times in 2015 to monitor the progress made on the ethics and CSR roadmaps. The packed agenda included: monitoring deployment of the Charter, sharing the Group's ethics and CSR commitment with its partners, the gift policy, employee safety when traveling, partner surveys, combating human trafficking in the hospitality industry, etc.

OVERSEEING THE CSR PROCESS

The CSR policy is primarily led by the Sustainable Development Department, the Human Resources Department and the Solidarity Accor endowment fund.

The Sustainable Development Department is in constant contact with the country operations, the brands and the support functions (Human Resources, Procurement, Technical Affairs, etc.). It is backed by a network of 115 country-correspondents and dedicated committees in some countries. It interacts with the brands and the support functions *via* a network of dedicated correspondents and for certain brands, *via* dedicated committees.

The Sustainable Development Department is primarily responsible for:

- promoting the PLANET 21 program in the organization and externally;
- leading the process structured by performance objectives and indicators, and coordinating sustainable development programs and the related partners;
- moderating the PLANET 21 community around the world by providing support in the form of expertise and social and environmental intelligence. In particular, in September 2015 a three-day PLANET 21 seminar in Paris brought together 60 sustainable development correspondents from around the world;
- designing and deploying tools capable of improving the management of AccorHotels sustainable development performance;
- initiating new projects, innovating in the area of sustainable development and tracking emerging issues.

The Corporate Human Resources Department has numerous contacts in the regions, countries and hotels.

Country Human Resources Directors report to their country's Operating Department. They head up top-level teams, define and implement the skills development and employee engagement policies and drive forward changes in culture in line with the AccorHotels Human Resources policies and strategy. They are supported in their endeavors by the expertise of their local teams and also have access to Group-wide tools or best practices from other countries, regions or areas that are shared throughout the HR community, thereby generating synergies that ensure consistency in practices and increase their impact.

The Human Resources community is organized into centers of expertise and interacts directly with all the operating departments and support functions: Legal Affairs, Communication, Marketing, IT, Sustainable Development, etc.

To accompany the changes which took place in the Group in 2015, the HR community was renamed the Talent & Culture community. As of January 1, 2016, the new organization will be built around the following five areas: Talent, Learning & Development, Recognition, Culture & Engagement, Social Dialogue and Social Innovation.

The Solidarity AccorHotels corporate endowment fund helps disadvantaged and socially isolated people by supporting outreach projects championed by employees. It is supported in its mission by a number of decision making and advisory bodies, including a Board of Directors, a Selection Committee and a standing team working with local correspondents. These correspondents, who come from the region concerned by the project or have worked there for several years, act as relays between Solidarity AccorHotels and local employees. They also provide useful information and advice concerning the projects.

A DEPLOYMENT PROCESS ALIGNED WITH EACH HOTEL'S OPERATING STRUCTURE

Just like the hotel data reporting system, the method used for deploying our CSR commitments, policies and programs depends on whether the hotels are owned, leased, managed or franchised.(1)

- CSR commitments apply to every AccorHotels hotel regardless of operating structure.
- The PLANET 21 program covers the owned, leased and managed hotels. In the case of franchised hotels, if the program is included in the franchise agreement, it must be deployed. Otherwise, implementation is recommended to the owner, who makes the final decision.
- Human resources policies and tools are deployed differently depending on the type of operating structure (see page 35). Most of them apply directly to owned, leased or managed hotels, with the exception of social dialogue, which is led at Group level only for owned and leased units. The Group offers franchised hotels recommendations and a variety of tools, but they remain responsible for their own human resource policies.

As a listed company headquartered in France, AccorHotels has a legal obligation to disclose employee, social and environmental information for all of the entities in its scope of consolidation, which corresponds to owned and leased hotels. AccorHotels has chosen to extend this disclosure, whenever possible, to all of the hotels operating under its brands. Depending on the issue, the reported data therefore include a more or less large percentage of the managed and franchised hotels.

ADDRESSING CSR ISSUES AT DECISION-MAKING LEVELS

CSR issues and challenges are addressed across the Group's decision-making organization. For example, the regional Executive Committees led by the members of the Group Executive Committee regularly discuss sustainable development and human resources issues at their meetings, which may be attended from time to time by representatives from the corporate Human Resources or Sustainable Development Departments. These issues are also addressed at the annual conventions organized by the corporate functions, such as the Legal Affairs Convention, the Development Convention and the Franchisees Convention in France.

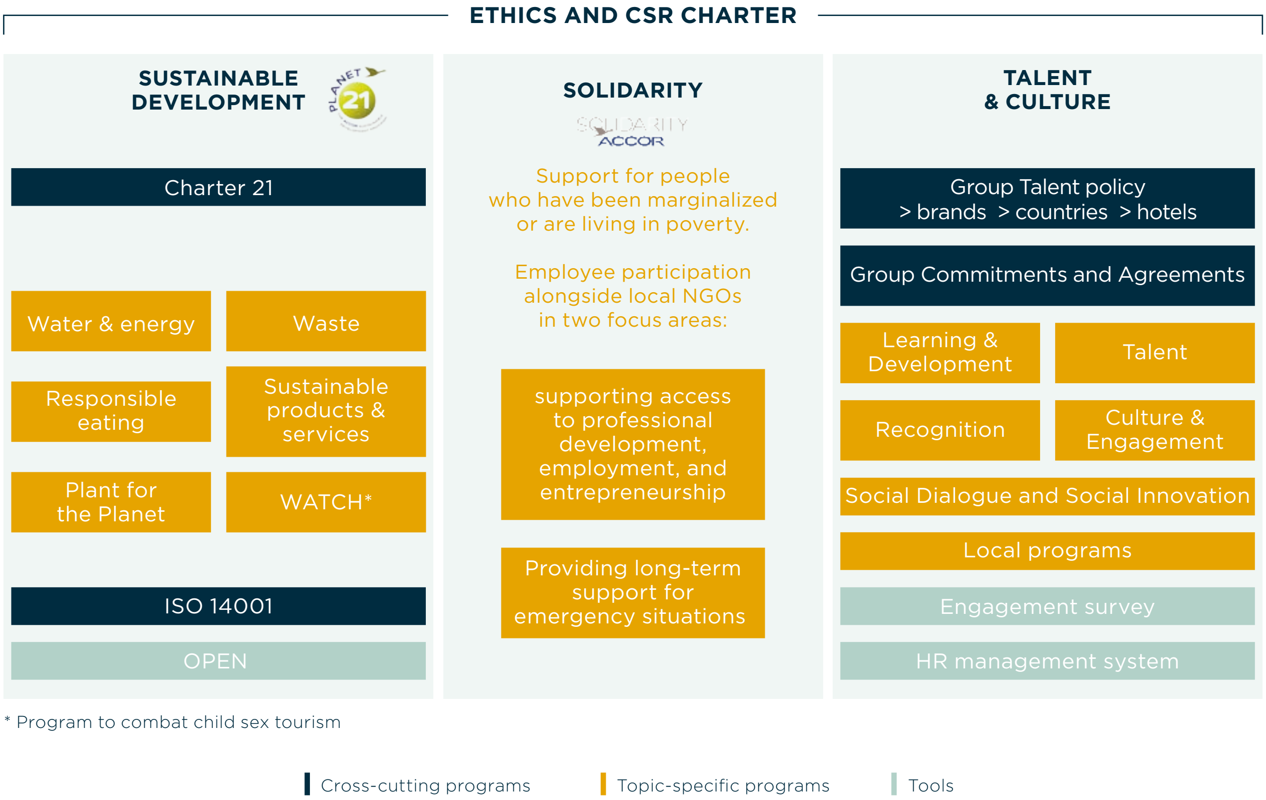
Conversely, Executive Committee members are directly involved in the bodies tasked with leading the CSR process: Executive Committee members are invited to address seminars organized for the Human Resources and Sustainable Development networks. In 2015, for example, the Deputy Chief Executive Officer, the Chief HR Officer and Chief Executive Officer for Food & Beverage spoke at the PLANET 21 seminar. The Chairman and Chief Executive Officer, the Chief Executive Officer of HotelServices France and the Chief Executive Officer of HotelServices for Central & Eastern Europe all sit on the Solidarity AccorHotels Board of Directors.

Finally, since 2015, the monthly indicator scorecard presented to the Executive Committee and the operations managers in the different countries includes PLANET 21 specific objectives. This new system has ensured more involvement and commitment from the whole Group to PLANET 21 and has helped improve performance significantly in 2015.

(1) *AccorHotels operates four main modes of affiliation: franchise contracts, management contracts, lease contracts and ownership. More information about these can be found on page 7.*

2.2.2 CSR POLICIES AND PROGRAMS

The Ethics and Corporate Social Responsibility Charter provides a framework for AccorHotels' CSR approach, which covers three key areas: the PLANET 21 sustainable development program, human resources policies and the Solidarity AccorHotels endowment fund.



Alongside the Group's CSR commitments, the Ethics and Corporate Social Responsibility Charter includes its compliance undertaking: values, business ethics, employment rights, protection of property and data.

2.2.3 PLANET 21 OBJECTIVES AND RESULTS

PLANET 21, the AccorHotels sustainable development program for the period 2011-2015, was designed in 2011 based on an assessment of the Group's environmental footprint and the findings of a survey on guest expectations and concerns in this area. One of the program's key components is the active participation of both guests and the nearly 190,000 people working under AccorHotels brands worldwide.

PLANET 21 has 21 measurable objectives in seven key areas. This program came to an end in 2015. A new program for the period 2016-2020 will be launched in the first semester of 2016. The table below gives a full overview of the PLANET 21 program for the period 2011-2015.

7 areas	21 commitments	2011-2015 objective	2011	2012	2013	2014
	1. Ensure healthy **interiors**	**85%** of hotels use **eco-labeled products**	68%	89%	95%	97%
	2. Promote responsible **eating**	**80%** of hotels with restaurants promote **balanced dishes**	62%	87%	96%	97%
	3. Prevent **diseases**	**95%** of hotels organize **disease** prevention **training** for employees	77%	40%	65%	74%
	4. Reduce our **water use**	**15%** reduction in **water use** between 2011 and 2015 (owned, leased and managed hotels)[1][2]	-	-5.2%[2]	-5.2%[2]	-5.6%[2]
	5. Expand **waste recycling**	**85%** of hotels recycle their **waste** (in countries with recycling channels)	64%	79%	86%	88%
	6. Protect **biodiversity**	**60%** of hotels participate in the Plant for the Planet reforestation program *(excluding hotelF1)*	34%	39%	41%	46%
	7. Reduce our **energy use**	**10%** reduction in **energy consumption** between 2011 and 2015 (owned, leased and managed hotels)[1][2]	-	+3%[2]	.+0.3%[2]	-4.5%[2]
	8. Reduce our CO_2 emissions	**10%** reduction in **CO_2 emissions between 2011** and 2015 (owned, leased and managed hotels)[1][2]	-	+10%[2]	+0.6%[2]	-3.8%[2]
	9. Increase the **use of renewable energies**	**10%** of hotels **use renewable energies**	4%	6%	7%	9%
	10. Encourage **eco-design**	**40%** of hotels have at least three eco-designed **room components**	13%	23%	35%	40%
	11. Promote **sustainable building**	21 new or renovated hotels are **certified as sustainable buildings**	3	2	6	13
	12. Introduce responsible **hotel** offers **and** technologies	**20%** of owned and leased hotels offer **green meeting solutions**	Not begun	Not begun	Not begun	Not begun
	13. Protect children from abuse	**70%** of hotels have pledged to **protect children**	49%	38%	44%	48%
	14. Develop responsible **procurement** practices	**70%** of hotels purchase and promote **locally sourced products**	51%	68%	81%	87%
	15. Protect **ecosystems**	**100%** of hotels have banned **endangered seafood from restaurant menus**	68%	83%	89%	93%
	16. Support employee growth and skills	**75%** of hotel General Managers are **promoted from within** (owned, leased and managed hotels)	75%	80%	80%	69%
	17. Make diversity an asset	**35%** of hotel General Managers are women (**owned**, leased and managed hotels)	27%	27%	28%	27%
	18. Improve quality of **worklife**	**100%** of country organizations conduct an **employee opinion survey** every two years (in the owned, leased and managed hotels)	71 countries	71 countries	59 countries	55 countries
	19. Conduct our business openly and **transparently**	AccorHotels is included in six internationally- recognized **socially responsible** investment **indices or standards**	4	4	4	3
	20. Engage our franchised **and managed** hotels	**4%** of **all** non-budget hotels, across all operating structures, are **ISO 14001-certified**	25%	31%	36%	41%
	21. Share our approach with **suppliers**	**100%** of purchasing contracts are in compliance with **our Procurement Charter 21**	45%	60%	68%	80%

(1) The scope of these commitments is detailed on pages 91 and 92 in the environmental indicators table.
(2) Change at comparable scope of reporting since 2011.

2015 results[1]		Comments
98%	✔	The use of eco-labeled products, already in place in some of the hotels at the time that the program was launched, was historic. Thanks to the extensive use of a solution developed jointly with the supplier, the target was easily exceeded: virtually all hotels now use eco-labeled products.
98%	✔	This target was easily exceeded by the hotels taking account of the requirements of guests who wished to eat responsibly-sourced, well-balanced meals.
85%	↗	The target was not met. Much progress was made in 2015, however, thanks to the introduction of a training kit aimed at instilling correct posture and practices and an increased number of training sessions on the subject delivered to the network.
-8.4%[2]	↗	A dramatic reduction in water use has been recorded over the five-year period. The target has not been met Group-wide but has been achieved in the Mediterranean, Middle East and Africa (MMEA) region.
89%	✔	The target was exceeded back in 2013 and performance has been improving since then despite the difficulty identifying recycling channels in a few countries.
60%	✔	Having devoted several years to setting up the program and opening plantation sites across the world, the Group was able to really get its hotels on board its flagship project in 2015.
-5.3%[2]	↗	Adjusted for the impact of weather conditions and occupancy rates, kWh per available room declined by around 7.2% which, although a marked improvement, did not meet the objective set.
-6.2%[3]	↗	Performance is improving but is still below the target set.
15%	✔	Thanks to continued investment in these technologies the target was easily exceeded. The 2015 increase is due in part to the hotels' better accounting of their purchases of "green" energy.
50%	✔	The increased availability of environmentally-friendly products (paint, wooden furniture, carpets, etc.) and commitment from the network allowed all brands to incorporate a growing number of eco-designed products into their rooms.
21	✔	After two to three years of introducing methods and tools to improve the environmental standards of hotel building practices, sustainable building certifications gathered momentum in 2014 and again in 2015. As at the end of 2015, 21 buildings had been certified or were in the process of receiving certification.
Being deployed	✖	The target was not met because the definition of the "Meeting 21" standard was delayed. The standard was launched in the second half of 2015.
89%	✔	Following pilot programs in several countries worldwide, a global program (WATCH) was put together in 2014 and widely deployed in 2015. Thanks to the strong support from the Group's senior management, the target was easily exceeded.
92%	✔	The target was easily exceeded by setting up purchasing offices in the countries and hotels and increasing the number of local products purchased.
99%	✔	The target has been met in part. Hotels have come on board gradually mainly because some of the species are the food of choice of the particular culture in some countries.
80%	✔	The significant increase between 2014 and 2015 can be explained in part by the definition being fine-tuned and the scope being extended (almost 100% at the time of the 2015 survey), notably the inclusion of France which was previously excluded.
27%	✖	Despite proactive steps being taken within the organization, the target was not met. The Group will continue to work towards achieving this commitment.
78 countries	✔	The target was met. The employee survey process was reviewed in 2014-2015 and rolled out to all countries in 2015 with the exception of Cuba and the Dominican Republic because there was no access to online tools in these two countries. These two countries account for 0.46% of the payroll.
6	✔	Thanks to collaboration with a large number of internal departments and the Group's good CSR record, the target was met and it was included in new indices in 2015.
43%	✔	The commitment to ISO 14001 certification by two brands, Novotel and ibis, played a major part in exceeding the target.
94%	↗	Even if the 100% target was not met, the progress achieved over five years is considered to be extremely positive. The failure to achieve 100% was due to certain suppliers refusing to sign the Charter because of their own CSR policies.

Key

✔ *Target met or exceeded.*

↗ *Great improvement but the 2015 result did not meet the target.*

✖ *Not met.*

WITH 14 OUT OF THE 21 TARGETS MET AND MUCH PROGRESS MADE ON FIVE, THE FINAL OUTCOME OF PLANET 21 IS OVERALL POSITIVE

Progress gained momentum in 2015

CSR governance and the support from Senior Management were both stepped up in 2014 and 2015 (creation of the Ethics and CSR Committee and inclusion of an indicator scorecard for PLANET 21 in the Executive Committee reviews) which contributed to a faster deployment of PLANET 21 and progress, sometimes quite significant, was made on all of the 21 targets in the last year.

A few examples include:

- the commitment to **protect children from abuse** (13), made a priority for the year and delivered by the "WATCH" program, was very well supported by the network;
- the commitment to **protect biodiversity** (6) is delivered by the "Plant for the Planet" program. Having been in place for several years, it gained visibility and operational maturity and is now widely deployed;
- the commitment to **support sustainable building** (11) required a complete overhaul of the processes in the first few years and then gained ground with HotelInvest's decision in 2014 to make certification to environmental standards of building projects mandatory.

In five of its commitments, AccorHotels made significant progress but did not meet the target

For the **water, energy and CO_2** commitments (4, 7 and 8), the results were positive but fell below the ambitious targets set. The results varied significantly among countries and hotel sectors. The experience allowed the Group to identify areas for improvement which will be incorporated into the 2020 plan (detailed analyses on pages 68 to 76).

The results of the **disease prevention** commitment (3) were very positive but, despite support from the network, fell below target. This commitment will be carried forward to the future strategy but will be better adapted to the local context.

As regards the **Procurement Charter 21** (21), the ambitious target of 100% of contracts complying with the AccorHotels Procurement Charter 21 was not met despite much progress being made over the five-year period: the Procurement Charter 21 signature rate went from 45% in 2011 to 94% in 2015. Some suppliers had already signed a number of similar commitments and so refused to sign the AccorHotels Charter. The Group intends to make the process a permanent part of its supplier relations.

AccorHotels fell behind on two of its objectives

The target to have "women account for 35% of hotel General Managers by the end of 2015" as part of its **diversity** commitment (17) was not met. Although this challenge is still a priority for AccorHotels, it has been delayed by the need for a cultural change in some countries. Changes have begun and will be stepped up in 2016 (see pages 48 and 49). A number of significant commitments were made in 2015 with the signature of the Women's Empowerment Principles and the target will be carried forward to 2017 as part of the Group's involvement in the UN HeForShe program.

In terms of **developing responsible hotel offers and technologies** (12), work on drawing up the standards for green meeting solutions was not begun until 2014. The "Meeting 21" specifications, which set out the standards for green meeting solutions, were circulated in the second quarter of 2015. Many hotels have signed up to the program but investment is still required in order to comply with all the criteria. Results will begin to emerge from 2016 onward.

A NEW PLANET 21 (2016-2020) STRATEGY WILL CARRY ON THE GOOD WORK AND FOCUS ON VALUE CREATION LEVERS

Bolstered by the important progress made in 2015, the future strategy will continue the current program and include important changes for the AccorHotels Group:

- selecting commitments in line with the business model which focus on what creates value for the Group – its employees, real estate assets and brand capital;
- moving from ad hoc initiatives to systematically include CSR issues in its processes.

The new strategy, which has been put together with input from all the Group's business lines, is based on the recent studies (environmental footprint, socio-economic footprint, guests' perception of sustainable development). It will be published in the first semester of 2016.

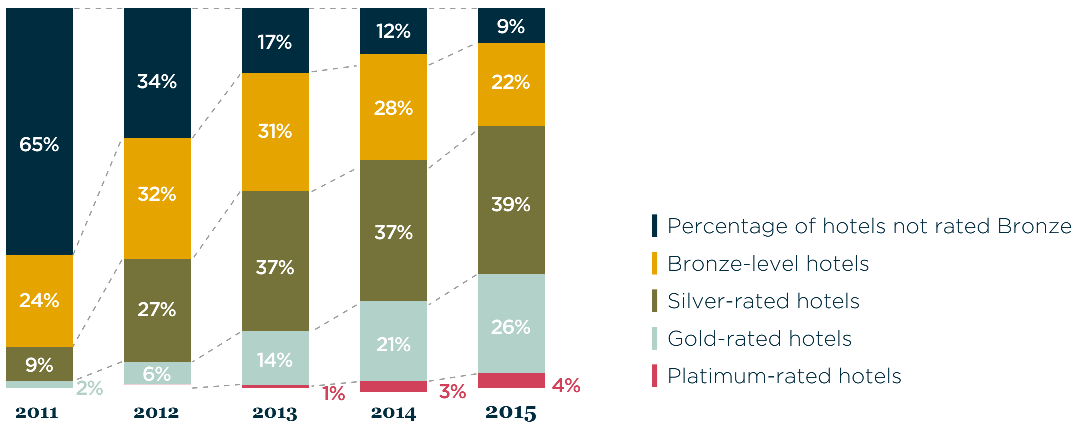
AS AT THE END OF 2015, 91% OF HOTELS HAD ACHIEVED AT LEAST A BRONZE CHARTER 21 RATING

Progress towards meeting the PLANET 21 program's objectives is being driven by Charter 21, AccorHotels' proprietary system for managing the performance of the hotels. It recommends 65 actions that establishments can deploy in five areas: management, energy, water, waste, products.

Charter 21 provides a framework for gradual deployment of the actions: Bronze (corresponding to the basic prerequisites), Silver, Gold and Platinum, for the most advanced hotels Charter 21 thus offers a simple four-step process. A hotel must qualify for one level before moving on to the next.

Today, this supportive process is effectively instilling best practices across the hotel base, with 91% of units rated Bronze or above. What's more, all of the other levels have increased sharply, with more than 69% of units rated at least Silver in 2015 versus 11% in 2011 and 30% with at least a Gold rating in 2015 versus 2% at launch. Since 2013, effective implementation of the first ten Charter 21 actions required to earn the Bronze rating has been included in the quality audits performed by outside auditors.

A steady improvement in Charter 21 implementation



	2011	2012	2013	2014	2015
Number of applicable hotels	4,013	3,331	3,401	3,538	3,682
Response rate	94%	92%	93%	94%	95%

Detailed information concerning Charter 21 is available at Accor's website (www.accorhotels-group.com) under "Sustainable Development" then "Management and performance".

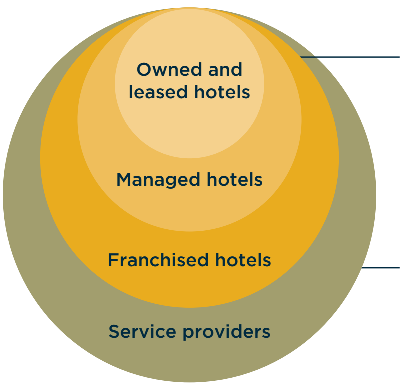
2.3 COMMITMENTS TO EMPLOYEES

2.3.1 THE ACCORHOTELS EMPLOYMENT MODEL AND HUMAN CAPITAL

ACCORHOTELS, A UNIQUE EMPLOYMENT MODEL

AccorHotels business creates and maintains many jobs in 92 countries. As of the end of December 2015, there were around 190,000 AccorHotels brand employees worldwide.

However, a significant percentage of these people do not directly work for AccorHotels but for the business partners *i.e.* the owners of managed or franchised hotels and a variety of service providers.



Direct sphere:
AccorHotels brand employees, which included at December 31, 2015
- AccorHotels employees working in owned and leased hotels: 47,000
- AccorHotels brand employees working in managed hotels: 99,000
- AccordHotels brand employees working in franchised hotels: 44,000 (estima

Indirect sphere:
Tier 1 suppliers and sub-contractors (temporary employees, laundry services, housekeeping and grounds maintenance staff, etc.), as well as the rest of the supply chain (tiers 2, 3, 4, etc.). The number of jobs indirectly supported by these purchases is estimated at around 260,000.

Deployment of human resources policies and tools is tailored to each of the three operating structures – owned and leased hotels, managed hotels and franchised hotels.

AccorHotels exercises its responsibilities as an employer only as concerns its direct employees in its various head offices and in the owned and leased hotels. For these employees, our values, management principles and human resources policies are directly applied, along with all of the employee-relations responsibilities inherent to our position as a direct employer.

For employees of managed hotels (*i.e.* employees paid by the hotel owner), Group recommendations and policies may be applied by the hotel manager, as long as the owner is willing to accept the associated impact on costs and operations.

Because AccorHotels has little influence over HR practices in franchised hotels (franchised hotel employees are paid by the franchisee), the Group strives to share its values and commitments in its communications and day-to-day interactions with franchisees. AccorHotels brand employees deal with guests and are ambassadors for the hotel brand and its values.

This is done through three main channels:

- the AccorHotels Group Ethics and CSR commitments are shared with the franchisees from the very early stages of any arrangement before contracts are signed. At the end of 2015, the Ethics and CSR committee decided that a reference to the Ethics and CSR Charter would be systematically included in all new franchise contracts from 2016;
- Franchise Committees in France, which meet three or four times a year, depending on the brand, review and make note of developments in such areas as brand identity, marketing and Group processes. In other geographies, Franchisee Conventions are regularly organized for the same purpose;
- Directors of Franchise Operations, who are in close and constant contact with the franchise operators in the regions and brands for which they act as ambassadors;
- access to dedicated content on the corporate Intranet and to the training courses provided by Académie AccorHotels.

Employment and employee-relations issues are managed directly by the owners of franchised and managed hotels. Even though AccorHotels is responsible for managing the day-to-day operations and human resources of managed hotels, it cannot negotiate collective agreements on behalf of franchise owners or directly influence the preparation of employment contracts and compensation packages.

HR issue	Sphere of influence	Page
Working conditions	Owned, leased and managed hotels	45
Employee growth and career development	Owned, leased and managed hotels Training resources available to franchised hotels	40
Social dialogue	Owned, leased and managed hotels	50
Assessing employee engagement and well-being	Engagement survey: owned, leased and managed hotels	39
Diversity and equal opportunity policies	Owned, leased and managed hotels Provided to franchised hotels for their information	48
Promoting employee health and well-being	Owned, leased, managed and franchised hotels	45
Hiring	Owned, leased and managed hotels Access to the AccorHotels.Jobs recruitment site for franchised hotels	39
Compensation and benefits	Owned, leased and managed hotels	44
The Women at AccorHotels Generation gender diversity network	Owned, leased, managed and franchised hotels	49

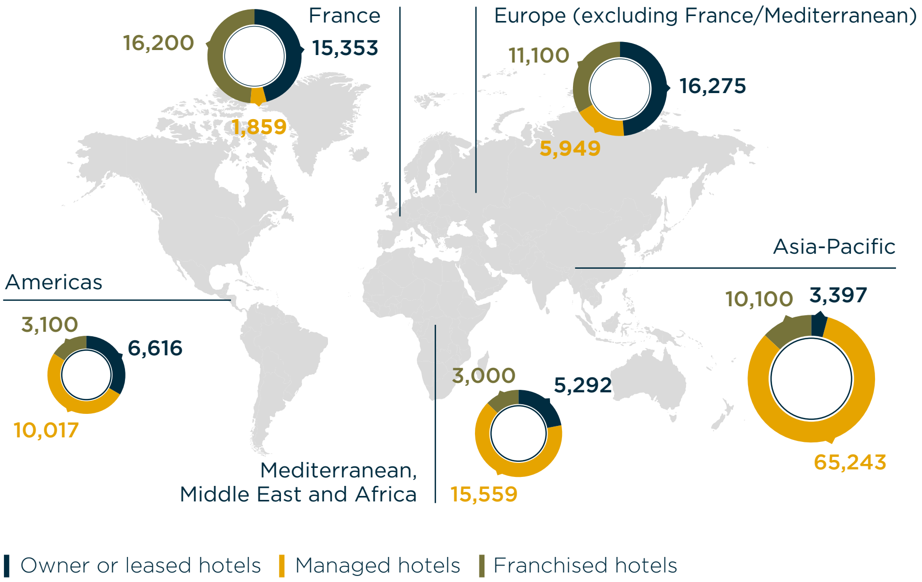
The outside workforce, which is in the indirect sphere of influence, includes temporary workers who support in-house teams during peak periods, as well as sub-contractor employees in such areas as laundry services, housekeeping, landscaping and call centers.

The management of labor-related and other sub-contracting risks, and the procedures in place to ensure that the Group commitments are shared with suppliers and sub-contractors, are described on pages 57 to 60.

ACCORHOTELS' HUMAN CAPITAL

Employees by region

The number of employees working for AccorHotels brands worldwide is estimated at around 190,000. They are spread across 92 countries in all five continents and three operating structures, with owned and leased hotels accounting for 46,933 employees or 25% of the total, managed hotels representing 98,647 employees or 52% and franchised hotels accounting for an estimated 43,500 employees or 23%.



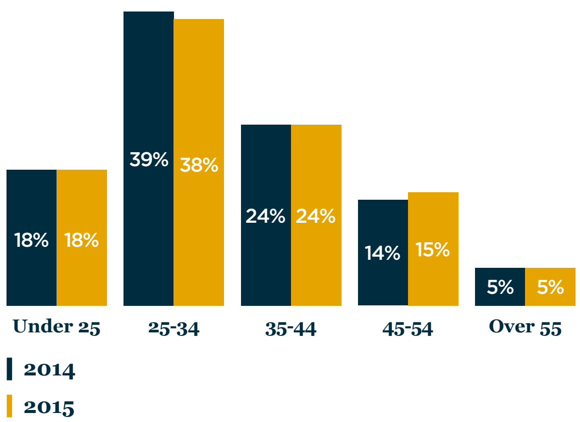
Local managers

To sustainably anchor its presence in each geography, AccorHotels is committed to hiring local managers from the host community. As of December 31, 2015, 73% of the General Managers of owned, leased and managed hotels were nationals of the countries in which their hotel is located. The figure remains unchanged from the previous year.

Age pyramid

AccorHotels has a young workforce, with 56% of employees under 34 at year-end 2014.

Employees by age



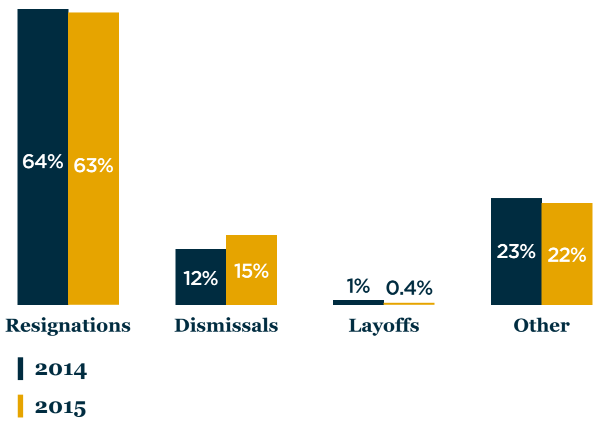
Gender diversity

Women accounted for 46% of employees in 2014 and 27% of hotel General Managers. A target of having women account for 35% of hotel General Managers has been set for 2017. This target has not yet been met. Countries were asked to submit quality data declarations in order to closely analyze the obstacles. The obstacle most often cited is a lack of potential women candidates at the national level. To remove these obstacles, the Group stepped up its commitment to women in 2015 by joining the UN HeForShe program and signing the Women's Empowerment Principles (see pages 48 and 49). It will continue to work toward this target and has specifically undertaken initiatives related to its "Talents" policy with a view to achieving the ultimate goal of 50%.

Hirings and separations

In 2015, 66,519 people were hired over the year and 61,070 left the Group. The number of separations was down slightly on 2014, as was the figure for hiring.

Separations by reason



The "Other" category includes separations due to the termination of a non-permanent contract, retirement, visa expiration, etc. The inclusion of job abandonment in the dismissals category meant that the 2015 figure for this category was slightly higher than in 2014. Previously these departures were often recorded in the "Other" category. The definition change is still feeding down to some countries and some instances of job abandonment may still be recorded in the "Other" category.

Voluntary separations

The Group has a high resignation rate, which can be attributed to various factors, including the local economic environment, with operations in fast-growing economies reporting higher turnover. The location and age of the hotel also play a significant role. With a total of 38,750 resigning in 2015, resignations accounted for 63% of all separations, versus 61% in 2014.

Absenteeism

The number of days of medical leave or unauthorized leave per employee remained stable year-on-year.

Average number of days absent per employee by cause	2014	2015
Medical leave	5.9	5.8
of which workplace and commuting accidents	0.6	0.7
Unauthorized leave	0.7	0.7

Local legislation differs on the number of days absence required for workplace accidents to be recorded, for example in the UK workplace accidents must be recorded after seven days absence while in Brazil it is two weeks. This makes it difficult to calculate all workplace accidents and days leave from the first day on a global level and means they are often underestimated in some countries.

2.3.2 AN AMBITIOUS GOAL TO DEVELOP TALENT AND CHANGE THE CULTURE

A NEW BANNER AND A NEW EMPLOYEE PROMISE

The men and women who make up the AccorHotels community play an essential role in securing our success and driving our performance. Current economic, social and societal changes have meant that AccorHotels has had to significantly transform its operations on a global scale. To do so, it has introduced a new vision of simple and welcoming hospitality for all its guests under its "Feel Welcome" banner. And the vision is backed up by a new "Feel Valued" promise to all employees.

The changes are aimed at providing the men and women in the AccorHotels Group with the means to achieve its goal of being the best global hotelier & travelmate by creating meaningful experiences for the community of travelers and new nomads all around the globe.

Cultural change will be brought about through the Group's values and Leadership model.

THE ACCORHOTELS VALUES: A SHARED LANGUAGE AND IDENTITY

In 2015 the Group realigned its values: Guest Passion, Sustainable Performance, Spirit of Conquest, Innovation, Confidence, Respect (see page 24).

These values are the cornerstone of the AccorHotels identity and give meaning to everything its members do. Endorsed by everyone in the Group, they provide a framework for collective actions and enable change, collaboration and innovation. They are accompanied by an AccorHotels mindset which is expressed in four "Manifestos" (Group, Guests, Employees and Partners).

The Group will work hard in 2016 to ensure these are adopted by all entities and brands in every country. Adoption began in some areas, Latin America for example, at the end of 2015. The values were the starting point for a major rework of the Group's Leadership model.

A LEADERSHIP MODEL TO SUPPORT A CHANGE OF CULTURE

AccorHotels updated its "We are all leaders" Leadership model in 2015. It now provides guidelines for implementing the values in everyday situations, and defines the different AccorHotels leadership styles. For each style – collaborative, entrepreneurial and collaborative [sic] – it specifies the tools to be used, the best practices and the skills required to succeed.

The Leadership Model will be shared with every Group team and deployed in 2016.

CHANGE GOT UNDERWAY IN 2015

A number of initiatives were launched in 2015 to make this change possible. These included:

- a worldwide engagement survey to enable each hotel to see the level of commitment of its employees and understand how they perceive their quality of life in the workplace and use this information to put together action plans for 2016;
- the Learning & Development strategy was revamped to create environments which foster creativity and learning (see page 40);
- change support programs and teams were put in place to help the men and women in the group make the move to digital (see above).

2.3.3 MOTIVATING EMPLOYEES AND DEEPENING THEIR ENGAGEMENT

AccorHotels' business is built around quality of service and guest satisfaction and "Passionate about Guests" is one of the six values the Group wishes to share with all its employees. The quality, enthusiasm and engagement demonstrated by employees when welcoming and serving guests represent a key link in the value creation chain. AccorHotels encourages employee engagement, and measures it regularly, to define remedial action plans, enhance its identity as an employer and attract and retain the best talents.

ASSESSING EMPLOYEE ENGAGEMENT

The employee engagement survey was completely revamped in 2014 and conducted worldwide in its new format for the first time between September and November 2015. Designed to offer systematic global coverage, the questionnaire is aimed at head offices and owned, leased and managed hotels. It contains six questions on engagement and 55 questions spread among 14 improvement levers. Thus, from an operational point of view, it will enable every hotel to identify the action it needs to take to improve the engagement and job satisfaction of its individual employees. It will also allow the hotel to measure other indicators such as well-being, social climate, motivation, employee pride, equal opportunities and how it ranks as a leading employer. It will also give an idea of how employees perceive the values in their day-to-day work.

The 2015 survey was sent to 135,000 employees and around 108,000 responded, giving a response rate of 80%. The survey results gave the Group an engagement index of 68%. The main areas for improvement highlighted were: recognition of individual and team contributions, improvement of working conditions and organization, and transparency of communications.

ENCOURAGING A CULTURE OF INNOVATION AND "WORKING DIFFERENTLY"

The employee friendly program

The "Employee Friendly" program, one of the eight in the digital plan (see page 18) is geared toward the teams themselves. It aims to equip employees for online dealings with guests and help them through the digital changes by anticipating how they will impact the teams and how the Group operates.

It focuses on three areas: encouraging employees to embrace a digital culture, developing a mobile solution for hotel teams (reception, maintenance, catering staff), and fostering dialogue within and between teams. A considerable number of projects were launched in December 2015:

- the introduction of *"Digital Shakers"*, which are monthly contributions from outside experts on the subject of digital innovations (broadcast on *"Accorlive"* and *"AccorLounge"*);
- a major digital acclimatization program: *"Digit'All"*, which is available on computer, smartphone or tablet. This is a web series explaining how digital technology changes daily life, life in the AccorHotels workplace and guest relations, etc.;
- all employees were given a digital identity and a business email address;
- the HR content on the *"AccorLive"* intranet is gradually evolving to become an enterprise social network. The *"What's up"* homepage places value on initiatives and people and their ideas and projects and there are a number of sections which encourage interaction between employees;
- launch of the enterprise social network, *"Yammer"*, which is available on smartphones for people who do not have a computer. Its aim is to facilitate dialogue between team members and hotel employees. Discussion groups are being set up by some of the divisions (Food & Beverage, Revenue Management, etc.). By the end of 2015, between 19,000 and 19,500 employees had set up their Yammer account.

Other digital tools to drive innovation and "working differently"

In addition to the digital plan, AccorHotels has progressively launched a considerable number of digital projects to drive innovation since 2014:

- **to facilitate the sharing of ideas:**
  - the "Share Your Ideas" platform plays its part in placing innovation at the center of the move to digital. The first challenge saw 200 ideas shared, two of which were singled out and tested in the volunteers hotels. AccorHotels does its best to ensure all the ideas shared become inventions which add value;
- **changing the way we hire:**
  - in France, AccorHotels tested *"easyRECrue"* to facilitate and speed up the hiring process in consideration of its high staff turnover and the huge number of applications it receives. *EasyRECrue* uses prerecorded video interviews at the pre-selection stage. Having realized that this made for a more objective, more uniform hiring process that focuses on attitudes and life skills, AccorHotels France intends to progressively roll it out to all its hotels. The tool will also be tested in the UK, Germany and other countries,
  - the accorjobs.com website is currently being replaced by a revamped AccorHotels.jobs site which is more open, complete and flexible and places more emphasis on video content.

"We move!" new working practices to tie in with a change of location

The changes underway within the Group are also affecting the head office teams, in particular those at the Corporate head office which has a staff of almost 1,400. The head office teams in and around the Odyssey building in the 13th arrondissement of Paris (France) will all relocate to the Tour Sequana in Issy-les-Moulineaux in the first semester of 2016. AccorHotels is seizing the opportunity presented by the move to design a site that reflects its image as a dynamic, innovative and forward-looking company that incorporates digital technologies into all its redesigns. To further its "work differently" objective, all the new offices are completely open plan (including those of the Executive Committee) and there are a number of collaborative and support areas designed to suit the needs of the individual business lines (quiet room, communication pods, a creativity room, telephone rooms, etc.).

2.3.4 LEARNING SOLUTIONS KEY TO SKILLS DEVELOPMENT

While implementing its changes, the Group will also require the teams and individual employees to adopt a different culture because it is absolutely convinced that service quality and guest satisfaction rely heavily on the skills and engagement of its employees. For instance, its "Leading Digital Hospitality" plan will only be successful if individual employees have the opportunity to adapt and develop their skills.

A NEW "LEARNING & DEVELOPMENT" STRATEGY TO ACCOMPANY GROUP CHANGES

In November 2015, AccorHotels launched its new *Learning & Development* strategy to accompany the changes that were being put in place. With a focus on continuous learning, it aims to provide employees with the means to become more autonomous, embrace the continuous learning culture and to develop their skills in order to keep up with the constant changes, promising that "Everyone at AccorHotels has opportunities for lifelong learning. Everyone feels valued".

The new strategy – "Dream Big For Your Future" – sets out a shared global framework which takes account of regional characteristics and promotes the Group's "Learn local, think local" philosophy. The strategy is intended to help AccorHotels meet its current and future learning needs, implement its digital development, continue to innovate and adapt to the fast-moving environment. It is designed to be inclusive and attractive to all generations. The programs, developed to help it achieve its key local and global strategies, will be continuously assessed and improved.

The "Learning & Development"(L&D) department is responsible for the deployment of the new strategy and will make sure that each entity has its own organization in place and that the programs focus on the entity's strategic issues and objectives.

ACCORHOTELS ACADÉMIE, SUPPORTING AND STRUCTURING THE "LEARNING & DEVELOPMENT" STRATEGY

Created in 1985, Académie AccorHotels was Europe's first corporate university in the services industry. From the outset, its mission has been to support and structure the Group's skills development strategy.

AccorHotels Académie is a dedicated training center for all AccorHotels employees, regardless of job family, educational background, position or seniority. This means that all of the owned, leased, managed and franchised hotels have access to the courses, which may be tailored to the specific needs of each hotel's management structure. AccorHotels Académie is an international and interdisciplinary organization with 18 campuses around the world. It was created to support the changes within the Group, help it develop its talents and share its culture, disseminate its values and guarantee that its global procedures are properly implemented.

IN 2015, ACCORHOTELS ACADÉMIE CELEBRATED 30 YEARS OF LEARNING AND SKILLS DEVELOPMENT

To mark its 30th anniversary, the AccorHotels Académie "30 Ways to Learn" challenge was launched worldwide. Employees were asked to illustrate new learning methods, methods they were already using, and those which fit the "lifelong learning" category. The results will be announced and put into practice in 2016.

The anniversary was also the perfect time to announce the 2016 launch of "Learning Week". In each region, between the months of January and April, the spotlight will fall on learning for a full week, giving the local Learning & Development community the opportunity to launch new programs and digital methods and to hold conferences, round tables, working groups, and other similar events.

The Trainer Pass program gained momentum in 2015. Trainer Pass is a training program offering three levels of certification: "Facilitation", "Content creation" and "Coaching". Some 800 certified trainer-managers help to dispense brand and Group training and spread the culture. Following on from the second phase in 2015, the third and final accreditation level will be developed in 2016.

With over 250 training modules offered in 75 countries around the world and in 20 languages, the Académie AccorHotels is positioned as the international benchmark in hospitality skills development. It is also setting new standards in innovation by offering training programs that increasingly integrate new technologies, such as e-learning modules, virtual classrooms and an increasingly wide array of mobile apps.

At AccorHotels, skills acquisition extends well beyond Académie AccorHotels. Managers also lead training sessions, for example during the induction process or concerning brand-specific issues. These sessions are designed to have a direct impact on service quality and spirit and attendance is mandatory. AccorHotels managers deliver 61% of all training hours. They are offered in addition to mandatory health and safety training.

Following the reform of employee training legislation which came into force in France on January 1, 2015, AccorHotels undertook to continue to contribute to the fund collecting and distributing agencies (OPCA) beyond the legal requirement because training is one of the Group priorities. A brochure about the Individual Learning Account was also distributed to all AccorHotels France employees.

Training	2014	2015
Training hours	2,802,647	3,042,472

HELPING MEN AND WOMEN MAKE THE MOVE TO DIGITAL

The "Leading Digital Hospitality" plan was launched in October 2014 to cover all areas of the AccorHotels experience. Aimed at a wide audience, including guests, employees and partners, the plan aims to offer support with the move to mobile and the introduction of a smoother, personalized guest booking process. Implementation of this digital will rely on two pillars: IT infrastructures and data management. But it is the human input that will ensure its success because far-reaching changes to the hotels, teams, roles and business lines are indispensable.

Aware that the success of this transformation is only possible through the right level of support, the Group has introduced central and regional change teams.

The digital plan programs will be phased in once they have been tested in 25 hotels. Named "Digital Labs", these hotels have been selected from all brands, sectors and regions and will have 45 days to implement the program and to feed their impressions, problems, successes and suggested changes back to the support teams. The aim is to be as pragmatic as possible and to offer the teams concrete suggestions as to how they could improve their skills and leadership style and change how their hotel operates.

The local support is supplemented by a series of specific training programs. For instance, in the first half of 2015, the Asia Pacific sales teams underwent a major digital training exercise which included e-learning modules and "writing for the web" classroom sessions. The program was adapted for South America where it was launched in November 2015.

A special training program was organized for the Corporate HR teams in early 2015 to make them aware of the issues surrounding the move to digital and help them understand how HR could facilitate the move and help develop individual skills.

TRAIN EMPLOYEES SO THAT EVERY GUEST ENJOYS IMPECCABLE QUALITY OF SERVICE

Offering guests a unique experience in the Group's hotels became the guiding principle of most of the 2015 training initiatives.

The Food & Beverage Academy was created in the Asia Pacific region primarily to help managers develop their skills and improve the guests' overall experience, in line with the Food & Beverage 2015-2018 plan.

Also in 2015, the ibis brands set about changing the service culture permanently.

The aim is to introduce a "service spirit" which forges a bond between the managers, teams and guests through a collaborative approach and a new leadership style that releases the potential of the teams. The new leadership style relies on:

- "Empowerment: trusting the teams to make their own decisions and act autonomously;
- "Coaching: uncovering talent, capitalizing on what makes the teams unique, helping them to gain self-assurance.

To support them in the new service initiatives, ibis, ibis Styles and ibis budget gave all the Group employees fun and innovative digital tools to remind them of the fundamentals of good service, which included a mobile app called "123 Ready!" and a web series entitled "Secrets of the Pros" providing information on appearance and service attitude.

A new modern, collaborative approach to talent development centered around the two key areas of "Empowerment" and "Coaching" will be launched in 2016.

ENHANCING PROFESSIONALISM IN EVERY JOB FAMILY

Job-specific training programs have also been developed to give all AccorHotels brand employees – estimated at close to 190,000 – the opportunity to acquire new skills or hone their expertise at a time of significant change in the industry.

Several job tracks have been defined to clarify the positions involved and professionalize the skill-sets, as well as to enhance employees' capabilities and inform them about potential career paths.

- **sales:** offered to every sales manager, the Sales & Distribution Pass training module is part of an ambitious program to improve the professionalism of the Group's sales teams, from hiring to career development. Over the past five years, around 600 sales experts have attended the program;
- **revenue management:** a dedicated revenue manager job track is being supported by the RM Pass series of specialized training courses, which are designed to enhance the capabilities of revenue managers and other employees who help to optimize hotel revenue, such as General Managers. Around 3,300 employees have completed the RM Dimension and RM PRO training courses;

- **distribution:** the new Distribution Excellence (DEX) program is primarily designed to help hotel General Managers and revenue managers to understand the major issues and challenges raised by today's booking channels and methods. It also provides keys to building a strategy and developing everyday distribution tactics for their hotels. The program has been completed by 1,600 employees since the beginning of 2013;
- **food & beverage:** 2015 saw the arrival of a stand-alone F&B job track with attractive career plans to motivate and grow the teams and turn it into a center of excellence.

FOSTERING PARTNERSHIPS WITH EDUCATIONAL INSTITUTIONS

To promote the hospitality industry and digital professions, AccorHotels forges and maintains partnerships with more than 50 higher education establishments, including business and hotel management colleges and universities in its host countries. In 2015, more than 100 meetings and visits were organized in these local education establishments.

By maintaining contact with educational establishments throughout the world, AccorHotels can spot the talent of the future for its own hotels and head offices. For instance, there are a considerable number of Asian students in Europe and the Pacific region while more and more European students are seeking placements in Asia, America and the Middle East. The Group Chairman and members of the executive committee organized more than 20 conferences in education establishments in 2015 to share AccorHotels strategic orientations and hear what the students were looking for (HEC, ESSEC, École hôtelière de Lausanne, EDHEC, Université d'Angers, Skema, etc.). Several senior managers sit on the development boards of international further education establishments.

A considerable number of case studies are shared with the students to improve course content and give the Group innovative input into its strategic objectives.

> **ACCORHOTELS STUDENT AMBASSADORS**
>
> A network of 23 ambassadors has been set up in 15 partner education establishments. The ambassadors discuss with students their information needs and job opportunities with the Group and organize events such as photo competitions, quizzes on the Group, and hotel visits.
>
> Students@AccorHotels is a LinkedIn discussion group with 3,000 members aimed at discussion and introducing the students to this social media tool.

AccorHotels has also been a partner in the Revenue Management Masters degree offered by Institut Paul Bocuse and IAE Savoie Mont-Blanc in France since late 2011.

Also in France, the Group maintains close contact with the Apprenticeship Centers [*Centres de Formation par l'Apprentissage* (CFA)] to keep the trainers up to date on changes in the company and the hospitality sector and to ensure the training course is regularly updated.

> **TAKEOFF! CHALLENGE**
>
> 600 participants from 50 establishments in 19 countries got together in 2015 to develop a guest loyalty scheme for AccorHotels by 2020 that is innovative, attractive and realistic.

2.3.5 SUPPORTING EMPLOYEES THROUGHOUT THEIR CAREERS PATHS

AccorHotels considers its 190,000 employees as talents and its most precious resource. Talent management is thus at the heart of the Group's culture, with a simple but ambitious objective: that each position in the Group be held by the right talent so that, together, we can offer the best guest experience. AccorHotels is committed to supporting its employees throughout their careers within the Group.

In the fast-growing Asia-Pacific region – where over 70 hotels were opened in 2015 – AccorHotels reinforced its talent management framework with a highly pragmatic global tool, the Talent Journey (see box). On the strength of its success in Asia, this approach is inspiring similar initiatives in other regions, where it will be adapted in keeping with local cultures and challenges.

> **TALENT JOURNEY: A STIMULATING APPROACH TO THE CAREERS OF ACCORHOTELS EMPLOYEES**
>
> Inspired by the Guest Experience, which guides all of the Group's reflections and its current transformation (see page 52), the Talent Journey draws a parallel between the career path of an employee within the Group and the experience of a guest in one of its hotels. This approach emphasizes good management practices and their importance at each stage of the employee's career path by connecting them with the hotelier's core trade. For example, an employer brand which stands out from competitors is just as essential to attract talent as a renowned hotel brand to attract guests. A talent's decision to apply for a post is just as crucial as a guest's decision to book a room: this is the first-contact stage, which lays the foundations of the future relationship.
>
> Launched at the beginning of 2015, the "Talent Journey" is now being deployed, in particular through training and the distribution of an e-book to Hotel General Managers, who have full latitude in terms of implementation. Audits are under way to control the proper implementation of the recommendations and identify the required adaptations to the program.

Every year, Group employees will benefit from a performance review with their line managers. This review is an opportunity to listen and exchange, discuss the past year's results, and set bonus-related objectives for the coming year. The review also gives employees an opportunity to express their career goals so that an appropriate development plan can be prepared.

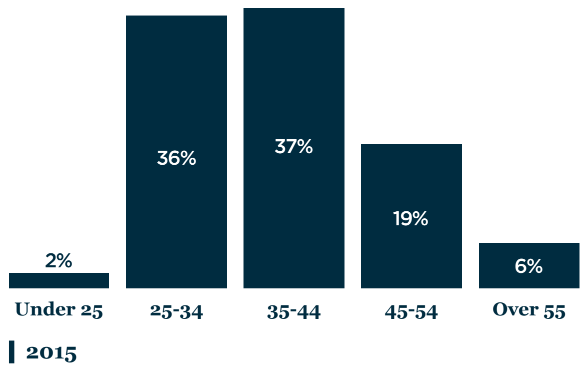
PREPARING THE NEXT GENERATION OF MANAGERS

In 2015, a new bottom-up process was set up to identify Talents in each job category and geographical area. It places special emphasis on parity. Based on performance and potential, and supported by a common framework and tools, the "Talent Review" will cover all of the Group's annual review stages in 2016, from the review conducted by the hotel or service, all the way up to the central Talent Review conducted by the Executive Committee.

AccorHotels gives employees a genuine opportunity to climb the social ladder. Numerous programs, most of which are run by AccorHotels Académie, exist throughout the Group to identify tomorrow's managers, assist them in their career paths, and secure their loyalty. These programs are created and coordinated at local, regional or Group level, in keeping with specific requirements. Thus, the qualitative survey produced in 2015 showed that 80% of the General Managers of the 1,918 hotels having responded stemmed from internal promotion.

This is also reflected in the age pyramid for hotel managers.

Age pyramid at Accor hotels in 2015



Since 1997, AccorHotels **International Hospitality Management Program** (IHMP) has been helping to create a pool of international managers. The result of a collaborative venture with the ESSEC business school's MBA in Hospitality Management program (IMHI), IHMP's classes are taught in English as part of a curriculum structured around six main topics: Business Strategy and Value Creation, Human Resources Management; Finance, Revenue Management, Marketing, Sales and Distribution, and Communication. IHMP certification gives participants 20% of the credits required for the ESSEC MBA in Hospitality Management. Since 1997, the MBA program has been attended by 489 people. The 2015-2016 program is sponsored by Sophie Stabile, Chief Executive Officer HotelServices France.

In the Asia-Pacific region, a managerial skills development program is offered to General Managers. This regional adaptation of the IHMP program takes place over a 12-month period involving two classroom sessions and six e-learning modules developed with Cornell University as part of a broader program. Participants may also work together on projects in their offices or *via* social media.

This system is being extended by a certification process that validates skills learned on the job and enhances employability within the organization. Thanks to a partnership agreement signed with the Glion Institute of Higher Education, any AccorHotels hotel manager can validate his or her years of experience with an **MBA in International Hospitality and Service Industries Management** and move up to higher positions in the Group. The Glion Online MBA saw its first students graduate in 2014 and the program continued in 2015 with 10 managers enrolled. Most are hotel General Managers or Operations Directors, based in host countries around the world, from Australia and Indonesia to Germany and Dubai.

The **"Boost Your Potential"** program, created in 2015 for the EMEA region, is available to 26 managers in support functions or operations, identified by their management for their potential. Over a period of four months, the program combines personal and professional development, team work and contribution to a concrete project in keeping with the priorities of AccorHotels. The program is backed by six coaches who provide participants with the benefit of their experience.

In the Benelux, the **"All Stars"** program offers support to interested employees: individual training, coaching, etc. In 2015, out of the 20 people who took part in the program, 10 had changed positions before the end of the program. Still in the Benelux, the **"Swap Your Job"** program enables two people with jobs of the same level to permanently exchange jobs. In 2015, 80 people thus swapped jobs in the Netherlands, seizing this opportunity to experience new situations and gain new skills, while remaining loyal to their employer.

In India, the **"AccorHotels Emerging Leaders"** program dedicated to the development of high-potential employees was created in 2015. This 12-month program aims to acknowledge exemplary professional records and employee commitment by offering them career opportunities. It will be launched in 2016.

The special programs dedicated to promising young people (School of Excellence, Globe Trotter, Visa, MDP, Fast Track, GM program) continue throughout the world.

PROMOTING INTERNATIONAL MOBILITY

With operations in 92 countries, AccorHotels offers employees a wide range of international career opportunities. The International Mobility and Expatriation teams are dedicated to supporting cross-border mobility by identifying the appropriate profiles, managing paperwork and practical issues, and ensuring compliance with Group mobility guidelines.

A dedicated International Mobility Intranet site provides employees with such useful information as travel and visa formalities, checklists, country guides, etc.

2.3.6 RECOGNIZING AND VALUING EMPLOYEES

CELEBRATING THE REMARKABLE ACCOMPLISHMENTS OF THE GROUP'S EMPLOYEES

Every year, AccorHotels honors employees from owned, leased and managed hotels and the head offices for accomplishments deemed to be exceptional and to exemplify the Group's corporate culture. In 2014, the celebration was revamped and reorganized around three awards: two for individual initiatives – the Gold Bernache and the Silver Bernache – and one for team initiatives – the Team Bernache. The accomplishments are anonymously assessed by a panel of fifteen judges from across the Group, based on an assessment grid reflecting AccorHotels' six new values. The Bernache Awards thus acknowledge the exceptional accomplishments that best reflect the Group's values.

In 2016, 15 Gold and Silver Bernaches (individual initiatives) and 15 Team Bernaches will be awarded to the most successful initiatives conducted in 2015.

AccorHotels also has other employee acknowledgment initiatives throughout the world such as the "Employee Celebration Week" in India. For three days, employees are acknowledged for their remarkable efforts and initiatives, and recognized as major contributors to the Group's success. Another example is the Professions Challenge: young talents holding reception and service jobs (reception desk, restaurant, bar, kitchen) and coming from 25 different countries compete in front of a jury of external experts and internal HR representatives. In 2015, over 1,000 young people aged 18 to 25 took part in the challenge, in which eight winners were awarded a Trophy by the Group's Management.

COMPENSATION POLICIES

AccorHotels has defined a global compensation strategy that can be adapted to local practices in each country. It is based on five principles:

- take account of the performance and potential of each employee;
- offer compensation that is competitive in each market and country;
- ensure that employee compensation is determined fairly;
- encourage employee savings and stock ownership;
- strengthen employee healthcare coverage and other benefits.

AccorHotels ensures that compensation policies do not discriminate in any way with regard to age, gender, nationality or any other personal criteria. The Group is also committed to compensating every employee in line with market practices, based on global and local job maps prepared for each job track.

Managers receive a base salary and variable incentive pay that includes an annual bonus and, in certain cases, deferred compensation in the form of performance shares. The annual bonus reflects their performance in meeting personal and team objectives.

In 2015, the Group's bonus policy was fully reviewed in order to reinforce this aspect, in particular by letting guests be the judges of employee performance and by including a CSR criterion which reflects the Group's commitment in this regard. The revised bonus policy will be applicable as of January 1, 2016 and apply to over 24,000 employees.

All base salaries are reviewed each year, on an individual basis for managers and collectively for non-managers. Across-the-board raises are defined locally, in accordance with inflation, market practices and annual results. Each local unit is tasked with properly managing its own payroll and with collecting the related data and analyses. These data are not yet consolidated at Group level, so the average salary raise cannot be reported.

Payroll costs for the head offices and owned and leased hotels are presented in note 5 on page 204.

INFORMATION AVAILABLE TO EMPLOYEES

Every year, human resources managers and directors are informed about the bonus policy and the principles for reviewing compensation, in line with the each country's economic environment.

The base salary and any other benefits that make up the final compensation package are set out in the employment contract when the employee is hired or transferred. In addition, the individual and team performance objectives for the coming year are defined during the annual performance review and given to the employee in writing.

Specific information is also provided throughout the year to employees covered by other benefits, such as performance shares, supplementary pension plans and healthcare and insurance coverage.

In recent years, human resources managers have been able to attend in-house training courses on topics such as compensation policies, the job classification and evaluation method, deferred compensation systems (performance shares) and employee benefits. In 2015, fourteen people were trained in this way and are now able to support the application of compensation policies to the teams in their scope of responsibility. A simplified version of the same module has also been designed, enabling trained individuals to regularly update their knowledge and skills.

DISCRETIONARY PROFIT-SHARING

To better reflect each unit's business situation, discretionary profit-sharing agreements are generally signed in each subsidiary or hotel. They are based on overall performance and financial results.

In 2015, nearly €12 million in discretionary profit-shares earned in 2014 was paid to 19,885 employees in France, representing an average net amount of €603 per person.

On several occasions since 1999, employees around the world have been offered the opportunity to purchase new AccorHotels shares on preferential terms and conditions, as part of employee share issues. At December 31, 2015, the Group's current and former employees thus held 0.828% of total capital (see page 290).

In 2014, non-discretionary profit-sharing agreements were signed in Germany, Benin, Republic of Congo, Ivory Coast, France, Mexico and Singapore.

EMPLOYEE SAVINGS IN FRANCE

Every year since 1985, AccorHotels employees in France have been able to participate in a Corporate Savings Plan (PEEG). It allows them to invest in various mutual funds with matching funds provided by AccorHotels. In addition, in 2015, 5,863 employees invested in the PERCO group Retirement Savings Plan, which was set up to provide employees with additional income during retirement. Employees in France also receive non-discretionary profit-shares under a corporate agreement covering 71 companies in respect to 2014. Non-discretionary profit-shares earned in 2014 and paid in 2015 amounted to an aggregate net €3.7 million for 18,664 employees, or an average net amount of €201 per person. Since January 1, 2015, in addition to the conventional plan, the Group has a new savings plan called *"Épargne Avenir"*, which offers an exceptional matching contribution for any employee payment into the "AccorHotels Investissement" fund consisting solely of AccorHotels shares. Its aim is to involve employees in the Group's development.

INTERNATIONAL INSURANCE AND HEALTHCARE COVERAGE

Offering international insurance and healthcare coverage enables AccorHotels to meet two key challenges: (i) providing a higher level of protection for employees in countries where public authorities cover little or none of the expense associated with healthcare, and (ii) creating an element of differentiation to attract and retain talent.

In 2015, the Group conducted a survey across the MMEA region (16,000 employees in 13 countries) concerning the healthcare coverage, contingency insurance and retirement schemes of local employees in owned, leased and managed hotels. Concerning "hospitalization" and "death" risks, 82-88% of the employees are covered in all countries except one. AccorHotels is planning to progressively extend this diagnostic to the other regions, with the aim of producing recommendations to improve coverage levels.

In Brazil, AccorHotels provides wider medical cover than legally required and is committed to progressively increase the services offered.

Issues related to post-retirement benefits, insurance coverage and other employment benefits are discussed and addressed on a consensual basis by representatives from the corporate Human Resources, Consolidation, Treasury and Financing, and Administrative Services Departments, as well as the Group's consulting actuary. When necessary, the Group Retirement Benefits Committee set up in 2007 validates the decisions resulting from these consensual discussions.

Agreements on social protection were signed in 12 countries (Algeria, Germany, Benin, Republic of Congo, United States, France, Ghana, Ivory Coast, Senegal, Singapore, Togo and Vietnam) (see page 51).

2.3.7 WORKING CONDITIONS THAT ENHANCE EMPLOYEE WELL-BEING AND TEAM PERFORMANCE

As an employer, AccorHotels is responsible for ensuring that working conditions are conducive to the health, safety and well-being of its employees and to the performance of its teams.

The measures taken to improve working conditions focus mainly on:

- preventing accidents, repetitive strain injuries and other workplace health and safety issues, by identifying risks and deploying dedicated training modules;
- limiting the impact on employees' personal lives of the hospitality business and its unusual working hours, so as to enhance AccorHotels employer appeal and increase employee commitment;
- setting up a work organization which promotes employee initiative, autonomy and responsibility.

These measures are adapted in keeping with local requirements, the cultural context, applicable collective agreements, and the country's labor laws.

WORKWEEK ORGANIZATION AND WORK-LIFE BALANCE

Working hours

In every host country, working hours are set in accordance with local legislation and collective agreements. Overtime may be paid at a higher rate or taken in the form of additional time off, depending on the legislation and agreements applicable in each hotel and on the conditions defined in each employee's contract.

Workweek organization

AccorHotels' digital transformation is bringing about major changes in the organization of the work (creation of new jobs and elimination of others, potential automation of certain repetitive tasks, changes in job duties due to the arrival of various digital tools), as well as changes in the work-life balance (in particular with the massive arrival of generations Y and Z in the Group). AccorHotels is also aware of the growing importance of psychological well-being, in addition to the protection of employee health and safety.

These are core concerns in the implementation of the HR promise to "Feel Valued".

Whatever the transformations under way, the hotel business is still characterized by long opening hours, giving rise to variable schedules for employees, who may be required to work at night, on weekends and on holidays. In its Ethics and CSR Charter, AccorHotels has formally pledged to undertake a variety of measures to support better work-life balance, including respecting important events in employees' lives, minimizing uncertainty in short-term work schedules, and providing practical solutions for employees having trouble commuting.

Part-time work

At end-2015, 8% of employees in AccorHotels head offices and in owned, leased and managed hotels were working part-time, compared with 9% in 2014.

Telecommuting

After a one-year trial, an open-ended agreement was signed in 2015, opening the possibility for all employees of the French Hotels headquarters and Group headquarters to opt for telecommuting one day a week under certain conditions. At end-2015, nearly 10% of the employees concerned had adopted telecommuting. This change is helping to bring head-office employees into the transformation process under way; it is getting the teams to rethink their organization and work differently on a daily basis. It fully fits into the spirit of the "We Move!" project for the move of the Group's headquarters (see page 40).

Night work

In France, in compliance with legal requirements, a personal record for the prevention of occupational hardship has been set up. The four factors of hardship to be taken into account as of 2015 include night work, which applies to AccorHotels France. The requested diagnostics had already been carried out to identify the jobs and persons concerned. As a preventive measure, night work guidelines were distributed on a wide scale. They offer recommendations to help regular or occasional night workers to attenuate the impact of working at night, with best practices for maintaining a healthy quality of life.

PREVENTING WORKPLACE ACCIDENTS AND OCCUPATIONAL ILLNESSES

Although the claim frequency rate is fairly low, the hospitality industry is not exempt from risks regarding health and occupational safety. Management pays close attention to the day-to-day risk of incidents and the long-term risk of musculoskeletal disorders caused by repetitive movements.

Preventing work-related risks

In a number of host countries, Health and Safety Committees ensure compliance with the local legislation by assessing the risks associated with each hotel, department or position.

These assessments can cover potential risks to the Group:

- short-term: handling sharp objects in kitchens or technical facilities; polishing food service glasses; infrastructure-related accidents (falls, blows, etc.); handling chemicals in the laundry; welding accidents in technical facilities;
- medium-term: psychosocial risks;
- long-term: musculoskeletal disorders.

Employees, particularly when on temporary or long-term assignments in a given country or region, may consult regularly updated security and health advisories on the Security and Safety Intranet site. In line with the digital transformation, this information will be accessible on mobiles in 2016 *via* a dedicated app.

In 2015, the number of hotels that organized prevention actions increased 10% (see page 47).

French law provides for the integration of six new hardship factors as of 2016, as part of the pension reform and the creation of a personal record for the prevention of occupational hardship. Among these factors, that of tiring physical positions will apply to AccorHotels France, which is thus planning to take part in branch discussions to define the hardship criteria and to draft guidelines.

Preventing musculoskeletal disorders

A large number of training modules are offered by AccorHotels Académie campuses worldwide to teach employees the postures and practices necessary to prevent musculoskeletal disorders. Often provided as part of the induction process, the modules are adapted to suit the specific needs of kitchen, technical services and housekeeping staff. They sometimes call on the expertise of an ergonomist, as was the case in Brazil in 2015, once the standard operational procedures have been reviewed to improve training in this regard.

Preventive measures are being implemented and an ergonomist is systematically involved in the furniture design process. In France, for example, the Levly® hydraulic bed-lifting system has been introduced: by raising the mattress to waist level, these ergonomic beds attenuate the risk of joint injuries. Since 2007, the Integrating the Disabled Project® (MIPH) has subsidized the installation of 10,902 Levly® systems in France. The initiative is also being deployed in other countries, such as Belgium, Bulgaria, Spain, Italy, Ghana, the Netherlands, Poland and the United Kingdom.

Moreover, among respondents to the qualitative survey, 48,395 employees underwent special training in ergonomics.

Number of employees having attended special courses in ergonomics	**In 2015**
France	649
Europe (excluding France/Mediterranean)	2,412
Mediterranean, Middle East, Africa	6,469
Asia-Pacific	35,253
Americas	3,612
TOTAL	**48,395**

AccorHotels does not have any quantitative indicators concerning occupational illness. One of the main problems for a broad-based multinational like AccorHotels lies in the fact that the definition of occupational illness under French law is not applicable in every country where the Group operates.

Preventing psychosocial risks

Various channels are used to prevent psychosocial risks, including training modules, local hotlines and collective agreements on the initiatives to be undertaken.

Workplace stress management training is regularly attended by employees. In 2015 in France, 202 employees participated in training modules on "Preventing and Managing Workplace Stress", "The Five Keys to Stress Management" and "Understanding Stress and Achieving Serenity".

AccorHotels is committed to eliminating all forms of harassment from the workplace, including bullying and sexual harassment. Complaints against personnel must be reported to a senior manager or to the Human Resources Manager/Director. A different procedure is followed for incidents involving guests. Hotlines have been set up in Brazil, France and other countries. In 2015, the European Works Council launched an initiative for the prevention of all forms of harassment in the workplace, including bullying and sexual harassment.

HEALTH AND WORKING CONDITIONS AGREEMENT SIGNED IN THE FRENCH HOTELS BUSINESS

Following a survey of psychosocial risks and an assessment of the hardship of hospitality jobs, a three-year agreement on health and working conditions in the French hotels business was signed in September 2013. This agreement comprises a large number of measures to improve working conditions, including systematically involving an ergonomist in any major premises design or redesign project and redesigning workstations based on a list of concrete measures, *i.e.* opinion surveys, vigilance regarding work schedules, training in postures and practices, raising night workers' awareness, diversifying tasks, keeping staff in employment and facilitating the latter years of their careers.

In view of the different national laws and the ensuing difficulty in recording all workplace accidents from the first day of absence, as stated in the "Absenteeism" chapter, the lost-time injury rate and incident severity rate for workplace accidents have been under-estimated in certain geographical areas.

In 2015, AccorHotels was saddened by the death of eight employees. One death in France resulted from a heart attack at work. Seven deaths in Asia were due to commuting accidents, *i.e.* two in China, two in Indonesia, two in Malaysia and one in Thailand.

IMPROVING WORKLIFE QUALITY AND PROMOTING HEALTH

The feeling well@work committee and the promotion of well-being

In 2015, the Corporate Headquarters of AccorHotels set up a committee dedicated to worklife quality and health – the *"FeelingWell@Work"* Committee – whose goal is to ensure that the measures taken make employees "Feel Valued" as expressed by the HR promise, and to convey the Management's commitment to support working conditions that promote worklife quality. AccorHotels is indeed convinced that worklife quality is an economically viable goal, which will result in social progress for employees and improve service quality for guests. The committee's missions are the following:

- initiating measures aimed at preventing psychosocial risks and improving worklife quality, and monitoring their implementation;
- uniting employees around a participative, multi-disciplinary program;
- acting as a think tank and a reference for issues concerning the prevention of psychosocial risks.

In 2016, the FeelingWell@Work committee will play a major role in the move of the Corporate Headquarters employees (see page 40). One of its tasks will involve the co-drafting of a Worklife Quality Charter.

Moreover, the particularly proactive Benelux entities developed the "Fit and Happy @ AccorHotels" program in 2015. It is aimed at preparing employees, not only in terms of skills for their jobs, but also in terms of physical and mental health. For this purpose, workshops are offered on nutrition and lifestyle. Coaches are available to stimulate employees, who can also take part in sports challenges. In Belgium and Luxembourg, six burn-out prevention sessions were a big hit with 90 participants in 2015.

In the same spirit, the Pullman, MGallery and Sofitel brands reasserted their commitment to make worklife more joyful. Because happy employees make satisfied guests, these brands have committed to providing comfortable welcoming workplaces and rest spaces, offering balanced meals on a daily basis, improving everyday well-being, and celebrating the important events in the life of each employee.

Promoting health

In every host country, AccorHotels strives to raise employee and guest awareness on the importance of preventing diseases and epidemics.

As part of the PLANET 21 program, for example, the owned, leased, managed and franchised hotels are encouraged to offer employees awareness-building sessions on the prevention of HIV/AIDS and chronic diseases (diabetes, cancer and cardiovascular ailments), the importance of nutrition and a balanced diet, the prevention of psychosocial risks (stress, etc.), and first aid training.

Since 2002, AccorHotels has been demonstrating a commitment to fighting against epidemics, particularly of HIV/AIDS and malaria. Employee-focused initiatives are structured by the ACT-HIV program, which gives hotel General Managers an action plan built on the three core principles of AccorHotels' commitment – confidentiality, non-discrimination and equal access to treatment. In 2015, 85% of hotels organized health and well-being training for their employees, with in particular 33,955 employees attending HIV/AIDS sensitivity training. A total of 1,114 hotels were equipped with condom vending machines.

2.3.8 DIVERSITY AND EQUAL OPPORTUNITY POLICIES

For AccorHotels, diversity is a key component in driving performance and innovation. Promoting diversity is a long-standing and proactive policy and one of the founding principles of managerial ethics to combat discrimination and promote equal opportunity across the organization A structured framework created for our diversity commitments in 2008 is driving a variety of programs to support and demonstrate these commitments.

INITIATIVES DESIGNED TO ADDRESS FOUR CHALLENGES

Initiatives undertaken to encourage diversity, ensure equal opportunity and fight against discrimination are underpinned by four challenges:

- **corporate social responsibility:** as a fair and sustainable employer, AccorHotels has the duty to reflect the diversity of its host communities;
- **attractiveness as an employer:** AccorHotels is an organization which is proud of its differences and projects a positive image to the public;
- **business performance:** making diversity a priority helps AccorHotels deliver customized solutions to meet guest expectations;
- **operating performance:** inclusiveness and social cohesion are important factors for well-being in the workplace and to secure the commitment of all employees.

ACCORHOTELS' INTERNATIONAL COMMITMENTS REGARDING DIVERSITY

AccorHotels recognizes that every employee is different and that overall performance depends on the skills of each individual. These commitments are structured around four priorities:

- diversity of origins;
- gender diversity and gender equality in the workplace;
- integration of people with disabilities;
- age diversity.

The Group's diversity and anti-discrimination policy is clearly defined in its International Diversity Commitments deployed in 2011 and translated into 13 languages.

These commitments serve as the foundation of our diversity policy:

- **fight against all forms of discrimination** on the basis of ethnic, social or cultural origin, gender, age, physical characteristics, disabilities, religion, language, marital status, union membership, sexual orientation or other characteristics;
- **give every employee the opportunity to succeed** by placing skills at the heart of managerial and human resource policies, with the objective of welcoming, nurturing and developing all talents in an equitable way;
- **train employees and raise their awareness on diversity** with the required tools and means to enable them to grasp the great value of their diversity, taking into consideration local situations;
- **conduct diversity surveys** in every host country;
- **disseminate AccorHotels' commitments to promote diversity** by informing employees and all Group partners of the policy and measures implemented;
- **act as diversity ambassadors with customers** and Group partners (suppliers, hotel owners, investors, etc.) with the goal of fostering a shared ethical commitment;
- **integrate diversity in the service offerings** by adapting to the diversity of guests;
- **encourage dialog and assess initiatives** while ensuring that AccorHotels' management teams worldwide conduct in-depth diversity assessments based on internal opinion surveys, quantitative criteria or qualitative findings;
- **report to the Group Executive Committee** on the diversity programs underway across the Group, to obtain the Committee's guidance and recommendations for pathways to improvement.

In 2015, AccorHotels' diversity policy was awarded the *Grand Prix des Trophées de la Diversité*, by Diversity Conseil.

EQUAL OPPORTUNITY RESOURCES

AccorHotels has two main ways of guaranteeing equal opportunity and eradicating stereotyping: (1) training employees, and (2) highlighting the best practices already being applied in the Group. To this effect, AccorHotels has gradually developed a wide range of general and issue-specific resources which reassert its commitments, provide access to reference documents, improve understanding of the issues, and offer guidelines or examples for putting the commitments into practice. They include the corporate diversity Intranet, the Diversity Glossary, the "Managing Diversity" e-learning program, the guide for recruiters and managers, the Recruitment Charter, the Parenthood Guide, the Disability Guide and guidelines for organizing a disability awareness day. A course focused on diversity is included in the new hire integration process in 41 countries (63% of the countries surveyed).

These resources address the specific needs identified by the studies conducted on a panel of companies, including AccorHotels, by *Valeurs & Développement* and *IMS Entreprendre*. Following its participation in the study *"Stéréotype et Genre"* published in 2012, AccorHotels participated in the study *"Stéréotype et Générations"* in 2015. Identifying the main stereotypes in the "X", "Y" and "Seniors" generations, as well as the factors affecting these stereotypes, will form the basis of a 2016 action plan to facilitate the inclusion of all generations in the Group's cultural and digital transformation.

Lastly, discrimination alert plans have also been defined locally so that anyone experiencing discrimination knows who to contact and how.

PROMOTING GENDER DIVERSITY AND EQUALITY

In 2015, AccorHotels signed the Women's Empowerment Principles, defined by the United Nations. By signing this document, the Group has undertaken to:

1. Establish high-level corporate leadership for gender equality;
2. Treat all women and men fairly at work – respect and support human rights and non-discrimination;
3. Ensure the health, safety and well-being of all women and men workers;
4. Promote education, training and professional development for women;
5. Implement enterprise development practices that empower women;

6. Promote equality through community initiatives and advocacy;
7. Measure and publicly report on progress to achieve gender equality.

Moreover, the Group was selected as Impact Champion by the HeForShe solidarity movement. Impact 10x10x10 is a global pilot initiative launched by UN Women which engages 10 corporations, 10 governments and 10 universities to advance behaviors and gender equality worldwide.

Within that scope, AccorHotels has defined three gender diversity commitments:

- **gender equality in Management and equal pay:** AccorHotels has set itself the objective of having 35% women as hotel General Managers by end-2017, and 20% women in the Executive Committee by end-2016 and 30% by end-2018. The Group will also strive towards equal pay between men and women at its Paris headquarters and in three other countries by end-2017. Concerning recruitment, it has committed to having an equal number of men and women in its shortlists;
- **raising the awareness of male employees and fostering their support for gender diversity:** in this regard, the Group has set itself the following objectives: 35% male members of WAAG (Women at AccorHotels Generation) by end-2017, 50,000 male employees supporting the movement by end-2018 including all Operations Managers;
- **changes in attitudes in line with the changes in the hotel industry:** understanding gender stereotypes and the specific needs of female guests.

These objectives, which involve equitable talent management, are added to the objective initially set by the Group of having 35% women as hotel General Managers by 2015, deferred to 2017, as it was not achieved.

The Group will ensure the operational implementation of its commitments by providing a toolbox to help each region create its own gender diversity action plan suited to each country's cultural and legal context. AccorHotels will also rely on the programs it has launched in the past years:

- **the gender diversity network:** Women At AccorHotels Generation. This network is open to both women and men under an AccorHotels banner and is spread into seven regional networks across the world. At end-2015, the network had over 4,000 members worldwide. It is committed to fighting against stereotypes and the self-censorship of women, primarily by mentoring women employees, encouraging experience sharing and facilitating networking. In 2015, 130 women received mentoring under this program;
- **the Gender Equality European Standard** awarded to AccorHotels Benelux in 2015. This standard, which is designed to foster learning and continuous improvement, will enable AccorHotels to continue to improve its performance in gender diversity and equality;
- **training programs,** such as the High Performing Leaders Program for Women in Leadership launched in May 2015 by AccorHotels Académie in the Asia-Pacific region: 24 women hotel Managing Directors or support function experts are preparing to take up senior management positions by participating in a 12-month program (eCornell course, field projects and mentoring).

Percentage of women by job category	2014	2015
Total women	46%	46%
Managers	41%	42%
of which hotel General Managers	27%	27%

HIRING AND RETAINING THE DISABLED

AccorHotels is a pioneering member of the ILO Global Business and Disability Network, a United Nations initiative, that since June 2011 has brought together multinational companies committed to including people with disabilities in the workplace. It allows members to share their knowledge more effectively, develop products and services that facilitate the hiring and retention of disabled employees and improve their technical expertise in addressing disability issues.

In October 2015, AccorHotels signed the Charter of the "ILO Global Business and Disability Network", thereby committing to promoting the employment of disabled persons in its businesses worldwide.

A wide array of resources has been deployed to assist managers in integrating disabled employees into their teams (see page 48, "Equal opportunity resources"). For the 2015 International Day of Disabled Persons on December 3, the hotels in numerous countries where the Group operates got their teams involved in a variety of initiatives: meetings and activities with disabled children, awareness-raising and dissemination of brochures, fund raising and donations to NGOs dedicated to helping people with disabilities, discussions concerning the integration of disabled persons in the teams, etc.

In 2015, the hotels owned, leased or managed by AccorHotels employed 1,353 people with disabilities recognized by local legislation, representing 1% of the total workforce. However, given the difficulty in obtaining accurate figures in some countries, the real number of disabled employees is probably higher. AccorHotels considers that the real number of disabled employees has been under-estimated.

Signed by AccorHotels and all employee representatives at the end of 2014, the 4th Group agreement for the integration and continued employment of disabled persons came into force in 2015 for the 2015-2017 period. This agreement is focused on the prevention of disabilities and the continued employment of disabled persons. It sets forth the following objectives: continuing to recruit persons with recognized disabilities; increasing the number of interns and work-study programs; developing measures for the prevention of disabilities and the continued employment of disabled persons; ensuring that everyone has access to qualifying professional training; ensuring ongoing communication and awareness-raising on disabilities; promoting the use of organizations from the sheltered sector; promoting the better social integration of disabled persons.

In France, the Integrating the Disabled Project (MIPH) adopted several measures to promote the integration of disabled persons, in line with each of the objectives set forth in the Group agreement.

The entities in Poland and Hungary are particularly active in this area. Disability awareness programs are included in the AccorHotels Académie catalogue. The hiring of disabled persons is backed by appropriate workplace conditions to ensure their successful integration in the teams concerned. The use of organizations from the sheltered sector is encouraged and awareness raising sessions are held on a regular basis for the teams.

In Brazil, AccorHotels launched a dedicated platform for the recruitment of disabled persons by the hotels. Following the Group's signing of the Charter of the "ILO Global Business and Disability Network", the teams are assessed as to their level of adherence to the Charter and the teams most involved in the recruitment of disabled persons are featured on the Intranet.

2.3.9 SOCIAL DIALOGUE

Accor is committed to maintaining ongoing, constructive dialogue about employee rights and benefits with employee representative organizations. The Group initiated negotiations to renew a worldwide agreement signed in 1995 with the International Union of Foodworkers (IUF) concerning application of International Labour Organization conventions on employees' freedom of association and right to unionize. The negotiations initiated in 2014 for the renewal of this agreement are still under way.

DIALOGUE FORUMS AND RESOURCES

The European Works Council is co-chaired by the Chairman & Chief Executive Officer and a IUF representative. It meets at least once a year to examine the Group's organization, strategy and results, as well as cross-border issues. It may also be especially convened to discuss any measures being considered by the Group. In 2015, the European Works Council met twice and its members benefited from a course in financial information. The Ethics and CSR Charter was presented to all personnel representatives.

In France, the Group Works Council supports dialogue and the sharing of business information with local employee representatives. Created by the October 12, 1984 framework agreement, it comprises 24 employee representatives chosen from among the 76 subsidiary works councils in France. It is chaired by the Chairman and Chief Executive Officer or his representative and meets twice a year. In addition, a Health, Safety and Working Conditions Committee is active in each of the relevant units.

In 2015, qualitative report concerned 95% of the hotels covered by quantitative reporting. On that basis, 63% of the hotels have an employee representative organization. Across the Group, in units where there is no employee representative organization, employer-employee dialogue takes place in a variety of ways, depending on the contexts and cultures (*i.e.* open tables – informal round-table discussions with second-line executives, meetings with employee representatives in the hotel, information meetings concerning major projects and organizational changes, etc.).

COLLECTIVE AGREEMENTS

The table below shows the number of collective agreements signed in 2015, by country, and the issues covered. It does not include agreements signed prior to 2015 and still in effect.

AGREEMENTS SIGNED BY COUNTRY AND ISSUES

Country (Number of agreements)	Issues
Algeria (2)	Social Dialogue
	Healthcare coverage
	Compensation
Argentina (1)	Compensation
Benin (2)	Skills development
	Social Dialogue
	Cultural and Gender Diversity
	Healthcare coverage
	Compensation
	Health & Safety and Working Conditions
Cambodia (1)	Social Dialogue
	Compensation
	Health & Safety and Working Conditions
	Working hours
Democratic Republic of Congo (1)	Social Dialogue
	Healthcare coverage
	Compensation
	Working hours
France (585)	Skills development
	Social Dialogue
	Cultural and Gender Diversity
	Healthcare coverage
	Compensation
	Health & Safety and Working Conditions
French Polynesia (4)	Social Dialogue
	Compensation
Germany (32)	Skills development
	Compensation
	Health & Safety and Working Conditions
Ghana (2)	Skills development
	Healthcare coverage
	Compensation
	Health & Safety and Working Conditions
	Working hours
Hungary (1)	Compensation
Indonesia (7)	Skills development
	Health & Safety and Working Conditions
	Working hours

Country (Number of agreements)	Issues
Ivory coast (6)	Social Dialogue
	Healthcare coverage
	Compensation
	Health & Safety and Working Conditions
	Working hours
Japan (7)	Working hours
Mexico (7)	Skills development
	Social Dialogue
	Compensation
	Health & Safety and Working Conditions
	Working hours
Monaco (1)	Compensation
New zealand (1)	Compensation
	Working hours
Poland (1)	Compensation
Romania (1)	Skills development
	Social Dialogue
	Cultural and Gender Diversity
	Compensation
	Health & Safety and Working Conditions
	Working hours
Senegal (4)	Healthcare coverage
	Compensation
Singapore (2)	Skills development
	Social Dialogue
	Cultural and Gender Diversity
	Healthcare coverage
	Compensation
	Health & Safety and Working Conditions
	Working hours
Togo (1)	Healthcare coverage
	Compensation
United States (2)	Compensation
	Cultural and Gender Diversity
	Healthcare coverage
	Health & Safety and Working Conditions
	Working hours
Vietnam (3)	Skills development
	Social Dialogue
	Cultural and Gender Diversity
	Healthcare coverage
	Compensation
	Health & Safety and Working Conditions

2.4 SOCIAL RESPONSIBILITY COMMITMENTS

By guaranteeing the finest quality products and services, promoting health and nutrition, ensuring safety and security, purchasing responsibly, but also protecting children from abuse and supporting local populations, AccorHotels is setting an example in its relationships with both guests and society as a whole. Solidarity AccorHotels, our community outreach endowment fund, is the natural extension of our approach to corporate social responsibility in our host communities.

2.4.1 RESPONSIBILITY TO GUESTS

The first priority of AccorHotels, as expressed in its dedication to being "Guest Passion", is to make its guests happy and live the promise that is also the Group's vision to Feel Welcome. AccorHotels tries its best to make its guests' interaction with the Group and its hotels as simple as possible and understand their expectations so it can personalize its services and hospitality. That's why AccorHotels is constantly improving its brand standards to ensure a safe, fully satisfying guest experience. We are also developing a portfolio of sustainable products and services that are better for guest health and the environment and trying to adopt ways of interacting transparently and responsibly.

A GUEST-CENTERED CULTURE

Guaranteeing a consistent guest experience

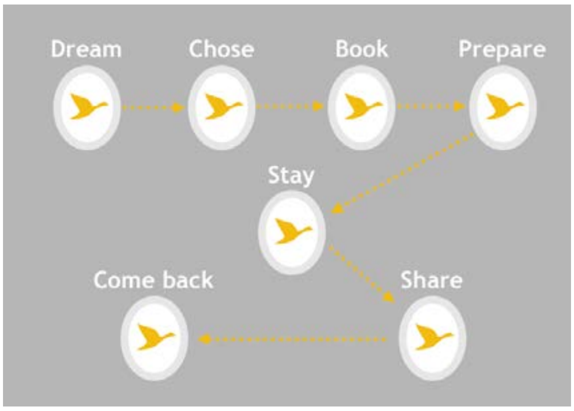
In 2015, AccorHotels continued to make improvements to its organizational structure in the service of a broader, all-encompassing vision of the guest experience. To do this, the Group looked at the "Guest Experience" as it has been redefined in the Digital Plan and a new Guest Experience & Loyalty Department that has been tasked with getting to better know guests and what they expect and improving the tools used to manage that information. It is putting guest experience strategies in place in order to improve value for guests and give them a level of service or customized attention in line with their expectations (Customer Lifetime Value). This Department is also tasked with the ongoing expansion of the Club AccorHotels loyalty program, improving hospitality for members and the gradual establishment of "Customer Caring" services for guests between now and 2018. This strategy is built around measuring guest satisfaction, which has become a benchmark for the Department and the hotels (see next page). The role of the Group's Guest Experience & Loyalty Department is fourfold:

- **simplifying guest interactions** with the Group and its brands and hotels by making them as consistent as possible;
- **learning about our guests** by collecting the information they want to share with us however we can and managing that information as seamlessly as possible;
- **personalizing the guest experience** through the intelligent use of that information to make every stay with us unique; and
- **engaging the Group's employees** to be ambassadors of the Feel Welcome promise. Giving them tools to get involved with guests and delight, surprise and amaze them.

This quest for consistency and commitment is established through close collaboration between Guest Experience teams (for overall strategy and tools), Human Resources teams (for the human dimension) and the brands (for the marketing dimension, procedures and Spirit of Service).

THE CUSTOMER EXPERIENCE AS SEEN BY ACCORHOTELS

A traveler's interaction with a hotel begins well before check-in at hotel reception. To account for this, AccorHotels, in its desire to be the ideal travel companion, has redefined the customer experience into seven stages and reorganized it to support its guests in each of these stages.



WELCOME BY LE CLUB ACCORHOTELS, DIGITAL TOOLS FOR THE GUEST EXPERIENCE

In 2014, AccorHotels reinvented hotel reception with its *"Welcome by Le Club AccorHotels"*: online check-in, fast check-out services. It enables directly booking guests who hold an AccorHotels loyalty card to check in and out online. The chief advantage is the saving of time and custom-tailored hospitality. The room key and other formalities are ready at check-in and there is no longer any need to go to the front desk to check out. Teams can thus focus on enhancing the guest relationship and embodying the Feel Welcome promise. With Welcome, hotels are gradually digitalizing the check-in/check-out process. Designed for global deployment, the experience is aligned with each brand's personality and with national legislation (in particular concerning guest registration upon check-in). At the end of 2015, approximately 2,500 hotels offered this service. More than a million customers have used it and 92% of them want to use it again. The Group plans to increase eligible bookings by making so-called multiple reservations (several rooms for the same date or dates for the same customer) possible to book online. One challenge for 2016 will be increasing the percentage of hotels that regularly offer all individual guests fast check-out services from 25% to 100%. The use of certified AccorHotels equipment will remain compulsory for a hotel to offer these services.

Letting guests be the judge

One of the Group's chief ambitions is to make our guests the judge of how it and its hotels are performing. This is a sign of the significant cultural transformation currently underway. Although compliance with standards and spirit of service are still levers of success, from now on, the only indicator that truly matters is customer satisfaction.

The "Voice Of the Guest" (VOG) platform launched in 2015 is another example of a powerful tool that the AccorHotels Group has put in place to support a guest-centered culture amid drastic changes in consumption patterns (see box). VOG acts as a centralizer for customer feedback for hotels and presents it in a clear and intuitive interface, semantically analyzing it by categories (room, food, service, WiFi, etc.) in more than 19 languages. In practical terms, VOG makes it possible to:

- capture all solicited or unsolicited guest feedback (see GSS below) through all channels: in the hotel or on a cell phone, tablet or computer. For example, unsolicited reviews posted online or in the social media are continuously collected and analyzed for the hotels;
- share feedback with employees;
- empower hotels to manage their e-reputations and interact more directly, quickly and seamlessly with guests so as to meet their expectations more effectively. Individualized responses are encouraged;
- compare reviews received by AccorHotels and its competitors and thus highlight the strengths of the Group's hotels when guests make comparisons;
- contribute to the referencing that occurs naturally between the Group's addresses and help them optimize their presence on various types of media.

At the end of 2015, 100% of Group hotels (leased and managed) managed their e-reputation online, in line with the target. An e-reputation score target was set for every hotel in 2015. This indicator compiled all feedback from all channels, and in the spirit of letting guests be the judge in our hotels, it became the indicator for hotel ratings.

DIGITAL MEDIA HAS CHANGED CONSUMER PATTERNS FOR HOTEL SERVICES – KEY FIGURES

- 95% of guests check online reviews before choosing a hotel;
- 70% of guests connect to a social network during their stay;
- almost 66% share their experiences *via* social networks or satisfaction surveys;
- in 2015, the AccorHotels Group collected more than 6 million reviews of stays at its hotels;
- 30% additional reviews are contributed each year.

A SIMPLIFIED HIGH-QUALITY MANAGEMENT SYSTEM FOCUSED ON GUEST EXPECTATIONS

The ibis brand has been involved in an ISO 9001 quality certification process since 1997. A the end of 2015, of the 1,030 ibis hotels worldwide, 88% are now ISO 9001 certified, in 47 countries. Building on the experience gained from 18 years of applying the ISO 9001 standard guidelines, the ibis brand has chosen to update its approach by simplifying and centering it on what guests need most: impeccable cleanliness, excellent connectivity, the promise of a good night's sleep and excellent quality of essential services. This streamlined quality management system, known as Lightway, will be deployed in 2016. The results will now be monitored through the compilation of all customer reviews (solicited and unsolicited), in the spirit common to all of the Group's brands of letting the guest be the only judge of the performance of its hotels.

Brand standards that promote the feel welcome promise

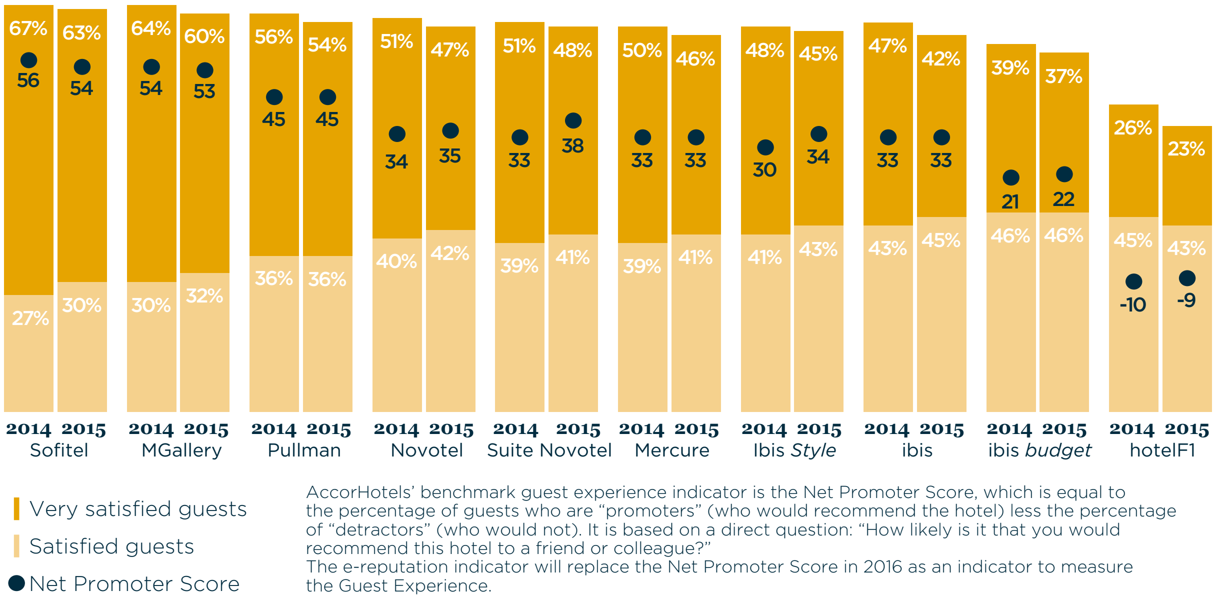
Each AccorHotels brand defines its own standards in such areas as marketing, quality, hygiene and sustainable development, which its member hotels are expected to apply. In 2015, the spirits of service for the ibis, ibis style and ibis budget brands were re-conceived to align them with the Group's Feel Welcome promise.

To verify compliance with these brand standards, each hotel must deploy three groupwide quality control and management tools:

- **Products & Services Audits:** conducted every year by an independent consulting firm *via* "mystery guest" visits to every part of a hotel, based on a very wide range of criteria (between 300 and 2,500 items audited depending on the brand). After the audit, the hotel must prepare and implement an action plan to improve its performance each year.
- **Hygiene Audits** managed by the country organization and conducted every year across the hotel base by an independent consulting firm. Auditors verify the hygiene of food and drink preparation areas, and usually guest rooms as well, by checking compliance with the appropriate procedures and taking samples for analysis. In 2014, more than 5,000 hygiene audits were performed groupwide.
- **Guest Satisfaction Survey (GSS)** give guests the opportunity to fill in an online questionnaire about their entire experience, from booking to checkout. Responses are directly viewable by the hotel, which is expected to analyze the feedback and respond to any dissatisfaction within two days.

These tools help to gauge guest satisfaction by determining two leading indicators: the percentage of satisfied guests and the Net Promoter Score, as represented below.

Net Promoter Score by brand in 2015



AccorHotels' benchmark guest experience indicator is the Net Promoter Score, which is equal to the percentage of guests who are "promoters" (who would recommend the hotel) less the percentage of "detractors" (who would not). It is based on a direct question: "How likely is it that you would recommend this hotel to a friend or colleague?"
The e-reputation indicator will replace the Net Promoter Score in 2016 as an indicator to measure the Guest Experience.

The change in 2015 of service provider and questioning methods (new questionnaire, new design, mobile version) made it difficult to compare results between 2014 and 2015.

These three tools are connected to the central Quality Hub database and their data are fed into the indicator scorecard sent to every operations manager, from hotel General Managers to country Operations Directors, and to the various support functions, such as marketing, quality and safety. Based on the data provided, each country organization is responsible for conducting a quality review to monitor hotel performance and for preparing a corrective action plan if needed. All General Managers are encouraged to use these tools to ensure that service quality and guest satisfaction remain a priority.

STRENGTHENING THE PLACE OF SUSTAINABLE DEVELOPMENT IN THE GUEST EXPERIENCE

Sustainable development issues are being integrated more and more into brand strategies.

The redefinition of Spirit of Service in the ibis brands in 2015 included several CSR-related dimensions that were important in particular for their Generation Y guests (who also composed a majority part of their teams): a search for meaning and the desire to be better connected to their environment, using travel time to go and meet others. In this spirit, ibis hotels are already dedicated to hiring locally, particularly among a population where few people have university degrees, and engage in numerous actions for the benefit of their local communities. Starting in 2016, these brands are planning to develop services that allow their guests to meet locals and experience local ways of life and diversify the local products or fair-trade products available. In addition, the ISO 14001 certification is deployed widely (more than 80% of the certified network) in this economic segment.

For several years, respect for the planet and its people have characterized the Spirit of Service of the mid-tier brands. For Novotel, this ambition is reflected in the various components of its products and services: eco-designed bedding (Live N Dream line), complimentary fair-trade, eco-labeled (European Ecolabel) bathroom products (soaps, shampoos and shower gels), "GourmetBar" restaurants that feature balanced dishes with local, seasonal produce, some of which is organic. Mercury focused its involvement in sustainable development on the local aspects, with complimentary products and restaurants serving local and seasonal products. Hotels are invited to promote nearby natural areas, hire locally, participate in efforts to raise sustainable development efforts in schools, partner with a local NGO or take other measures.

The commitment from luxury and high-end brands translates into very good performance for the application of PLANET 21 standards and the 30 Charter 21 actions. Commitment to sustainable development is part of the basic principles of the Pullman, Sofitel, So and MGallery brand standards.

In 2015, the AccorHotels Group initiated a vast project, which will continue in 2016, aimed at increasing the role of sustainable development in every stage of the "Guest Experience". As a result, a hotel's sustainable development performance has become a selection criterion for online reservations, the PLANET 21 and Plant for the Planet programs are now part of communications to B2C and B2B guests, and the Carbon Optimizer tool (see page 56) is available to help B2B guests make enlightened choices. Booking confirmation e-mails will include messages to increase awareness of the fight against the sexual exploitation of children for commercial purposes starting in mid-2016. Like the "Le Club AccorHotels" loyalty program, which since 2014 has given its members the option of using their points for Plant for the Planet, the AccorHotels app also offers all its users the option of in getting involved in the program. Various topics related to responsible tourism and hospitality are present in the Group's communications on social networks.

SAFETY AND SECURITY: PHYSICALLY PROTECTING GUESTS, EMPLOYEES AND EQUIPMENT

The AccorHotels approach is described in detail in Chapter 3 "Risk Factors".

A LINE OF RESPONSIBLE PRODUCTS AND SERVICES

Offering dishes that are healthy for people and the planet

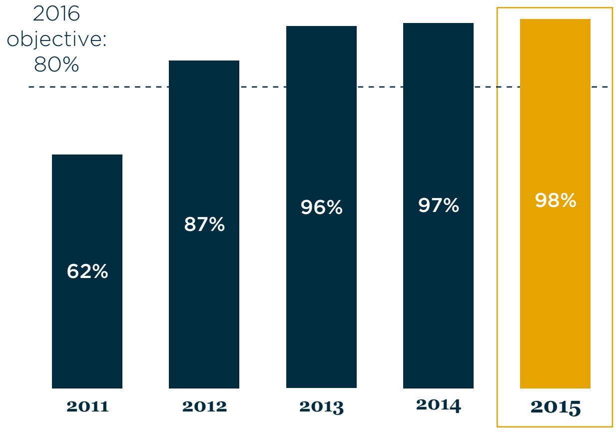
Nutrition has become a major issue in today's society, as seen both in the public health campaigns to reduce the risks of cancer, cardiovascular disease, diabetes, obesity and other health problems and in such environmental concerns as the dangers of agricultural chemicals for the soil and for humans, the growing scarcity of water resources, and the adverse impact on biodiversity. This is why AccorHotels is committed to offering healthy, nutritionally balanced and environmentally sensitive meals that include organic ingredients.

Aware of the importance of food and nutrition, AccorHotels consulted expert chefs and nutritionists to develop recommendations for its hotel restaurants on how to create nutritionally balanced dishes, based on three key aspects: the choice of ingredients, to avoid foods that are too fatty or too sweet; the choice of cooking method, to avoid those that use too much fat; and providing a healthy balance of carbohydrates, lipids and proteins.

The recommendations were set out in a practical guide for restaurant managers worldwide.

To encourage eating that is healthy for people and the environment, the brands are gradually expanding their menus to include products from organic farms, fair trade organizations, local farms and other producers.

Percentage of hotels offering a balanced dish



	2011	2012	2013	2014	2015
Number of applicable hotels*	1,814	1,937	1,948	2,061	2,131
Response rate	96%	97%	97%	96%	96%

* *Hotels with a restaurant.*

Promoting responsible eating is also part of the PLANET 21 program, which encourages hotels with restaurants to offer balanced dishes. In 2015, 98% of AccorHotels hotels with a restaurant had at least one balanced dish on their menu, amply exceeding the 2015 target of 80%.

To enhance the program's visibility, pictograms are often added to restaurant menus to help guests identify balanced dishes and those made with organic ingredients.

Eco-designing products and services

AccorHotels makes every effort to design its guest products and services in ways that limit their environmental footprint. This addresses not only environmental concerns but also the health risks from the chemicals that may be released from items like furniture, paint, cleaning products and flooring, which can potentially cause allergies, asthma, respiratory irritation, headaches, etc. Using more natural eco-labeled products can help to improve the quality of indoor air in the hotels.

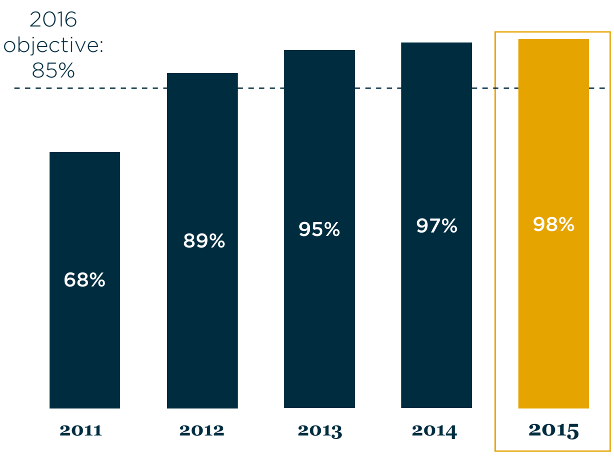
Basically, the eco-design process may be applied at two levels:

- occasionally, by selecting products that have been certified for their environmental performance by an independent authority. This is the case, for example, with complimentary products (shampoo and shower gels), cleaning products, eco-labeled flooring, room appliances (TVs and A, A+ and A++ energy rated refrigerators) and furniture made of FSC-certified wood.

  In 2015, 97% of AccorHotels brand hotels were using at least one eco-labeled product for flooring, painting or cleaning.

  The 2015 target of 85% was easily exceeded, mainly thanks to a partnership with a single cleaning product supplier that is working with AccorHotels to develop more environmentally responsible cleaning solutions;
- more systematically, for example, when designing a new bed or entire room (see below). In this case, the entire product or service can be optimized by working on the full range of parameters, using more environmentally sensitive and/or recycled products, designing for recycling, limiting quantities used in fabrication, and optimizing transportation and packaging. Life-cycle assessments (LCAs) can also be conducted, which measure all of a given product's environmental impacts from cradle to grave.

Percentage of hotels using eco-labeled products



	2011	2012	2013	2014	2015
Number of applicable hotels	4,013	3,331	3,401	3,538	3,682
Response rate	94%	92%	93%	94%	95%

NOVOTEL DEVELOPED THE ECOLOGICAL ROOM OF THE FUTURE – N'ROOM BY NOVOTEL

Novotel has integrated environmental criteria throughout the re-designing process for its room concept, from the trends and needs study to the technical specifications included in the spec sheet to the choice of designer. As a result, the N'Room will incorporate eco-friendly products and will include faucets with water-saving features, low-energy LED lighting, GUT label certified environmentally friendly carpeting laid using a solvent-free adhesive, duvets and pillows made from recycled bottles, Live N Dream eco-designed beds and energy-efficient (label A ++) TVs. Finally, paint was chosen as a wall coating in order to reduce waste. A large percentage of the items will be manufactured in ISO 14001-certified sites.

Eco-design principles were applied to define the criteria for a new solution for responsible meetings and seminars, Meeting 21, which was launched in 2015. Meeting 21 offers guests meeting rooms equipped with furniture, consumables and eco-friendly equipment, solutions for responsible dining (waste-saving measures, local and organic products, fair-trade products, etc.). Peripheral services, such as more environmentally friendly transportation solutions, along with efforts to inform and raise awareness among guests, are also included. To be eligible, a hotel offering meeting activities must have at least one meeting room that meets all of the criteria.

CARBON OPTIMIZER, THE TOOL FOR MEASURING THE CARBON FOOTPRINT OF A HOTEL STAY

As part of Meeting 21, **Carbon Optimizer** has been available since July 2015 for sales teams and managers in charge of meeting services in hotels. The tool can be used to calculate the carbon footprint of a meeting, a hotel per night or annually and gives guests the option to reduce and offset their carbon footprint.

COMMITMENTS FOR RESPONSIBLE COMMUNICATION

A set of documents to guide responsible communication practices

Since 2009, AccorHotels has applied the Charter on Responsible Communication prepared by the French advertisers' association (UDA), which governs the processes in place upstream from communication initiatives. It covers all types of communication – corporate and commercial, above and below the line – and all of the Company's responsibilities to employees, society and the environment).

In 2009, AccorHotels also introduced a **Global Hotel Guest Privacy Policy,** which is posted on the accorhotels.com, accor.com and brand websites. It explains the reasons for collecting personal information during the booking process and clarifies guests' rights to access their personal data at their request.

To ensure the responsible use of social media, a **Social Media Charter** was published in 2010 to offer guidelines for employees. This document addresses all the AccorHotels employees who want to express themselves, such as posting comments or answering questions concerning an issue directly or indirectly related to the Group on Facebook, Twitter, YouTube, LinkedIn and other social media. The guidelines were updated in 2012.

As part of the Digital Plan and the Employee Friendly project, AccorHotels has developed an internal social network, which it launched in mid-April 2015. To join, employees must first agree to abide by the **Enterprise Social Network Charter,** which defines, among other things, members' rights and obligations.

AccorHotels partnered with Trip Advisor in February 2015, so that comments submitted by guests on a Trip Advisor questionnaire after their stay are posted on both the Trip Advisor and AccorHotels websites. With their consent, their comments will be published on the Group's websites and on Trip Advisor.

To ensure price transparency, room rates are clearly indicated at every stage of the online booking process and the terms and conditions of sale are available at all times, in 15 different languages.

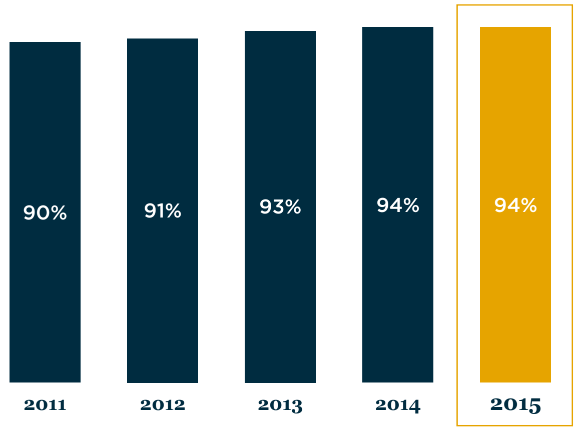
Building guest awareness and buy-in

Through PLANET 21, AccorHotels builds awareness to encourage guests to reduce their environmental impact and participate in the hotel's initiatives. Instructive signage is posted along the entire guest journey: hotel entrance and lobby, in the rooms and restaurants, etc. In 2015, the role of sustainable development at each stage of the Guest Experience was strengthened along the same lines (see page 55).

The signage suggests little things that guests can do to make a real contribution to sustainability, for example by participating in the Plant for the Planet program (see page 62), whose success intrinsically depends on a guest's willingness to reuse room towels.

In all, 94% of AccorHotels hotels are taking practical measures to build guest awareness and buy-in to support their commitment to sustainability.

Percentage of hotels building guest awareness and buy-in



	2011	2012	2013	2014	2015
Number of applicable hotels	4,013	3,331	3,401	3,538	3,682
Response rate	94%	92%	93%	94%	95%

2.4.2 RESPONSIBILITIES TO SUPPLIERS AND CONTRACTORS

With purchases representing around €3.7 billion in 2014, of which around €2 billion was from nominated suppliers, procurement plays a decisive role in the AccorHotels sustainable development process [(1)]. The sustainable procurement program aims to unite all of our internal customers, suppliers, contractors and service providers in a shared commitment to offering ethical processes and identifying and promoting products and services that respect personal well-being and help to reduce our environmental footprint.

THE ACCORHOTELS PROCUREMENT PROCESS

Based in France, the Corporate Procurement Department manages international contracts and coordinates the network of 20 national Procurement Offices, which employ 148 people on five continents.

Contracts are signed at the international or national level, depending on the features of each category. "Standardizable" products and services that meet several countries' needs are managed globally, while those specific to a particular country are managed by the national Procurement Office.

Procurement teams make a real contribution to the financial results of the owned, leased, managed and franchised hotels by ensuring that everyone benefits from the Group's purchasing clout.

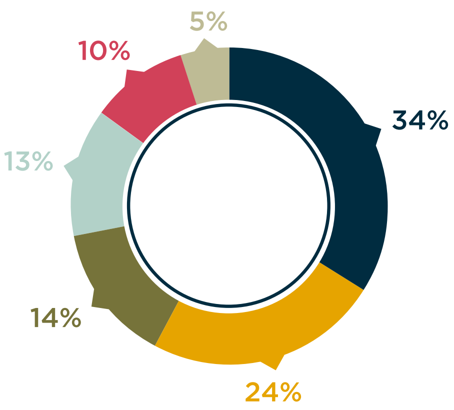
Purchases are classified as "nominated" if they are sourced by the hotels from suppliers that have signed a contract with an AccorHotels Procurement Department. They are overseen directly by AccorHotels teams, who manage and optimize the contracts and the sourced products or services and control the supply chain by taking care to offer solutions that best fit the needs expressed. Nominated purchases are estimated at 45% of total Group purchases (including countries with no procurement departments), or 54% if we take into account only purchases made in countries with a procurement department.

Purchases are classified as "non-nominated" if they are sourced directly by the hotels from suppliers that have not signed a contract with an AccorHotels Procurement Department.

(1) *€3.7 billion is the estimated volume of total purchases from nominated and non-nominated suppliers, in countries in which there is a procurement department, made by all owned, leased, managed and franchised hotels, as extrapolated from the purchases from nominated suppliers.*

Purchases representing the largest volumes are local purchases, as the largest three expenditures in a hotel are usually the cleaning of the premises, laundry and electricity. The three of these accounted for more than 20% of total purchases in 2014. In countries with a Procurement Department, when procurement is managed by it, these expenses are part of the nominated purchases.

Purchases from nominated suppliers by product family (in %)



- Equipment and services (laundry, bedding, tableware, etc.)
- Food and logistics (meat, coffee, produce and fresh food transportation, etc.)
- Infrastructure and renovation (furniture, signage, carpentry, etc.)
- Intellectual, IT and other services (archiving, marketing, software, etc.)
- Energy and fluids (water, electricity, etc.)
- Audiovisual and telecommunications

Because 2015 figures were not available, by the time this document was disclosed, the above breakdown is based on 2014 performance. Performance is not expected to have changed significantly in 2015. The data affects only the countries in which there is a Procurement Department.

A dedicated sustainable procurement unit

Procurement teams are responsible for meeting objectives in five main areas, one of which is devoted to sustainable development, with the goal of implementing processes common to all Group purchases, in order to choose products that comply with the Group's social responsibility and environmental strategies.

The Sustainable Procurement unit falls under the management of Group Procurement and plays a guiding role with respect to local procurement. Its main responsibilities are:

- **monitoring supplier CSR performance,** by leading supplier CSR assessments and deploying corrective action plans;
- **managing reporting and training,** including collecting and consolidating country data; teaching buyers how the collaborative supplier CSR assessment platform works;
- **monitoring the regulatory environment,** shaped by the growing number of laws and regulations designed to reduce the environmental impact of products at every stage in their life cycle. The Corporate Sustainable Procurement unit monitors changes to regulations in France and the EU and keeps buyers informed about any changes. Special attention is paid to compliance with the REACH Regulation governing chemicals, In 2015, more than 80% of suppliers potentially affected by these regulations had a certificate of compliance signed.

RESPONSIBLE PROCUREMENT PRACTICES

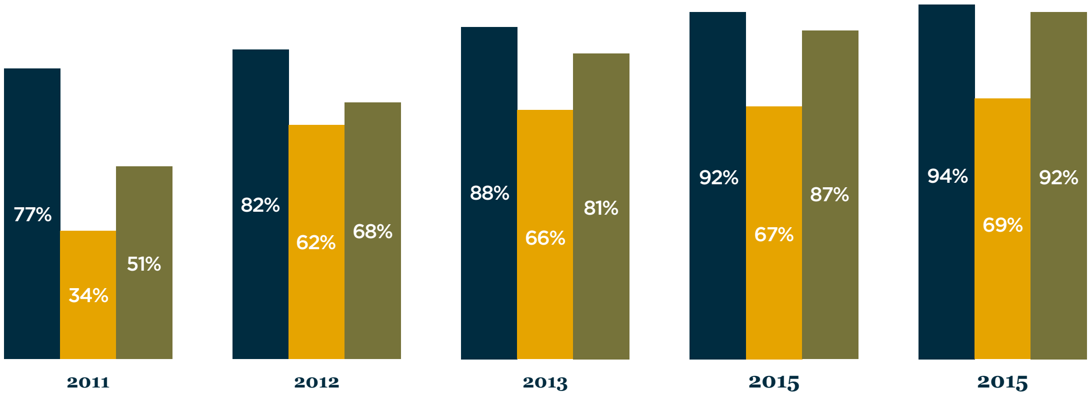
Sustainable procurement solutions are sourced at two levels:

- each of the 98 purchasing categories were analyzed from two viewpoints: i) their inherent environmental, social and societal risks, and ii) the Group's exposure, based on guest visibility of the product or service, purchasing volumes and type of supplier market. Suppliers in these 98 categories are requested to sign the Procurement Charter 21;
- this dual analysis helped to identify 27 priority categories[(1)] with high sustainable development impact, whose suppliers receive special attention in the form of CSR performance assessments and audits.

In addition, in 2015, 92 out of 105 Group buyers in countries where AccorHotels has a procurement department (excluding New Zealand, the United States and the United Arab Emirates) have targets related to sustainable development.

(1) *Meat, poultry, rabbit/Fresh fruit & vegetables/Dairy, eggs, cheese/Fresh fish, crustaceans & shellfish/Bakery/Hot drinks Dry goods/ Ready-made meals/Frozen food multi-family/Promotional gifts/Temporary labour/Beds & mattresses/Cleaning contractors/ Disposable products/Guest amenities (in room cosmetic products)/Chemicals/Branded products with logo/Uniforms/Carpentry, cupboards, mobile partitions, mirrors/Printing/Air-conditioning, ventilation, heating/Contractors tradesmen: masonry, earthwork/ Hotel furniture interior and exterior/Flooring equipment and materials/Laundry dry cleaning/Audiovisual equipment/Restaurant linen, sheets and towels.*

Hotel purchasing practices



▌Percentage of hotels purchasing certified paper (scope of reporting 1)
▌Percentage of hotels purchasing fair-trade products (scope of reporting 1)
▌Percentage of hotels purchasing local products (scope of reporting 2)

Scope of reporting 1	**2011**	**2012**	**2013**	**2014**	**2015**
Number of applicable hotels	4,013	3,331	3,401	3,538	3,682
Response rate	94%	92%	93%	94%	95%
Scope of reporting 2	**2011**	**2012**	**2013**	**2014**	**2015**
Number of applicable hotels*	1,814	1,937	1,948	2,061	2,131
Response rate	96%	97%	97%	96%	96%

* *Hotels with a restaurant.*

SUSTAINABLE PROCUREMENT AS A PART OF SUPPLIER RELATIONS

AccorHotels makes every effort to comply with these laws and ensure that they are respected by others, in particular by closely monitoring suppliers and service providers, whose practices may fall short of its commitments to respecting people.

Sharing sustainable development commitments with suppliers

Our corporate social responsibility commitments have been defined in the Procurement Charter 21, which provides a detailed explanation of the Ethics and CSR Charter for its suppliers. The Procurement Charter 21 is designed to be included in supplier certification contracts. It requires suppliers to:

- comply with all of the corporate social responsibility commitments to which AccorHotels is committed;
- ensure that their own suppliers and subcontractors meet the same standards;
- participate in AccorHotels' supplier assessments and implement the necessary action plans;
- authorize AccorHotels and/or consultants commissioned by AccorHotels to conduct sustainable development audits and implement the necessary action plans.

Any supplier that is unable to meet these requirements must inform AccorHotels so that an agreement can be reached on the corrective and preventive measures to be taken and the timetable for implementing them. Failure to comply with any of the criteria may result in the termination of business dealings with the supplier in question.

By 2015, based on 18 Procurement Departments that responded to Group reporting, about 94% of the suppliers signed the Procurement Charter 21 (this percentage was 80% in 2014 and the target was set at 100% in 2015). In 2015, in response to the refusal of some suppliers to sign the Procurement Charter 21, partly because they were already committed to their own processes, Procurement teams obtained those documents from the suppliers, analyzed them and added them to the supplier file. When the commitments made by the supplier are similar to those requested by AccorHotels, the supplier is considered to be a signatory to the Procurement Charter 21.

Monitoring supplier CSR performance

To track their CSR performance, suppliers are regularly audited, with a focus on the 27 high-priority purchasing categories. The audits presented below primarily concern suppliers in these categories.

- **Online CSR assessments by EcoVadis:** EcoVadis operates a collaborative platform that can be used to assess the CSR performance of suppliers worldwide *via* a custom-designed questionnaire. Suppliers are scored on their social responsibility, environmental and ethical performance and on how much control they have over their own supply chain. Over the last three years, 287 assessments were performed by EcoVadis, 83 of which were in 2015 and 237 requests for corrective action plans were initiated in 2015 by AccorHotels (for EcoVadis ratings with a score less than or equal to 30 out of the total score or one of the criteria).
- **Onsite audit conducted by AccorHotels:** quality audits are performed by country buyers of nominated local suppliers and contractors that are important to AccorHotels because of the volume of purchases involved and the related employee and health risks. Particular attention is paid to such categories as laundry services, security services and cleaning services, which are considered sensitive in light of the CSR issues and/or purchasing volumes involved.
- **Onsite audit conducted by consultants:** in 2015, AccorHotels commissioned an external firm specializing in social audits to conduct audits of Group suppliers and/or their sub-contractors whose production facilities are based in a high-risk country. So that it can give its suppliers the best support possible, AccorHotels wants to equip itself with the tools to monitor them to guarantee real improvement in working conditions. So far, four audits have been conducted in China with suppliers or their sub-contractors, who operate in risk sectors that manufacture products such as hangers, toys, complimentary products and sewing necessities. These suppliers make several million euros in revenue with AccorHotels, which justifies the in-depth monitoring of their social performance. At the end of these audits, a customized plan of action was presented to the suppliers in question. These action plans will be monitored carefully in 2016.

In order to increase oversight of supplier risk, an environmental and social component was included in quality audits, in France, for suppliers of sensitive food and beverage products. As a result, 45 suppliers were audited by a specialized external provider in 2015. Also in France, in another pilot project, nine nominated suppliers in charge of cleaning services received social audits from an external provider. In total, 18 AccorHotels sites were targeted by the audit, along with the head offices and regional branches of some providers. The audit also looked at supplier relationship management with the intent of identifying areas for improvement.

Altogether, 85 suppliers were audited by a third party and 168 suppliers were audited or evaluated worldwide. Since 2010, 552 suppliers have been evaluated.

Nurturing sustainable supplier relationships

As part of its business relationship with certain suppliers, AccorHotels takes a partnership approach to improving the environmental or social responsibility impact of selected products.

A process launched in November 2015 by the Group's hotels in Thailand with rice farmers benefiting from the Plant for the Planet program is an excellent example of this. In addition to planting trees on agricultural land, Pur Projet, the AccorHotels partner, helped farmers to set up viable, robust processes that meet the Group's quality and organoleptic requirements. The project is currently in the pilot phase, and hotels will gradually be supplied with organic, locally produced coffee, rice and eggs.

In another example, AccorHotels in France has worked in collaboration with Nespresso to implement a nationwide sustainable solution for recycling coffee capsules. This solution will be tested in over 30 hotels in the Paris region and the Île-de-France to determine how best to organize a long-term collection solution best suited to the needs of hotels. The goal of this initiative is to recycle the 5 million Nespresso capsules used each year by guests of the Group's hotels in France.

Lastly, AccorHotels is committed to building sustainable relationships with suppliers, whether they are multinational corporations or small local businesses. To improve management of the supplier panel, the supplier base in every country with an Accor purchasing department was mapped in 2014. The exercise revealed how long certain suppliers had worked with Accor and the high proportion of small and medium-sized companies in the panel. This project is being finalized.

2.4.3 PROTECTING CHILDREN FROM ABUSE

COMBATING SEXUAL EXPLOITATION OF CHILDREN

The sexual exploitation of children crosses geographic, social and cultural borders. According to Unicef, it concerns around two million girls and boys under 18 worldwide. As the world's leading hotel operator, present in 92 countries, AccorHotels has a legal and moral obligation to protect children from abuse and to ensure that these practices do not take place in its hotels.

According to the ECPAT NGO[(1)], "child sex tourism (CST) is the commercial sexual exploitation of children by individuals who travel from one place to another, where they engage in sexual acts with minors".

AccorHotels began working to combat CST in 2001, when it became the first hotel group to forge a partnership with the international organisation ECPAT. The first employee CST sensitivity training programs were introduced by AccorHotels in 2002, strengthening our child protection policies.

(1) *ECPAT (End Child Prostitution, Child Pornography and Trafficking Of Children for Sexual Purposes) is the leading international organization in the fight to end child prostitution, child pornography and trafficking of children for sexual purposes. Its network comprises 80 organizations working in 75 countries.*

The commitment of AccorHotels to combating CST is structured by the Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism issued by ECPAT and the World Tourism Organization, the United Nations agency responsible for the promotion of responsible, sustainable and universally accessible tourism. It has been signed by 1,200 tourism industry professionals for their operations in 46 host countries, where it is being applied with six key objectives:

- establish a policy and procedures against the sexual exploitation of children;
- train employees;
- introduce clauses about the issue in contracts with suppliers;
- inform travelers;
- support and collaborate with local stakeholders in the prevention of child sexual exploitation;
- report annually on the implementation of Code-related activities.

In 2014, the Code of Conduct was signed by AccorHotels in India, bringing to 38 the number of country organizations that have pledged their support.

In addition, the country organizations continued to demonstrate an increasingly assertive commitment to this issue with a wide range of initiatives, such as, for example:

- participating in EPCAT'S "Don't Look Away" events held in March in Vienna and in October in Paris;
- participating in conferences that bring together a number of hotel industry actors to discuss the issue in Poland and Myanmar;
- participating in a study on child sexual exploitation carried out by ECPAT on behalf of the United Nations;
- Support for EPCAT's "We say no" campaign in Italy, involving personalities from a number of industries and broadcast on social media.

After preparing a dedicated procedures manual in 2012 in partnership with ECPAT France and two French Interior Ministry organizations – the International Cooperation Directorate (DCI) and the Central Office for the Repression of Violence Against Individuals (OCRVP) – and testing it in four countries (Brazil, Thailand, Poland and Senegal), AccorHotels stepped up its child protection commitment by creating the **"WATCH – We Act Together for Children"** program (see box).

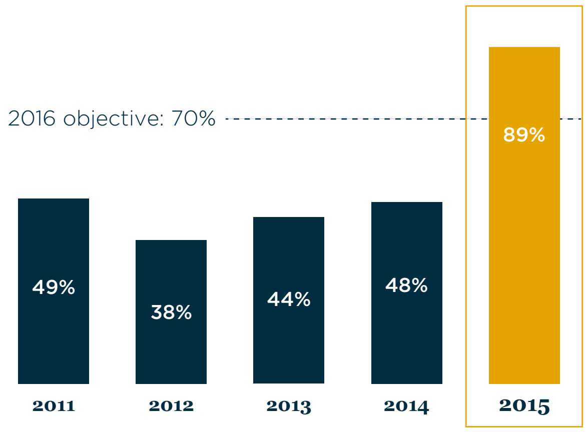
"WATCH – WE ACT TOGETHER FOR CHILDREN"

Created by AccorHotels, the WATCH program helps country organizations and hotels to put procedures in place to detect cases of CST and take the appropriate response. Combating CST involves local training initiatives designed to heighten employee vigilance, so that they can identify cases of CST more effectively, decide when to contact the authorities, and offer the child alternative lifepaths (*via* reintegration projects for example).

The WATCH program is therefore implemented through a variety of training/awareness-raising tools at the hotels, targeting different groups: General Manager, team leads and partners: films, e-learning modules, training modules for hotel teams, guideline sheets, available in English, Portuguese, French and Thai. Distribution of the complete kit, started in late 2014. During 2015, 63,558 employees were trained in child protection procedures.

With WATCH, AccorHotels is taking a stand at every level of the organization: Groupwide with the Code of Conduct, in the host countries by working together with ECPAT or local NGOs, in the hotels by working with the police and child welfare organizations, and through the work done by employees to raise awareness among guests.

Percentage of hotels committed to protecting children



	2011	2012	2013	2014	2015
Number of applicable hotels	4,013	3,331	3,401	3,538	3,682
Response rate	94%	92%	93%	94%	95%

In 2015, AccorHotels concentrated its efforts on training employees in all host countries and ensuring that all hotels implement its procedures. Significant efforts to obtain buy-in took place both at the highest management levels and in operations. Local partnerships with organizations and/or police or security forces made it possible to significantly raise awareness in teams across the board, enabling the Group to achieve and then surpass its goal. The Group also worked to provide digital content to raise awareness in customers: as such, beginning in mid-2016, a special segment will be included in all emails confirming reservations through all direct and indirect channels.

2.4.4 PLANT FOR THE PLANET, AGROFORESTRY PROJECTS TO DEVELOP COMMUNITIES AND PROTECT THE ENVIRONMENT

The Plant for the Planet program encourages customers to re-use towels when they stay at the hotel for longer than one night, and in exchange, AccorHotels has agreed to finance reforestation initiatives: half of the savings achieved by the hotel (water, electricity, detergents, and laundry) are invested in agroforestry projects. This program makes it possible for the hotels in the Group to strengthen their sense of belonging in their natural, human, and economic environment by redistributing part of the wealth being created and by participating in fostering a robust and more responsible agricultural economy.

Plant for the Planet also makes it possible for AccorHotels to reduce its environmental footprint. In this regard, trees play a widely acknowledged role, both in fixing groundwater reserves and absorbing part of the pollution. Upstream from the restaurant business of the Group, agriculture represents one of the most significant indirect water consumption points, and the greatest factor having an impact on biodiversity, findings that were confirmed by the environmental footprint update in 2015. Because the 2011 environmental footprint study revealed that upstream farming operations were one of the major sources of our indirect water use, it was natural to focus the reforestation program on agroforestry projects.

The benefits of the projects supported in the Plant for the Planet program correspond to the three pillars of sustainable development, making it a real flagship initiative:

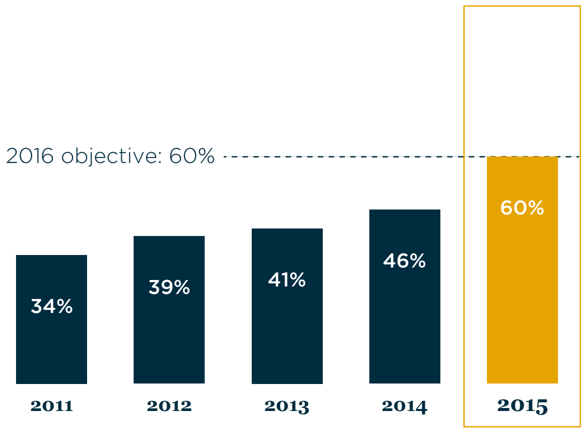
- **environmental benefits:** preserving ecosystems and threatened endemic species, conserving water resources, implementing remediation measures for unproductive soil, combating erosion, carbon sequestration, etc.;
- **benefits for society:** higher and more diversified income for those participating in projects, employment support, improvements in crop quality, creation of a new, local social dynamic;
- **benefits for the company,** especially the active participation of customers and the awareness-raising work done by Group employees, which are both key to the success of the program, enabling it in turn to provide a sense of cohesion.

In 2015, AccorHotels heightened its efforts to implement the Plant for the Planet program, planting almost 570,000 trees, thanks to estimated savings of €3,750,000, and thanks to four new projects launched in the United Arab Emirates, Italy, Poland, and Portugal. At the end of 2015, Plant for the Planet has more than 2,000 hotels that are involved (60% of the hotels in the Group – except for hotelF1 and Formule 1 – reaching the goal by the end of 2015) and has more than 150 reforestation or agroforestry projects in 25 countries. All in all, the project has financed more than 4.5 million trees planted around the world since it began in 2008.

Apart from the selection and startup of new areas for planting, AccorHotels' partner Pur Projet takes care of program management, communications, and high-precision monitoring of the results obtained. This means that each hotel has all the information on the projects that were financed through its involvement in the Plant for the Planet program: locations, species planted, farmers who received support, number of trees planted, etc. Since 2014, guests belonging to the Le Club AccorHotels loyalty program can also participate directly in Plant for the Planet by donating their loyalty points to tree planting operations.

In 2015, the Group doubled down on its goals for the Plant for the Planet project, reaching its high point during voting on "the tree resolution", as a result of which AccorHotels undertakes to plant 10 million trees by 2021 and to uphold the International Platform for Insetting (see page 27). AccorHotels wishes to continue to strengthen this program, an iconic one in the company's CSE initiatives, beginning in 2016, giving it greater visibility and increasing its impact, especially through innovations to involve customers and hotels in greater numbers and to put the spotlight on employees in their role as program ambassadors.

Percentage of hotels participating in the Plant for the Planet program



	2011	2012	2013	2014	2015
Number of applicable hotels*	4,013	3,331	3,401	3,300	3,439

* *Excluding Formule 1 and hotelF1.*

2.4.5 CORPORATE RESPONSIBILITY: SOLIDARITY ACCORHOTELS

The corporate responsibility of the Group is expressed through the Solidarity Accor endowment fund, which became Solidarity AccorHotels in November 2015 after the approval of its Board of Directors. In addition to their personal or technical involvement in helping disadvantaged and socially isolated people, the Group's employees, franchise partners, customers, and concerned individuals can donate financially to the programs that are demonstrating the Group's caring hospitality across national borders.

EMPLOYEES AT THE HEART OF SOCIAL INITIATIVES

Solidarity AccorHotels aims to fight against the economic and social exclusion of disadvantaged people through vocational activities, by supporting projects together with local organizations and NGOs. Through Solidarity AccorHotels, employees play a central role in fulfilling this mission, with the fund providing technical and financial assistance for carrying out their projects in countries where AccorHotels is present.

This goal centers around two focus areas:

- **supporting access to professional development, employment, and entrepreneurship** by sustaining projects that have a positive impact on marginalized people in host countries. This focus area has two parts:
  - **professional training:** training programs and vocational education to help beneficiaries achieve financial independence,
  - **economic development:** support in improving activities linked to local culture to generate income;
- **providing long-term support for emergency situations** by helping local populations deal with the immediate and long-term consequences of humanitarian catastrophes.

The shared objective is to empower people in difficulty by deploying project models that are economically viable and self-sustaining.

All of the projects are led by non-governmental organizations (NGOs) or by local not-for-profit associations for the benefit of our hotels' host communities. The values of hospitality, caring and generosity that our hotel employees embody every day in their jobs flow naturally through to community outreach initiatives. The diversity of hotel industry and support department jobs means that everyone's skills can be used in putting together a project.

A DEDICATED ORGANIZATION

The Solidarity AccorHotels **Board of Directors,** which is chaired by Sébastien Bazin, Chairman and Chief Executive Officer of AccorHotels, meets two to three times a year. It defines the fund's strategic vision, votes on projects whose budgets exceed €20,000, and oversees their implementation. The Board of Directors has nine members: six people representing AccorHotels and three qualified external members (details on Board members available at solidarity-accorhotels.com/).

The **Selection Committee** votes on projects funded at less than €20,000 and oversees their implementation.

The Board is supported by a **standing team** dedicated to assisting employees in their community outreach projects. It works closely with local correspondents, who are AccorHotels employees from the project's host region or who have worked there for several years.

Employees are able to add real value to the programs by providing their personal and professional expertise (cooking, service, on the floor, marketing, consulting, etc.). In particular, they regularly participate in training programs to present various hospitality industry jobs and share their expertise with trainees. These programs can include on-site hotel tours, conferences on hospitality industry jobs, presentations of the Accor Group and internships at AccorHotels.

FUNDRAISING

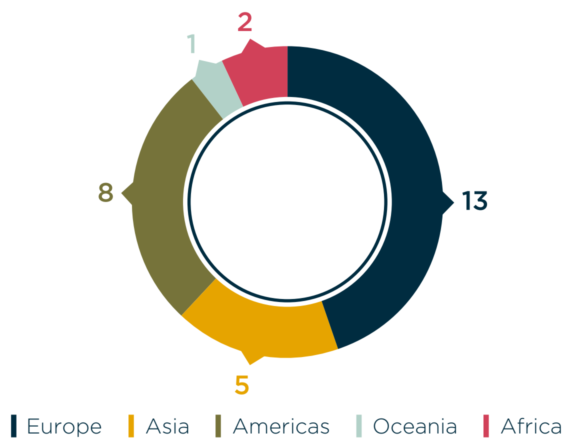
Solidarity AccorHotels has been funded by AccorHotels with an expendable endowment of €500,000 that, under the terms of its charter, may be increased by raising additional funds and collecting donations. En 2015, the second year in which this new governance method has been in place, Solidarity AccorHotels has continued to develop a variety of fund raising projects both internally and externally. Since November 2014, Le Club AccorHotels loyalty program offers members the possibility of making a donation to Solidarity AccorHotels. In this way, cardholders can convert their points into a financial donation. The funds raised are routed to an emergency fund used to rebuild communities. Le Club AccorHotels is encouraging members to support this partnership by keeping them informed of the projects that their donations are helping to fund. In the event of a natural disaster, Le Club AccorHotels members could be Solidarity AccorHotels' first port of call for emergency aid donations.

In all, a total of €161,634.13 was raised in 2015.

PROJECTS SUPPORTED IN 2015

In 2015, 29 projects were supported with total funding of €410,800.

Projects supported in 2015 by region



SOLIDARITY ACCORHOTELS IN FIGURES, 2015

- 29 projects supported.
- In 16 countries.
- Involving more than 6,000 employees.
- Supporting more than 1,500 people directly and more than 5,000 indirectly.

A few noteworthy projects supported in 2015 by Solidarity AccorHotels:

- In France, Solidarity AccorHotels supports the *La Table de Cana* Marseille organization in its *"Des Étoiles & des Femmes"* program. The goal of the program is to provide training for 12 women from northern Marseille in the high-end restaurant business. Five head Chefs and five Human Resource Directors from the Group work closely with these women, taking turns hosting them in their kitchens.
- In India, the endowment fund continues to support the Hope Foundation. An inaugural program to provide training for very high-risk youth in service and sales was launched in New Delhi with the creation of the " AccorHotels Center of Hope". AccorHotels' teams received the "CSR Impact Prize" for their commitment. Bolstered by this success, AccorHotels' teams in India, together with Solidarity AccorHotels, participated in 2015 in the creation of a new training center located in Chennai. In 2015, this center welcomed a class of 60 students.
- In Brazil, Solidarity AccorHotels supports the *"Vem Ser"* workshop created in 2012 by the IA3 NGO. It is a training workshop for a number of different trades (sewing, stenciling, recycling paper, patchwork, etc.), where the NGO trains 30 extremely at-risk women in order to support them in becoming socially and professionally independent.
- In the United States, Solidarity AccorHotels supports professional training programs provided by Lotus House. All Sofitels in North America have been working together with Lotus House since 2014, to welcome women who are experiencing extremely precarious life circumstances. They have asked Solidarity AccorHotels to support the "Barista Bar" project, which is training 40 at-risk women to work as bartenders or servers.
- In Chad, teams from Novotel N'Djamena la Tchadienne continue to work together with the Essor NGO and its "Jeun' Action" project, a program that provides training and assistance in entering the job market. Thanks to funding provided by Solidarity AccorHotels, 150 youth from vulnerable families received career counseling and support services in 2015.

MORE THAN 30 COUNTRIES INVOLVED DURING THE 10th SOLIDARITY WEEK

More than 350 Group's hotels in 33 countries participated in the 10th annual Solidarity Week by working with local associations to organize outreach projects to help the disadvantaged. In total, more than 7,600 employees took action to provide assistance to local associations and 7,460 beneficiaries.

SEVEN-YEAR TRACK RECORD

- 237 projects supported in 41 countries, involving more than 15,000 employees;
- a large number of people supported:
  - more than 62,000 people directly supported by Solidarity AccorHotels as of year-end 2015,
  - more than 146,000 people indirectly[1] supported by Solidarity AccorHotels (as of year-end 2015).

(1) *This figure has been calculated based on the number of people directly supported and corresponds to the project's impact on their family, friends and community. In the developing countries in Africa, Asia and Latin America, the number of direct beneficiaries has been multiplied by four, whereas in the developed nations of Europe, North America and Oceania, it has been multiplied by two.*

2.5 ENVIRONMENTAL COMMITMENTS

The environmental policy of AccorHotels is supported by cross-departmental management systems covering the environmental performance of its hotels, products and services, along with training and awareness-building for AccorHotels employees. It is designed to effectively address our environmental challenges in four primary areas: water, energy, attenuation of local impacts and waste management.

2.5.1 ENVIRONMENTAL MANAGEMENT

IMPROVEMENT LEVERS IN THE MANAGEMENT OF ENVIRONMENTAL PERFORMANCE

AccorHotels implements its Charter 21 tool, backed by ISO 14001 certification for some brands and hotels, to reduce the environmental impact of the activity of its hotels. Through an approach emphasizing eco-design and innovation, it also seeks to reduce the environmental footprint of its products and services.

Charter 21 and the OPEN and SET systems

Charter 21 is the name of AccorHotels' internal environmental management system. It lists a series of measures to be phased in by hotels: management measures for setting up an efficient framework for action (organization, training, information, performance monitoring, etc.) plus specific measures on improving environmental performance or the management of risks (regulatory, pollution-related, etc.). All environmental factors (water, energy, waste, etc.) are covered, along with some social factors (responsible eating, health & well-being, etc.). Charter 21 is also implemented with the assistance of a toolbox: each one of the actions takes users back to operational tools (check-lists, practical guide, procedures, training kits, etc.) that are made available to the hotels in order to support them.

The Charter 21 management system is rolled out across all Accor Group hotels regardless of operating structure. Hotels use two proprietary applications that tie in with Charter 21:

- the **OPEN** application helps hotels manage their sustainable development performance. It includes a cross-departmental Charter 21 module and three topical modules: water & energy, waste, and Plant for the Planet. Hotels set their annual targets, enter their data and track their performance indicators. They also use the application for annual reporting purposes. OPEN is rolled out across all AccorHotels hotels, except for the water & energy module, which is reserved primarily for owned, leased and managed hotels. The application is regularly upgraded and available in eight languages (Chinese, English, French, German, Italian, Portuguese/Brazilian, Russian and Spanish). It has more than 5,000 users today;
- **SET** (for "Safety and Environment Tool") is used for monitoring safety, environmental and technical aspects of regulatory compliance. It lists regulations applicable to hotels, plus AccorHotels standards, and helps hotels identify compliance shortfalls and manage action plans to remedy non-compliance. SET is now in use in 21 countries; in other countries, compliance is ensured by dedicated, locally managed systems.

See page 131 for details on the management of environmental risks (especially on the means employed for preventing environmental risks and pollution, and on the amounts of provisions and guarantees in relation to environmental risks).

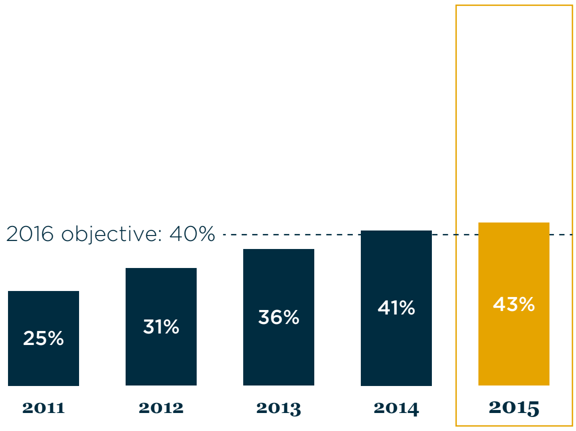
ISO 14001 environmental management certification

For the past 10 years, brands ibis, Novotel and Thalassa, as well as many other hotels in the Group, have sought ISO 14001 certification in order to strengthen their commitment to protecting the environment.

With this in mind, an environmental management system (EMS) was offered to the hotels alongside Charter 21, specifically to meet the requirements of the ISO 14001 standard. The most recent version of this EMS, named "ISO 14001 in ACTion" was finalized in 2013. It comprises a set of procedures, methods and documents enabling hotels to obtain certification. Deployment will be facilitated by an e-learning module that provides step-by-step support for hotels in implementing the ISO 14001 EMS. Implementation is monitored by annual internal audits for each of the certified hotels. Finally, external audits are performed to verify compliance with ISO 14001: external audits are carried out each year on a sample of hotels by an accredited independent organization.

Under its PLANET 21 program, AccorHotels has already exceeded its target of ISO 14001 certification for 40% of the hotel base by 2015, regardless of operating structure. Because of financial and staffing issues, certification objectives do not apply to hotels in the budget segment, operated under the hotelF1, Formule 1 and ibis budget brands; certification is a highly demanding process for hotel employees, which makes it difficult to implement in lightly staffed budget hotels. As of the end of 2015, the ibis and Novotel brands are very strongly involved, with 838 ibis hotels and 370 Novotel and Suite Novotel hotels having been certified. 32 hotels or institutes operating under other names (Sofitel, Pullman, etc.) are also involved, bringing the total number of certified establishments in the Group in 60 countries up to 1240.

Percentage of hotels with environmental management certification



	2011	2012	2013	2014	2015
Number of applicable hotels*	2,230	2,671	2,653	2,770	2,899

* *Excluding Formule 1, hotelF1 and ibis budget hotels.*

TRAINING, AWARENESS-BUILDING AND BUY-IN

Employees of AccorHotels are the driving force behind our sustainable development strategy (nearly 190,000 around the world). They act as our sustainability ambassadors, both by demonstrating environmental sensitivity in their everyday work and by embracing our approach, so as to explain it to guests and encourage buy-in for the various PLANET 21 actions.

With this in mind, awareness-raising and training for employees is essential. AccorHotels has developed an e-learning course with two modules for all of the brands in the Group, which is available in 10 languages:

- raising awareness about sustainable development: understanding what is at stake, understanding the hotel in its environment, and understanding PLANET 21;
- training in environmentally friendly practices for each type of job: everyday working practices (explaining PLANET 21 to guests, measures taken by the hotel, importance of seemingly minor everyday working practices).

Sustainability training resources also include fact sheets ("Sustainable Development in My Job") for individual departments (corporate, hospitality/housekeeping, etc.) and jobs: head station waiter, cook, housekeeping floor supervisor, Sales Director, General Manager, etc. The sheets cover all of the hospitality industry's skill-sets, and can be adapted to each hotel's local situation and priorities. They are divided into two parts: "In the Hotel" and "In my Job", each with key takeaways and actionable practices. They also come with a sustainable development glossary.

PLANET 21 DAY, A GLOBAL EVENT FOR DEMONSTRATING THE SUSTAINABILITY COMMITMENT OF THE PERSONNEL OF ACCORHOTELS

Each year, around April 22 (Earth Day and PLANET 21 launch date), employees at all AccorHotels establishments worldwide take part in initiatives addressing the commitments in the AccorHotels sustainable development program. This year, with the theme "Don't throw anything out, recycle everything!", the focus was on waste reduction. A contest that was launched in hotels and offices of the Group encouraged teams to share their best practices to reduce, recycle, or reuse. Six of the 300 ideas that were shared received prizes.

2.5.2 ENERGY AND CLIMATE CHANGE

ENERGY AND CARBON CHALLENGES

Climate change represents an important challenge for the entire tourism and travel industry:

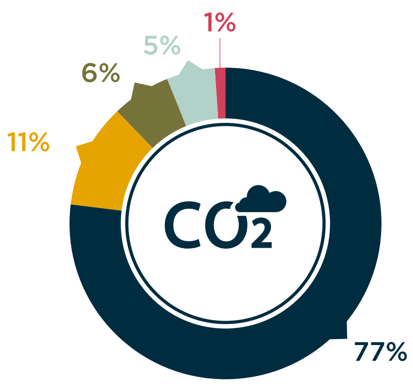
- tourist regions may be seriously impacted by global warming;
- climate policies are going to deeply reshape our future business and growth environment, in particular by shifting the growth model's energy paradigm, with far-reaching implications for the transportation and building industries.

The updated environmental footprint of AccorHotels[1] for 2015 confirmed it: energy and greenhouse gas emissions are the first two areas where AccorHotels is progressing:

- AccorHotels consumes 70 billion TJ of energy per year. 84%[2] of this is directly consumed by the hotels;
- annual greenhouse gas emissions (GHGs) through their life-cycle equal approximately 4.5 million tonnes of CO_2. In first place, responsible for more than three quarters of emissions (77%), is energy consumption at hotels (mainly electricity), and in second place, is AccorHotels' holdings in the restaurant industry (upstream farming operations represent almost 11% of its carbon footprint); half of that is due to meat and dairy product purchases alone.

AccorHotels' carbon footprint

which is 4.5 Mt eqCO_2



- Energy consumption
- Food & Drink
- Infrastructure: Hotels (excluding water and electricity), furnishings and heating & cooling
- Laundry
- Hotel Management

ENERGY PERFORMANCE IN HOTEL OPERATIONS

Managing energy performance in hotel operations

The progress that has already been achieved in the last 10 years to reduce energy consumption and greenhouse gas emissions is impressive. However, AccorHotels must hold fast on this course with a view to continuing to lessen its impact on the environment, anticipating coming regulations, new taxes, and cost increases that will increase pressure on the hospitality business.

After reducing energy consumption by 5.5% during the previous five-year plan (2006-2010), AccorHotels has attained a decrease of 5.3% over the period between 2011 and 2015. Over these five years, the Group now sought to stabilize this achievement at the highest-performing hotels and pushed ahead with consumption control endeavors at those establishments where further reductions are possible, in particular through strengthening performance management, focused investments and more efficient practices in both plant maintenance and behaviors.

Performance management is based on:

- monthly monitoring (or daily monitoring for some hotels) of energy consumption using the OPEN application;
- a clear understanding of hotel operations (number of rooms, number of food and beverage outlets, utility installations, etc.) and their energy use, (which has been tracked since 2005);
- an in-depth analysis of ratios measuring the impact of weather and occupancy rates, so as to ensure comparability among years;
- benchmarking by brand, hotel family and region.

To identify the least efficient systems and equipment so that capital expenditure can be optimally allocated.

Implementation happens through two internal tools: OPEN, for managing water and energy (see page 65) and MACH, for managing hotel assets (equipment inventories, year of installation, condition), making it possible to evaluate the need for replacement, and to organize, budget, and follow up on related investments.

From 2011 to 2015, AccorHotels was committed to a 10% reduction both in the energy used and in the carbon emitted by our owned, leased and managed hotels. For franchised hotels whose operations are not controlled by the Group, AccorHotels encourages hotel owners to become involved, providing tools and making recommendations to address these challenges.

(1) *The environmental footprint of the Group encompasses all of the hotels in the Group, irrespective of their management structure, and was created using a life cycle approach.*

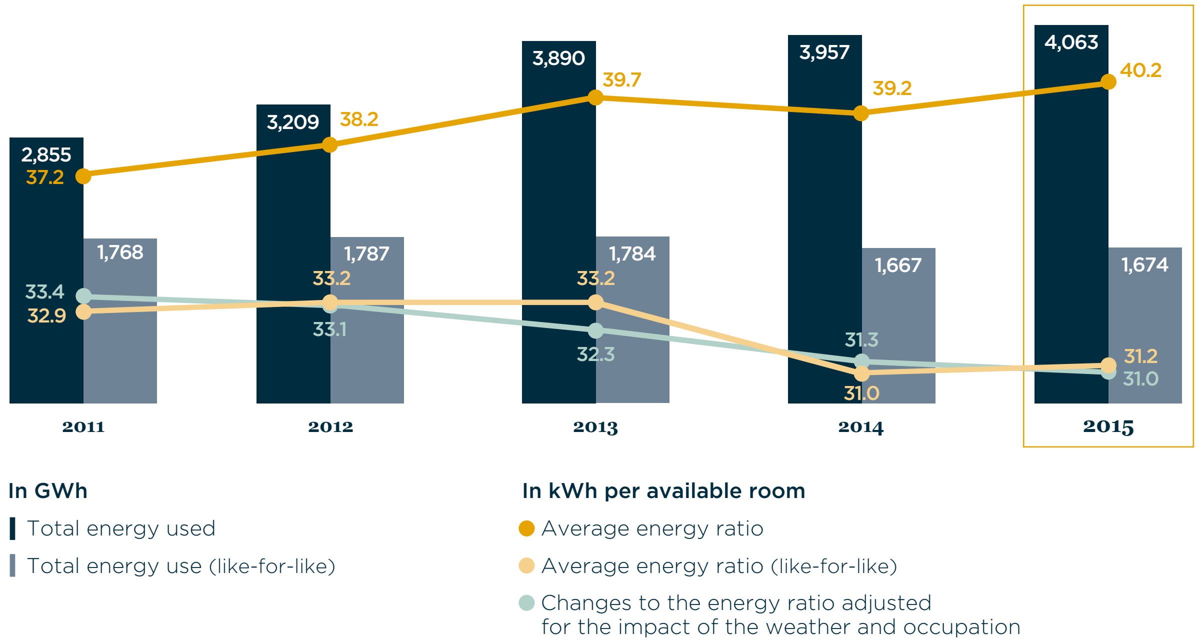
(2) *The remaining energy use was primarily attributable to laundry operations (5%), upstream agricultural activities (5%) and construction/renovation (5%).*

Hotel energy performance: 2015 results

To track its hotels' intrinsic energy performance, AccorHotels uses the industry-standard indicator (kWh per available room).

All of AccorHotels' owned, leased and managed hotels track monthly energy consumption using the OPEN application.

Total energy use



Scope of reporting*	2011	2012	2013	2014	2015
Number of applicable hotels	1,847	1,855	1,912	1,940	1,897
Response rate	72%	79%	87%	88%	88%
Number of audited hotels	1,330	1,465	1,663	1,708	1,677
Number of hotels like-for-like, 2011-2015	944	944	944	944	944

* *Changes to scope of reporting are listed in the Methodological appendix on page 83.*

Methodological review: The scope of reporting for this indicator covers all of the owned, leased or managed AccorHotels brand establishments open at December 31 of the 2015 reporting year (baseline), or 1,897 hotels in 2015. AccorHotels encourages franchised hotels to improve their energy performance and provides data collection tools to them, but the franchise agreement does not mandate that hotels upload their data. Therefore, franchised hotels are not included in the environmental scope of reporting. All specific information on methodology can be found on page 83. Based on the reporting from the baseline hotels, in order to ensure reliability throughout the Group, the indicator is calculated using only data that has been validated, which in 2015 means the data from 1,677 hotels (80%). Finally, to be able to analyze changes in performance across time, comparisons are made on a like-for-like basis, which excludes hotels that have come and gone between 2011 and 2015, and also those that have atypical data (problems with reliability, partial closure due to construction, unusual events, etc.).

On a like-for-like basis[1], energy use (in kWh per available room) across the AccorHotels Group fell by 5.3% from 2011 to 2015. This result will not make it possible to achieve the commitment made in 2011 to reduce energy use by 10%. However, after adjusting for the impact of weather conditions and occupancy rates, adjusted rates showed changes of approximately -7.2% between 2011 and 2015[2]. This is the most accurate figure for expressing the intrinsic energy performance of AccorHotels.

(1) *The like-for-like reporting scope corresponds to the hotels that have been in AccorHotels Group since 2011. Restriction necessary to reflect changes in consumption and efficiency for actions taken regarding existing properties.*

(2) *On the basis of data available for 797 hotels in the like-for-like reporting scope of 944.*

Change in energy performance (restated with weather conditions and occupancy)

From 2011 to 2012	From 2011 to 2013	From 2011 to 2014	From 2011 to 2015
-1.1%	-3.4%	-6.3%	-7.2%

On a like-for-like basis, the Group has maintained an almost constant reduction in the energy consumption ratio per available room, proof of its ongoing and strengthened commitment.

Changes in energy use between 2011 and 2015: Focus by region

Changes in energy consumption	In kWh per available room	In kWh per available room, adjusted to account for weather conditions/occupancy rate	Number of hotels like-for-like
TOTAL	**-5.3%**	**-7.2%**	**944**
The Americas	-2.4%	1.1%	11
ASPAC	-5.4%	-3.6%	114
France	-6.5%	-10.7%	303
MMEA	-6.1%	-7.7%	120
NCEE	-4.4%	-7.6%	396

Analysis by geographical region also shows significant disparities. France, which represents 32% on a like-for-like reporting scope, achieves the goal of a 10% reduction. To a lesser degree, the NCEE and MMEA regions are close to achieving the goal, and have shown excellent performance in certain countries (Poland and Hungary: -10%, Africa: -12%, Switzerland: -9%). On the other hand, results in the Americas and Asia are considerably more nuanced.

ENERGY PERFORMANCE IN HOTEL CONSTRUCTION

Managing energy performance in hotel construction

Because a building's architecture, design and construction play a vital role in reducing its environmental footprint, more and more countries are defining construction standards that improve a building's energy performance and minimize its impact on surrounding ecosystems. As a professional hotel builder, AccorHotels has acquired extensive environmental engineering expertise, and HotelInvest, which seeks to set a good example, now requires that environmental certification be obtained (LEED, BREEAM, HQE, etc.) for new hotels built after 2014.

Upon the launch of PLANET 21, AccorHotels set the target of having 21 new buildings certified from 2011 to 2015. By the end of 2015, the target was met, with 21 buildings certified or in the process of certification, mainly in Germany, France, and the United Kingdom (LEED, BREEAM, HQE, DGNB, GREENMARK ou IGBC).

A siting and environmental integration study is required before construction, including a pollution study by a qualified engineering firm, as specified in the AccorHotels technical standards, which must be adhered to for HotelInvest construction projects. These technical standards, which have been sent to participating hotels in-country, are currently being adapted for local regulations. The country standards will be implemented in 2016. Local correspondents will be trained through the beginning of 2016 to ensure that these new standards are fully integrated.

Implementing them will make it possible for AccorHotels' real estate holdings to make progress in reducing their carbon footprint. Beginning in 2016, therefore, new buildings are being linked through centralized technical management interfaces that connect with the centralized booking site. Along the same lines, significant efforts will be made in the coming years to develop digital solutions that enable targeted, smart management for the buildings.

RENEWABLE ENERGIES

In 2015, 531 hotels were using renewable energy (this amounts to 15% of the network): solar heaters for hot water or PV panels to produce electricity, as well as bio gas, hydroelectric, and geothermal installations, etc.). AccorHotels' commitment to deploying alternative energies in its hotels is demonstrated by the increase in the amount of solar-generated domestic hot water since 2007.

In the context of its commitment to develop renewable energy and all related environmental innovations, AccorHotels became the official partner of Energy Observer in 2015: it is the first experimental hydrogen-propelled boat that is linked with multiple renewable energy sources. Its goal is to be a laboratory for the third industrial revolution: the renewable energy revolution. For the AccorHotels Group, which is planning on working on wind power, new photovoltaic and fuel cell technology beginning in 2016, this project will allow it to maintain a connection with the most advanced teams working on highly innovative, cutting-edge solutions.

Solar-generated domestic hot water

	2011	2012	2013	2014	2015
Solar-generated domestic hot water *(in GWh)**	6.8	7.5	9.51	9.46	9.72
Number of applicable hotels**	135	145	157	195	183

* *Estimated data – see page 84 for details on methodology.*
** *Hotels fitted with solar panels. with data making it possible to monitor/estimate solar production.*

TRANSPORTATION

AccorHotels encourages guests to use more environmentally friendly transportation solutions. For example, some hotels offer free bicycle rentals or use shuttle buses when they are near the airport. on, approximately 69 hotels worldwide have charge terminals in their parking garages, for charging guests' electric vehicles. Each year, new charging terminals are installed to provide this new service to guests.

Technical standards updated in 2015 recommend in particular the inclusion of footpaths and cycle tracks to public transport services, and/or cycle racks in the hotel garage.

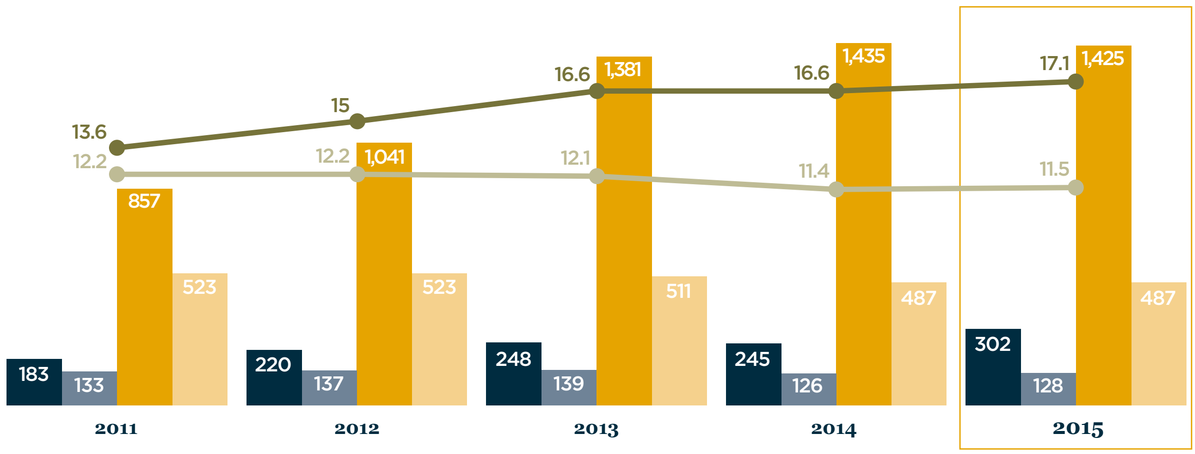
The criteria for the Meeting 21 service include items on the hotel's capacity to offer access to alternative transportation modes (public transport, green taxis, car sharing, etc.).

GREENHOUSE GAS EMISSIONS

CO_2 emissions

Carbon emission performance is measured in kilograms of CO_2 per available room.

Tracking carbon emissions



In thousands of tonnes of CO_2

- Total direct CO_2 emissions
- Total direct CO_2 emissions (like-for-like)
- Total indirect CO_2 emissions
- Total indirect CO_2 emissions (like-for-like)

In kg of CO_2 per available room

- Average ratio of CO_2 emissions
- Average ratio of CO_2 emissions (like-for-like)

	2011	2012	2013	2014	2015
Number of hotels in the baseline group (excluding franchises)	1,847	1,855	1,912	1,940	1,897
Response rate	72%	79%	87%	88%	88%
Number of audited hotels	1,330	1,465	1,663	1,708	1,677
Number of hotels (like-for-like, 2011-2015)	944	944	944	944	944

On a like-for-like reporting scope, the overall reduction from 2011 to 2015 is 6.2%. This performance directly correlates with performance for energy consumed, and the trends are similar.

AccorHotels intends to continue its efforts to reduce total energy used and total related CO_2 emissions even further.

An "Energy/Carbon" action plan for AccorHotels will be developed throughout 2016 to manage actions to improve and control consumption in a targeted and appropriate manner. The Group plans to implement measures for both operations (maintenance and management) and structural improvements, by considering the environment when making investments.

Methodological review: The scope of reporting for this indicator covers all of the owned, leased or managed AccorHotels brand of hotels open at December 31 of the 2015 reporting year (baseline), or 1,897 hotels in 2015. AccorHotels encourages franchised hotels to improve their greenhouse gas emissions and provides data collection tools to them, but the franchise agreement does not mandate that hotels upload their data. Therefore, franchised hotels are not included in the environmental scope of reporting. All specific information on methodology can be found on pages 83 and 84. Based on the reporting from the baseline hotels, in order to ensure reliability throughout the Group, the indicator is calculated using only data that has been validated, which in 2015 means the data from 1,677 hotels (80%). Finally, to be able to analyze changes in performance across time, comparisons are made on a like-for-like basis, which excludes hotels that have come and gone between 2011 and 2015, and also those that have atypical data (problems with reliability, partial closure due to construction, unusual events, etc.).

Ozone-depleting cooling fluids

Cooling liquids in hotel air conditioning and cooling systems may leak and release gases with a particularly high global warming potential (GWP). Moreover, there may be a risk of coolant evaporation during maintenance operations or as a result of an accident. The 2014 environmental footprint study showed that such leaks and evaporation account for a minor 1% or so of our carbon footprint.

A significant campaign took place in France in 2015 to eliminate the majority of R22-type gases. 67 units were removed and replaced by other sources of heating and cooling. As often as possible, heat pumps are installed in an effort to improve the energy efficiency of devices.

2.5.3 WATER

WATER-RELATED CHALLENGES

Because water is very unevenly distributed across the planet, the ability to access it varies widely from one region to another, making it a cause of political and social tension, and therefore a major challenge for humanity. AccorHotels uses a great deal of water in its hotels, which are sometimes located in water-stressed regions. We are therefore assertively managing our water consumption around the world. Close attention is also being paid to effluent discharge, so as to preserve downstream aquatic systems and maintain water quality for future use.

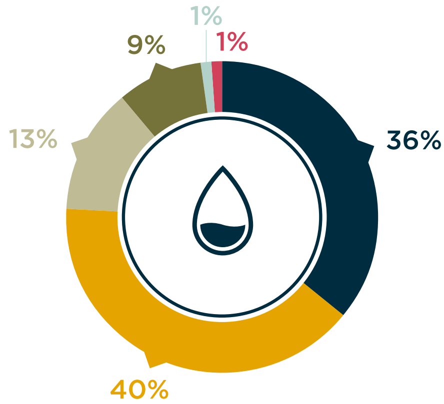
Water footprint

AccorHotels' environmental footprint data, updated in 2015, includes a life-cycle water footprint figure measuring net water consumption, *i.e.* water drawn less water returned to the environment. Total water use is 30 million cubic meters. Three main items stand out: upstream farming operations related to the restaurant business (40%), water required to produce the energy consumed in the hotels (36%) (cooling of nuclear power plants, etc.), and finally, water used in the hotels (13%, for showers, toilets, kitchens, swimming pools, watering gardens, etc.)[1].

These results make it possible to determine the two main factors where the Group can take action to reduce its water footprint: first, the direct lever of controlling water use through a water and energy use management program in the hotels; second, indirectly through sourcing and agricultural practices that are more water-efficient.

Breakdown of AccorHotels' water footprint by source

Water used: 30 million m^3



- Energy consumption
- Food & Drink
- Water directly consumed in the hotels
- Infrastructure: Hotels (excluding water and electricity), furnishings and heating & cooling
- Laundry
- Hotel Management

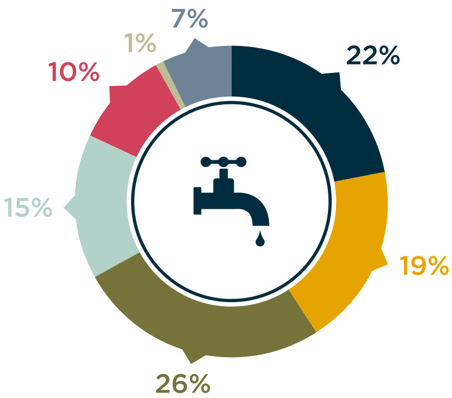
(1) *Net water consumption in hotels represents 4.5 million cubic meters of the 34 million cubic meters gross consumption (see page 85). Wastewater from the hotels accounts for the difference.*

Management of water-stressed regions

UN-Habitat defines water stress as the inadequate supply of water of satisfactory quality to meet the needs of people and the environment. More precisely, it is expressed as the ratio of annual water withdrawals to total available annual renewable supply. So the lower the figure, the lower the stress on resources. Although water-stressed regions are already home to many people, the percentage of the global population living in one is expected to rise by 35%, to around 2.8 billion people, by 2025.

Since 2013, AccorHotels has been monitoring and updating its exposure to water stress risk every year: on the basis of geographical location and using the database in the World Resource Institute (WRI) Aqueduct system – one of today's two leading water risk analysis systems – a risk level is established for each hotel in the Group.

Breakdown of owned, leased and managed hotels located in water-stressed levels



- Low water stress (<10%)
- Low to moderate water stress (10-20%)
- Moderate to high water stress (20-40%)
- High water stress (40-80%)
- Very high water stress (>80%)
- Drylands
- No data

Study based on the "AQUEDUCT" water stress map for all AccorHotels hotels (3,682 hotels).

The results show that only 0.4% of the Group's hotels are located in drylands. However, more than one quarter of AccorHotels hotels (947 in all) are located in areas of high water stress risk or above, with 9.9% in areas of very high risk. The locations most concerned are in the United Kingdom (115 hotels), Australia (72), Germany (96), China (96), France (89), Spain (65), Indonesia (53), Belgium (51), and Italy (36).

When this geographic water risk analysis is compared with hotel water use data, it appears that the most critical regions are located in Europe and Asia-Pacific:

- though hotels in **Europe** are generally water-efficient, the region is home to nearly 500 hotels deemed to be in a high or extremely high water-stressed situation. The European region therefore deserves special attention;
- in **Asia-Pacific,** there are fewer hotels in critical regions (around 310, of which nearly 53 in Indonesia), but more attention is being paid to improving water use ratios, which still offer potential for optimization;
- AccorHotels is especially attentive to hotels in **Australia** and **Brazil,** which appear liable to face heightening water stress in the years to come.

This new approach to examining the water consumption profile will help AccorHotels focus its action plans on areas at risk. Particular attention will be paid to water use trends at the hotels concerned. Water stress analysis data is factored in when setting water consumption reduction targets hotel by hotel, along similar lines to the process for setting energy consumption reduction targets.

WATER USE

Water use management program

Over the period 2006 to 2010, AccorHotels achieved a 12% reduction in water consumption, through major efforts at its hotels worldwide. Further improvements are sought under the PLANET 21 program, targeting a 15% reduction in water use per guest in owned, leased and managed hotels over the period 2011-2015. As at the end of 2015, AccorHotels has achieved encouraging results with its reduction of 8.4%, but this however will not lead to achieving its goal.

The Group will therefore continue with its efforts, which include attentive management of hotel performance (through monthly tracking, regular reviews, internal benchmarking, etc.) and by continuing to broadly implement best practices (flow regulators, individual meters for precise monitoring, and removing leaky equipment, dual-flush toilets, etc.).

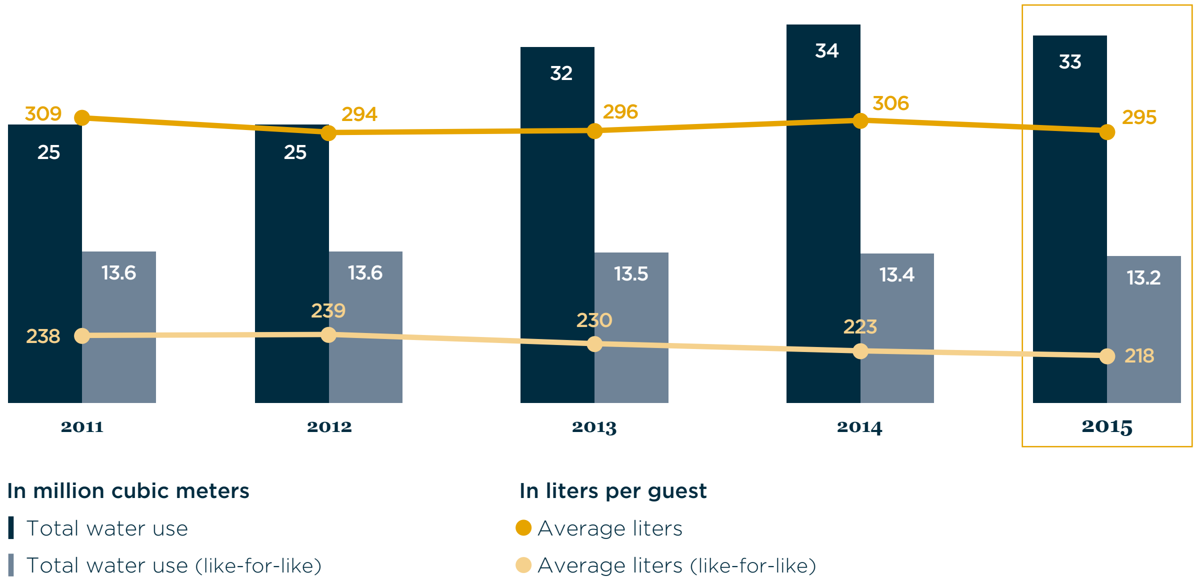
In the coming years, AccorHotels would like to increase the amount of water that it recycles in its hotels. Pilot programs are underway, but it is too early to consider a wider-scale roll-out. With this goal in mind, and aided by its technical standards for construction, the Group is preparing its buildings to be able to separate sewage from gray water, as the latter can be treated and recycled along with rainwater.

AccorHotels is also using other programs that contribute to conserving water resources in upstream farming operations, including the issue of procurement guidelines (on compliance with organic farming specifications, for example) and the Plant for the Planet initiative (see page 62).

Water performance: 2015 results

AccorHotels tracks its hotels' intrinsic performance by measuring water consumption in liters per guest, (liters per room night).

Tracking water use



	2011	2012	2013	2014	2015
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Response rate	72%	79%	87%	88%	88%
Number of audited hotels	1,330	1,465	1,663	1,708	1,677
Number of hotels like-for-like, 2011-2015	944	944	944	944	944

Methodological review: The scope of reporting for this indicator covers all of the owned, leased or managed AccorHotels hotels open at December 31 of the 2015 reporting year (baseline), or 1,897 hotels in 2015. AccorHotels encourages franchised hotels to improve their water use performance and provides data collection tools to them, but the franchise agreement does not mandate that hotels upload their data. Therefore, franchised hotels are not included in the environmental scope of reporting. All specific information on methodology can be found on pages 83 and 84.

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Changes in water consumption

From 2001 to 2012	From 2011 to 2013	From 2011 to 2014	From 2011 to 2015
0.3%	-3.5%	-6.1%	-8.4%

On a like-for-like reporting basis, the Group has maintained its rate of reduction for water consumption per guest (-8.4% between 2011 and 2015), extending the reduction in water consumption that had already been achieved between 2006 and 2010.

Changes in water use between 2011 and 2015/Regional focus

	In liters per guest	Number of hotels like-for-like	Average for hotels located in regions of high water stress or drylands In liters per guest	Number of hotels located in regions of high water stress or drylands
TOTAL	**-8.4%**	**944**	**11%**	**267**
The Americas	0.5%	11	-9%	3
ASPAC	-9.7%	114	-11%	67
France	-7.2%	303	-7.2%	41
MMEA	-15%	120	-13.2%	82
NCEE	-5.6%	396	-6.1%	74

As shown by the results below, there are significant differences in performance. In Europe (NCEE) and France, where significant reductions in water use took place between 2006 and 2010, performance oscillates around -6% for the 2011-2015 period, taking into consideration the lower existing room to maneuver. On the other hand, in Asia and Africa-Middle East, the reduction is more noticeable (from 10% to 15% less), showing a greater potential for reduction. The situation in the Americas is not significant, given the low number of hotels in the sample. Finally, it is worth noting the "over-performance" of the hotels in the Group in water stress regions, which is proof of the human and other resources mobilized in these at-risk regions.

Just as for electricity and CO_2 emissions, the Group wishes to continue with its efforts to reduce water consumption, especially in regions that are experiencing high levels of water stress.

DISCHARGES AND TREATMENT

Wastewater

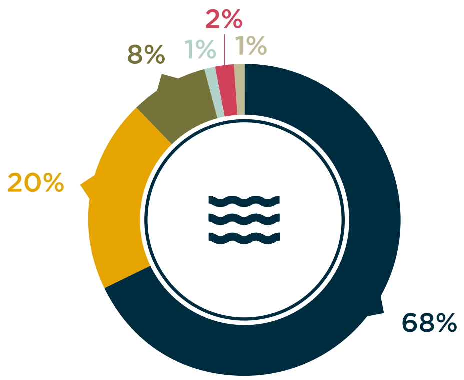
The Group's environmental impact study (updated in 2015) looked at the impact its hotel operations may have on groundwater quality. This impact is assessed in terms of the eutrophication phenomenon that characterizes deterioration in an aquatic environment. In the sea, eutrophication is measured as nitrogen saturation, expressed in kilograms of nitrogen equivalent (kg N-eq). In rivers and lakes, it is measured as phosphorous saturation, expressed in kilograms of phosphorus equivalent (kg P-eq). On a life-cycle basis, marine eutrophication as a result of AccorHotels hotel activities represents 4.5 million tonnes N-eq and freshwater eutrophication represents 1 million tonnes P-eq.

Breakdown of AccorHotels' eutrophication impact by source

Marine eutrophication
or 4,524 tonnes n-eq

- Energy consumption
- Food & Drink
- Infrastructure: Hotels (excluding water and electricity), furnishings and heating & cooling
- Waste treatment

Freshwater eutrophication
i.e. 1,189 tonnes p-eq



- Energy consumption
- Food & Drink
- Infrastructure: Hotels (excluding water and electricity), furnishings and heating & cooling
- Laundry
- Hotel Management
- Water directly consumed in the hotels

The environmental impact study shows that nitrogen saturation arises chiefly (79%) from the farming activities behind the provision of AccorHotels food services, and from livestock farming activities in particular: meat, milk and eggs. Phosphorous saturation arises chiefly from generation of the energy used by the Group's activities (68%) especially electricity from nuclear power plants.

AccorHotels can reduce the negative impact on groundwater quality by ensuring that all hotel wastewater effluent is systematically treated, either by connection to a collective treatment plant (such as a municipal treatment plant), or onsite in an independent treatment plant.

More environmentally sensitive products

The extensive Groupwide use of eco-labeled cleaning products sourced from a single nominated supplier (see page 56) has significantly reduced the impact to the environment generated by our wastewater.

In addition, the Mercure, Novotel, ibis Styles and ibis brands now offer complimentary products certified by European green certification agency Ecocert or Nordic Ecolabel, enabling them to participate in reducing the environmental footprint of the Group.

2.5.4 PROTECTING BIODIVERSITY AND CONTROLLING LOCAL ENVIRONMENTAL IMPACTS

IMPACT ON BIODIVERSITY

AccorHotels assessed its biodiversity footprint for the first time in 2014, evaluating the impact of its activities on ecosystems (*i.e.* species and their habitats). It was estimated at 351 billion pdf.ha.y. The indicator used to measure biodiversity footprint is expressed in "pdf.m^2.y" – *i.e.* the "potentially disappeared fraction of species" over a unit of surface area (a square meter) over a unit of time (a year). For example, one pdf.m^2.y corresponds to the elimination of all biodiversity over a square meter of primary forest and 0.89 pdf.m^2.y corresponds to the destruction of one square meter of secondary forest.

The Group's biodiversity footprint stems, to a very large extent (88%), from the farming activities behind the provision of the Group's food services. This is primarily because most of the impacts on biodiversity are a direct consequence of land use (and therefore deforestation) and, for farming operations, the use of pesticides. Eutrophication can also have a non-negligible impact on this indicator. Pressure on biodiversity arising from hotels' energy use is estimated at 8%. The Group's impact on biodiversity from infrastructure is low (3%), because its hotels are mostly located in urban and semi-urban areas (75%).

Breakdown of AccorHotels' biodiversity footprint by source

351,000 pdf.ha.y

- Energy consumption
- Food & Drink
- Infrastructure: Hotels (excluding water and electricity), furnishings and heating & cooling
- Laundry
- Hotel Management
- Water directly consumed in the hotels

Methodological review: The scope of reporting for the environmental footprint covers all of the owned, leased or managed AccorHotels brand hotels.

The Group is a strong proponent of the preservation of biodiversity, an important factor in the tourist appeal of many geographies. AccorHotels' commitment is especially seen through the Plant for the Planet program (see page 62), but also through other initiatives on biodiversity: ground stewardship, hives and vegetable gardens implementation,...

OTHER INITIATIVES ON BIODIVERSITY

AccorHotels has broadened its commitment to biodiversity by promoting more responsible eating in its restaurants, and it was close to meeting its 2015 goal of removing endangered seafood from all hotel menus (99% of hotels at the end of 2015).

The Group is also committed to offering more organic products.

Among the Charter 21 indicators, two actions concern more sustainable grounds management. In hotels that have gardens (65% of the hotels in the Group), the issue of pesticide use represents a fairly significant challenge in protecting and promoting biodiversity. In 2015, 73% of our hotels with a park or garden used green garden products.

CONTROLLING LOCAL ENVIRONMENTAL IMPACTS

Apart from the issue of climate change, most of the environmental impacts that AccorHotels is faced with are local: water consumption and waste water, water scarcity, impact on biodiversity, waste production. The Group is aware that these local factors are part of its challenge, and it has worked to find local responses, by mobilizing its hotels and employees, designing hotels that are more environmentally sensitive, etc. All of the environmental topics discussed in this document are a testament to this approach and its local dimension.

Land use

The vast majority (78%) of AccorHotels hotels are located in downtown and suburban areas, where local treatment services, especially for water and waste, are available.

For building and refurbishment projects in environmentally sensitive areas, detailed environmental studies are conducted to anticipate and minimize any adverse impact on their surroundings. A siting and environmental integration study is required before construction, including a pollution study by a qualified engineering firm, as specified in the AccorHotels technical standards, which must be adhered to for HotelInvest construction projects.

Inconveniences for the neighborhood

The guides for the construction and renovation of hotels specify that hotels must be designed in a way that minimizes any disturbances for neighboring properties, both noise-related and climate-related. As such, the effects of the construction on natural lighting and wind for neighboring buildings must be studied by experts. Utility rooms and air intake and exhaust vents in particular must be designed and located such that they limit any disturbances (noises, smells, visual), and areas that are particularly noisy (bars, parking lots) must have appropriate shelter or fencing.

2.5.5 WASTE

The business of the Group creates, on the whole life cycle, more than 1,000,000 tonnes of waste per year, of which 70%(1) comes from hotel construction and refurbishment of buildings.

Hotel waste comes from three main sources:

- inputs, such as packaging, consumables (light bulbs, etc.), complimentary products and foodstuffs, for which the priority is to reduce volumes at source by getting purchasing departments involved and to limit scrap during in-hotel handling;
- refurbishing and construction waste, where recycling is increasingly used;
- guest waste, where the focus is on increasing the percentage of sorted and recycled waste.

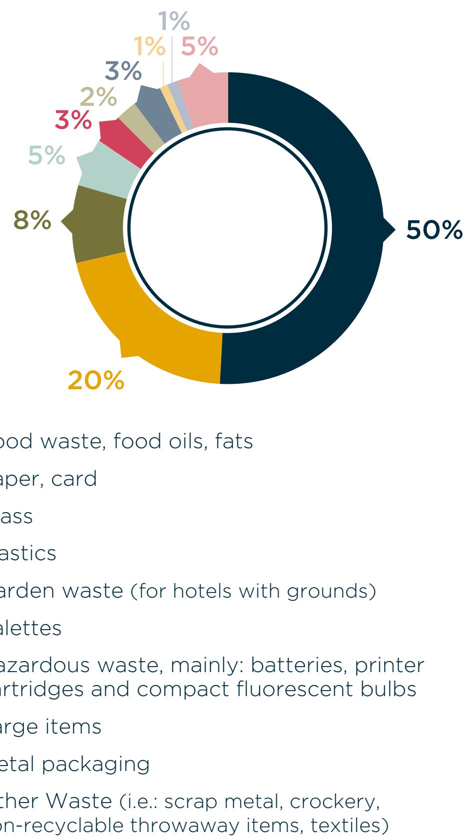
ANALYSIS OF ACCORHOTELS WASTE

Waste management challenges can be appreciated from an estimation of outgoing flows of hotel operating waste (*i.e.* excluding waste from renovation and construction work). Across the 3,900 hotels in the Group, operating waste totals around 160,000 tonnes. This averages out at 45 tonnes per hotel overall, with averages varying widely for different hotel categories: "budget" category (7 tonnes/hotel/year), "economy" category (34 tonnes/hotel/year), "mid-range" category (69 tonnes/hotel/year) and "luxury, top-end" category (94 tonnes/hotel/year).

Estimated waste figures are based on information from hotels reporting annual waste production data. They only include waste tonnages per sorted type. Where hotel data for a particular waste type is missing, an estimation is used consistent with other types.

The table below lists figures for each type of waste:

Breakdown of 160,000 tonnes of waste by category *(as a %)*



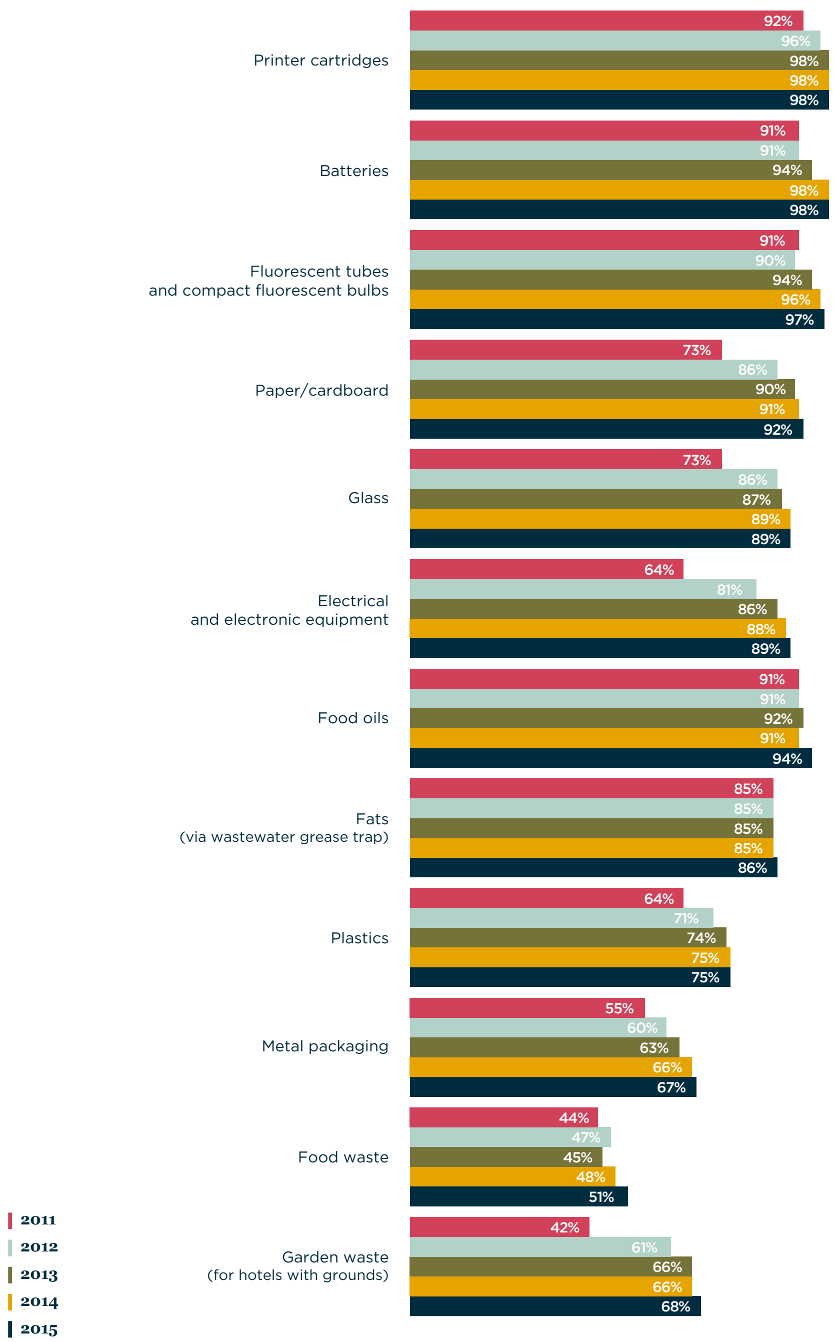
Restaurants represent the greatest area of the Group's waste production: more than 50% of waste is food waste, oils, and fats. Though some hotels do not have restaurants, they do nevertheless serve a breakfast, which also produces waste. The second biggest source of waste is packaging: card, paper, plastics (relatively limited). Hotels produce small amounts of hazardous waste.

(1) *Figure comes from the environmental footprint done in 2011; not updated in the second study.*

WASTE MANAGEMENT AND PERFORMANCE

Today, AccorHotels' waste management efforts are focused on reducing waste at the source, using appropriate treatment processes for hazardous waste, and optimizing sorting to increase the proportion of waste recycled. Charter 21 recommends sorting and recycling 12 categories of waste. The chart below shows the proportion of hotels that have set up this kind of sorting process.

Proportion of hotels practicing waste recycling



Data on the amounts of waste produced and the percentage of hotels practicing waste sorting yield a figure of around 60% for the proportion of waste sorted by hotels for recycling or for appropriate treatment (for special waste such as batteries and printer cartridges).

In 2015, AccorHotels launched a project for redefining its waste management policy and optimizing its methods for tracking waste management performance. The Group is also mobilizing to combat waste. For example, in 2015, 10 hotels in five countries tested the "Food Bag", a pilot project to combat food waste, in their restaurants. The analysis of the results, which are mixed, will make it possible to decide whether this initiative will be deployed on a greater scale.

2.6 MEASURING AND ASSESSING PERFORMANCE

2.6.1 CSR INDICES AND STANDARDS

AccorHotels is included in several internationally recognized indices and standards.

- FTSE4: Good index;
- Nyse Euronext Vigeo Indices Eurozone 120;
- Ethibel Sustainability Index (ESI) Excellence Europe & Excellence Global;
- Dow Jones Sustainability Indices (DJSI)
- Low Carbon 100 Europe Index® (Euronext);
- STOXX® Global ESG Leaders indices.

Furthermore, AccorHotels has been participating in CDP Carbon since 2006. This international organization asks leading corporations to report on their climate change strategies, their approach to carbon cost imposition and their greenhouse gas emissions performance. AccorHotels Group results for transparency show a continuous rise since 2010. In 2015, AccorHotels obtained a rating of 96C, up from 88C in 2014. The Group has also been participating in CDP Water since 2015; this year, it received a grade of B-, situating it in the middle of companies that participated.

AccorHotels placed 5th out of 113 companies in its sector evaluated by Sustainalytics for ESG criteria.

AccorHotels reached the Gold level for the evaluation performed by EcoVadis.

2.6.2 AWARDS AND RECOGNITION

In 2015, Accor was awarded a number of international prizes.

SUSTAINABLE DEVELOPMENT – PLANET 21

AccorHotels received the CSR Trophy from the Shareholders' Meeting, awarded by Capital Com (see page 27).

AccorHotels received the Pacific Asia Travel Association *(PATA)* Gold Award 2015, which rewards the Best Company Environmental Program, for its Sustainable development – PLANET 21 program. This marks the third consecutive year that AccorHotels has taken the most coveted prize of the PATA Awards, a significant acknowledgment of the commitment of the Group to Corporate Social Responsibility (CSR) and protecting the environment.

At the beginning of 2015, AccorHotels was rewarded by the *Société Française des Analystes Financiers* during its 8th *Forum des Relations investisseurs* (Investor Relations Forum), in the "Best Investor Relations in Sustainable Development" category, as the recipient of the Gold prize.

In Brazil, during the 16th year of the *"Prêmio Caio"*, one of the main awards events in the hotel industry in the country, AccorHotels took the top prize in the sustainable development category for its reforestation program, Plant for the Planet. Five hundred thousand trees have been planted in Brazil since 2009, resulting in 180 ha of new forest.

Hotel ibis Olaya Street in Riyadh (Saudi Arabia) received a Trophy from the Saudi Excellence in Tourism Awards in May 2015 because of the quality of its CSR initiatives. For the 5th consecutive year, this prize, which aims to improve the tourism industry in the country, has used on-line voting (over one million participants) and the evaluation of dossiers for each nominee by an international jury.

In early 2016, seizing the opportunity of the launch of its Sustainability Yearbook, the rating agency RobecoSam awarded AccorHotels with Silver Class Sustainability, for its overall sustainability performance.

HUMAN RESOURCES

In India, AccorHotels placed 8th in the Great Place to Work ranking (a survey of 700 companies in 20 industries, undertaken by the Great Place to Work Institute and the Economic Times), 2nd in the ranking of the Best Companies to Work For in the hotel industry, and for the third straight year, it ranks as one of the "Top 50 Best Companies to Work For".

For the 18th consecutive year, AccorHotels Brazil is one of the 25 top companies in the "Great Place to Work" classification (in 17th place). The Group also placed in the "Great Place to Work" ranking in the United Kingdom (17th place), in Chile (35th place), in Paraguay (8th place), in Peru (8th place), in Mexico, and in Singapore.

AccorHotels in Spain received the Cegos Best Practices in HR prize and the Randstad prize for the best company to work for.

In Indonesia, the Group received a double "Green Hostel" and "Child friendly" distinction for its initiatives to protect the environment and children.

In India, Srinivasa Rao, Human Resources Director for ibis&Novotel Bengaluru Techpark (INBT), received the Hotelier India Awards 2015 for his initiatives to improve quality of life at work for the 330 employees of the two hotels, especially because they offer the Triple Bonanza, a full day of celebrations and activities organized by each department in turn for all other employees, and the INBT Awards: seven categories of Awards, such as the Star Associate Award, the Never Ending Wow Service Award, or the Smile of the Month, etc.

The "Move Up" program at Novotel received the "Springboards Awards for Excellence", awards that are granted to people, initiatives, and organizations that work to improve the image of the companies as employers, and that succeed in attracting and retaining talent. Novotel's Move Up program, which involves 30,000 employees, was distinguished in the "Best Career Progression Award". The jury acknowledged the brand's capacity to provide career opportunities, put in place opportunities for internal advancement, plan for on-boarding new talent, enrich existing jobs, and share a culture of career advancement.

AccorHotels Australia was declared compliant with the *Workplace* Gender Equality Act 2012 by the Workplace Gender Equality Agency of the Australian government.

2.6.3 METHODOLOGICAL REVIEW

This section explains the methodology applied in our corporate, social, and environmental responsibility reporting process. This process is based on a reporting protocol that provides full, detailed specifications on responsibilities, Accor definitions, methods for measuring data and indicators, and areas at risk requiring particular attention. It also describes country-specific features, which are frequently updated. The protocol in French and English has been sent by headquarters to everyone responsible for the reporting process and is available for translation into other host country languages.

Performance is measured through four types of indicators:

- employee relations indicators;
- Charter 21 indicators, which cover the environmental and social responsibility actions deployed in the hotels;
- indicators used to manage water use, energy use and greenhouse gas emissions;
- additional employee-relations indicators and sustainable procurement indicators.

The reporting period is January 1 to December 31, 2015.

HUMAN RESOURCES

Group-wide quantitative reporting takes place twice per year. Annual reports are used as the basis for publications.

Qualitative data is reported at the end of each yearly period. In 2015, this reporting took place over a "rolling" year: from November 1, 2014 to October 31, 2015.

Quantitative reporting

Reporting scope and frequency

Employee data are reported for:

- people who work in head offices, owned hotels and leased hotels, who are direct employees of the AccorHotels Group including apprentices;
- people who work in the managed hotels, who are under Accor management but are not direct employees of the Accor Group. The only exception concerns a certain number of hotels where direct Accor employees are on assignment. Employees working in these hotels are not employees of the AccorHotels Group, but are under AccorHotels management, except for certain cases in hotels where AccorHotels employees are sent.

Employee data do not include:

- employees of owned, leased and managed hotels closed as of December 31, 2015;
- employees of owned, leased and managed hotels opened after November 30, 2015;
- contingent workers, interns and temporary workers;
- employees of franchised hotels or units in which AccorHotels owns an equity interest but does not exercise any management responsibility (commission-based management contracts and Adagio Aparthotels).

In 2015, indicator data could not be reported from one managed hotel in Germany and 20 managed hotels in France.

Certain hotels are managed under co-ownership agreements (especially in Australia and New Zealand). Reports on workers at these hotels are provided for one of the two hotels, and therefore only for one brand.

It was not possible to get reports for employees for one hotel in Israel for 2015. As at 06/30/2015, this represented approximately 18 employees.

Reporting application

Employee data is reported and the related indicators managed *via* the proprietary HR **DATA application** that was revamped in 2009 and redeployed in 2010. The application has been steadily upgraded with new features to enhance user-friendliness and improve the reliability of the reported data.

Reporting and control process

The corporate reporting process is defined in the **"Human Resources Reporting Protocol",** a document that applies to everyone involved in reporting, from the head offices of the Group to hotels. It provides a detailed, comprehensive description of Group procedures and definitions, the methods used to measure data and indicators, and the areas at risk that require particular attention. It also describes country-specific features, which are frequently updated.

The protocol in French and English has been sent by the corporate Human Resources Department to everyone responsible for the reporting process.

Reporting officers have been designated at three levels to collect, enter, verify and validate employee data, in compliance with the human resources reporting protocol:

- at the level of the hotels:
  - collect and validate hotel data;
  - confirm the completeness of the data;
- country level:
  - confirm the completeness of the data;
  - verify and validate the data reported from all of the hotels in its scope of operations;
- corporate level:
  - coordinate the consolidation of data from across the Group;
  - confirm the completeness of the data;
  - ensure the consistency of reported data and correct any errors after verification with the regional manager.

Indicators

Number of payroll and non-payroll employees

Workforce indicators are measured and disclosed on the basis of the **monthly average number of employees**.

Disabled employees are only included as such if officially recognized as such in the countries where they work. AccorHotels therefore considers that this indicator might slightly underestimate the number of disabled employees working for the Group.

To estimate the number of **employees in franchised hotels,** the number of rooms in the franchised hotel base has been multiplied by the average number of actual employees per room in our owned, leased and managed hotels. These estimated figures have been adjusted to reflect the characteristics of each brand and of the country or region where the owned, leased, managed and franchised hotels are located. For example, an ibis hotel requires many fewer employees than a Sofitel.

For 2014, the **job category** categorization was reviewed to accommodate the function of "senior executive". The Group standard was reviewed to clarify the responsibility levels for this personnel category:

- an employee with **non-manager** status follows set procedures and goals. He or she does not work closely with the site director and is not responsible for any hierarchical or financial processes;
- an employee with **intermediate management** status has a great deal of autonomy in making decisions and must fulfill at least two of the following responsibilities: hierarchical responsibility (responsible for evaluating, recruiting, and remuneration for one or more employees), in relationship with their job (autonomy and level of responsibility), or financial responsibility (budgeting, costs, profits);
- an employee with **Director** status is the General Manager, or in the offices, is characterized by significant autonomy and responsibility for the profits in their section. A director is responsible for setting goals, determining procedures, and coordinating all entities for which he is responsible. General Managers at hotels, for a limited number of hotels, include the Area Manager or DOP positions when they are assigned to a hotel and not to the head offices, especially in South America.

Employee movements

Every employee movement during the period is reported, regardless of the type of job contract. A departure is not recorded as a movement in the following cases:

- when an employee changes from a non-permanent to a permanent contract;
- when a non-permanent contract is renewed without interruption;
- when an employee transfers to another position in the Group.

Separations due to job abandonment are recorded as dismissals in 2015, inasmuch as such abandonment is at the employee's initiative, whereas termination is at the employer's initiative. This new definition is still being assimilated in the different countries, and certain job abandonments have not yet been able to be classified as dismissals.

Promotions

For the AccorHotels Group, promotion is defined as necessarily involving changes in at least two of the following points in the employee's profile: a change in compensation (on top of annual rise), job function (title), and job category (in hierarchy).

The number of promotions thus expresses the number of changes in job function, pay or job category within a unit over a given period. When an employee leaves one hotel to take up a higher position in another of the Group's hotels, this is not counted as a promotion.

Health and working conditions

A **part-time employee** is one who works fewer than a country's legal or usual working hours, without including any overtime (overtime is not taken into account in the reporting). Variable-time contracts may be counted in different ways in different countries.

Absenteeism

Days absent are reported in number of business days, as defined by local labor legislation.

Three categories are considered:

- medical leave (including leave for illness of the employee, illness of the employee's child, and work-related illness). This category does not include maternity or paternity leave;
- workplace or commuting accidents;
- unauthorized leave. This does not give rise to any direct costs for the Group because it covers unauthorized absences without pay, depending on local labor laws. This means that their number may be underestimated, because unpaid leave is not always tracked by local human resources departments.

Work was done to homogenize and adopt the standard in 2015, in order to limit the differences in understanding and applying the definitions across all countries; this work will continue in 2016.

The **lost-time injury rate** is calculated as follows: number of work accidents causing at least one day of lost time – or according to durations in local legislation – compared with the number of hours worked x 1,000,000.

In Switzerland, local legislation requires that the figure for accidents at work include all accidents during the year, regardless of whether or not they are work-related. The lost-time injury rate indicator is biased by this local factor.

Furthermore, local legislation varies with respect to the number of days missed in order for a mishap to be considered as a work accident, such as for example in the United Kingdom (considered to be a work accident after seven days missed), and in Brazil (after 15 days). This makes it difficult at the international level to record all work accidents and related days missed, and in some countries, leads to underestimating the rates of frequency and seriousness of work accidents.

Hours worked are monitored in a different way depending on the country and tools made available: planning linked to payroll, manual monitoring that is later consolidated, or through the annual reporting application. These differences mean this item is not totally reliable.

The **injury severity rate** is calculated as follows: absences due to work accidents divided by the number of hours worked x 1,000.

The incident severity rate is calculated according to the number of absences related to workplace or commuting accidents.

Fatal **workplace accidents** are included in the number of lost-time incidents or commuting incidents. An accident is considered fatal if the employee dies within 365 days following the incident.

Training

From 2014, training is measured in number of hours. The **number of training hours** reported includes courses conducted by Académie AccorHotels, AccorHotels managers and contract service providers for hotels and head offices.

The number of hours' training is counted differently by different local systems.

In addition, some training provided in hotels is omitted from group reporting in countries where centralized systems are used; In fact, training-specific information systems do not track job take-up training or non-brand-program training provided by management using specialist equipment provided by Académie AccorHotels.

The **number of payroll and non-payroll employees who received training at least once** is calculated as follows: a person who has received training counts once, even if they received training several times over the reporting period. However, because people are often counted every time they attend a course, this tends to over-estimate the total number.

Qualitative reporting

Qualitative reporting is requested of the members of the international HR network involved in quantitative reporting. In 2015, qualitative reporting covered 1,866 hotels, which corresponds to 95% of the quantitative reporting scope (in number of hotels). It is self-assessed, and is done using Excel files sent to the HR correspondents for quantitative reporting, for each area.

Qualitative reporting was reworked in 2015 to improve the quality of the data. As such, the wording of certain questions limits comparisons with previous years:

Special trainings in ergonomics

In 2015, a report on the number of employees having attended special courses in ergonomics over the period is provided. This data therefore cannot be compared with the 2014 indicator showing the number of people who had access to this type of training.

Collective agreements

In 2015, for greater relevance, coverage on collective agreements signed is reported by number of agreements signed and not by percentage of employees covered.

Hotel general managers from internal promotion

The figure for the number of hotel General Managers in this position as a result of internal promotion is an inventory as of December 31, 2015. It comes from declarations made by members of the international HR network involved in quantitative reporting. Data collection covered **100% of owned, leased and managed hotels in AccorHotels' property assets up to December 31, 2015, and there is data for 97% of hotel General Managers.**

CHARTER 21

Reporting scope and frequency

The Charter 21 indicators cover all of the owned, leased, managed and franchised hotels, except for:

- hotels that joined the AccorHotels network after September 15 of the reporting year;
- hotels that were no longer part of the AccorHotels network as of December 31 of the reporting year;
- Thalassa sea and spa facilities, whose data are often reported with their host hotel's;
- hotels that were closed for renovation or other reasons during the reporting period or that suffered an exceptional event, such as a flood or an earthquake, that disrupted their operations during the reporting period;
- Aparthotels Adagio that do not use Charter 21;
- "Mama Shelter" hotels, because AccorHotels stake is less than 50%.

Charter 21 indicators are reported annually.

Indicators

Charter 21 data are reported by the hotels concerned. Results are expressed as a percentage comparing the number of hotels implementing a given action to the total number of hotels applying Charter 21. Some actions apply only to hotels equipped with special facilities, such as a restaurant or laundry. In this case, the percentage of hotels is calculated based solely on the total number of hotels concerned.

Data collection and control

Hotels enter Charter 21 data annually and validate them in the OPEN application. The data then go through four checks:

- the person in charge of reporting at the hotel uses the Charter 21 Guide to check that the actions in question have effectively been carried through;
- by the person in charge of Charter 21 reporting at the country level: checks compliance with deadlines, fit with definitions, and data consistency;
- by the person in charge of Charter 21 reporting at the corporate level: consolidates and checks the data;
- quality audits are performed every year in the hotels, covering the ten actions corresponding to the Charter's Bronze level.

WATER AND ENERGY

Scope of reporting

The scope of reporting covers all of the owned, leased or managed AccorHotels brand hotels open at December 31 of the reporting year, except for:

- hotels that are being gradually integrated into the AccorHotels network or are incapable of measuring use:
  - hotels that joined the network after September 15 of the reporting year,
  - new acquisitions during the reporting year that are not under an AccorHotels banner,
  - hotels closed for renovation during the reporting period,
  - ADAGIO brand hotels,
  - Thalassa sea and spa facilities, whose data are often reported with their host hotel's;
- independently operated units or structures and franchised hotels:
  - hotels under commission-based management contracts (some ibis *budget*, hotelF1 and Formule1 hotels),
  - Mercure Appartement in Brazil,
  - ancillary in-hotel activities, such as retail outlets and residential units, that are not managed by AccorHotels (*i.e.*, boutiques, co-owned enterprises) assuming their data can be clearly segregated.

Indicators

- Energy use:
  - reported energy use is the final amount of energy used by the hotel;
  - reported energy is the total amount of energy used over the year by the hotels, regardless of source (electricity, gas, etc.) or purpose (lodging, food services, etc.) ;
  - total energy use is expressed in MWh;

- fuel energy is calculated on the basis of each unit's heating value (HV) ;
- use data reported by the hotels are expressed by type of energy.

- Water use:
  - reported water use is the total amount of water used over the year by the hotels, regardless of purpose (food services, grounds watering, etc.);
  - water from hotel pumping facilities is also measured, if they are metered;
  - recycled rain or wastewater is measured, if the facilities are metered;
  - total water use is expressed in cubic meters.
- Greenhouse gas emissions:
  - direct emissions correspond to fuels burned at the hotels and indirect emissions correspond to the electricity used by the hotels, and the heat and air conditioning supplied by urban heating and cooling networks;
  - energy use is converted by using updated emission factors from the resource center on greenhouse gas reports/ADEME (http://www.bilans-ges.ademe.fr);
  - total greenhouse gas emissions are expressed in equivalent tonnes of CO_2.

Data collection and control

Each hotel enters its monthly water and energy consumption data and validates them in the OPEN reporting application. The data are then checked by the country or regional organization and again at Group level over the first 11 months of the reporting year. They are re-checked over the entire twelve months at each level (country/region and Group).

Hotel carbon emissions are calculated from previously reported energy use data, as follows:

- direct emissions correspond to the gas and fuel oil burned in hotel boilers;
- indirect emissions correspond to the electricity used by the hotels, as well as the heat and air conditioning supplied by urban heating and cooling networks.

Greenhouse gas emission coefficients used (for electricity and fuel) come from the resource center for greenhouse gas reporting/ ADEME (http://www.bilans-ges.ademe.fr).

RENEWABLE ENERGIES

Solar production of hot water (expressed in GWh) is calculated under the following assumptions:

- if 2014 figures on solar panel surface area and production are available (measured or estimated), along with 2015 figures on solar panel surface area, then 2015 production = 2015 panel surface area x 2014 production/2015 panel surface area;
- if figures are only available for the 2015 panel surface area, then 2015 production = 2015 panel surface area x 500 kWh/m^2;
- if only 2014 figures on solar panel surface area and production are available (measured or estimated), then 2015 production = 2014 production;
- if no data is available for 2015 or 2014 (panel surface area, production), then 2015 production = 0.

PROCUREMENT

Scope of reporting

The indicator tracking the Group's consolidated volume of purchases (€3.7 billion in 2013) covers all of the hotel operating structures and includes purchases from certified suppliers, as well as estimated purchases from non-nominated suppliers by the 2013 country Procurement Departments in countries where they exist.

The other indicators cover purchases from certified suppliers.

Data are reported from the 19 Procurement Departments representing the largest purchasing volumes, including the Corporate Procurement Department.

The 17 Procurement Departments that have provided data are: Australia, Austria, Belgium and Luxembourg, Brazil, China, France, Germany, Hungary, Italy, Morocco, New Zealand, Poland, Portugal, Spain, Switzerland, and the United Kingdom. Data was also reported by the Corporate Purchasing Department.

In 2015, contracts between Accor and active suppliers as at December 31, 2015 are included. This means that a supplier who has terminated his agreement in the course of the year is not included in the reporting, whereas a contract that began during the year is included.

Indicators

- REACH: percentage and number of suppliers (involved with REACH) who have not signed a REACH statement.
- Procurement Charter 21: percentage and number of suppliers for which the current (or 2010) Procurement Charter 21 has been signed.
- Assessing supplier corporate social responsibility performance:
  - number of EcoVadis evaluations performed since 2012;
  - number of third-party audits in 2015.

Data collection and control

Depending on the indicator, data may be reported by suppliers, buyers (*via* online reporting applications) and/or third parties.

They are initially checked by the country Procurement Manager, who ensures that they are accurate and consistent with the rest of the information.

They are then re-checked by the corporate sustainable procurement reporting manager.

Purchasing audits review compliance with the three sustainable procurement issues described in the Indicators chapter.

PLANT FOR THE PLANET

Reporting scope and frequency

Plant for the Planet indicators cover all of the owned, leased, managed and franchised hotels participating in the program (excluding the budget segment, hotelF1).

Data are collected based on the payment campaigns conducted in June and December of each year.

Indicators

- Number of hotels participating: this figure is based on the number of payments received by Pur Projet and its partners during in 2015.
- Number of trees financed: this figure is calculated by dividing the sum of donations received by Pur Projet and our traditional NGO partners in the Plant for the Planet program by the unit cost of the trees, as reported by these same partners.

Data control

Since 2013, the indicators have been controlled directly by Pur Projet, AccorHotels' partner in charge of supervising and managing the *Plant for the Planet program*.

CORRESPONDENCE WITH GLOBAL REPORTING INITIATIVE

For its 2015 Registration Document, AccorHotels applies the principles of the **Global Reporting Initiative**, and declares its report "in accordance" with the G4 Guidelines, Core Option. A table matching GRI-G4 alongside AccorHotels indicators is available on the website (www.accorhotels-group.com/en/sustainable-development/management-and-performance.html).

The AccorHotels Group evaluates (on its own behalf and on that of its internal and external stakeholders) the materiality of GRI-G4 aspects as follows:

		Stakeholder							
		Employees	Partners & investors	Guests	Suppliers	Industry players	Government administrations and institutions	Local communities	Environment
GRI4 aspect	AccorHotels	internal	external	external	external	external	external	external	external
Economic performance	●	●	●	○	●	○	●	○	○
Presence on market	●	●	○	○	○	○	●	●	○
Energy	●	○	●	○	○	○	●	○	●
Emissions	●	○	○	○	○	○	●	○	●
Products and services	●	●	○	●	●	○	○	○	●
Compliance	●	○	●	●	●	○	●	○	●
Employment	●	●	○	○	○	○	●	●	○
Employer/employee relations	●	●	○	○	○	○	○	○	○
Training and education	●	●	●	○	○	●	○	●	○
Diversity and equal opportunity	●	●	○	○	○	○	●	●	○
Local communities	●	●	○	●	○	○	○	●	●
Guest health and safety	●	○	●	●	○	○	○	○	○
Product and service labeling	●	○	○	●	●	●	○	○	○

● *Material aspect.*
○ *Non-material aspect.*

2.6.4 INDICATOR TABLES

EMPLOYEE-RELATIONS INDICATORS

Employee-relations indicators are presented by region when their change is highly dependent on local conditions. The other indicators are presented by operating structure.

	2014		2015		Change	
Indicators	Owned and leased hotels	Owned, leased and managed hotels	Owned and leased hotels	Owned, leased and managed hotels	Owned and leased hotels	Owned, leased and managed hotels
EMPLOYMENT COMMITMENTS						
Number of payroll and non-payroll employees	**48,231**	**141,243**	**46,933**	**145,560**	**-1,299**	**4,317**
% women	55%	46%	55%	46%	0%	0%
% men	45%	54%	45%	54%	0%	0%
By age					0%	0%
Under 25	16%	18%	16%	18%	-1%	-1%
25 to 34	34%	39%	34%	38%	0%	0%
35 to 44	25%	24%	25%	24%	1%	0%
45 to 54	17%	14%	17%	15%	0%	0%
Over 55	8%	5%	8%	5%	0%	0%
By seniority					0%	0%
Less than six months	8%	13%	12%	15%	4%	2%
Six months to two years	23%	31%	22%	30%	-2%	0%
Two to five years	23%	24%	21 %	24%	-2%	0%
Five to ten years	20%	16%	19%	15%	-1%	-1%
Ten to twenty years	17%	12%	17%	11%	0%	0%
More than twenty years	9%	5%	9%	5%	0%	0%
% disabled	1.74%	0.88%	1.81%	0.93%	0%	0%
Management						
% of total workforce	19%	15%	20%	15%	2%	0%
% women	46%	41%	49%	42%	2%	1%
% men	54%	59%	51%	58%	-3%	-1%
By age					0%	0%
Under 25	1%	2%	1%	2%	0%	0%
25 to 34	29%	35%	29%	35%	0%	0%
35 to 44	36%	37%	36%	37%	0%	0%
45 to 54	24%	20%	24%	20%	0%	0%
Over 55	9%	6%	9%	6%	0%	0%

Indicators	2014 Owned and leased hotels	2014 Owned, leased and managed hotels	2015 Owned and leased hotels	2015 Owned, leased and managed hotels	Change Owned and leased hotels	Change Owned, leased and managed hotels
Managers by age – hotels						
Under 25	1%	2%	1%	2%	0%	-1%
25 to 34	31%	37%	31%	36%	-1%	0%
35 to 44	35%	36%	36%	37%	1%	1%
45 to 54	23%	19%	23%	19%	0%	0%
Over 55	9%	6%	9%	6%	0%	0%
Hotel General Managers	1,053	1,762	1,006	1,732	-47	-30
% women	31%	27%	31%	27%	0%	0%
% men	69%	73%	69%	73%	0%	0%
% host country nationals	82%	73%	82%	73%	0%	0%
Working conditions						
% full-time employees	84%	91%	85%	92%	1%	1%
% part-time employees	16%	9%	15%	8%	-1%	-1%
Average number of days of medical leave per employee over the year	9.8	5.9	10.6	5.8	0.78	-0.09
Of which due to workplace accidents	1.1	0.6	1.4	0.7	0.28	0.09
Average number of days of unauthorized leave per employee over the year	0.7	0.7	0.7	0.7	0.04	0.00
Lost-time injury rate resulting from workplace accidents	23.6	12.7	20.9	11.9	-2.77	-0.85
Incident severity rate for workplace and commuting accidents	0.6	0.3	0.8	0.4	0.17	0.05
Number of fatal workplace and commuting accidents	0	9	1	8	1	-1

	France		Europe(excluding France/ Mediterranean)		Mediterranean, Middle East and Africa		Asia-Pacific		Americas		Total	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Owned and leased hotels	**15,461**	**15,353**	**16,915**	**16,275**	**5,387**	**5,292**	**3,640**	**3,397**	**6,827**	**6,616**	**48,231**	**46,933**
Upscale luxury hotels	2,362	2,124	1,922	1,634	1,408	1,402	486	264	1,551	1,491	7,729	6,915
Midscale hotels	5,849	5,639	9,013	8,527	1,857	1,756	1,331	1,368	1,850	1,721	19,900	19,011
Economy hotels	5,346	5,258	4,701	4,744	1,763	1,768	1,113	1,012	2,820	2,746	15,743	15,528
International head offices	887	954	1,279	1,370	359	366	710	753	606	658	3,841	4,101
Holding company – payroll employees	1,018	1,378	-	0	-	0	-	0	-	0	1,018	1,378
Managed hotels – non-payroll employees	**1,442**	**1,859**	**5,465**	**5,949**	**14,809**	**15,559**	**62,661**	**65,243**	**8,635**	**10,017**	**93,012**	**98,627**
Upscale luxury hotels	859	1,271	1,399	1,739	8,071	8,879	33,018	33,543	3,091	3,739	46,439	49,171
Midscale hotels	547	516	3,042	3,072	4,891	4,880	24,618	25,984	4,308	4,507	37,406	38,959
Economy hotels	36	72	1,024	1,138	1,846	1,800	5,025	5,716	1,236	1,771	9,167	10,497
TOTAL EMPLOYEES	**16,903**	**17,212**	**22,380**	**22,224**	**20,196**	**20,851**	**66,301**	**68,640**	**15,642**	**16,633**	**141,243**	**145,560**
Training												
Total training hours	134,357	116,018	247,031	265,182	291,518	370,773	1,781,920	1,832,903	347,821	457,596	2,802,647	3,042,472
Number of employees having attended at least one training course	7,062	6,936	17,239	19,278	15,748	17,525	66,354	72,965	15,336	16,245	121,739	132,949
Employee movements												
New hires	10,470	8,225	8,467	9,298	6,030	7,073	41,703	32,088	9,609	9,835	76,279	66,519
Separations	10,597	10,093	8,597	8,704	5,602	5,853	29,947	29,104	6,999	7,316	61,742	61,070
Resignations	1,636	1,618	5,629	5,544	3,202	3,568	25,616	24,846	3,271	3,174	39,354	38,750
Terminations	805	914	1,214	1,482	774	789	2,016	2,318	2,942	3,406	7,751	8,909
Redundancy	8	22	118	66	135	50	155	108	46	22	462	268
Promotions												
Total number of promotions	241	402	1,196	1,097	992	1,037	5,687	5,310	2,266	1,103	10,382	8,949
of which promotions of non-managers to middle managers	164	242	235	125	235	156	1,278	982	234	218	2,146	1,723

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY INDICATORS

Scopes of reporting

		2014		2015	
	Scope of reporting	Owned and leased hotels	Owned and leased hotels	Owned and leased hotels	Owned and leased hotels
Total number of AccorHotels hotels in the consolidation scope*		**2,068**	**3,538**	**2,059**	**3,682**
Number of hotels applying Charter 21 ➜ *Response rate*		**2,068** ➜ *100%*	**3,325** ➜ *94%*	**2,037** ➜ *99%*	**3,486** ➜ *95%*
■ With restaurants		1,378	1,988	1,346	2,041
■ With grounds		1,371	2,153	1,364	2,264
■ Air conditioned		1,770	2,776	1,758	2,923
Number of hotels reporting water and energy data ➜ *Response rate*		**1,708** ➜ *88%*	**N/A**	**1,677** ➜ *88%***	**N/A**

* *See consolidation scope definition in page 83.*
** *Response rate for 1,897 hotels in the scope of reference (excluding franchised hotels).*

Indicators

Indicators	Scope of reporting	2014 Perf. owned and leased hotels	2014 Perf. owned and leased hotels	2015 Perf. owned and leased hotels	2015 Perf. owned and leased hotels	% change at comparable scope of reporting: Perf. owned, leased and managed hotels	% change at comparable scope of reporting: Perf. owned, leased, managed and franchised hotels
SOCIAL RESPONSIBILITY COMMITMENTS							
Support for and engagement in local communities							
Hotels active in protecting children from abuse		58%	48%	92%	89%	+34%	+41%
Number of employees trained in preventing child sex tourism		31,842 Employees	34,709 Employees	55,325 employees	63,558 employees	+70%	+74%
Hotels displaying customer awareness campaigns		26%	19%	30%	22%	+4%	+3%
Guest responsibility							
Hotels offering balanced meals		98%	97%	99%	98%	+1%	+2%
Hotels using eco-friendly cleaning products		99%	96%	99%	97%	+1%	+2%
Hotels using eco-friendly gardening products		72%	71%	75%	73%	+3%	+3%
Sustainable procurement							
% of purchasing contracts in compliance with Procurement Charter 21		NA	80%	NA	94.3%	NA	+17%
Number of third-party supplier audits performed over the past three years		NA	382	NA	372	NA	-3%*
Hotels purchasing and promoting local food products		91%	87%	95%	92%	5%	5%
Hotels serving fair trade products or products from sustainable farms		64%	67%	65%	69%	+3%	+3%
ENVIRONMENTAL COMMITMENTS							
Environmental management							
ISO 14001-certified hotels**		826	1,149	861	1,240	+10%	+8%
Hotels using dispensers or eco-responsible packaging for bathroom products (*e.g.* flooring, wall paint, bedding, complimentary products)		47%	46%	51%	50%	+4%	+4%
Hotels using dispensers or eco-responsible packaging for bathroom products		66%	71%	81%	82%	+15%	+12%

* *This slight drop is due to the fact that in 2015, AccorHotels mainly focused on increasing external audits, to the detriment of document analyses.*
** *Excluding the economy and budget segment.*

Indicators	Scope of reporting	2014 Perf. owned and leased hotels	2014 Perf. owned and leased hotels	2015 Perf. owned and leased hotels	2015 Perf. owned and leased hotels	% change at comparable scope of reporting: Perf. owned, leased and managed hotels	% change at comparable scope of reporting: Perf. owned, leased, managed and franchised hotels
Awareness-building and buy-in							
Hotels training employees in environmentally-friendly practices		99%	98%	99%	98%	+1%	+1%
Hotels raising guest awareness of sustainable development issues		97%	93%	97%	94%	+1%	+2%
Energy and carbon footprint							
Total energy used		3,957 GWh	NA	4,062 GWh	NA	+0.7%*	N/A
Total CO_2 emission		1,679 thousand teq CO_2	NA	1,727 thousand teq CO_2	NA	-0.6%**	N/A
Direct emissions		245 thousand teq CO_2	NA	302 thousand teq CO_2	NA	+0.5%**	N/A
Indirect emissions		1,435 thousand teq CO_2	NA	1,425 thousand teq CO_2	NA	-0.8%**	N/A
Hotels using energy-efficient bulbs for 24/24/7 lighting		99%	98%	99%	98%	+1%	+1%
Hotels using energy-efficient boilers		69%	70%	72%	73%	+3%	+3%
Hotels using energy-efficient air conditioning units		68%	70%	73%	75%	+4%	+4%
Hotels using renewable energies		9%	9%	19%	15%	+9%	+6%
Hotels using energy-efficient bulbs for frontage lighting		73%	74%	77%	77%	+3%	+3%
Hotels using building management software to manage their energy use		36%	33%	40%	35%	+2%	+2%
Hotels recovering energy from the ventilation system		39%	34%	41%	35%	+1%	+1%
Hotels insulating pipes carrying hot/cold fluids		96%	94%	98%	95%	+2%	+2%
Hotels using a timer for frontage lighting		94%	94%	96%	95%	+2%	+2%
Hotels using energy-efficient bulbs in guest rooms		90%	90%	92%	92%	+3%	+2%
Hotels with a central light switch in guest rooms		56%	55%	60%	57%	+2%	+1%

* *Change is calculated on ratio kWh per available room on comparable scope 2014-2015.*

** *Change is calculated on the ratio kg eq. CO_2 per available room on comparable scope 2014-2015.*

Indicators	Scope of reporting	2014 Perf. owned and leased hotels	2014 Perf. owned and leased hotels	2015 Perf. owned and leased hotels	2015 Perf. owned and leased hotels	% change at comparable scope of reporting Perf. owned, leased and managed hotels	% change at comparable scope of reporting Perf. owned, leased, managed and franchised hotels
Hotels with green or cool roofs		8%	6%	10%	8%	+1%	+1%
Hotels equipped with a timer for common area air conditioning		51%	46%	56%	50%	+4%	+3%
Hotels using speed controllers for pumps and fans		44%	38%	48%	40%	+3%	+2%
New or renovated hotels certified as sustainable buildings		N/A	13 hotels	NA	21 hotels	NA	NA
Water							
Total water use		33.6 million m^3	NA	33 million m^3	NA	-3%*	NA
Hotels equipped with flow regulators on faucets/ showerheads		98%	97%	98%	97%	+1%	+1%
Hotels equipped with rainwater recovery installations		7%	7%	9%	8%	+1%	+1%
Hotels prohibiting the use of cooling towers without water recovery systems		84%	79%	86%	80%	+3%	+3%
Hotels using motion sensors for bathroom faucets		35%	31%	40%	35%	+3%	+3%
Hotels using dual flush toilets		62%	63%	66%	67%	+3%	+3%
Hotels using a water-efficient laundry service		66%	65%	71%	70%	+5%	+5%
Hotels using selective grounds watering methods		73%	77%	75%	78%	+2%	+3%
Hotels recycling gray water		8%	7%	10%	8%	+1%	+1%
Local environmental impacts							
Hotels participating in the Plant for the Planet program		1,289	1,529	1,551	2,071	+24%	+33%
Hotels banning endangered seafood from restaurant menus		94%	93%	99%	99%	+5%	+5%

* *Change calculated using the ratio of liters per available room at a comparable scope of reporting for 2014-2015.*

Indicators	Scope of reporting	2014		2015		% change at comparable scope of reporting	
		Perf. owned and leased hotels	Perf. owned and leased hotels	Perf. owned and leased hotels	Perf. owned and leased hotels	Perf. owned, leased and managed hotels	Perf. owned, leased, managed and franchised hotels
Waste							
Sort and recycle toner cartridges		99%	98%	99%	98%	0%	+1%
Hotels sorting and recycling batteries		99%	98%	99%	98%	0%	+1%
Hotels sorting and recycling fluorescent tubes and light bulbs		97%	96%	98%	97%	+1%	+2%
Hotels sorting and recycling paper and cardboard		90%	91%	91%	92%	+2%	+2%
Hotels sorting and recycling glass bottles and packaging		88%	89%	89%	89%	+2%	+2%
Hotels sorting and recycling electrical and electronic equipment		88%	88%	90%	89%	+3%	+3%
Hotels collecting and recycling cooking oil		91%	91%	93%	94%	+2%	+2%
Hotels collecting and recycling fats		84%	83%	86%	86%	+3%	+3%
Hotels sorting and recycling plastic packaging		74%	75%	75%	75%	+1%	2
Hotels sorting and recycling metal packaging		66%	66%	67%	67%	+1%	+2%
Hotels sorting and recycling organic waste from restaurants		50%	48%	53%	51%	+3%	+2%
Hotels sorting and recycling green waste from lawns and gardens		61%	66%	63%	68%	+4%	+4%
Hotels offering guests waste sorting opportunities		23%	21 %	25%	22%	+1%	+1%

2.7 INDEPENDENT VERIFIER'S REPORT ON CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

Year ended the 31 December 2015

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders,

In our quality as an independent verifier accredited by the COFRAC[1], under the number n° 3-1050, and as a member of the network of one of the statutory auditors of the company Accor, we present our report on the consolidated social, environmental and societal information established for the year ended on the 31 December 2015, presented in chapter 2 of the management report, hereafter referred to as the "CSR Information," pursuant to the provisions of the article L.225-102-1 of the French Commercial code (*Code de commerce*).

RESPONSIBILITY OF THE COMPANY

It is the responsibility of the Board of Directors to establish a management report including CSR Information referred to in the article R.225-105 of the French Commercial code (*Code de commerce*), in accordance with the protocols used by the company composed of social reporting protocol, sustainable procurement reporting explanation sheets, guidelines for the Charter 21 actions and sustainable development reporting protocol in their updated version of 2015 (hereafter referred to as the "Criteria"), and of which a summary is included in in the paragraph "Methodological review" of the chapter 2.6.3 of the management report.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the article L.822-11 of the French Commercial code (*Code de commerce*). In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

RESPONSIBILITY OF THE INDEPENDENT VERIFIER

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R.225-105 of the French Commercial code (*Code de commerce*) (Attestation of presence of CSR Information);
- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria.

Our verification work was undertaken by a team of six people between September 2015 and March 2016 for an estimated duration of fourteen weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of 13 May 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness and the reasonable assurance report, in accordance with the international standard ISAE 3000[2].

(1) Scope available at www.cofrac.fr.

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

I. ATTESTATION OF PRESENCE OF CSR INFORMATION

Nature and scope of the work

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the management report with the list as provided for in the Article R.225-105-1 of the French Commercial code (*Code de commerce*).

In the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions in Article R.225-105-1, paragraph 3, of the French Commercial code (*Code de commerce*).

We verified that the information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L.233-1 and the entities which it controls, as aligned with the meaning of the Article L.233-3 of the French Commercial code (*Code de commerce*).

Conclusion

Based on this work, we confirm the presence in the management report of the required CSR information.

II. LIMITED ASSURANCE ON CSR INFORMATION

Nature and scope of the work

We undertook thirteen interviews with twenty people responsible for the preparation of the CSR Information in the different departments[3], in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- Assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;
- Verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information which we considered the most important[4]:

- at the level of the consolidated entity, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;
- at the level of the representative selection of entities that we selected[5] , based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represented on average 20% of headcount, 50% of hotels for the Charter 21 indicators, and 32% of listed suppliers for sustainable procurements.

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(3) *Sustainable Development Department, Group Procurement Department, Group Human Resources Department, Group Technical Department, Learning & Development Department, Group Safety Department and Customer Experience & Satisfaction Department.*

(4) **Environmental and Societal information:** *approaches to environmental evaluation and certification; water consumption and water supply considering local constraints; raw material consumption and measures undertaken to enhance resource efficiency; energy consumption, measures undertaken to improve energy efficiency and to promote the use of renewable energy; greenhouse gas discharges; territorial impact, economic and social (employment, regional development, impact on regional and local populations); importance of subcontracting and the consideration of environmental and social issues in purchasing policies and relations with suppliers and subcontractors; measures undertaken in favour of consumers' health and safety.*
Social information: *employment (total headcount and breakdown per gender, age, geographical area); hiring and terminations; organisation of working time; absenteeism; work accidents, notably their frequency and their severity; training policies; number of days of training; measures undertaken for gender equality; anti-discrimination policies and actions.*

(5) **Social :** *Germany, Austria, India, Egypt, Morocco, United Kingdom, Vietnam, Benin, Cameroon, Ivory Coast, Ghana, Nigeria, Senegal, Togo, Equatorial Guinea, Democratic Republic of the Congo, South Africa.*
Societal : *for sustainable procurement: France, Morocco, Corporate.*
Environmental : *for Charter 21 indicators: India, France, Morocco, United Kingdom, Benin, Cameroon, Ivory Coast, Ghana, Nigeria, Senegal, Togo, Equatorial Guinea, Democratic Republic of the Congo, South Africa, Chad, Madagascar, Mauritius, Algeria.*

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

Observations

Without qualifying our conclusion above, we draw your attention to the following points:

- the methodological precisions detail the uncertainty margin for the classification of terminations, and for the calculation of work accidents frequency and severity rates;
- the Criteria application and internal controls on Charter 21 data are not regular enough.

Paris-La Défense, the 17 March 2016

French original signed by:

Independent Verifier

ERNST & YOUNG et Associés

Éric Duvaud	Bruno Perrin
Sustainable Development Partner	Partner

3 Corporate GOVERNANCE

3.1 ADMINISTRATIVE AND MANAGEMENT BODIES

3.1.1 BOARD OF DIRECTORS

JEAN-PAUL BAILLY – Independent director(1)

- First appointed as a director on May 13, 2009.
- Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the year ended December 31, 2017.
- Number of Accor shares held: 1,000.
- Born November 29, 1946 – French national.
- Honorary Chairman of the La Poste Group.
- Jean-Paul Bailly has been a member of the Economic, Social and Environmental Council since 1995. After graduating from École Polytechnique and the Massachusetts Institute of Technology, he began his career with the Paris Transit Authority (RATP). In 1978, he took over the running of French technical cooperation programs in Mexico before moving back to RATP in 1982 where he held a number of positions, including Departmental Director, Bus Rolling Stock, director of the Paris Metro and RER suburban rail system, and Human Resources Director. He became Deputy Chief Executive Officer of RATP in 1990 and then served as RATP's Chairman and Chief Executive Officer between 1994 and 2002. Between 1997 and 2001, JeanPaul Bailly was also President of the International Association of Public Transport (UITP). He was Chairman and Chief Executive Officer of La Poste from 2002 to 2013.

Other positions held at December 31, 2015

Position	Company
France	
Director	Edenred
Chairman of the Supervisory Board	Europcar

Former positions held in the past five years

Position	Company
France	
Chairman and Chief Executive Officer	La Poste
Chairman of the Supervisory Board	La Banque Postale
Member of the Supervisory Board	La Banque Postale Asset Management
Director, representing the French State	GDF Suez
Permanent representative of La Poste on the Board of Directors	GeoPost
Permanent representative of La Poste on the Board of Directors	Sofipost
Permanent representative of La Poste on the Board of Directors	Post Immo
Director	Sopassure
Director	CNP Assurances

(1) *In the accordance with the criteria defined in the AFEP/MEDEF Code, as approuved by the Board of Directors on February 17, 2016.*

SÉBASTIEN BAZIN – Chairman and Chief Executive Officer

- First appointed as a director on January 9, 2006. Previously a member of the Supervisory Board from May 3, 2005.
- Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2016.
- Number of Accor shares held: 1,022.
- Born November 9, 1961 – French national.
- Having earned a Masters in Business Management from Paris-Sorbonne University, Sébastien Bazin began his career in the US finance industry in 1985. In 1997, he joined Colony Capital, a private-equity firm, to set up and develop its European operations. During his 15 years with the firm, he managed and participated in a large number of investments in the hospitality industry, (including the acquisition of luxury hotel chains Fairmont and Raffles), the acquisition and management of hotel assets from Compagnie Générale des Eaux and Club Méditerranée, the acquisition of an equity stake in Lucien Barrière Group, and the investment in AccorHotels. He is also Vice-Chairman of the Supervisory Board of the Gustave Roussy Foundation.

Other positions held at December 31, 2015 with companies controlled[(1)] by Accor

Position	Company
France	
Chairman	Adagio SAS

Other positions held at December 31, 2015 with companies not controlled[(1)] by Accor

Position	Company
France	
Chairman of the Board of Directors	Théâtre du Châtelet
Chairman	Bazeo Europe SAS
Legal Manager	CC Europe Invest
Legal Manager	SARL Rohan
Managing Partner	Bazeo Invest SNC
Managing Partner	SCI Nina
Managing Partner	SCI Haute Roche
Luxembourg	
Director	Sisters Soparfi

(1) Within the meaning of Article L.233-16 of the French Commercial Code.

Former positions held in the past five years

Position	Company
France	
Chief Executive Officer	Colony Capital Europe
Chairman and Chief Executive Officer	Société d'Exploitation Sports & Événements SA
Chairman and Chief Executive Officer	Holding Sports & Événements SA
Chairman	Colony Capital SAS
Chief Executive Officer	Toulouse Cancéropole SAS
Chief Executive Officer	ColSpa SAS
Legal representative of Colony Capital SAS as Chairman	ColSpa SAS
Chairman	Colfilm SAS
Chairman	Collllkirch France SAS
Chairman	Data 4 SAS
Chairman	ColWine SAS
Chairman	Lucia Investissement SAS
Chairman of the Supervisory Board	Paris Saint Germain Football
Legal representative of Colony Capital SAS as Legal Manager	SC Georges V 302
Legal Manager	Colmed
Legal Manager	Colmassy SARL
Legal Manager	Société du Savoy à Méribel
Managing Partner	SCI Madeleine Michelis
Managing Partner	SCI Ranelagh
Vice-Chairman and Member of the Supervisory Board	Groupe Lucien Barrière
Director	Moonscoop IP
Director	Carrefour
Director	Edenred
Member of the Supervisory Board	ANF Immobilier (Les Ateliers du Nord de la France)
Belgium	
Chairman	RSI
Luxembourg	
Managing Director	Sisters Soparfi
United Kingdom	
Chairman and director	Colyzeo Investment Management Ltd
Switzerland	
Legal Manager	La Tour S.à.r.l.
Legal Manager	La Tour Réseau de Soins SA
Legal Manager	Permanence de la Clinique Carouge

PHILIPPE CITERNE – Independent director(1), senior independent director and Vice-Chairman of the Board of Directors

- First appointed as a director on January 9, 2006. Previously, the permanent representative of Société Générale on Accor's Supervisory Board from December 22, 2003.
- Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the year ended December 31, 2017.
- Number of Accor shares held: 2,000.
- Born April 14, 1949 – French national.
- After graduating from École Centrale Paris and holding a number of positions in the French Finance Ministry, Philippe Citerne joined Société Générale in 1979, where he served as Vice-President of Economic Research, Vice-President Finance and Vice-President Human Relations, prior to becoming a director, Co-Chief Executive Officer from 1997 to April 2009. During the transition governance period, from April 23 to August 27, 2013, he served as Chairman of the Accor Board of Directors.

Other positions held at December 31, 2015

Position	Company
France	
Chairman	Télécom École de Management (Institut Mines Télécom)
Chairman	C2.O
Chairman	Filcico
Director	Edenred
Director	MK2
Member of the Supervisory Board	Lendix
United Kingdom	
Chairman	Inverewe Capital

Former positions held in the past five years

Position	Company
France	
Deputy Chief Executive Officer	Societé Générale
Chairman	Systèmes Technologiques d'Échanges et de Traitement – STET
Director	Sopra Group
Director	Rexecode
Representative of Société Générale on the Supervisory Board	Fonds de Garantie des Dépôts
Russia	
Director	Rosbank

ILIANE DUMAS – Director representing employees

- First appointed as a director on May 2, 2014.
- Current term due to expire on May 2, 2017.
- Born March 5, 1971 – French national.
- Business project manager within the Group's Talent & Culture Department.
- A graduate of École de Paris des Métiers de la Table, Iliane Dumas joined Accor in 1991 where she was initially part of the sales team in the Distribution Department. She has held several employee representative positions, notably Representative of the Central Works Council on Accor's Board of Directors. She is currently business project manager within the Group's Talent & Culture Department. Ms. Dumas is also a member of the Compensation, Appointments and Corporate Governance Committee and a judge at the Paris Employment Tribunal.

(1) In the accordance with the criteria defined in the AFEP/MEDEF Code, as approuved by the Board of Directors on February 17, 2016.

MERCEDES ERRA – Independent director[1]

- First appointed as a director on February 22, 2011.
- Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2017.
- Number of Accor shares held: 1,000.
- Born September 23, 1954 – French national.
- Executive President of Havas Worldwide.
- A graduate of HEC business school and Paris-Sorbonne University, Ms. Erra began her career with Saatchi & Saatchi where she spent 14 years and reached the position of Chief Executive Officer. In 1995, she co-founded BETC, which over the past 21 years has become France's leading advertising agency and consistently ranks among the world's best creative agencies. Ms. Erra is also Chairman of the Board of Directors of Musée de l'Histoire de l'Immigration. She is involved in a variety of women's advocacy groups and with UNICEF, as well as being an active member of the French Committee of Human Rights Watch, and a member of the Innovation 2030 and Childhood and Adolescence Commissions put in place by the French government, and the Medici Committee set up by Amundi. Ms. Erra is also in charge of preparing the Strategy Committee's "Advertising" strategy and she sits on the Boards of Directors of the France Télévisions Foundation, the Elle Foundation and IMS.

Other positions held at December 31, 2015 with companies controlled[2] by Havas Worldwide

Position	Company
France	
Founder, Managing Director and member of the Management Board	BETC
Chairman	BETC Digital (formerly EURO RSCG 4D)
Chairman	Havas 04
Member of the Supervisory Board	Rosapark
Director	Havas
Director	Havas Worldwide Paris

Other positions held at December 31, 2015 with companies not controlled[2] by Havas Worldwide

Position	Company
France	
Vice-President	Commission Nationale Française pour l'Unesco
Member of the Board of Directors	Fondation du Collège de France
Director	Théâtre du Châtelet

Former positions held in the past five years

Position	Company
France	
Managing Director	Havas
Chairman of the Board of Directors	Euro RSCG
President	Euro RSCG France
Director	Absolut Reality
Director	Société de la Tour Eiffel

(1) In the accordance with the criteria defined in the AFEP/MEDEF Code, as approuved by the Board of Directors on February 17, 2016.
(2) Within the meaning of Article L.233-16 of the French Commercial Code.

SOPHIE GASPERMENT – Independent director[1]

- First appointed as a director on June 29, 2010.
- Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the year ended December 31, 2015.
- Number of Accor shares held: 1,513.
- Born August 1, 1964 – French national.
- Group General Manager, L'Oréal Financial Communication and Strategic Prospective.
- Sophie Gasperment is a graduate of ESSEC business school and of Insead. After 14 years in operational and strategic marketing positions developing brands and product/service innovations, Sophie Gasperment was appointed General Manager of L'Oréal Paris, then of the L'Oréal group, in the UK. She remained UK based for the next 14 years, notably as Chairman and Chief Executive Officer of The Body Shop International, the emblematic English brand spanning 60 countries and ca. 20,000 people strong. Since 2014, Sophie Gasperment is the L'Oréal Group General Manager leading Financial Communication and Strategic Prospective. Sophie Gasperment was appointed French Foreign Trade Advisor in 2005 and elected to the UK Executive board. She is also a member of the Business Advisory Council of Saïd Business School, Oxford University.

Former positions held in the past five years

Position	Company
Germany	
Director	Body Shop Beteiligungs GmbH
Director	The Body Shop Germany GmbH
United States	
Chairman and Chief Executive Officer	BSI USA Inc.
Chairman and Chief Executive Officer	Buth-NA-Bodhaige Inc.
Chairman	Skin & Hair Care Preparations
United Kingdom	
Chairman and Chief Executive Officer	The Body Shop International Plc
Director	Fillcare Ltd
Director	The Body Shop (Isle of Man)
Director	The Body Shop On-Line (II) Ltd
Director	The Body Shop Queenslie Ltd
Director	The Millennium Administration
Director	The Body Shop Retail Properties

JONATHAN GRUNZWEIG – Director

- First appointed as a director on April 29, 2014.
- Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2016.
- Number of Accor shares held: 1,000.
- Born May 22, 1963 – US national.
- Executive Director and Global Head – Special Situations, Colony Capital, Inc.
- Jonathan Grunzweig holds a B.A. from Cornell University as well as a Juris Doctor from Harvard Law School. In his role as Executive Director and Global Head – Special Situations, Colony Capital, Inc., Mr. Grunzweig is charged with helping develop Colony's global growth strategy across markets, platforms and asset classes. Until the combination of Colony Capital and Colony Financial, he served as global Chief Investment Officer au sein de Colony Capital LLC, overseeing the sourcing, structuring, execution and management of all investments and divestments on a global basis. Prior to joining Colony Capital in 1999, Mr. Grunzweig was a Partner with the law firm of Skadden, Arps, Slate, Meagher & Flom, LLP.

(1) *In the accordance with the criteria defined in the AFEP/MEDEF Code, as approuved by the Board of Directors on February 17, 2016.*

Other positions held at December 31, 2015 with companies controlled[(1)] by Colony Capital

Position	Company
Hong Kong	
Director	Colony Yangtze II Advisory Limited
Italy	
Director	Smeralda Holding Srl
United Kingdom	
Director	Colyzeo Investment Advisors Limited
Switzerland	
Director	Clinique de Carouge SMCC SA
Director	La Tour S.à.r.l.

Other positions held at December 31, 2015 with companies not controlled[(1)] by Colony Capital

Position	Company
Australia	
Director	Challenger Life Company
Director	Challenger Financial Services Group Limited
China	
Director	Beijing Peng Li Hua Yuan Real Estate Development Co., Ltd
United Kingdom	
Director	Cdsr Burlington House Developments Limited

Former positions held in the past five years

Position	Company
France	
Director	ColWine SAS
United States	
Director	Station Casinos, Inc

IRIS KNOBLOCH – Independent director[(2)]

- First appointed as a director on April 25, 2013.
- Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2016.
- Number of Accor shares held: 1,000.
- Born February 13, 1963 – German national.
- President of Warner Bros. Entertainment France.
- Iris Knobloch has a J.D. degree from Ludwig-Maximilians Universität Munich and an L.L.M. degree from New York University. She has spent more than 18 years with Warner Bros. and the Time Warner Group, holding various different positions, and is currently President of Warner Bros. Entertainment France. Before beginning her career with Warner Bros., Ms. Knobloch was an attorney with Norr, Stiefenhofer & Lutz and O'Melveny & Myers in Munich, New York and Los Angeles.

(1) Within the meaning of Article L.233-16 of the French Commercial Code.

(2) In the accordance with the criteria defined in the AFEP/MEDEF Code, as approuved by the Board of Directors on February 17, 2016.

Other positions held at December 31, 2015 with companies not controlled[(1)] by Warner Bros.

Position	Company
Bermuda	
Member of the Board of Directors	Central European Media Enterprises

BERTRAND MEHEUT – Independent director[(2)]

- First appointed as a director on May 13, 2009.
- Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the year ended December 31, 2015.
- Number of Accor shares held: 1,000.
- Born September 22, 1951 – French national.
- Chairman of the Groupe Canal+ Management Board until September 2015.
- A graduate of École des Mines de Paris with a degree in civil engineering, Bertrand Meheut served as Chairman of the Groupe Canal+ Management Board since September 2002. Prior to that he worked in industry, particularly in the life sciences sector, spending the majority of his career with Rhône-Poulenc (and subsequently Aventis CropScience). He joined Rhône-Poulenc in 1984 as Deputy Chief Operating Officer, Europe, in charge of corporate services for the Agro Division. He then went on to become Chief Executive Officer of the German subsidiary, Deputy Chief Executive Officer of Rhône-Poulenc Agro and Executive Vice-President and Chief Operating Officer Europe. Following the creation of Aventis through the merger of Rhône-Poulenc and the German chemicals company Hoechst in late 1999, he was named Chairman and Chief Executive Officer of Aventis CropScience.

Other positions held at December 31, 2015

Position	Company
France	
Director	Edenred
Director	Aquarelle.Com Group

Former positions held in the past five years

Position	Company
France	
Chairman of the Management Board	Groupe Canal+
Chairman of the Management Board	Canal+ France
Member of the Management Board	Vivendi
Chairman of the Board of Directors	Société d'Édition de Canal+
Chairman of the Supervisory Board	StudioCanal
Chairman	Canal+ Régie
Permanent representative of Groupe Canal+ on the Board of Directors	Sport+
Permanent representative of Groupe Canal+ as Joint Legal Manager	Canal+ Éditions
Representative of Canal+ France as Managing Partner	Kiosque
Member of the Management Board	Canal+ Overseas
Poland	
Member of the Supervisory Board	TVN

(1) Within the meaning of the Article L.233-16 of the French Commercial Code.

(2) In the accordance with the criteria defined in the AFEP/MEDEF Code, as approuved by the Board of Directors on February 17, 2016.

VIRGINIE MORGON – Director

- First appointed as a director on May 13, 2009.
- Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2016.
- Number of Accor shares held: 1,004.
- Born November 26, 1969 – French national.
- Member of the Executive Board and Chief Executive Officer of Eurazeo.
- Ms. Morgon graduated from Institut d'Études Politiques de Paris, majoring in Economics and Finance, and holds a master's degree in Economics and Management (MIEM) from the University of Bocconi (Milan, Italy). After working as an investment banker in New York and London, she joined Lazard in 1994, where she became a senior partner in 2001, specializing in the European Food, Retail and Consumer Goods sector. Ms. Morgan has been a member of Eurazeo's Executive Board since January 2008 and was appointed as its Chief Executive Officer in March 2014. She is Vice-President of the Paris Committee of Human Rights Watch.

Other positions held at December 31, 2015 with companies controlled[1] by Eurazeo

Position	Company
France	
Chief Executive Officer	LH APCOA
Chairman of the Supervisory Board	Eurazeo PME
Chairman of the Supervisory Board	Legendre Holding 33
Chairman	Legendre Holding 43
Chairman	Legendre Holding 44
Chairman	Legendre Holding 45
Chairman	Legendre Holding 46
Chairman	Legendre Holding 47
Germany	
Managing Director	APCOA Group GmbH

Other positions held at December 31, 2015 with companies not controlled[1] by Eurazeo

Position	Company
France	
Director	L'Oréal
Member of the Supervisory Board	Vivendi
Member of the Supervisory Board	Elis[2]
Spain	
Director	Abasic SL[2]
Italy	
Vice-Chairman of the Board of Directors	Moncler SpA[2]

(1) Within the meaning of the Article L.233-16 of the French Commercial Code.
(2) Eurazeo Participation.

Former positions held in the past five years

Position	Company
France	
Chairman of the Supervisory Board	OFI Private Equity Capital (renamed Eurazeo PME Capital)
Chairman of the Supervisory Board	Elis
Chairman of the Board of Directors and Director	Holdelis
Chairman	Legendre Holding 33
Director	Edenred
Member of the Board of Directors	Women's Forum (WEFCOS)
Permanent representative of Eurazeo on the Board of Directors	LT Participations
Germany	
Chairman of the Supervisory Board	APCOA Parking AG
Chairman of the Advisory Board	APCOA Parking Holdings GmbH
Italy	
Chairman of the Board of Directors	Broletto 1 Srl
Legal Manager	Euraleo Srl
Legal Manager	Intercos SpA
Director	Sportswear Industries Srl

NADRA MOUSSALEM – Director

- First appointed as a director on April 25, 2013.
- Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the year ended December 31, 2015.
- Number of Accor shares held: 2,500.
- Born July 4, 1976 – French national.
- Executive Director, Head of Europe of Colony Capital.
- A graduate of École Centrale de Lyon with a master's degree in information technology, Nadra Moussalem is Executive Director, Head of Europe of Colony Capital and oversees the sourcing, structuring, execution and management of the fund's investments in Europe. Before joining Colony Capital in 2000, he worked in the financial engineering department of AXA Conseil in Paris.

Other positions held at December 31, 2015 with companies controlled[(1)] by Colony Capital

Position	Company
France	
Chairman	Colony Capital SAS
Chairman	Data IV Services
Chairman	Data IV France
Chairman	DC 115 SAS
Chairman	Holding Sports & Événements
Chairman	Colfilm SAS
Chairman	Collllkirch France
Chairman	Colkart SAS
Chief Executive Officer	ColSpa
Legal Manager	ColEvreux SCI
Legal Manager	Colnîmes SARL
Legal Manager	ColNozay EURL
Legal Manager	Colnozay SCI
Permanent representative of Colony Capital SAS	Colkart Investment Europe
Italy	
Chairman	Data 4 Italy
Chairman	Data 4 Services Italy
United Kingdom	
Director	Colyzeo Investment Management
Legal Manager	Colyzeo Investment Advisors Limited

Other positions held at December 31, 2015 with companies not controlled[(1)] by Colony Capital

Position	Company
France	
Director	Edenred
Director	Carmila

(1) *Within the meaning of the Article L.233-16 of the French Commercial Code.*

Former positions held in the past five years

Position	Company
France	
Chairman and Chief Executive Officer	Edenred [(1)]
Chairman	Collllkirch
Legal Manager	SC George V 301
Legal Manager	SC George V 302
Spain	
Director	Distribuidora Internacional de Alimentación (DIA)
Luxembourg	
Director	Sisters Soparfi SA
Legal Manager	Cedar Trust
Legal Manager	CT Real Estate
Legal Manager	Data Genpar Sarl
United Kingdom	
Director	Data 4 UK Limited
Director	Data 4 UK Services Limited

PATRICK SAYER – Director

- First appointed as a director on August 27, 2008.
- Current term due to expire at the close of the Annual Shareholders' Meeting to be called to approve the financial statements for the year ended December 31, 2015.
- Number of Accor shares held: 1,000.
- Born November 20, 1957 – French national.
- Chairman of the Executive Board of Eurazeo.
- A graduate of École Polytechnique and École des Mines de Paris, Mr. Sayer has been Chairman of Eurazeo's Executive Board since May 2002. He previously held the positions of Managing Partner at Lazard Frères et Cie in Paris and Managing Director of Lazard Frères & Co. in New York. He was formerly the President of the Association Française des Investisseurs pour la Croissance (AFIC) and is currently a director of the Musée des Arts Décoratifs in Paris and a lecturer in finance (Master 225) at Paris-Dauphine University. He is also a member of the Club des Juristes and a judge at the Paris Commercial Court.

Other positions held at December 31, 2015 with companies controlled[(2)] by Eurazeo

Position	Company
France	
Chief Executive Officer	Legendre Holding 19
Chairman	Legendre Holding 25
Chairman	Legendre Holding 26
Chairman	CarryCo Capital 1
Chairman	CarryCo Croissance
Chairman	CarryCo Croissance 2
Member of the Supervisory Board	ANF Immobilier
Legal Manager	Investco 3d Bingen (non-trading company)

(1) From August 1st, 2015 to October 25, 2015.

(2) Within the meaning of Article L.233-16 of the French Commercial Code.

Other positions held at December 31, 2015 with companies not controlled[1] by Eurazeo

Position	Company
France	
Member of the Supervisory Board	Europcar Group [2]
Dubai	
Member of the Advisory Board	Kitara Capital International Limited
United States	
Member of the Board of Directors	Tech Data Corporation
Member of the Board of Directors	I-Pulse [2]
United Kingdom	
Director	Colyzeo Investment Advisors

Former positions held in the past five years

Position	Company
France	
Chairman	Eurazeo Capital Investissement
Chairman and Vice-Chairman of the Supervisory Board	ANF Immobilier
Chief Executive Officer	Immobilière Bingen
Chief Executive Officer	Legendre Holding 8
Chairman of the Board of Directors and director	Europcar Group
Chairman of the Supervisory Board	Europcar Group
Chairman of the Board of Directors and director	Holdelis
Member of the Board of Directors	Rexel
Director	Edenred
Member of the Supervisory Board	SASP Paris Saint-Germain Football
Vice-Chairman of the Supervisory Board	Rexel
Germany	
Member of the Advisory Board	APCOA Parking Holdings GmbH
Italy	
Director	Moncler Srl
Director	Sportswear Industries Srl
Director	Gruppo Banca Leonardo

(1) *In accordance with the Article L.233-16 of the French Commercial Code.*
(2) *Eurazeo Participation.*

3.1.2 DEPUTY CHIEF EXECUTIVE OFFICER

SVEN BOINET

- Deputy Chief Executive Officer.
- First appointed: December 2, 2013.
- Born April 11, 1953 – French national.
- A graduate of École Centrale de Paris and Stanford University, Sven Boinet started his career in the oil industry at Schlumberger and Coflexip before becoming a consultant for SRI International and then working with Accor between 1988 and 2003. He subsequently became Chairman of the Management Board of Groupe Lucien Barrière, a position he held from 2004 to 2009, and went on to serve as Chief Executive Officer for Groupe Pierre & Vacances from 2009 to 2012. He is also a member of the Board of Directors of Association Institut Paul Bocuse.

Other positions held at December 31, 2015 with companies controlled[1] by Accor

Position	Company
Germany	
Member of the Supervisory Board	Accor Hospitality Germany GmbH
Morocco	
Chairman of the Supervisory Board	Risma

Other positions held at December 31, 2015 with companies not controlled[1] by Accor

Position	Company
France	
Chairman	SB Conseil
Director	Société du Dinard Golf SAS

Former positions held in the past five years

Position	Company
France	
Chief Executive Officer	Groupe Pierre & Vacances Center Parcs
Chairman and Chief Executive Officer	Pierre & Vacances Tourisme Europe
Deputy Chief Executive Officer and Director	Société d'Investissement Touristique et Immobilier (SITI)
Director and then Chief Executive Officer	Pierre et Vacances
Director	Tourism Real Estate Property Holding SE
Director	Adagio SAS
Director	Citea
Director	Société Française des Papiers Peints
Permanent representative of Pierre et Vacances	GIE PV – CP Services
Netherlands	
Member of the Supervisory Board	Center Parcs Europe N.V.
United Kingdom	
Independent director	Easyjet Plc

(1) In accordance with the Article L.233-16 of the French Commercial Code.

3.1.3 FOUNDING CO-CHAIRMEN

PAUL DUBRULE

Born on July 6, 1934 in Tourcoing, France, Paul Dubrule graduated from Institut des Hautes Études Commerciales at the University of Geneva. In 1963, he and Gérard Pélisson co-founded the Novotel hotel chain. After serving as Co-Chairman of the Novotel SIEH Group between 1971 and 1983, he co-founded Accor, serving as its Co-Chairman from 1983 to 1997. Mr. Dubrule has also held the positions of Chairman of Entreprise et Progrès, Vice-Chairman of the World Travel and Tourism Council (WTTC) and Chairman of Maison de la France. He served as Mayor of Fontainebleau between 1992 and 2001, and Senator for the Seine-et-Marne *département* between 1999 and 2004. He was Co-Chairman of the Institut Français du Tourisme until 2013 and the Founding Chairman of the Conseil Supérieur de l'Œnotourisme (CSO). A Paul Dubrule Chair for Sustainable Development was created by INSEAD in 2002 and a Paul Dubrule Chair for Innovation has been set up at the Haute École d'Hôtellerie in Lausanne. Mr. Dubrule has also personally opened a hotel and tourism school in Siem Reap, Cambodia.

GÉRARD PÉLISSON

Born on February 9, 1932 in Lyon, France, Gérard Pélisson holds an engineering degree from École Centrale des Arts et Manufactures de Paris and a Master of Science in industrial management from the Massachusetts Institute of Technology. In 1963, he and Paul Dubrule co-founded the Novotel hotel chain. After serving as Co-Chairman of the Novotel SIEH Group between 1971 and 1983, he co-founded Accor, acting as its Co-Chairman from 1983 to 1997. Mr. Pélisson also co-founded the World Travel and Tourism Council (WTTC), for which he served as Vice-Chairman, and was President of the École Supérieure de Commerce de Lyon from 1990 to 1996. He is currently Chairman of the Overseas French Association (UFE) and President of Institut Paul Bocuse.

3.1.4 EXECUTIVE COMMITTEE

MEMBERS OF THE EXECUTIVE COMMITTEE AT DECEMBER 31, 2015

Sébastien Bazin	Chairman and Chief Executive Officer
Sven Boinet	Deputy Chief Executive Officer & CEO HotelServices, Latin America
Christophe Alaux	CEO HotelServices, North & Central America and the Caribbean
Vivek Badrinath	Deputy Chief Executive Officer Marketing, Digital Solutions, Distribution and Information Systems
Aranxta Balson	Chief Talent & Culture Officer
Steven Daines	CEO HotelServices, United Kingdom, Ireland, Benelux, Switzerland, Russia and CIS
Jean-Jacques Dessors	CEO HotelServices, Mediterranean, the Middle East and Africa
Michael Issenberg	CEO HotelServices, Asia-Pacific
Jean-Jacques Morin	Chief Financial Officer
Amir Nahai	CEO Group Food & Beverage
John Ozinga	Chief Operating Officer HotelInvest
Laurent Picheral	CEO HotelServices, Central and Eastern Europe
Sophie Stabile	CEO HotelServices, France

To the best of the Company's knowledge, in the last five years no director or officer has (i) been convicted of any fraudulent offense; (ii) been a member of the administrative, management or supervisory body of a company that has been declared bankrupt, or placed in liquidation or receivership; (iii) been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities; or (iv) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

3.2 REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

TO THE SHAREHOLDERS' MEETING ON THE PREPARATION AND ORGANIZATION OF THE BOARD OF DIRECTORS' WORK AND ON INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES (REPORT PREPARED IN APPLICATION OF ARTICLE L. 225-37 OF THE FRENCH COMMERCIAL CODE)

This report was approved by the Board of Directors at its meeting on February 17, 2016. It was prepared in accordance with the Reference Framework for Risk Management and Internal Control Systems issued by the Working Group set up by the French securities regulator, *Autorité des marchés financiers* (AMF). The following description of the Company's internal control and risk management procedures is based on the structure of said Reference Framework.

3.2.1 CORPORATE GOVERNANCE AND THE BOARD OF DIRECTORS' OPERATING PROCEDURES

CORPORATE GOVERNANCE CODE

In 2015 Accor complied with all of the recommendations contained in the Corporate Governance Code for listed companies published by the AFEP and MEDEF (the "AFEP/MEDEF Code"), which is available from the AFEP, the MEDEF or the Company's head office.

The Board of Directors' operating procedures are described in its Bylaws, presented in Appendix A to this report on page 118. In addition, each director is required to comply with the Board of Directors Code of Conduct, set out in Appendix B on page 122.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER AND DEPUTY CHIEF EXECUTIVE OFFICER

The roles of Chairman of the Board of Directors and Chief Executive Officer have been combined since 2009.

During 2013, following the departure of the previous Chairman and Chief Executive Officer, the Board set up a transitional governance structure under which it temporarily separated the role of Chairman of the Board of Directors from that of Chief Executive Officer. On August 27, 2013, the Board ended the transition period by appointing Sébastien Bazin as Chairman and Chief Executive Officer and Philippe Citerne as Vice-Chairman of the Board and senior independent director. Also, on the recommendation of the Chairman and Chief Executive Officer, on December 2, 2013 the Board appointed Sven Boinet as Deputy Chief Executive Officer in charge of Transformation. On the same date, it authorized an employment contract to be entered into between Mr. Boinet and the Company.

The Board considered that by combining the roles of Chairman of the Board and Chief Executive Officer the Group would be able to have greater agility in its governance and management, particularly during a period of transformation or an economic downturn, while creating a direct relationship between management and shareholders. This type of governance structure also encourages extensive dialogue between the executive team and the Board of Directors. Since 2009, the Board has noted with satisfaction the effectiveness of the balance of power existing between its executive and non-executive directors, notably thanks to the presence of a senior independent director.

During the formal assessment of the Board of Directors' operating procedures carried out in 2014, the directors stated that this governance structure, with the combined role of Chairman and Chief Executive Officer, is effectively adapted to the Group's current situation and that the allocation of powers and responsibilities between the Chairman and Chief Executive Officer, the senior independent director and the Board of Directors as a whole is effective and balanced.

In accordance with the law and the Company's Bylaws, the Chairman and Chief Executive Officer chairs Board meetings, organizes and leads the work of the Board and its meetings, ensures that the Company's corporate governance structures function effectively, and, in particular, obtains assurance that directors are in a position to fulfill their responsibilities.

The Chairman and Chief Executive Officer and the Deputy Chief Executive Officer represent the Company in its dealings with third parties and have the broadest powers to act on behalf of the Company in all circumstances. The situations where the exercise of the powers of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer is subject to the prior approval of the Board of Directors are described in the section below entitled "Powers of the Board of Directors".

SENIOR INDEPENDENT DIRECTOR

As mentioned above, the Board has appointed independent director Philippe Citerne as Vice-Chairman of the Board of Directors. He serves as the Company's senior independent director with support from the Corporate Secretary's Office. In accordance with the Board of Directors Bylaws, the roles and responsibilities of the senior independent director include the following:

- he may call Board meetings in the event that the Chairman and Chief Executive Officer is unable to do so, and he may chair Board meetings in the absence of the Chairman and Chief Executive Officer;
- he is the preferred contact for shareholders not represented on the Board. In this regard, a specific email address has been created (philippe.citerne@accor.com) to enable any shareholder to contact him directly with comments or queries;
- he coordinates the independent directors and, at his initiative, organizes independent directors' meetings at least once a year, for which the Company manages the logistics and bears the costs. He sets the agenda for these meetings and chairs them, ensuring that each independent director has the opportunity to raise any issue not included on the agenda. Following the meetings, the senior independent director may, at his initiative,

meet with the Chairman and Chief Executive Officer to discuss all or some of the comments and requests expressed by the independent directors. If necessary, he or she may also decide to comment on the work of the independent directors during the full meetings of the Board;

- he oversees the formal assessments of the Board's operating procedures and validates the corresponding report;
- he may request that the Chairman and Chief Executive Officer add items to Board meeting agendas. In any event, he approves the annual plan of the strategic issues that will be included in the Board meeting agendas, as submitted by the Chairman and Chief Executive Officer;
- he is in charge of dealing with any cases of conflict of interest that may arise among members of the Board of Directors.

In 2015, Mr. Citerne organized and chaired one meeting solely for independent directors that was attended by all of the independent directors.

SECRETARY TO THE BOARD OF DIRECTORS

François Pinon, Group General Counsel, has been appointed by the Board of Directors to serve as Board Secretary.

POWERS OF THE BOARD OF DIRECTORS

The Company is governed by a Board of Directors, which determines the Company's strategy, oversees its implementation, examines any and all issues concerning the efficient running of the business, and makes decisions on all matters concerning the Company.

The Board of Directors deals with all matters falling within the powers vested in it under the applicable laws and regulations.

In particular, the Board of Directors is responsible for:

a) approving the annual budget and business plan presented by the Chairman and Chief Executive Officer;

b) reviewing and approving all of the Group's strategic objectives, at least once a year, in accordance with the Board's Bylaws;

c) authorizing the following decisions of the Chairman and Chief Executive Officer prior to the decisions being implemented:

- any and all immediate or deferred financial commitments representing more than €100 million per transaction. "Financial commitments" are defined as:
  - any and all acquisitions or disposals of assets and majority or minority interests in other companies, with the amount of the commitments determined by reference to the entity's enterprise value,
  - any and all direct investments, for example for the creation of a business, the construction, refurbishment or extension of a hotel property, or expenditure on technological developments,
  - rental investments, measured on the basis of the market value of the leased asset,
  - hotel management contracts with a guaranteed minimum fee,
  - any and all loans to entities in which the Company or one of its subsidiaries does not hold the majority of the shares and voting rights, and any and all commitments to participate in share issues by such entities,
- any and all financing operations representing more than €1 billion (carried out through one or more transactions). The Chairman and Chief Executive Officer is authorized to carry out any and all financing operations of up to €1 billion without obtaining prior approval from the Board of Directors, provided that such operations are undertaken in accordance with the annual Group financing policy as approved in advance by the Board of Directors. In this case, the Chairman and Chief Executive Officer is required to inform the Board of Directors of the operations after they have been completed. In addition, the Board's prior approval is not required for borrowings due in less than one year,
- any and all transactions that may impact the Group's strategy or lead to a material change in the Group's business base (mainly entry into a new business or withdrawal from an existing business), whatever the amount of the transaction,
- any and all transactions involving the Company's shares carried out in application of Article L. 225-209 of the French Commercial Code that exceed one million shares per transaction or two million shares per year;

d) authorizing the Chairman and Chief Executive Officer to issue guarantees, bonds and endorsements in the Company's name, up to a cumulative amount of €1 billion per year. In accordance with the Company's Bylaws, any such authorizations may be given for a period of one year. The Chairman and Chief Executive Officer is required to report to the Board of Directors each year on the amount and nature of guarantees, bonds and endorsements issued under the authorization;

e) discussing and deciding on any proposed changes to the Group's management structure and reviewing information about the main organizational changes.

The Board shall be kept regularly informed of the Group's financial position, cash position and commitments as well as the Group's strategy and main policies in the areas of human resources, organization and information systems, and shall discuss them periodically.

ASSESSING THE BOARD OF DIRECTORS' OPERATING PROCEDURES

In addition to regularly discussing its procedures during scheduled meetings, the Board of Directors also periodically performs a formal assessment of its operations. In 2014, a formal assessment was conducted by an external consultant.

The Company has used the assessment report to draw up an action plan aimed at enhancing the Board's operating procedures, which was approved at the Board of Directors February 17, 2015 meeting. The plan's key measures were set out in the 2014 Registration Document.

In 2015, the Board of Directors reviewed its operating procedures during one of its meetings and decided that the findings of the 2014 formal assessment still applied.

MEMBERSHIP OF THE BOARD OF DIRECTORS AND THE INDEPENDENCE OF DIRECTORS

The Board of Directors currently has 12 members, including one employee representative director. Five of the directors are women and six are deemed to be independent based on the criteria listed in the AFEP/MEDEF Code. Consequently, the Company complies with the Board representation recommendations in the AFEP/MEDEF Code as, excluding the employee representative director, the proportion of women on the Board is 36% and the proportion of independent directors is 54%.

The Board assesses the independence of its members each year by applying the following criteria of the AFEP/MEDEF Code:

- be – nor have been at any time in the last five years – an employee or an executive director of the corporation, or an employee or director of its parent or a company that it consolidates;
- be an executive director of a company in which the corporation directly or indirectly holds a directorship, or in which an employee appointed as such or an executive director of the corporation (current or in the past five years) holds a directorship;
- be a customer, supplier, investment banker or commercial banker:
  - that is material for the corporation or its group, or
  - for which the corporation or its group represents a significant part of the entity's activity;
- have close family ties with an executive director;
- have been an auditor of the corporation in the last five years;
- have been a director of the corporation for more than twelve years.

Directors who represent major shareholders of the Company may be considered as independent provided that they do not take part in the control of the Company. If the shareholder owns 10% or more of the Company's capital or voting rights, the Board of Directors must systematically review whether that shareholder's representative may be qualified as independent, based on a report issued by the Compensation, Appointments and Corporate Governance Committee and taking into account the Company's capital structure and any potential conflicts of interest.

On January 19, 2016, the Compensation, Appointments and Corporate Governance Committee reviewed the independent status of the members of the Board of Directors, focusing in particular on whether or not the business relations that may exist between the Company and certain directors are material. For that purpose, it examined the amounts of the transactions carried out during the year with the companies in which the directors hold executive positions, and compared those amounts with the Group's revenue and equity for 2015.

Following the Committee's review, the Board of Directors noted that AccorHotels did not have any material business relations with the companies in which Sophie Gasperment, Iris Knobloch, Philippe Citerne and Jean-Paul Bailly hold executive positions.

The Board examined the business relations with Groupe Canal+, where Bertrand Meheut was Chairman of the Management Board until September 2015, and noted that these relations represented 0.24% of the Group's revenue and 0.34% of equity.

In addition, the fees paid by the Group in 2015 to Havas, where Mercedes Erra serves as Executive President of Havas Worldwide, represented 0.12% of the Group's revenue and 0.16% of equity.

In view of the results of this analysis, and based on the criteria above, on February 17, 2016, the Board confirmed that Mercedes Erra, Sophie Gasperment, Iris Knobloch, Jean-Paul Bailly, Philippe Citerne and Bertrand Meheut qualify as independent directors.

Independence criteria applied

	Not to be an employee or executive director of the Company	No cross-directorships	No material business relations with the Company	No family ties with an executive director	Not to have been an auditor or a former auditor	Not to have been a director of the Company for more than 12 years[(1)]	Not to own more than 10% of the Company's share capital[(2)]
Jean-Paul Bailly	√	√	√	√	√	√	√
Sébastien Bazin		√	√	√	√	√	√
Philippe Citerne	√	√	√	√	√	√	√
Iliane Dumas[(3)]		√	√	√	√	√	√
Mercedes Erra	√	√	√	√	√	√	√
Sophie Gasperment	√	√	√	√	√	√	√
Jonathan Grunzweig	√	√	√	√	√	√	
Iris Knobloch	√	√	√	√	√	√	√
Bertrand Meheut	√	√	√	√	√	√	√
Virginie Morgon	√	√	√	√	√	√	
Nadra Moussalem	√	√	√	√	√	√	
Patrick Sayer	√	√	√	√	√	√	

(1) Determined based on the scheduled expiration date of the director's term of office.
(2) Acting alone or in concert.
(3) Director representing employees.

In accordance with the Company Bylaws and the Board of Directors Bylaws, Paul Dubrule and Gérard Pélisson, the Company's Founding Co-Chairmen, may attend Board meetings in a consultative capacity, and may be invited to attend meetings of the Board Committees.

MINIMUM SHAREHOLDING REQUIREMENT AND PREVENTING CONFLICTS OF INTEREST

Pursuant to Article 12 of the Company's Bylaws, with the exception of the Director representing employees, all directors are required to hold 1,000 registered shares. In addition, to emphasize the importance of directors' attendance at Board and Committee meetings and to comply with the related recommendation in the AFEP/MEDEF Code, the Board of Directors Bylaws provide that two-thirds of the fees allocated to directors must be based on their attendance record.

Lastly, with a view to preventing any potential conflicts of interest, members of the Board are required to complete a statement every year disclosing any and all direct or indirect ties they have with the Company. To date, none of these statements have disclosed any actual or potential conflicts of interest between a director and the Company. If a new direct or indirect business relationship is envisaged between the Company or the Group and a director or a Founding Co-Chairman, the procedure for related-party agreements provided for in Article L. 225-38 *et seq.* of the French Commercial Code is applied whenever the business relationship concerned does not constitute a routine agreement entered into on an arm's length basis.

Other than routine agreements entered into on an arm's length basis, no new agreements have been signed between any of the Company's subsidiaries and a director, executive officer or shareholder that owns more than 10% of the Company's capital.

In addition, directors adhere to the Board of Directors Code of Conduct (presented in Appendix B), which defines the scope of their duty of diligence, discretion and confidentiality, and specifies the rules applicable to trading in the Company's securities.

BOARD OF DIRECTORS' WORK

The preparation and organization of the Board of Directors' work are governed by the laws and regulations applicable to French public limited companies (*sociétés anonymes*), the Company's Bylaws, and the Board of Directors Bylaws, which describe the operating procedures of the Board Committees.

The Board met nine times in 2015. The notices of meeting together with the agenda were e-mailed to all the members several days before each meeting date. In the period between two meetings, members were kept regularly informed of significant events and transactions involving the Company and were sent copies of the related press releases issued by the Company.

Each ordinary Board meeting lasted four hours on average and the attendance rate was 87%.

At its meetings, the Board performed the duties required of it by law and the Company's Bylaws. It was also informed by the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer – as well as in some cases by other senior executives – of numerous significant achievements and projects relating to the Company's business.

For example, the Board authorized the acquisition of the FRHI group on December 7, 2015 as well as the acquisition of a number of real estate assets as part of the Group's asset management program. It also approved an issue of American Depository receipts (ADRs) in the US. From a governance perspective, the Board assessed its own operating procedures as well as the composition of its committees and reviewed the related-party agreements that were approved in prior years and remained in force during the year. The Board approved the compensation payable to the Company's executive directors without these executives being present.

It also examined the report of the Ethics and CSR Committee.

Lastly, the Board called the Annual Shareholders' Meeting and approved the Report of the Chairman of the Board of Directors.

DIRECTORS' ATTENDANCE AT BOARD MEETINGS IN 2015

	Number of meetings taken into account	Attendance rate
Jean-Paul Bailly	9	100%
Sébastien Bazin	9	100%
Philippe Citerne	9	100%
Iliane Dumas	9	89%
Mercedes Erra	9	67%
Sophie Gasperment	9	100%
Jonathan Grunzweig	9	67%
Iris Knobloch	9	89%
Bertrand Meheut	9	78%
Virginie Morgon	9	89%
Nadra Moussalem	9	78%
Patrick Sayer	9	89%

BOARD COMMITTEES

Board discussions and decisions on certain topics are prepared by specialist Board Committees made up of directors appointed by the Board for the duration of their term as director. These Committees examine matters falling within their terms of reference, as well as any matters referred to them for consideration by the Chairman and Chief Executive Officer. They report regularly to the Board on their work, and provide the Board with their observations, opinions, proposals and recommendations.

There are currently three standing Board Committees:

- **the Audit and Risks Committee;**
- **the Compensation, Appointments and Corporate Governance Committee;**
- **the Commitments Committee.**

The organizational and procedural framework applicable to the Board Committees is described in the Company's Bylaws and in the Board of Directors Bylaws, which are presented below.

The Board may also set up one or several special Committees.

Each Committee is chaired by one of its members, who is appointed by the Board on the recommendation of the Compensation, Appointments and Corporate Governance Committee.

The Committee Chairman appoints a person who may or may not be a Committee member to act as secretary.

The Chairman of each Committee may ask for the Committee to be consulted on any matters falling within its terms of reference that have not been referred to it.

Each Committee is required to periodically review its rules of procedure and propose to the Board any changes that are considered necessary.

The Board Committees do not have any decision-making authority.

To assist them in their work, the Board Committees may commission technical reports from Company management or external consultants. In both cases, the Chairman and Chief Executive Officer is notified in advance. The Committees may also arrange meetings with members of management responsible for the areas under review, without any executive directors necessarily being present. In this case also, the Chairman and Chief Executive Officer is informed in advance.

The Audit and Risks Committee has six members, Mercedes Erra, Iris Knobloch, Virginie Morgon, Philippe Citerne, Nadra Moussalem and Jean-Paul Bailly, all of whom have the necessary technical knowledge to fulfill the Committee's duties. Four of these members are qualified by the Board as independent. The Committee is chaired by Philippe Citerne, Director and Senior Independent Director.

The Committee met four times in 2015, with an average attendance rate of 77%.

Statutory Auditors, the Chairman and Chief Executive Officer, the Chief Financial Officer and the Board Secretary attend the meetings, joined when appropriate by the Internal Audit Director.

The meetings in which the annual and interim financial statements are reviewed begin with a discussion with the Statutory Auditors, which takes place without Company management being present.

During its meetings held in 2015, the Committee (i) prepared the Board's review and discussion of the annual and interim financial statements, (ii) examined the implementation of the new presentation of the Group's financial results, broken down between HotelInvest and HotelServices, (iii) examined the impacts of the acquisition of the FRHI group and of acquisitions of significant real-estate assets, (iv) tracked developments in the Group's tax disputes, (v) was given presentations on upcoming changes in accounting standards and regulations, and (vi) reviewed Internal Audit findings and the yearly update of the risk map.

The Compensation, Appointments and Corporate Governance Committee comprises six members, three of whom are qualified by the Board as independent. It is chaired by Bertrand Meheut (who is an independent director), and its other members are Sophie Gasperment, Iliane Dumas, Jean-Paul Bailly, Jonathan Grunzweig and Patrick Sayer.

The Compensation, Appointments and Corporate Governance Committee met three times in 2015, with an average attendance rate of 76%.

During its meetings, the Committee (i) proposed an action plan in the wake of the formal assessment of the Board's operating procedures, (ii) validated a process for selecting an interim Chairman and Chief Executive Officer and an interim Deputy Chief Executive Officer in the event of unforeseen circumstances, (iii) examined the membership structure of the Board Committees, and (iv) reviewed the terms and conditions of the performance share plans launched in 2015 and the achievement levels of the performance criteria for previously-launched stock option and performance share plans.

Also during the year the Committee reviewed the related-party agreements approved in prior years which remained in force in 2015, assessed the independence of the Company's directors based on the criteria in the AFEP/MEDEF Code, and put forward recommendations concerning executive officers' compensation and the allocation of directors' fees among the Board members.

The Commitments Committee has five members, the majority of whom are qualified by the Board as independent. It is chaired by Patrick Sayer and its other members are Mercedes Erra, Sophie Gasperment, Philippe Citerne and Nadra Moussalem. Due to the nature of the responsibilities assigned to this Committee – which sometimes has to give its opinion on acquisitions or disposal projects within a short timeframe – Committee meetings may be called at any time, either in writing or verbally, by the Committee Chairman or by the Chairman and Chief Executive Officer.

The Compensation, Appointments and Corporate Governance Committee met 11 times in 2015, with an average attendance rate of 89%.

During the year, the Committee's work notably involved reviewing the acquisition of the FRHI group. Most of the directors not on the Committee also participated in meetings on this particular topic, at the invitation of the Committee Chairman.

CONDITIONS AND PROCEDURES FOR ATTENDING SHAREHOLDERS' MEETINGS

The Annual Shareholders' Meeting will be held on April 22, 2016 at 10:00 a.m. at the Novotel Paris Est hotel, 1, avenue de la République, 93177 Bagnolet, France. The notice of meeting containing the agenda and draft resolutions was published in the French legal gazette (*Bulletin des Annonces Légales Obligatoires*) and is available on the Company's website at www.accorhotels-group.com.

In accordance with the law, the applicable conditions and procedures for attending Shareholders' Meetings are set out in the Company's Bylaws, which are available on the AccorHotels website. They notably concern admittance conditions (Article 24 of the Bylaws), organization of the meetings (Article 25), and disclosure thresholds relating to shareholders' interests in the Company's capital and voting rights (Article 9).

ANNEXE A

BOARD OF DIRECTORS BYLAWS (AS AMENDED ON APRIL 29 AND AUGUST 25, 2014)

The members of the Board of Directors of Accor (hereinafter the Company) abide by the following rules of procedure, which constitute the Bylaws of the Board of Directors.

These Bylaws are based on recommendations by French market authorities aimed at ensuring compliance with the fundamental principles of corporate governance, notably the AFEP/MEDEF Corporate Governance Code for Listed Companies as revised in June 2013.

Intended for internal use only, these Bylaws are designed to supplement the Company Bylaws by specifying the Board of Directors' organizational and operating procedures. They may not be used by shareholders or third parties as a basis for any claims against the directors, the Company or any company of the Accor Group (hereinafter the Group). They apply, where appropriate, to the non-voting directors appointed by the Board of Directors as well as to the Founding Co-Chairmen designated in Article 21 of the Company's Bylaws.

The existence and main provisions of these Bylaws shall be disclosed to the shareholders and to the public.

1. Composition

At least half of the directors on the Board of Directors must be independent within the meaning of the criteria set forth in the AFEP/MEDEF Corporate Governance Code for listed companies.

Every year, the Board of Directors shall determine which of the directors are independent according to the above-mentioned criteria. The conclusions of said assessment shall be disclosed to the shareholders and to the public in the Annual Report.

2. Meetings

The Board of Directors shall hold at least six meetings per year, of which one dedicated to reviewing the budget and one dedicated to a strategic review of the Group's operations. The proposed dates of each year's meetings shall be sent to the directors no later than November 30 of the previous year. Notices of Meeting shall be sent by mail, e-mail or fax or given verbally, by the Board Secretary.

The draft minutes of each meeting shall be sent to the directors within 15 days after said meeting and submitted to the Board for approval during the second meeting following that to which they relate.

Part of at least one meeting a year shall be devoted to assessing the Board's efficiency and effectiveness, in order to identify possible areas for improvement. In addition, the Board of Directors shall conduct a formal self-assessment at least every two years.

Non-executive directors shall meet once a year, without the executive directors or corporate officers being present, to assess the latter's performance and consider the future management structure.

For the purpose of calculating the quorum and majority, directors who take part in meetings by any means making it possible to identify them and enabling their actual participation pursuant to current statutes and regulations shall be deemed to be in attendance.

3. Information for the Board of Directors

The directors shall be provided with all the information necessary for them to carry out their duties.

Except when compliance with confidentiality or physical obstacles make it impossible, an information package pertaining to the items on the agenda that require prior study shall be sent to the directors in a timely manner prior to the meetings.

In addition, the directors shall be kept periodically informed between meetings of all significant events and transactions in the life of the Group. To this end, they shall be provided with all the press releases issued by the Company and a periodic summary of financial analysts' research reports on the Group and, when necessary, the actual reports.

The Board shall be kept regularly informed of the Group's financial position, cash position and commitments as well as the Group's strategy and main policies in the areas of human resources, organization and information systems, and shall discuss them periodically.

The directors shall be entitled to require the provision of any document necessary for the proceedings of the Board that has not been submitted to them. Any such requests shall be sent to the Chairman and Chief Executive Officer who may submit it to the Board for a decision.

The directors shall have the right to meet with the Group's main executives, including without the presence of the executive directors. To do so, they must first file a request with the Chairman and Chief Executive Officer.

4. Powers of the Board of Directors

The Board of Directors deals with all matters falling within the powers vested in it under the applicable laws and regulations.

In addition, the Board of Directors shall:

a) approve the annual budget, including the annual financing plan, as well as the business plan presented by the Chairman and Chief Executive Officer;

b) review and approve the Group's overall strategy, at least once a year, in accordance with Article 2 of these Bylaws;

c) based on the Commitments Committee's recommendation, authorize the following decisions of the Chairman and Chief Executive Officer prior to their implementation:

(i) any and all immediate or deferred financial commitments representing more than €100 million per transaction. "Financial commitments" are defined as:

- any and all acquisitions or disposals of assets and majority or minority interests in other companies; in the latter case, the amount of the commitment is considered as being equal to the entity's enterprise value,
- any and all direct investments, for example for the creation of a business, the construction, refurbishment or extension of a hotel property, or expenditure on technological developments,
- rental investments, measured on the basis of the market value of the leased asset,
- hotel management contracts with a guaranteed minimum fee,
- any and all loans to entities in which the Company or one of its subsidiaries does not hold the majority of the shares and voting rights, and any and all commitments to participate in share issues by such entities. In the case of financing transactions, however, the Chairman and Chief Executive Officer is authorized to make any and all financial commitments of up to €1 billion without obtaining prior approval from the Board of Directors, provided that such commitment is undertaken in accordance with the annual Group financing policy as approved in advance by the Board of Directors. In this case, the Chairman and Chief Executive Officer shall inform the Board of Directors of the transactions after they have been completed. It is noted as well that the Board's prior approval is not required for borrowings due in less than one year, whatever the amount borrowed,

(ii) any and all transactions that have a material impact on the Group's strategy or lead to a material change in the Group's business base (mainly entry in a new business or withdrawal from an existing business), whatever the amount of the transaction,

(iii) any and all transactions involving the Company's shares carried out in application of Article L. 225-209 of the French Commercial Code, which exceed one million shares per transaction or two million shares per year;

d) authorize the Chairman and Chief Executive Officer to issue guarantees, bonds and endorsements in the Company's name, up to a cumulative amount of €1 billion per year. In accordance with the Company's Bylaws, any such authorizations may be given for a period of one year. The Chairman and Chief Executive Officer is required to report to the Board of Directors each year on the amount and nature of guarantees, bonds and endorsements issued under the authorization;

e) discuss and decide on any proposed changes to the Group's management structure and review information about the main organizational changes.

5. Vice-Chairman of the Board of Directors – Senior Independent Director

In accordance with Article 14 of the Company's Bylaws, the Board of Directors may appoint one of its independent members to act as Vice-Chairman for the duration of his or her term as director. The appointment may be terminated at any time by decision of the Board of Directors.

As specified in the Company's Bylaws, the Vice-Chairman may call meetings of the Board of Directors if the Chairman and Chief Executive Officer is unable to do so, and shall chair Board meetings in the Chairman and Chief Executive Officer's absence.

The Vice-Chairman shall act as the preferred contact for the other independent directors. Whenever necessary and at least once a year, he or she shall organize and lead a meeting reserved exclusively for independent directors to allow them to discuss certain issues outside full Board meetings.

The Vice-Chairman shall ensure that requests from shareholders not represented on the Board are answered, and shall make him or herself available to hear their comments and suggestions and, where necessary, answer their questions. A specific e-mail address shall be created for this purpose. The Vice-Chairman shall inform the Board of Directors about such contact with the shareholders.

In addition, the Vice-Chairman shall oversee formal assessments of the Board of Directors' practices, approve the list of strategic issues to be discussed at Board meetings, as prepared each year by the Chairman and Chief Executive Officer, and deal with any conflicts of interest affecting Board members.

He or she shall be assisted by the Corporate Secretary services for any related administrative tasks.

6. Board Committees

Board discussions and decisions in certain areas shall be prepared by specialist Board Committees made up of directors appointed by the Board for the duration of their term. These Committees shall examine matters falling within their terms of reference, as well as any matters referred to them for consideration by the Chairman and Chief Executive Officer. They shall report regularly to the Board on their work, and provide the Board with their observations, opinions, proposals or recommendations.

To assist them in their work, the Board Committees may commission technical reports from management or from external consultants, at the Company's expense. In both cases, the Chairman and Chief Executive Officer shall be notified in advance. The Committees may also arrange meetings with members of Company management responsible for the areas under review, without any executive directors being present. In this case also, the Chairman and Chief Executive Officer shall be informed in advance.

There are three standing Board Committees:

- **the Audit and Risks Committee;**
- **the Commitments Committee;**
- **the Compensation, Appointments and Corporate Governance Committee.**

The Board may also set up one or several special Committees.

Each Committee shall be chaired by one of its members, appointed by the Board on the recommendation of the Compensation, Appointments and Corporate Governance Committee. The Chairman and Chief Executive Officer may be invited to attend any and all Board Committee meetings by the Chairman of the Committee concerned. However, he shall not attend the part of Compensation, Appointments and Corporate Governance Committee meetings during which agenda items concerning him personally are discussed, nor the part of Audit and Risks Committee meetings during which the Committee members discuss matters with the Statutory Auditors.

The Committee Chairman shall appoint a person who need not be a Committee member to act as secretary.

The Chairman of each Committee may ask for the Committee to be consulted on any matters falling within its terms of reference that have not been referred to it.

Each Committee shall periodically review its rules of procedure and propose to the Board any changes that are considered necessary.

The Board Committees shall not have any decision-making authority.

6.1. The Audit and Risks Committee

The Audit and Risks Committee shall be responsible for ensuring that the accounting policies applied for the preparation of the financial statements of the Company and the Group are appropriate and applied consistently from one period to the next. Its terms of reference also include checking that internal reporting and control procedures provide adequate assurance concerning the reliability and completeness of financial information and the control of Group risk exposure.

To this end, it carries out the following tasks:

- it reviews the interim and annual consolidated financial statements and the financial statements of the Company, prior to their examination by the Board of Directors. This includes reviewing draft results press releases and announcements to be issued by the Company;
- it reviews the scope of consolidation and the reasons for excluding any entities;
- it reviews the Risk Management policy and ensures that adequate systems are in place;
- it assesses the material risk exposure and off-balance sheet commitments, and receives a copy of the Chief Financial Officer's detailed report on these matters;
- it obtains assurance concerning the effectiveness of the Group's system of internal control, by reviewing the methods used to identify risks and the organizational principles and procedures of the Internal Audit Department. It is also informed of the Internal Audit program and of the results of the Internal Audits carried out;
- it reviews the Statutory Auditors' audit plan and the results of their audits. It receives a copy of the Statutory Auditors' post-audit letter setting out the main issues identified during their audit and describing the main accounting options selected;
- when the Statutory Auditors' term is due to expire, it oversees the Auditor selection procedure and reviews the proposals submitted by the various candidates, expresses an opinion on the proposed fee budgets for statutory audit work and makes recommendations to the Board of Directors on the choice of candidate;
- it validates the categories of additional audit-related work that the Statutory Auditors and the members of their networks may be asked to perform in accordance with the applicable laws and regulations;
- at the end of each year, it is informed of the fees paid by Group companies to the Statutory Auditors and the members of their networks during the year, including a detailed breakdown by type of engagement, and reports to the Board of Directors on these fees, as well as on its assessment of the Statutory Auditors' level of independence.

The Audit and Risks Committee comprises three to five members possessing the necessary technical knowledge to fulfill the Committee's duties. A majority of these members, including the Committee Chairman, must be independent directors.

The Audit and Risks Committee holds at least three meetings per year. One meeting – attended by the Senior Vice-President, Internal Audit – is devoted to reviewing the effectiveness of the system of internal control.

The Audit and Risks Committee may make enquiries of the Statutory Auditors without the executive directors and/or the Chief Financial Officer being present, after first notifying the Chairman and Chief Executive Officer.

Calls to meeting shall be issued by the Committee Chairman and include the meeting agenda. Meetings to review the interim and annual financial statements shall be held at least three days prior to the Board meeting called to approve the financial statements. The members of the Audit and Risks Committee must receive all necessary documents on a timely basis. When members are first appointed to the Committee, they are given detailed information about accounting, financial and operational issues that are specific to the Group. The Chairman and Chief Executive Officer, the Chief Financial Officer and the Statutory Auditors shall attend Audit and Risks Committee meetings as needed.

6.2. The Commitments Committee

The Commitments Committee is comprised of no more than five members. Meetings of the Committee may be called at any time, in writing or verbally, by the Committee Chairman or the Chairman and Chief Executive Officer.

The Commitments Committee's recommendations are adopted by a simple majority and must then be discussed by the Board of Directors before the commitments can be implemented by the Group. The Commitments Committee is therefore responsible for preparing Board meetings and making recommendations to the Board on the following matters:

- any mergers, demergers or asset transfers;
- any amendments to the Company's corporate purpose;
- any and all commitments or transactions for which the Chairman and Chief Executive Officer is required to obtain the Board of Directors' prior approval in accordance with Article 4. c) of these Bylaws.

6.3. The Compensation, Appointments and Corporate Governance Committee

The Compensation, Appointments and Corporate Governance Committee's role is to prepare the Board of Directors' decisions pertaining to the compensation of executive directors and the policy for granting options to purchase new or existing shares of Company stock and making stock grants, to prepare changes in the composition of the Company's management bodies, and to ensure that the principles of good corporate governance are properly applied.

To this end, it carries out the following tasks:

Appointments:

- it prepares recommendations, in liaison with the Chairman and Chief Executive Officer, regarding the succession of the executive directors and the selection of new directors. In selecting possible directors, the Committee shall take into consideration the desirable balance in the Board's composition, take special care that each candidate has the required capabilities and availability and ensure that the directors have the array of experience and skills necessary to enable the Board of Directors to carry out its duties effectively with the required objectivity and independence vis-à-vis both senior management and a given shareholder or group of shareholders;
- it shall be informed of the succession plan concerning members of the Group's Executive Committee.

Compensation:

- it studies and prepares recommendations regarding both the salary and bonus portions of the executive directors' short-term compensation, the granting of medium- and long-term incentives such as performance shares and stock options, all the provisions regarding their retirement plans and all other in-kind benefits;
- it defines and implements the rules for setting the bonus portion of the executive directors' compensation while ensuring that said rules are consistent with the annual appraisal of executive directors' performance and with the Group's medium-term strategy;
- it gives the Board an opinion regarding the general policy for granting stock options and performance shares, and the plans proposed by the Chairman and Chief Executive Officer;
- it is kept informed of and gives an opinion on the compensation policy for members of the Group Executive Committee and reviews the consistency of such policy;
- it issues a recommendation to the Board on the overall amount of directors' fees, which is submitted to shareholders for approval. It proposes to the Board rules for allocating said directors' fees and the individual amounts of the payments to be made as fees to the directors based on their attendance at Board and Committee meetings pursuant to Article 8 of these Bylaws;
- it reviews the policy and the projects proposed by the Chairman and Chief Executive Officer regarding employee share issues;

- it reviews the insurance coverage taken out by the Company regarding the civil liability of executive directors;
- it approves the information provided to shareholders in the Annual Report regarding (i) executive director compensation; (ii) the principles and procedures used to set such compensation; and (iii) the grant and exercise of stock options and the grant of performance shares.

Corporate Governance:

- it is tasked, in liaison with the Chairman and Chief Executive Officer, with issuing recommendations on implementing best corporate governance practices and preparing the assessment of the Board's work;
- it periodically reviews whether the directors meet the independence criteria defined by the Board and makes recommendations if it appears necessary to review the independent status of directors;
- it continuously monitors changes in the Company's ownership structure and determines how the Company's awareness of such changes could be improved, particularly through legal procedures;
- it reviews all cases where there is a conflict of interest concerning one or more shareholders and (i) the interests of the Company or (ii) the interests of the shareholders as a whole;
- it reviews the measures implemented within the Group concerning business ethics as well as any cases of conflict of interest concerning directors or members of the Executive Committee;
- it reviews and issues recommendations on best corporate governance practices, particularly concerning the membership structure of the Board of Directors;
- it prepares all matters for discussion between the Company and its shareholders relating to (i) changes in their equity interests; (ii) their representation in the Company's corporate governance structures; and (iii) any contractual commitments between them and the Company.

The Compensation, Appointments and Corporate Governance Committee comprises three to five members. A majority of these members, including the Committee Chairman, must be independent directors.

The Compensation, Appointments and Corporate Governance Committee shall hold at least three meetings per year. Calls to meetings are issued by the Committee Chairman and include the meeting agenda.

7. Secretary to the Board of Directors

Pursuant to the Company's Bylaws, the Board of Directors shall name a Secretary who need not be a director.

The Board Secretary's role is to call members to meetings of the Board of Directors when requested to do so by the Chairman and Chief Executive Officer and to prepare the draft minutes of the meetings of the Board of Directors, which are then submitted to the Board for approval. He or she is tasked with sending the working documents to the directors according to the procedure set forth in Article 3 of these Bylaws and in general responds to any request from directors for information pertaining to their rights and obligations, the Board's operation or the life of the Company.

His or her duties also include maintaining and updating the statements designed to prevent conflicts of interest, as provided for in Article 3 of the Board of Directors Code of Conduct.

Lastly, the Board Secretary shall attend the meetings of the Board Committees as needed at the request of the Chairman and Chief Executive Officer or the Committee Chairmen. He or she may also be tasked with sending the working documents to the Committee members.

8. Directors' fees

The annual amount of directors' fees approved by shareholders shall be allocated by the Board based on a recommendation by the Compensation, Appointments and Corporate Governance Committee.

Board members shall be entitled to a fixed portion of fees for their duties as directors and, as the case may be, their role as a member or Chairman of one or more Board Committees, as well as a variable portion of fees determined according to their actual attendance at Board or Committee meetings.

Distribution is based on the following principles:

- the annual amount of directors' fees shall be divided into an amount set aside for the Board and an amount set aside for the Board Committees, as determined by the Board of Directors. The amount for the Board Committees shall subsequently be divided equally among the three Committees;
- one-third of the amount set aside for the Board and for each Committee shall be used to pay the fixed portion of directors' fees, based on a lump sum determined by the Board and in line with the number of directors or Committee members concerned;
- two-thirds of the amount set aside for the Board and each Committee shall be used to pay the variable portion of directors' fees based on a per-meeting amount set by the Board depending on the total number of meetings held during the year;
- the Vice-Chairman of the Board of Directors shall receive the fixed portion of directors' fees payable to all directors as well as a fixed portion of a flat amount determined by the Board of Directors;
- Committee Chairmen shall receive a fixed portion of directors' fees equal to double the fixed portion payable to Committee members;
- directors who also hold the position of Chairman and Chief Executive Officer, Chief Executive Officer or Deputy Chief Executive Officer shall not receive any directors' fees;
- directors representing employees shall not receive any directors' fees. The directors' fees that they would have received shall not be distributed and instead the Group has pledged to allocate the equivalent amount to supporting Group employees in difficulty;
- directors' fees shall be paid no later than three months following the end of the previous fiscal year.

ANNEXE B

BOARD OF DIRECTORS CODE OF CONDUCT (AS AMENDED ON APRIL 29, 2014)

The Board of Directors collectively represents all the shareholders and acts in the Company's interest. Each director, regardless of the reasons for his appointment and his qualification by the Board of Directors as regards the independence criteria set forth in the AFEP/MEDEF Corporate Governance Code for listed companies, represents all the shareholders and as such adheres to the principles of conduct defined in this Code of Conduct.

The non-voting directors appointed by the Board of Directors and the Founding Co-Chairmen referred to in Article 21 of the Company's Bylaws shall be governed by all of the provisions of this Code of Conduct that are applicable to them.

Duty of due care

Directors shall carry out their duties as they see fit in the best interest of the Company. They shall strive at all times to improve their knowledge of the Group and its business lines and agree to be bound by a duty of vigilance and warning. They shall devote the necessary time and attention to their directorship in particular by attending the meetings of the Committees to which they belong, the meetings of the Board of Directors and the Shareholders' Meetings.

In addition to complying with the applicable statutes and regulations on the holding of several directorships, it is the responsibility of each director to ascertain whether his/her duties as a director of the Company are compatible with the directorships or positions that he/she holds in other companies in particular as regards the workload. Each director shall disclose periodically to the Company the directorships that he/she holds in any other company in order to enable the Company to comply with its statutory disclosure obligations in this regard.

Information

Directors have the duty to request the information that they deem necessary to carry out their duties from the Company's management *via* the Chairman and Chief Executive Officer or, where applicable, the Board Secretary. They shall have the right to meet with the Company's principal executives, whether or not in the presence of the Chairman and Chief Executive Officer, after having requested such a meeting from the Chairman and Chief Executive Officer.

When a new director takes up office, the Board Secretary shall provide him/her with an information package containing the Company's Bylaws, the Board of Directors Bylaws, the Board of Directors Code of Conduct as well as the principal statutes and regulations regarding directors' liability.

Directors may consult the Board Secretary at any time regarding the scope of said statutes and regulations and the rights and obligations incumbent on him/her.

Transparency and preventing conflicts of interests

Directors strive to remain independent in all circumstances as regards their analysis, judgment, decisions and actions.

Directors agree not to seek out or accept any benefit likely to call into question their independence.

Any director that is directly or indirectly in a position of a conflict of interests – even potentially – with respect to the interest of the Company because of the positions that he/she holds, and/or any interests that he/she has elsewhere, shall inform the Chairman and Chief Executive Officer or any individual designated by the Chairman and Chief Executive Officer. He/she shall abstain from the debates and decision-making on the matters concerned and may have to leave a Board meeting during the debate, and, where applicable, the vote.

When he/she takes up office, and subsequently every year no later than January 31, each director shall fill in a statement according to the template attached to this Code of Conduct in which he/she discloses any relationships of any kind with Group companies, their managers, suppliers, customers, partners or competitors.

He/she shall send this statement to the Chairman and Chief Executive Officer and a copy thereof to the Board Secretary.

Directors shall refrain from participating, directly or indirectly, in any transaction of any amount with a Group company involving the sale by said company of one or several hotel assets.

The Board of Directors shall deliberate on the rates granted to directors when staying in a non-official capacity in Group hotels.

Trading in Company securities by the directors

Directors have access to insider information. Such information, if made public, could impact the price of the Company's sharesor any other securities issued by the Company.

Pursuant to the applicable statutes and regulations, they shall be required:

- to refrain from using insider information to trade such securities either directly or *via* an intermediary;
- not to knowingly allow a third party to carry out such trading;
- not to disclose such information to third parties even through carelessness.

In addition, without prejudice to the statutes and regulations on insider trading, periods known as "negative windows" shall be determined each year. During such periods, directors shall refrain from trading the Company's shares or any other securities issued by the Company (including exercising stock options), either directly or *via* an intermediary, even *via* the trading of derivatives. Such periods shall consist of (i) 30 calendar days prior to the date of publication of the annual and interim consolidated financial statements, as well as the day of these publications and the following day, and (ii) 15 calendar days prior to the date of publication of quarterly revenue figures, as well as the day of these publications and the following day.

The exact dates of the "negative windows" shall be disclosed each year to the directors by the Board Secretary. If specific "negative windows" are set up in connection with financial or strategic transactions, the directors shall be informed immediately thereof by the Board Secretary.

Directors may not hedge the risks of losses on the Company shares or stock options they own.

Each director shall be responsible for reporting to the French securities regulator (*Autorité des Marchés Financiers*) and to the Company (to the attention of the Board Secretary) any trading involving the Company's shares or any other securities issued by the Company and carried out by him/her or individuals that are closely related to him/her, pursuant to applicable statutes and regulations.

Directors may consult the Board Secretary at any time regarding the scope of the "negative windows" system and on the conditions of its application to any specific case.

Duty of discretion and confidentiality

Pursuant to Article 15 of the Company's Bylaws, directors shall be bound by a duty of discretion and confidentiality in the interest of the Company. To that end, they undertake that they shall be responsible for maintaining the professional secrecy of all the confidential information to which they have access, the resolutions and the operation of the Board of Directors and of any Committees to which they may belong, as well as the content of the opinions issued or votes cast during Board or Committee meetings.

When requested by the Chairman and Chief Executive Officer, each director agrees to return or destroy immediately any document in his/her possession containing confidential information.

In addition, directors shall be required to consult with the Chairman and Chief Executive Officer prior to any personal disclosure that they may make in the media on matters involving or likely to affect the Group, the Company and/or its governing bodies. This provision shall not apply to directors who concurrently hold the position of Chief Executive Officer or Deputy Executive and who may have to make disclosures in that capacity in the name of the Company.

Shares owned privately

Pursuant to the Company's Bylaws, directors other than those representing employees must own 1,000 shares in the Company. Such shares and any shares acquired in excess of that number must be registered shares.

The permanent representatives of legal entities that are directors shall be subject to the same obligation.

The number of Company shares owned by each director (and each permanent representative of any legal entity that is a director), excluding that of Company shares owned by directors representing employees, shall be publicly disclosed by the Company.

3.2.2 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

3.2.2.1 INTERNAL CONTROL OBJECTIVES OF THE PARENT COMPANY

The Group applies the internationally recognized definition of internal control formulated by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). According to this definition, internal control is a process, effected by an entity's Board of Directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- effectiveness and efficiency of operations;
- reliability of financial reporting;
- compliance with applicable laws and regulations.

This definition complies with that set out in the Reference Framework for Risk Management and Internal Control Systems issued by the AMF, which states:

"Internal control is a Company's system, defined and implemented under its responsibility, which aims to ensure that:

- *laws and regulations are complied with;*
- *the instructions and directional guidelines fixed by Executive Management or the Management Board are applied;*
- *the Company's internal processes are functioning correctly, particularly those implicating the security of its assets;*
- *financial reporting is reliable; and*

generally, contributes to the control over its activities, to the efficiency of its operations and to the efficient utilization of its resources."

By helping to anticipate and control the risks involved in not meeting the objectives the Company has set for itself, the internal control system plays a key role in conducting and monitoring its various activities.

One of the objectives of the internal control system is therefore to anticipate and control the risks arising in the course of the Company's business, as well as the risk of errors or fraud, particularly in the areas of accounting and finance. However, as stated in the AMF's Reference Framework, internal control procedures cannot provide an absolute guarantee that the Company's objectives will be achieved, no matter how well the system is designed or how well the procedures are applied.

The following description of the Company's internal control and risk management systems was prepared based on the aforementioned Reference Framework and its application guide.

3.2.2.2 SUMMARY DESCRIPTION OF INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

The internal control and risk management procedures described below cover the parent company and all of its consolidated subsidiaries. Whenever a new entity is consolidated, it implements a systematic plan to deploy the internal control procedures and it is included in the audit plan on a priority basis. The Audit and Risks Committee pays particular attention to ensuring that these plans are properly implemented.

Overall organization of the internal control and risk management systems

Main participants

Internal control and risk management procedures are part of the policies defined by the Board of Directors and are implemented under the direct responsibility of the operating divisions and corporate functions. Internal control and risk management are everyone's responsibility, from executive officers to front-line employees.

In this regard, the main structures responsible for overseeing the internal control and risk management systems are as follows:

Executive Management

In accordance with the law and the Company's Bylaws, the Chairman and Chief Executive Officer represents the Company in its dealings with third parties and has the broadest powers to act on behalf of the Company in all circumstances. The situations where exercise of the Chairman and Chief Executive Officer's powers is subject to the prior approval of the Board of Directors are detailed in paragraph 3.2.1 of this report.

The Chairman and Chief Executive Officer has structured the Group around two core competencies:

- HotelServices: hotel operator and brand franchisor;
- HotelInvest: hotel owner and investor.

For the purpose of carrying out his duties, the Chairman and Chief Executive Officer is assisted by an Executive Committee which includes representatives from all of the operating divisions and corporate functions. This Committee comprises the following members:

- the Deputy Chief Executive Officer and CEO HotelServices, Latin America, who is in charge of Transformation and Legal Affairs and whose responsibilities also include Safety & Security and Internal Audit;
- the Chief Financial Officer;
- the Chief Talent & Culture Officer;
- the COO of HotelInvest;
- the Deputy Chief Executive Officer in charge of Marketing, Digital Media, Distribution and Information Systems;
- the CEO of Group Food & Beverage;
- the CEO of HotelServices, North America, Central America and the Caribbean;
- the CEO of HotelServices, Asia-Pacific;
- the CEO of HotelServices, United Kingdom, Ireland, Benelux, Switzerland, Russia and CIS;
- the CEO of HotelServices, Central and Eastern Europe;
- the CEO of HotelServices, France;
- the CEO of HotelServices, Mediterranean, Africa and the Middle East.

In addition, several corporate departments that provide services to both HotelServices and HotelInvest report directly to the Chairman and Chief Executive Officer, namely:

- the Group Business Development Department;
- the Strategy Department;
- the Institutional Relations Department;
- the Group Media Relations Department;
- the Corporate Brand, CSR and Internal Communications Department.

Group Finance

The Chief Financial Officer ensures that the Group's financial policies are properly implemented, in particular by circulating to the Divisions the accounting principles and standards used to prepare the consolidated financial statements.

The Group Finance function is organized around the following departments:

- the General Control Department, in charge of Group financial control, Group financial information systems, Group consolidation, accounting studies and policies and parent company accounting;
- the Group Corporate Treasury, Financing and Credit Management Department;
- the Group and France Tax Department, which is tasked with implementing and coordinating Group tax planning measures, particularly relating to cross-border transactions;
- the Financial Communication and Investor Relations Department, which is in charge of releasing information on the Group's strategy and results to the financial markets;
- the Finance Department of the company in charge of the Group's loyalty program and Distribution and Marketing management control;
- the Finance Mergers Acquisitions Department is responsible for monitoring and integrating acquisitions, mergers and Joint ventures;
- the Project Finance Department, which coordinates the Finance Department's cross-business projects.

Group Finance maintains regular contact with the Statutory Auditors, who audit the financial statements of the Company and the Group in accordance with the applicable laws and regulations.

Risk Management and Insurance

The Risk Management and Insurance Department coordinates the Group's structured process for identifying, analyzing and assessing risks and implementing risk prevention action plans adapted to the identified risks.

With the help of the Central Risks Committee and its network of local risk correspondents, it rolls out risk identification processes (*e.g.* risk mapping) and provides support to the Group's operational and corporate departments.

In particular, as part of the overall process for managing hotel risks, it defines, promotes and coordinates personal safety procedures in the Group's hotels and conducts inspections to ensure that these procedures are properly implemented by the people concerned.

As part of the Group's protection strategy, it is responsible for arranging appropriate coverage for the Group's risks, notably by setting up insurance policies.

Group Safety & Security

The Group Safety & Security Department advises and assists Executive Management in defining Group-wide safety and security policies. It is responsible for deploying, coordinating and monitoring measures aimed at preventing malicious damage in Group hotels and protecting our customers, employees and infrastructures. Its duties include consulting, performing audits, providing operational support and helping to find secure locations for new hotels in high-risk countries.

The Safety & Security Department tracks the safety and security situation in each of the Group's host countries on a daily basis, reviewing the geopolitical context and public health and hygiene conditions, as well as risks relating to extreme weather events and social unrest. It is backed by (i) a network of locally-based internal and/or external health and safety officers, (ii) correspondents within certain French and foreign government departments such as the Ministry of Health, the Ministry of Foreign Affairs, the Ministry of the Interior and the Ministry of Defense, and (iii) private-sector contacts (such as consultants and networks of French and non-French safety officers).

The Group has set up a structured, aligned crisis management organization with specifically-designated teams for the head office and the operating units, in order to quickly ensure the safety of customers, local employees, expatriates and onsite service providers in the event of a crisis.

The effectiveness of the crisis management procedures and systems put in place has been clearly demonstrated when dealing with local/and or regional crises.

At end-2015, the Safety & Security Department had an international network of 45 crisis management officers.

Corporate Internal Audit

Corporate Internal Audit, which has a dotted-line reporting relationship with the Group Internal Control Committee (cf. 3.2.2.5) and the Audit and Risks Committee, is the cornerstone of the internal control system. It is responsible for helping to develop internal control tools and standards, and for performing internal audits based on the annual audit program approved by the Group Internal Control Committee.

Corporate Internal Audit coordinates its audit plans with the Statutory Auditors' work plans. It is also responsible for coordinating the activities of the local Internal Audit Departments within the operational departments (Divisions).

At December 31, 2015, Corporate Internal Audit had a staff of ten auditors. In addition, Group Information Systems Internal Audit, which reports to Corporate Internal Audit, had a team of two auditors at that date.

Local Internal Audit Departments in the Divisions

The local Internal Audit Departments set up in the main Divisions report to their Division's Finance Director and have a dotted-line reporting relationship with Corporate Internal Audit. The sole exception to this rule is the local Internal Audit Department for the Europe, Middle East and Africa region, which reports directly to the Senior Vice-President, Internal Audit.

These local departments have direct ties with Corporate Internal Audit, thereby ensuring that they comply with the fundamental principles of conduct and independence and follow the standards required of the Internal Audit profession, as well as the methods recommended by the Group. These ties also guarantee that the local Internal Audit Departments are given adequate resources to fulfill their objectives.

At end-2015, the local Internal Audit Departments in the Divisions had a total of 22 auditors.

The accounting and financial information system

The Group's accounting and financial information system is designed to ensure the security, reliability, availability and traceability of information.

It is based on an interfaced reporting and consolidation system that covers substantially all of the Group's operations with the aim of providing consistent accounting data at company and Group level.

A specifically-designed user manual has been prepared and issued to the employees concerned, in order to guarantee that the systems are correctly used and that the information obtained is appropriate and relevant.

The Group has also set up processes to ensure the security of the accounting and financial information system, as well as the integrity of the data involved. These include regular back-ups and programmed controls that trigger warnings in the event of incorrect data entries.

The accounting and financial information system is regularly updated in line with the Group's specific needs.

Internal reporting

The Group ensures that relevant information is communicated in a timely manner to the appropriate persons so that they can exercise their duties in accordance with the Group's standards. To this end, a set of procedures defining best practices and reporting processes has been circulated internally.

Corporate values and principles

The Group's internal control system supports the corporate values expressed by the Board of Directors and Executive Management and communicated to all employees. AccorHotels has drawn up rules of conduct and integrity relating to employee behavior and relations with customers, shareholders, business partners and competitors, and in 2014 it replaced its Management Ethics Guide by a more comprehensive Ethics and Corporate Social Responsibility Charter. This new Charter provides a clear framework for the responsible conduct that the Group expects in terms of ethics, integrity, legal compliance and overall corporate social responsibility.

The Internal Audit Charter aims to provide a Group-level cross-functional view of Internal Audit resources and methodologies, as well as the methods used to communicate the results of internal audits. To this end, it defines the framework for Internal Audit activities within the Group, based on the professional standards issued by IFACI and other bodies, which set down strict Codes of conduct for internal auditors. The Charter also formally describes the role, membership and procedural rules of the Group Internal Control Committee, as well as the procedure to be followed by Corporate Internal Audit to coordinate the activities of the local Internal Audit Departments.

The Internal Audit Charter has been signed by the Group's Chairman and Chief Executive Officer, the Deputy Chief Executive Officer, the Chief Financial Officer, the Senior Vice-President, Internal Audit, and the members of the Internal Control Committee, whose structure and roles are described in section 3.2.2.5 below.

Procedure manuals and accounting principles

The Finance Manual issued to all Finance Departments within the Group describes the closing process for the monthly management accounts and sets out the Group's charts of accounts, consolidation principles, accounting standards and policies. It also addresses specific issues related to the investment approval procedure and includes the Treasury Charter, which describes cash management procedures, the principles to be followed concerning the holding of payment instruments and the approval of expenditures, as well as the role and organization of cash pooling systems. Employees can download the manual from the Group's Intranet.

In addition, a presentation of International Accounting Standards/International Financial Reporting Standards, providing details on how to apply the standards to the Group's specific circumstances, has been prepared by Group Finance and provided to the Group employees concerned.

Lastly, consolidation instructions detailing the financial reporting schedule and specific points concerning consolidation adjustments to individual financial statements are issued every quarter to the various Finance Directors and consolidation teams, and are archived on the Finance Intranet.

Internal procedure manuals

Internal procedure manuals have been produced for the main businesses. The purpose of these manuals is to structure and firmly establish Group procedural guidelines, based on an assessment of the specific internal control risks of each business.

Internal control procedures are implemented under the direct responsibility of the operating divisions and corporate functions and form part of an ongoing process of identifying, assessing and managing risks.

Internal control self-assessments The Group places considerable emphasis on preparing, issuing and monitoring internal control self-assessment procedures, which have now been rolled out to the majority of hotel operating units and head offices. These procedures interconnect with the Group's existing internal control standards and processes and are based on analyzing the internal control risks inherent in each business and identifying key control issues.

Data obtained from the internal control self-assessment process are periodically centralized at Division level, with the assistance of the internal auditors when required.

Internal Audit programs for units where the self-assessment system has been deployed include a quantitative measurement, *via* a rating system, of the gap between the self-assessment and the internal auditors' assessment of the level of internal control. By analyzing these gaps, it is possible to evaluate the quality of the self-assessment procedures implemented by the unit manager.

Internal Audit reports

A draft report is prepared after each Internal Audit, setting out observations, identified risks and recommendations. This report is sent to the management of the audited unit, which prepares an action plan when required. A summarized version of this draft report is also sent on request to the members of the Executive Committee.

The final report, which includes any corrective action plans prepared by the audited unit, is then sent to the managers in charge of overseeing operational and financial matters for the unit concerned.

The reports prepared by the local Internal Audit Departments are centralized by the Corporate Internal Audit Department and a summary of the work performed by these departments is presented to the Group Internal Control Committee.

The Audit and Risks Committee receives a quarterly summary of the internal audits carried out during the period, including a status report on the annual audit plan, an assessment of the quality of internal control in the audited units and the gap between the internal auditors' assessments and any self-assessments performed by the units, as well as the internal auditors' main observations, and action plans decided on by the parties concerned.

Once these reports are issued, Internal Audit tracks the action plans deployed by the auditees.

Reporting procedure

Group Financial Control is responsible for overseeing the reporting procedure specified in the Finance Manual. The procedure requires the Divisions to submit monthly reporting packages comprising an analysis of key business indicators and the main components of income, in the format prescribed by the Group. All reporting data submitted by the Divisions must be analyzable both by nature and by function.

The reporting procedure is designed to provide a detailed analysis of changes in financial and operating results, which helps the Group to provide support with resource allocation decisions and measure the efficiency of the various organizational structures in place.

3.2.2.3. IDENTIFYING AND ANALYZING RISKS

The Group identifies and analyzes the key risks that, if they occurred, would affect its ability to fulfill its objectives. It takes the appropriate measures to limit the probability and consequences of occurrences of risks identified as priority risks due either to their potential impact or likelihood.

As part of these measures, the Group has set up a Central Risk Management and Coordination Committee tasked with:

- monitoring the rollout of the yearly risk map;
- helping priority risk owners in their risk management processes;
- tracking the implementation of risk prevention plans put in place by these risk owners;
- ensuring that the risk management measures taken by business units and corporate functions are aligned.

The Committee's members are:

- the Deputy Chief Executive Officer;
- the CEO of HotelServices, France;
- the CEO of HotelServices, United Kingdom, Ireland, Benelux, Switzerland, Russia and CSI;
- the Chief Talent & Culture Officer;
- the Chief Safety and Security Officer;
- the Senior Vice-President, Internal Audit;
- the Senior Vice-President, Risk Management and Insurance.

The Committee met four times during the year to validate the risk mapping process.

Identifying risks

The Group is exposed to a number of risks in the normal course of business.

These risks, together with the related control procedures, are described in the "Risk Factors" section of this Registration Document. They mainly correspond to operational risks, environmental risks, legal risks (including litigation and arbitration risks), and financial risks. The "Risk Factors" section also includes a description of the Group's risk prevention and mitigation action plans.

Risk mapping

Internal control risk maps are prepared based on the Internal Audit assignments and above-mentioned self-assessments. These maps, which highlight issues that require priority action, are included in the relevant Internal Audit reports and are periodically presented in summary form to the Internal Control Committee and the Audit and Risks Committee.

A global risk map covering all internal and external risk factors has also been developed in order to obtain data in a standard form concerning the Group's levels of risk exposure as perceived by Executive Management and by each unit, and to prepare the appropriate action plans when required. Each risk is assessed based on the level of the potential loss it could cause, the probability of it occurring and how efficiently it is managed.

The Risk Management and Insurance Department helps the operating divisions to put in place corrective measures in order to mitigate the main identified risks.

As is the case every year, the results of the Risk Management and Insurance Department's work were presented to the Audit and Risks Committee in December.

3.2.2.4 CONTROL ACTIVITIES

To improve control of identified risks, the Group has set up control procedures that comply with its standards and cover both operating and financial information processes.

Authorization process for expansion capital expenditure and disposals

A procedure has been set up for the prior authorization of capital expenditure projects, to ensure that they comply with Group strategy and return-on-investment-criteria. The procedure requires formal authorizations to be obtained from the appropriate line and staff managers, in a standard format. A similar authorization procedure has been established for disposals.

As part of this process, the Group has a Business Development Committee, which is tasked with analyzing all projects representing over €150,000 concerning either directly owned hotels or hotels operated under franchise or management agreements. All projects for directly-owned hotels and hotels operated under management and franchise agreements that represent over €5 million are subsequently presented for final approval to the Group's Executive Committee. Likewise, the Executive Committee's approval is required for all projects in the luxury and high-end segments.

The Business Development Committee comprises the Chief Financial Officer; the COO of HotelInvest (for directly-owned projects); the HotelServices CEO of the region concerned (for management and franchise projects); the Senior Vice-President, Business Development and the Senior Vice-President, Strategy.

The Business Development Committee meets approximately once a month.

Preparing and controlling the consolidated financial statements

The consolidated financial statements are prepared by Group Finance based on information reported by the subsidiaries' Chief Executive Officers and Finance Directors. The format of the consolidation packages is determined by the Group.

The subsidiaries are responsible for the information contained in their consolidation packages and are required to make formal representations to Group Finance about the fairness of reporting data and its conformity with Group accounting standards and policies.

The Consolidation Department carries out systematic controls of the consolidation packages submitted by the subsidiaries. A detailed schedule for reviewing the packages has been prepared and sent to the employees concerned.

In connection with their audit of the consolidated financial statements, the Statutory Auditors audit the consolidation packages transmitted by the subsidiaries included in the scope of their audit. Corporate Internal Audit also reviews from time to time the proper application of Group accounting standards and policies by the subsidiaries, and reports to Group Finance any issues identified during the review.

As the final stage of the process, the consolidated financial statements are examined by the Group General Control Officer and the Chief Financial Officer prior to their review by the Audit and Risks Committee. The Board of Directors then approves the consolidated financial statements based on the recommendations of the Audit and Risks Committee.

Corporate Internal Audit assignments

Corporate Internal Audit carries out its audit assignments based on an audit program validated by the Internal Control and Audit and Risks Committees. The main types of assignments, as described in the Internal Audit Charter, are as follows:

- **operational audits**, which are aimed at evaluating the reliability and effectiveness of the operating units' internal control systems as well as ensuring that they comply with Group standards. These audits notably include checking on a regular basis that the internal control self-assessments have been properly performed by the operating units;
- **head office audits (corporate functions),** which are designed to optimize internal control procedures applied at the head office and ensure that the head office is able to fulfill its role of overseeing and supporting operating units as effectively as possible. When carrying out their assignments within the Group's units, Corporate Internal Audit teams also verify that the main risks identified in the risk map are being monitored appropriately;
- **organizational and procedural audits,** which are aimed at helping the Divisions to optimize and adapt their procedures and operating processes, notably when rolling out cross-functional projects that lead to a change in organizational structures;
- **specific audits,** which are review assignments that comply with the professional standards applicable to internal auditors and fall within their remit. They can concern issues applicable to one or more operating units or to a particular country, function or process.

As part of their assignments, Internal Audit teams perform due diligence reviews to verify compliance with the anti-corruption principles and procedures specified in the Group's Ethics and Corporate Social Responsibility Charter.

Assignments performed by the local Internal Audit Departments

These departments perform internal audits, either on a stand-alone basis or jointly with Corporate Internal Audit, in line with the program approved by their Division's Internal Control Committee. They also provide ongoing assistance to finance and operating departments in managing and monitoring internal control issues within their Division's operating units.

They use methods, tools (including internal control assessment processes) and work programs that have been approved by Corporate Internal Audit due to their direct ties with this department.

In accordance with ethical principles, the local internal auditors do not audit head office or cross-functional departments, due to possible conflicts of interest arising from the fact that the auditors work in the Divisions.

Assignments performed by Group Information Systems Internal Audit

Reporting to Corporate Internal Audit, the Information Systems Internal Audit Department carries out assignments throughout the Group. The main types of audit are as follows:

- **information systems audits,** which are performed to ensure that best practices are applied in relation to the organization and monitoring of the audited units' information systems;
- **audits of applications and processes,** which are aimed at ensuring that manual or automated checks in place provide an appropriate level of internal control in view of the operations covered by the applications concerned;
- **project management audits,** which are designed to validate the implementation of best project management practices;
- **IT security audits,** which help to ensure the security of the Group's technological platforms. They are primarily performed by the Information Systems Security Department, which reports to Group Information Systems, and in some cases in response to queries raised by Information Systems Internal Audit.

Control assignments performed by the Safety & Security Department and the Risk Management and Insurance Department

The Safety & Security Department and the Risk Management and Insurance Department also carry out control assignments throughout the Group on issues that fall within their respective remits.

3.2.2.5 MONITORING INTERNAL CONTROL AND RISK MANAGEMENT

Internal control and risk management procedures are regularly reviewed to ensure that they are appropriate and aligned with the Group's objectives, particularly in view of the risks specific to each business and the costs of performing the controls.

The main structures responsible for overseeing the internal control and risk management systems are as follows:

The Audit and Risks Committee

As described in the Board of Directors' Bylaws (Appendix A to this report set out in section 3.2.1 above), the Audit and Risks Committee carries out the following three main tasks in relation to internal control and risk management:

- it reviews the Risk Management policy and ensures that adequate systems are in place;
- it is informed every year of the updates to the risk map and the results of the monitoring processes carried out for the Group's main risks;
- it obtains assurance concerning the effectiveness of the Group's system of internal control, by reviewing the methods used to identify risks and the organizational principles and procedures of the Internal Audit Department. It is also informed of the Internal Audit program and given an overview of the internal audit findings.

Group Internal Control Committee

The Group Internal Control Committee comprises the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer and the other members of the Executive Committee (see list in the "Directors and Corporate Officers" section of this Registration Document). It also includes the Senior Vice-President, Internal Audit and the Finance Directors of the Group's main subsidiaries. The heads of the local Internal Audit Departments may also attend the meetings of the Committee at the invitation of their Division's Internal Control Committee members.

The Group Internal Control Committee guarantees the independence of the Internal Audit function. Its responsibilities are to:

- validate the annual Internal Audit program;
- review significant internal audit issues for the current year, in each of the audited areas, and approve the action plans for each audited unit;
- track changes in internal control levels within the Group;
- oversee the activities of the Internal Audit function, in terms of audit efficiency/optimization and the adequacy of the function's resources;
- track the action plans deployed by the auditees.

The Group Internal Control Committee meets once a year.

Division Internal Control Committees

Local Internal Control Committees have been set up in the Group's main operating divisions. Each Committee is chaired by the Division's Chief Executive Officer and comprises members of the operating units and finance departments, as well as the Senior Vice-President, Internal Audit. The Committees meet at least once a year to prepare the work program for the local Internal Audit Departments (where appropriate, based on the instructions issued by the Group Internal Control Committee), review the reports on the internal audits performed during the period and assess the progress of previously defined action plans.

3.3 STATUTORY AUDITORS' REPORT, ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF ACCOR

PREPARED IN ACCORDANCE WITH ARTICLE L.225-235 OF FRENCH COMPANY LAW (CODE DE COMMERCE)

This is a free translation into English of the statutory auditors' report issued in French prepared in accordance with Article L.225-235 of French company law on the report prepared by the Chairman of the Board of Directors on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information issued in French and is provided solely for the convenience of English speaking users.

This report should be read in conjunction and construed in accordance with French law and the relevant professional standards applicable in France.

Year ended December 31, 2015

To the Shareholders,

In our capacity as Statutory Auditors of ACCOR and in accordance with Article L.225-235 of French company law (*Code de Commerce*), we hereby report on the report prepared by the Chairman of your Company in accordance with Article L.225-37 of French company law (*Code de Commerce*) for the year ended December 31, 2015.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L.225-37 of French company law (*Code de Commerce*), particularly in terms of corporate governance.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- to attest that this report contains the other disclosures required by Article L.225-37 of French company law (*Code de commerce*), it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

INFORMATION ON THE INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board in accordance with Article L.225-37 of French company law (Code de Commerce).

OTHER DISCLOSURES

We hereby attest that the Chairman's report includes the other disclosures required by Article L.225-37 of French company law (*Code de commerce*).

Paris-La Défense and Neuilly-sur-Seine, March 17, 2016

The statutory auditors

French original signed by

ERNST & YOUNG et Autres	DELOITTE & ASSOCIÉS
Jacques Pierres	Pascale Chastaing-Doblin

3.4 RISK MANAGEMENT

3.4.1 RISK MANAGEMENT STRATEGY

3.4.1.1 GLOBAL RISK MANAGEMENT SYSTEM

AccorHotels Risk Management system is underpinned by a structured approach for identifying, analyzing and assessing risks and implementing appropriate prevention and protection action plans.

The system is aimed at:

- preventing major risks that may jeopardize the achievement of the Group's objectives;
- protecting guests, employees, brands, assets, partners and franchisees, as well as the clientele portfolio;
- informing stakeholders of the risks to which the Group is exposed.

It is structured around:

- a prospective management of the uncertainty;
- a global Risk Management system that focuses on all type of risk;
- a common system for both Corporate and the operating regions.

In addition, the Group has set up a Central Risk Management and Coordination Committee, whose [broad] remit includes monitoring the risk mapping process and the implementation of priority risk prevention and protection action plans.

One of the core aims of this approach is to ensure that identified risks are properly taken into account and addressed using a standard methodology whenever possible.

3.4.1.2 RISK MANAGEMENT AND INSURANCE

The Risk Management and Insurance Department comprises six people and is tasked with ensuring that processes for identifying, analyzing and preventing risks are properly implemented correctly, as well as analyzing risks and prevention measures. It also arranges financially optimal insurance coverage for risks the Group does not wish to assume directly, particularly *via* the insurance programs described in section 3.4.4.

Moreover, in light of the strategic importance of data for the Group and the related risks, the position of Data Risk Manager was created in 2015 within the Risk Management and Insurance Department to help identify and prevent such risks.

3.4.1.3 GROUP SAFETY & SECURITY

The Group Safety & Security Department advises and assists Executive Management in defining Group-wide safety and security policies. It is responsible for deploying, coordinating and monitoring measures aimed at preventing malicious damage in Group hotels and protecting our employees, guests and infrastructures. Its duties include consulting, performing audits, providing operational support and helping to find secure locations for new hotels in at-risk countries.

The Safety & Security Department tracks the safety and security situation in each of the Group's host countries on a daily basis, reviewing the geopolitical context and public health and hygiene conditions, as well as risks relating to extreme weather events and social unrest. It is backed by (i) a network of locally-based internal and/or external health and safety officers, (ii) correspondents within certain French and foreign government departments such as the Ministry of Health, the Ministry of Foreign Affairs, the Ministry of the Interior and the Ministry of Defense, and (iii) private-sector contacts (such as consultants and networks of safety officers based in France and internationally).

Obviously, 2015 was dominated by the various acts of terrorism that affected the countries in which the Group does business, particularly France. The Euro 2016 football championships in France and the Olympic Games in Brazil both represent major upcoming security challenges and the Group's preparations are already underway.

3.4.2 RISK FACTORS

The risk mapping process is based on the value creation process for the assessment of major risks. A major risk is defined as a risk that negatively impacts the Group's ability to achieve its human, financial or reputational objectives.

Assessing risks based on a Group-wide threat landscape makes it possible to position each risk on a matrix in relation to two criteria: probability of occurrence and intensity of impact. Each individual risk assessment is also weighted by the current risk control level.

3.4.2.1 RISKS RELATED TO THE BUSINESS ENVIRONMENT

Risk mapping makes it possible to identify the risks to which the Group is exposed in each region and to provide a consolidated overview of major risks worldwide. Due to the nature of the Group's activities, the fact that risks are spread across a very wide number of locations throughout the world limits their severity.

3.4.2.1.1 Risks related to the legislative and regulatory environment

In response to the difficult economic environment, some governments may be tempted to introduce new taxes or increase existing ones (*e.g.* carbon tax, VAT etc.). Changes in tax legislation are regularly monitored by our teams, who work with trade associations to effectively foresee these decisions and assess their impact.

More specifically, global concern about environmental issues, and more particularly about climate change in the wake of the COP 21, may lead to stricter regulatory requirements. The regulatory situation is continuously monitored by the Group in order to anticipate changes and build them into them into its sustainable development policies and standards.

3.4.2.1.2 Risks related to the geopolitical, health and labor environment

- **Risks relating to malicious damage and terrorist threats:** geopolitical developments, population movements and major international events (FIFA World Cup, Euro 2016 football championships, etc.) expose the Group's hotels to specific terrorist threats. To effectively protect itself against the main threats identified against its establishments, the Group draws on a strategy that is adapted to the severity of the estimated risks related to each structure concerned. It has also put in place a monitoring system as well as specific security measures that evolve in line with the developments of each situation.
- **Public health risks:** AccorHotels tracks on an ongoing basis any public health risks that could harm its guests or employees or adversely affect its business continuity. In response to the risk of epidemics, annually-updated business continuity plans are in place to ensure the continuity of its hotel operations, while also ensuring the health and safety of guests and employees. A program has long been in place to prevent the development and spread of legionella bacteria in the Group's hotels (see section 3.4.3.1).

3.4.2.1.3 Risks related to the competitive landscape

New market entrants, new competitor product offerings, alliances or mergers between competitors or changes in customer consumption patterns (furnished rentals, house and apartment swaps, etc.) impact the Group in various ways in different regions. Consequently, maintaining the customer appeal of our brands is a key priority for the Group, which constantly works towards making AccorHotels an innovation leader and developing products to avoid competitive erosion.

In an environment shaped by the accelerating pace of change both in technologies and in guest behavior, the Group has announced the roll-out of a €225-million investment plan that will engage AccorHotels in a wide-ranging digital transformation aimed at consolidating its leadership across the guest experience value chain.

3.4.2.1.4 Risks related to the economic environment

The economic slowdown in China and emerging economies could culminate in a regional – or even a worldwide – recession and the Group could experience a significant falloff in business due to reduction in travel. Cost-control measures have already been identified in the case of such an event.

3.4.2.1.5 Risks related to the geographic environment

The Group's business could be negatively impacted, either directly or indirectly, by natural disaster such as floods, earthquakes or cyclones that may be linked to climate change. When these risks are foreseeable, temporary protection measures are put in place. For seismic risks in particular, drills are carried out by teams in the countries concerned, so that they can respond effectively in the event of an earthquake.

3.4.2.1.6 Risks related to the social environment

The Group could be faced with a major media event capable of damaging its brand image. For example, an accident caused by a breach of health and/or safety rules or human rights abuses or unethical conduct by a supplier could lead to a smear campaign against the Group. The Group has responded to these risks by implementing monitoring tools to detect early warning signs, prevention tools based on supplier vetting procedures, and dedicated crisis management and communication procedures ready to be activated should such an event occur. In addition, employees are given specific training on how to prevent cases of sex tourism involving minors in hotels.

3.4.2.2 RISKS RELATED TO THE STRATEGY

3.4.2.2.1 Risks concerning relations with business partners

For various different reasons such as conflicts of interest or divergent strategies, a deterioration in the relations between the Group and its business partners may result in situations of conflict or jeopardize the renewal of certain contracts. However, relationships of trust and the attractiveness of the Group's brands are key vectors in the contract renewal process.

3.4.2.2.2 Risks related to the confidentiality of strategic data

AccorHotels faces competition from other hotel groups in deploying its organic and external growth strategies. In particular, information on strategic, business and competition-related issues concerning organic growth and acquisitions and information relating to the Group's customers are considered to be highly sensitive. If such data were to be disclosed, it could have adverse consequences for the Group. Measures are therefore in place to raise employee awareness about confidentiality and to enhance the security and access control of our Intranet sites.

3.4.2.3 OPERATIONAL RISKS SPECIFIC TO THE GROUP'S BUSINESS AND ORGANIZATION

3.4.2.3.1 Regulatory and legal risks

The Group is not subject to any specific regulations that could have a major impact on its operations.

In addition, as AccorHotels operates on a global scale, no specific regulations are applicable across all of its businesses. AccorHotels and its subsidiaries are subjected to local legislation and regulations, in particular national regulations applicable to public access buildings.

Like all hotel operators, AccorHotels is required to comply with the applicable disabled access regulations. This issue has long been addressed and most of the Group's hotels already have wheelchair-friendly rooms, but further expenditure may be required in the coming years to further enhance hotel accessibility.

In general, the Group is exposed to the risk of liability in proceedings that may be brought against it before the courts or administrative authorities.

Information concerning claims, litigation and arbitration proceedings that could have – or in 2015 had – a material effect on the Group's financial position, business or results of operations is provided in note 30 to the consolidated financial statements on page 242 of this Registration Document. Management considers that apart from the cases described in said note, there are no governmental, legal or arbitration proceedings (including any threatened proceedings of which the Group was aware as of the date of filing) that could have – or in 2015 had – a material effect on the Group's financial position, business or results of operations.

Liabilities are recognized and provided for in accordance with the applicable accounting standards (see note 2 to the consolidated financial statements on page 184).

If the Group receives a summons in a legal action, an assessment of the related risk is carried out jointly with its external counsel and based on this assessment a provision is recognized where appropriate. Details of these provisions are presented in note 26 to the consolidated financial statements on page 237.

3.4.2.3.2 Industrial and environmental risks

In its risk identification process, AccorHotels considers that potential environmental risks in the hotels business mainly concern the storage of gas and fuel oil in or near hotels, the malfunction of transformers containing polychlorinated biphenyls (PCBs), spillage of chemical cleaning products, contamination from cooling towers and inappropriate treatment of hazardous waste.

In general, the risk of causing environmental damage remains low in the hotels business. In Europe, however, these risks are assessed with environmental inspections performed during onsite visits by insurance company experts.

More particularly, given that the Group uses very few toxic or hazardous products, there is little risk of accidental pollution likely to have an impact beyond its hotels. In seawater spas, however, procedures have been introduced to alert the public authorities in the event of non-compliant wastewater analyses.

Asbestos was used in the construction of certain hotels at a time when it was not yet prohibited. The use of asbestos in our buildings is now, however, completely forbidden. When hotel buildings containing asbestos are renovated, very strict protocols are implemented to protect workers, in compliance with the applicable local regulations.

Most of the Group's hotels are located in Europe and are subject to EU directives in the following main areas:

- environmental responsibility;
- building energy efficiency;
- waste management, including non-hazardous waste (particularly packaging), electrical and electronic equipment, and hazardous waste (particularly batteries and compact fluorescent light bulbs);
- management of cooling fluids;
- management of chemical substances (compliance with the REACH directive).

In France, certain installations are covered by regulations relating to facilities listed for environmental protection purposes and must therefore be registered in accordance with the relevant procedures.

To mitigate the possibility of the above environmental risks occurring in any hotel worldwide, prevention policies have been put in place, based on:

- the proprietary SET software program, which measures compliance with Safety, Environmental and Technical regulations, as described in the corporate responsibility section of this Registration Document on page 65;
- deployment of the ISO 14001 certification program, as described in the corporate responsibility section of this Registration Document on page 65;
- specific procedures implemented by the country organizations.

Exogenous risks, which mainly arise when hotels are located near industrial sites or airports, are identified and taken into account during onsite visits by insurers.

The risk mapping exercise conducted by the Risk Management Department, which covered all of the Group's operations, did not report any major information concerning the environment. As a result, no provisions were set aside for environmental risks in 2015.

3.4.2.3.3 IT-related risks

Group information systems may be subject to attacks, such as viruses and denial-of-service attacks, as well as data theft and technical failures causing system shutdown. The Information Systems Security Department is tasked with securing all of our networks and systems and managing the applications necessary for our business continuity. In tandem, it regularly performs intrusion tests on all of our applications assets. The Group also has a specific Information Systems Internal Audit team, which reports to Corporate Internal Audit and is dedicated to ensuring that information systems work effectively and securely. In 2015, the central systems obtained PCI DSS certification, a key factor in the prevention of IT-related risks.

3.4.2.3.4 Human resources risks

Although management regularly holds constructive talks with employee representatives, both at head office and local level, certain strategies and/or financial decisions could give rise to local disputes or strikes that could adversely affect the business continuity.

Depending on the country, the Group pays close attention to any understaffing or lack of properly qualified managers at its hotels that may jeopardize the quality of customer service provided.

3.4.2.4 FINANCIAL RISKS

In the course of its business, the Group is exposed to financial risk, particularly in the areas of liquidity, counterparties, currencies and interest rates. Policies are in place to manage these risks with the three objectives of security, liquidity and an acceptable return. Most are deployed centrally by the Corporate Treasury, Finance and Credit Management Department, which reports directly to the Chief Financial Officer, who is a member of the Executive Committee.

3.4.2.4.1 Liquidity risk

Centralized cash management enables the Group to offset cash needs and cash surpluses internally, in addition to or instead of raising funds in the financial markets.

AccorHotels' financing policies are designed to ensure that it has immediate, timely access, at the lowest possible cost, to all the liquid resources it needs to meet short-term cash requirements, finance its strategy and fund expansion.

It has contracted undrawn long-term committed credit lines with leading financial institutions to meet its short-term financing needs (see note 23.3 to the consolidated financial statements on page 230). At December 31, 2015, AccorHotels had undrawn long-term committed lines in a total amount of €1,800 million expiring in June 2019.

At that date, the Group also had €2,799 million in cash investments with an average maturity of 2.4 months, fully available at any time (see note 23.8.3 to the consolidated financial statements on page 233). These investments consisted mainly of short-term deposits with leading financial institutions.

Consequently, at December 31, 2015, AccorHotels had a total of €4,599 million in available liquidity resources.

The Group also has access to the financial markets and, depending on its needs, can secure diversified medium and long-term financial resources (on debt and equity markets, bank borrowings, etc.) to finance its development.

Moreover, AccorHotels has no significant debt repayments due before 2017 (€633 million in 2017) (see the debt maturity schedule in note 23.3 to the consolidated financial statements on page 230).

AccorHotels is not subject to any restrictions on the use of its funds that could significantly impact its operations.

The maturities of the Group's financial assets and liabilities were as follows at December 31, 2015:

	Within 1 year	Between one and three years	Beyond three years	Total
Bonds	0	617	1,965	2,582
Bank and other borrowings	22	27	80	129
Finance lease liabilities	19	2	51	72
Derivatives (liabilities)	15			15
Bank overdrafts and other	54	3		57
Financial liabilities	**110**	**649**	**2,096**	**2,855**
Marketable securities	(2,799)			(2,799)
Other current financial assets	(251)			(251)
Current financial assets	**(3,050)**			**(3,050)**
NET DEBT	**(2,940)**	**649**	**2096**	**(194)**

None of Accor's loan agreements include any rating triggers. However, certain agreements include acceleration clauses that may be triggered in the event of a change of control, *i.e.* if a third party acquires more than 50% of the Company's voting rights. In the case of bonds, the acceleration clause can be triggered only if the change of control leads to the Company's credit rating being downgraded to non-investment grade.

For the syndicated line of credit negotiated in June 2014, the acceleration clause can be triggered if the Group does not comply with the leverage ratio covenant (consolidated net debt to consolidated EBITDA).

None of the Group's loan agreements include a cross default clause requiring immediate repayment in the event of default on another facility. Cross acceleration clauses only concern loans with maturities of at least three years; these clauses would be triggered only if material amounts were concerned.

The ratings assigned to AccorHotels by Standard & Poor's and Fitch Ratings are as follows:

Rating agency	Long-term debt	Short-term debt	Most recent rating update	Outlook	Most recent outlook update
Standard & Poor's	BBB-	A-3	02/24/2010	Stable	03/09/2012
Fitch Ratings	BBB-	F3	07/02/2009	Stable	05/25/2011

Standard & Poor's and Fitch Ratings confirmed AccorHotels' ratings and outlooks on December 16, 2015 and December 12, 2015 respectively.

3.4.2.4.2 Counterparty and country risk

While the Group is exposed to counterparty risk in the course of its financial management, the actual risk is non-material due to the breadth and geographic diversity of the Group's customer and supplier portfolio.

This risk is managed by:

- carrying out transactions only with leading counterparties, depending on country risks;
- diversifying the portfolio of counterparties;
- setting exposure limits per counterparty; and
- continuously monitoring counterparties' creditworthiness (based on credit ratings issued by rating agencies).

In view of the Group's broad geographic footprint, country risk is limited.

Cash pooling arrangements set up by the Corporate Treasury, Financing and Credit Management Department are used to manage most cash investments.

3.4.2.4.3 Currency and interest rate risks

A variety of financial instruments, including swaps and forward purchases and sales of foreign currencies, are used to manage and hedge interest rate and currency risks arising in the normal course of business. The use of these instruments forms part of the Group's investment, financing and hedging policies designed to help manage debt and minimize risks on business transactions. A dedicated treasury management information system is used to track the breakdown of debt by fixed/floating rate and currency.

Management of currency risks

Long-term investment policy

When AccorHotels invests directly or indirectly in a foreign subsidiary, the investment is generally made in the subsidiary's local currency. These are very long-term positions and so far, the policy has been not to hedge the related currency risk.

Financing

An internationally recognized signature allows AccorHotels to raise various forms of financing, including through bond issues, private placements and bank loans.

From time to time, the Group also takes advantage of market opportunities to raise financing in a given currency and at a given rate of interest and then use a swap to convert the facility into the currency and interest rate required to finance business needs (see note 23.4 to the consolidated financial statements on page 231).

Generally, the Group's policy is to finance its assets and operating requirements in the currency of the country concerned in order to create a natural hedge and avoid any currency risk.

By using its subsidiaries' surplus cash as well as the financial instruments described above, the Group is able to optimize the cost of its resources while reducing currency risks.

Other currency hedges

Currency hedges are rarely used other than for financing transactions because revenues are generally denominated in the same currency as the related operating costs.

The Group does not generally hedge currency risk arising on the translation of foreign subsidiaries' financial statements.

At December 31, 2015, the volume of forward sales and purchases of foreign currencies represented €46 million and €126 million respectively. All of the related instruments expire in 2016.

Management of interest rate risks

After currency hedging, 84% of consolidated gross debt is denominated in euros, with 85% at fixed rates and 15% at floating rates. An analysis of the Group's exposure to interest rate risks before and after hedging is provided in note 23.4 to the consolidated financial statements on page 231). Target breakdowns between fixed and floating rate debt (for new borrowings or the repayment of existing borrowings) may be modified to reflect anticipated trends in interest rates and changes in the composition of the Group's consolidated debt.

These target breakdowns are reviewed at regular intervals by the Corporate Treasury, Financing and Credit Management Department and revised targets for future periods may be submitted to Executive Management.

At December 31, 2015, the volume of interest rate hedges represented €721 million.

The interest rate and currency instruments used by the Group are contracted with banks based on the model recommended by the French Banking Federation.

AccorHotels does not conduct any speculative transactions and has no plans to engage in any financial transactions that are not connected to the Group's general requirements for its business. Neither the parent company nor the Group has any open currency or interest rate positions that would be likely to expose the Group to significant risks.

3.4.2.4.4 Sensitivity Analysis

Based on reported 2014 data, sensitivity analyses have been performed to measure the impact on EBIT of any changes in (i) RevPAR (revenue per available room, as calculated by multiplying the occupancy rate by the average room rate) and (ii) the euro exchange rate against the main operating currencies. A sensitivity analysis has also been conducted to assess the impact on operating profit before tax and non-recurring items of fluctuations in interest rates.

Sensitivity to RevPAR

A 1% change in RevPAR would impact EBIT as follows:

Sensitivity to RevPAR

1% decrease in RevPAR	HotelServices	HotelInvest	Total
Impact on EBIT(1)	€(3) million	€(16) million	€(19) million

(1) Earnings before interest and tax.

Sensitivity to RevPAR

1% increase in RevPAR	HotelServices	HotelInvest	Total
Impact on EBIT(1)	€4 million	€11 million	€15 million

(1) Earnings before interest and tax.

In absolute value, a 1% decline in RevPAR has a larger impact on EBIT[1] than a 1% increase.

Any rebound in hotel demand initially results in an increase in occupancy rates. This feeds through to higher variable costs, which in turn weigh on growth in EBIT. In a second phase, the stronger demand drives an increase in average room rates, which does not affect operating costs and therefore has a stronger impact on growth in EBIT. The flow-through ratio[2] for a 1% increase in RevPAR resulting from higher average room rates is higher than the flow-through ratio[2] for a 1% increase in RevPAR resulting from higher occupancy rates.

(1) Earnings before interest and tax.

(2) When like-for-like revenue goes up, the ratio of the change in like-for-like EBITDAR/change in like-for-like revenue is known as the flow-through ratio.

Sensitivity to exchange rates

A 10% increase or decrease in exchange rates would have the following impact on EBIT:

Sensitivity to exchange rates

Currency		EBIT(1) impact of a 10% increase/decrease in exchange rates
GBP	United Kingdom	€9.9 million
BRL	Brazil	€1.9 million
AUD	Australia	€2.7 million
CHF	Switzerland	€2.5 million
USD	United States, Southeast Asia	€3.2 million
PLN	Poland	€2.8 million

(1) Earnings before interest and tax.

Sensitivity to interest rates

Based on the Group's net debt and amount of invested cash, a 50-basis point rise in interest rates would feed through to a €12 million increase in consolidated interest income.

3.4.3 PREVENTION

3.4.3.1 HOTEL RISK PREVENTION

Addressing guest expectations in the area of safety management is a key priority for AccorHotels. To help prevent or the primary risks faced by a hotel, such as fires and food or health-related incidents, Group-wide safety procedures are in place:

- hotels must comply with local building and fire protection legislation, in such areas as regular inspections of utilities and equipment, employee training and evacuation drills. They are also subject to the additional criteria set out in our fire safety policy. These are based on the Management Building System (MBS) methodology developed by HOTREC, the umbrella association for hotels, restaurants and cafés in Europe, which is recognized throughout the region;
- for more than ten years, a maintenance and inspection program – that includes preventative measures – has helped to combat the development and spread of legionella bacteria, with samples taken annually from hotel installations and analyzed by outside laboratories. In addition, hotels track the risk of Legionnaire's disease *via* the SET regulatory monitoring application (see page 65). Country organizations take action to ensure compliance with consumer safety and other legislation, in accordance with local standards;
- in addition, kitchen health inspections are performed by using the Hazard Analysis & Critical Control Points (HACCP) system and applying a similar process to the one used for legionella bacteria inspections.

3.4.3.2 SAFETY AND SECURITY AND PROTECTING GUESTS AND EMPLOYEES

AccorHotels has a duty to ensure the physical protection of its guests, employees and equipment against both accidents, such as fire or an outbreak of legionella bacteria, and deliberate acts of malfeasance and crime in its hotels. To cover these risks, a global strategy is deployed across every host country to anticipate and respond appropriately to all potential risks.

The Corporate Safety & Security Department, reporting directly to Deputy Chief Executive Officer Sven Boinet, is responsible for deploying the Group's security and safety policies, developing preventive measures and coordinating an in-house, multi-disciplinary network. The policy and procedures implemented at Group level cover all the hotels, regardless of their operating structure (owned, leased, managed or franchised). Externally, the department also leads the host country diplomatic network and cooperates with local authorities, in particular in response to court orders and warrants.

The situation in each host country is tracked on a daily basis, with an emphasis on geopolitical issues, health conditions, weather events and social tensions. In addition, a constant watch is kept on the changing nature of criminal activities. For more information on the role of the Corporate Safety & Security Department, please refer to pages 124 and 125.

3.4.3.3 SECURITY: PREVENTING MALFEASANCE AND CRIME

To prevent criminal acts and protect hotel guests from violence, various security measures are deployed in hotels, depending on the local situation, the site's vulnerability and the international context. In at-risk areas, these include measures to prevent kidnappings, strengthen security in the event of a terrorist alert, and evacuate guests in an emergency situation.

Various resources are used to support and verify the effective implementation of these security policies:

- safety, security and risk management audits are regularly conducted by the Security and Risk Management Department and the country teams in charge of hotel security. They aim in particular to raise awareness of hotel security risks and provide technical recommendations both before and after construction. Onsite and online training and regular briefings with hotel managers on operational issues ensure that security measures are effectively integrated into day-to-day operations;
- security issues are also included in the Products & Services audits (conducted once a year at each hotel) to determine the level of security in place and deploy the necessary action plans to ensure consistency across the network.

AccorHotels is also extremely vigilant about prostitution and human trafficking, which may occur in its hotels without its knowledge. It has therefore implemented various procedures for preventing, detecting and combating such activities in its hotels. The Ethics and CSR Committee is sponsoring an information awareness-action kit to be circulated throughout all hotels in 2016.

Since 2014, to address the growing risk of a terrorist attack and to assume his responsibility as corporate leader for the safety of his employees, the Chairman and Chief Executive Officer transferred oversight of the crisis management system to the Senior Vice-President, Safety & Security. Security at each hotel is adapted to the perceived or actual threat on the ground. In addition, warnings and safety instructions were reiterated in the countries concerned and hotels were urged to liaise closely with the local authorities.

Employees traveling abroad on business are provided with information and updates concerning their countries of destination and the business Travel Tracker, which went live in 2014, is used to track employee air travel. From 2016 on, AccorHotels will monitor its employee travel – and enhance employee security – in a more systematic manner and a dedicated app is currently in the design phase. Any decision to repatriate an employee may be sent by text or e-mail if this should be deemed necessary.

In 2015, as the number of new cases declined, the unit tasked with tracking the Ebola epidemic was gradually wound down.

3.4.3.4 DATA RISK MANAGEMENT

Customer data protection is of paramount importance for the Group. As the risk of cyber attacks increases, AccorHotels is focusing primarily on developing a prevention system that is dedicated to personal data protection. Best PCI-DSS practices are being applied throughout the Group's hotels and now form a major component of our data protection arsenal.

3.4.3.5 INTERNAL CONTROL AND AUDIT

See "Corporate Internal Audit assignments" Chapiter 3.2.2.4.

3.4.3.6 ETHICS & CSR CHARTER

The Ethics & CSR Charter described in Chapter 2 is designed to ensure that the Group complies with all of the applicable laws and regulations, including the International Labour Organization's fundamental conventions. It presents the Group's values and provides a frame of reference for the Group's business ethics commitments.

3.4.4 PROTECTION

3.4.4.1 CRISIS MANAGEMENT

The Group has set up a structured, aligned crisis management organization with specifically-designated teams for the head office and the operating units, in order to quickly ensure the safety of guests, local employees, expatriates and onsite service providers in the event of a crisis.

A Group-wide definition of what constitutes a crisis was circulated in 2014 to harmonize crisis assessment criteria in all of the various countries. Hotels, countries and regions are accountable for handling crises on the ground and are in contact with Corporate on a round-the-clock basis.

The effectiveness of the crisis management procedures and systems put in place has been clearly demonstrated over the past few months.

At end-2015, the Safety & Security Department had an international network of 45 crisis management officers.

3.4.4.2 BUSINESS CONTINUITY

The implementation of business continuity plans is intented to become systematic and to be seen as a risk mitigation tool available to risk owners.

3.4.4.3 TRANSFERRING RISK: INSURANCE

Due to the nature of the Group's activities, the fact that risks are spread across a very wide number of locations throughout the world limits their severity. Property and business interruption cover is determined based on the Group site with highest the estimated maximum loss. In the case of liability insurance, estimated maximum loss has been benchmarked with industry practices, taking into account the fact that hotels are sometimes located in large property complexes or near sensitive sites such as airports or train stations.

The majority of the Group's risks are covered by a global insurance program that comprises all risks policies (subject to named exclusions) covering property, business interruption and liability risks. In accordance with the Group's insurance policy, as validated by the Executive Committee, this program is being extended wherever possible under local laws and regulations.

As part of a move to standardize insurance coverage across the Group's banners, since January 1, 2011, the owners of franchised and managed hotels can benefit from the Group program.

This program offers:

- separate property and casualty coverage for AccorHotels and the hotel-owning subsidiaries on the one hand, and for the owners of franchised and managed hotels on the other;
- the possibility for owners of franchised and managed hotels to benefit from some of the Group's liability coverage, so as to enhance the compensation paid out to guests in settlement of their claims.

As the coverage for owned properties is separate from that for franchised and managed hotels, the maximum coverage that the Group needs to take out is €150 million per policy for property claims.

In the case of liability claims, the maximum per claim coverage currently stands at €500 million.

Protection against natural disaster risk is a particular priority and special terms have been negotiated on a country-by-country basis wherever possible in the local insurance markets for owned hotels on the one hand and for franchised and managed hotels on the other. Similarly, specific coverage has been taken out for terrorism risks for countries where local coverage is not mandatory and where it is possible to do so under local legislation. This coverage is renewed each year.

All frequent property and liability risks covered by the Group's global insurance program are self-insured through an owned reinsurance company, with all units sharing the related costs. The least frequent but more severe risks are reinsured in the global market in order to limit the Group's commitments and avoid exhausting the capacity of the reinsurance subsidiary. Direct access to the reinsurance markets provides the Group with a more diverse range of market players, creating beneficial competition and a wider range of options.

Local insurance programs have been set up in certain countries, such as Australia, the United States and India. In Australia and New Zealand, heavy exposure to natural disaster risks combined with favorable conditions in the local insurance market prompted the Group to take out local coverage for property and casualty and business interruption risks. In India, insurance legislation has made local programs mandatory.

As it has not suffered any major uninsured losses, AccorHotels deems that its insurance coverage is adequate. The same is true for its self-insurance system capacity, based on the loss experience.

The Group organizes fire prevention inspections to reduce risk exposure and obtain cover on a cost-effective basis, taking into account conditions in the insurance and reinsurance markets. Changes in market insurance rates are closely tracked and, where appropriate, risks are self-insured in order to limit the insurance costs incurred by the various businesses and to avoid steep increases. The centralized risk management system rolled out in 2008 has enabled tighter tracking of the loss experience, allowing the Technical Department to take swift measures to reduce the related risk exposure. In 2013, new functions were added to this system, making it possible to systematically track fire prevention measures and perform fire risk self-assessments.

Other forms of global insurance, such as for construction-related risks and fraud, are also set up centrally in order to optimize insurance costs and ensure the quality of purchased coverage. Moreover, in view of the importance of customer data and IT security in the AccorHotels business model, it has taken out cyber liability insurance cover.

3.5 INTERESTS AND COMPENSATION

3.5.1 DIRECTORS' AND OFFICERS' COMPENSATION

COMPENSATION POLICY FOR EXECUTIVE OFFICERS

The Company's compensation policy for its executive officers complies with the AFEP/MEDEF Code.

The compensation paid to executive officers is determined by the Board of Directors based on recommendations put forward by the Compensation, Appointments and Corporate Governance Committee, and is benchmarked to compensation practices among large French companies.

The compensation packages of executive officers comprise the following:

- fixed compensation, which takes into account the officer's experience and responsibilities as well as market practices;
- annual variable compensation, which is contingent on the officer's contribution to the Group's success, particularly in terms of financial performance;
- long-term incentive instruments, which are all subject to performance conditions and are aimed at closely aligning executive officers' interests with those of the Company's shareholders and encouraging them to deliver long-term performance.

In accordance with the AFEP/MEDEF Code, these compensation packages will be submitted to an advisory vote at the Annual Shareholders' Meeting and a separate presentation will be included in the notice of meeting.

Compensation payable to Sébastien Bazin

The Board of Directors set Sébastien Bazin's **fixed annual compensation** at €850,000 for 2013, 2014 and 2015.

Given that Mr. Bazin's fixed annual compensation has not changed since 2013 and in light of a benchmarking analysis of the fixed compensation awarded to CEOs of CAC 40 companies, the Board of Directors has decided to increase Mr. Bazin's fixed annual compensation to €950,000 in 2016, representing an increase of 11.76%.

For 2015, the Board decided that Mr. Bazin's **variable compensation** would represent between 0% and 150% of an annual reference amount of €1,250,000, based on the achievement of the following objectives:

- quantitative objectives:
  - consolidated EBIT in line with the 2015 budget (25% weighting),
  - free cash flow (excluding acquisitions and disposals), after change in working capital, in line with the 2015 budget (25% weighting),
  - Accor's TSR compared with that of eight other international hotel groups (Marriott, Starwood, Choice, Hyatt, Whitbread, Intercontinental Hotels, NH Hoteles and Melia) (10% weighting),
  - Accor's TSR compared with that of other CAC 40 companies (10% weighting);
- qualitative objectives:
  - implementation of the strategic roadmap (organizational performance, employee relations, business strategy and market perception) (20% weighting),
  - general assessment by the Board (10% weighting).

The achievement rate of each of these objectives triggers the payment of between 0% and 150% of the amount allocated to them.

Following an assessment of the degree to which Sébastien Bazin's objectives had been achieved, at its meeting on February 17, 2016 the Board set his variable compensation for 2015 at €1,506,875, breaking down as:

- €944,375 for the quantitative objectives, which were 107.9% met overall (100% for Accor's TSR *versus* the TSR of eight other international hotel groups, 0% for Accor's TSR *versus* the TSR of other CAC 40 companies and non-disclosable for the two other objectives, which relate to the budget, in view of their confidential nature);
- €562,500 for the qualitative objectives, which were 150% met overall (150% for the implementation of the strategic roadmap and 150% for the Board's general assessment).

Consequently, Mr. Bazin's total variable compensation for 2015 represented 121% of the annual reference amount (and 177% of his fixed compensation for the year).

On December 11, 2015 the Board decided that Mr. Bazin's variable compensation **for 2016** will represent between 0% and 150% of an annual reference amount – unchanged from the previous year – of €1,250,000, based on the achievement of the following objectives:

- quantitative objectives:
  - consolidated EBIT in line with the 2016 budget (25% weighting),
  - free cash flow (excluding acquisitions and disposals), after change in working capital, in line with the 2016 budget (25% weighting),
  - Accor's TSR compared with that of eight other international hotel groups (Marriott, Starwood[(1)], Choice, Hyatt, Whitbread, Intercontinental Hotels, NH Hoteles and Melia) (10% weighting),
  - Accor's TSR compared with that of other CAC 40 companies (10% weighting),
  - a combination of three criteria: customer satisfaction, level of employee engagement, and sustainable development and CSR performance (10%);
- qualitative objectives:
  - strategy implementation (10% weighting),
  - general assessment by the Board (10% weighting).

Each quantitative objective, depending on the degree to which it is met, can trigger the payment of between 0% and 160% of the share of variable compensation it represents, and each qualitative objective between 0% and 120%. Total variable compensation cannot exceed 150% of the annual reference amount.

(1) The groups used for this comparison may change in 2016, depending on the outcome of the planned Starwood-Marriott merger.

Compensation payable to Sven Boinet

Sven Boinet's **fixed annual compensation** for 2015 corresponded to €200,000 for his executive officer's position and €400,000 under his employment contract for his salaried position.

At its meeting on December 11, 2015 the Board of Directors decided that these amounts would remain unchanged for 2016.

For 2015, the Board decided that Mr. Boinet's **variable compensation** would represent between 0% and 150% of an annual reference amount of €600,000, based on the achievement of the following objectives:

- quantitative objectives:
  - consolidated EBIT in line with the 2015 budget (25% weighting),
  - free cash flow (excluding acquisitions and disposals), after change in working capital, in line with the 2015 budget (25% weighting),
  - Accor's TSR compared with that of eight other international hotel groups (Marriott, Starwood, Choice, Hyatt, Whitbread, Intercontinental Hotels, NH Hoteles and Melia) (10% weighting),
  - Accor's TSR compared with that of other CAC 40 companies (10% weighting);
- one qualitative objective: management of the Group's transformation process (particularly the performance of the HotelServices/HotelInvest organization, employee relations and management culture) (30% weighting).

The achievement rate of each of these objectives triggers the payment of between 0% and 150% of the amount allocated to them.

Following an assessment of the degree to which his objectives had been achieved, at its meeting on February 17, 2016 the Board set Mr. Boinet's variable compensation for 2016 at a gross amount of €723,300, breaking down as:

- €453,300 for the four quantitative objectives, which were 107.9% met overall (100% for Accor's TSR *versus* the TSR of eight other international hotel groups, 0% for Accor's TSR *versus* the TSR of other CAC 40 companies and non-disclosable for the two other objectives, which relate to the budget, in view of their confidential nature);
- €270,000 for the qualitative objective, which was 150% met.

Consequently, Mr. Boinet's total variable compensation for the year represented 121% of the reference amount.

On December 11, 2015, the Board decided that Mr. Boinet's **variable compensation for 2016** will represent between 0% and 150% of an annual reference amount – unchanged from the previous year – of €600,000, based on the achievement of the following objectives:

- quantitative objectives:
  - consolidated EBIT in line with the 2016 budget (25% weighting),
  - free cash flow (excluding acquisitions and disposals), after change in working capital, in line with the 2016 budget (25% weighting),
  - Accor's TSR compared with that of eight other international hotel groups (Marriott, Starwood[1], Choice, Hyatt, Whitbread, Intercontinental Hotels, NH Hoteles and Melia) (10% weighting),
  - Accor's TSR compared with that of other CAC 40 companies (10% weighting),
  - a combination of three criteria: customer satisfaction, level of employee engagement, and sustainable development and CSR performance (10%);
- one qualitative objective, corresponding to the management of the Group's transformation process (particularly the performance of the HotelServices/HotelInvest organization, employee relations and management culture) (20% weighting).

Each quantitative objective, depending on the level of achievement, can trigger the payment of between 0% and 160% of the share of variable compensation it represents, and each qualitative objective between 0% and 120%. Total variable compensation cannot exceed 150% of the annual reference amount.

Termination benefits

Compensation payable to Sébastien Bazin in the event of loss of office as Chairman and Chief Executive Officer

The Board of Directors decided that the **compensation payable** to Sébastien Bazin **in the event of loss of office** would be equal to twice the aggregate amount of his fixed and variable compensation due for the fiscal year preceding that of the loss of office. This termination benefit would only be payable if (i) the applicable performance criteria are met, and (ii) his departure is involuntary, *i.e.* if Mr. Bazin's term of office as Chairman and Chief Executive Officer is terminated (except in the event of gross or willful misconduct) or if he is not re-elected as a director. It would not be payable if Mr. Bazin resigns or decides not to stand for re-election as a director, if he moves to a new position within the Group, or if he would be able to claim his full-rate pension within a short period of time.

The performance criteria applicable to the termination benefit are as follows:

- consolidated return on capital employed for the previous three years must have exceeded the Group's cost of capital as published in the Registration Documents for those years;
- operating free cash flow must have been positive in at least two of the previous three years;
- like-for-like EBITDAR margin must have exceeded 27.5% in at least two of the three previous years.

These performance criteria would be applied as follows:

- if all three criteria were met, the compensation would be payable in full;
- if two of the three criteria were met, half of the compensation would be payable;
- if none or only one of the three criteria is met, no benefit would be due.

Compensation payable to Sven Boinet in the event of loss of office as Deputy Chief Executive Officer

The Board of Directors decided that the **compensation payable** to Mr. **Boinet in the event of loss of office** would amount to €600,000, plus the amount of variable compensation due to him for the fiscal year preceding that of the loss of office, and less any termination benefit due for the termination of his employment contract. This termination benefit would only be payable if (i) the applicable performance criteria are met, and (ii) his departure is involuntary, *i.e.* if Mr. Boinet's term of office as Deputy Chief Executive Officer were terminated (except in the event of gross or willful misconduct). It would not be payable if Mr. Boinet resigns or moves to a new position within the Group, or if he would be able to claim his full-rate pension within a short period of time.

(1) *The groups used for this comparison may change in 2016, depending on the outcome of the planned Starwood-Marriott merger.*

The performance criteria applicable to the termination benefit are as follows:

- consolidated return on capital employed for the previous three years must have exceeded the Group's cost of capital as published in the Registration Document for those years;
- operating free cash flow must have been positive in at least two of the previous three years;
- like-for-like EBITDAR margin must have exceeded 27.5% in at least two of the three previous years.

These performance criteria would be applied as follows:

- if all three criteria were met, the compensation would be payable in full;
- if two of the three criteria were met, half of the compensation would be payable;
- if none or only one of the three criteria is met, no benefit would be due.

Supplementary pension benefits

The Chairman and Chief Executive Officer, Deputy Chief Executive Officer and several dozen other senior executives are members of a **supplementary pension plan** set up within the Company. This plan complies with the recommendations contained in the AFEP/MEDEF Code, as described below.

The overall plan comprises an "Article 83" **defined contribution plan**, set up in accordance with Article L. 911-1 of the French Social Security Code, and an "Article 39" **defined benefit plan**, established in accordance with the provisions of Article L. 137-11 of the same code.

Both plans have been outsourced to an accredited organization, to which the relevant contributions are paid.

Under the **defined contribution plan**, members are entitled to a pension annuity (with the possibility of survivor benefits), which is determined based on the contributions paid by the Company for each year of their membership of the plan. The annual contribution paid by the Company for each plan member corresponds to 5% of the member's gross compensation received for the year concerned, capped at five times the annual ceiling used for calculating French social security contributions (the "PASS"). The maximum contribution paid by AccorHotels for 2015 therefore amounted to €9,510[(1)]. Eligible members of this plan are executives who have served with the Group for at least one year and whose gross compensation is higher than four times the PASS, *i.e.* €152,160 for 2015. In accordance with the French Social Security Code, if a plan member leaves the Group before the date of retirement, he or she retains the rights accrued under the plan.

Under the **defined benefit plan**, members are entitled to a pension annuity (with the possibility of survivor benefits) provided they remain with the Group until they retire. Each member progressively acquires their entitlement, calculated each year for which they are a plan member based on their annual reference compensation[(2)]. Each year of plan membership represents between 1% and 3% of the reference compensation, depending on the compensation brackets concerned, *i.e.*:

- portion of reference compensation representing between 4 and 8 times the PASS: 1%;
- portion of reference compensation representing between 8 and 12 times the PASS: 2%;
- portion of reference compensation representing between 12 and 24 times the PASS: 3%;
- portion of reference compensation representing between 24 and 60 times the PASS: 2%.

The entitlement for any given year of plan membership therefore corresponds to the aggregate of the amounts accrued for each of the above compensation brackets. The amount of the final pension annuity equals the sum of the entitlements calculated for each year.

Two ceilings are applied to the final amount of the pension annuity:

- the amount of the gross annuity may not exceed 30% of the member's last reference compensation;
- for members whose last reference compensation was more than 12 times the PASS, the overall replacement rate represented by pension benefits payable under government-sponsored plans and Accor supplementary pension plans is capped at 35% of the average of their best three years' reference compensation in the ten years prior to retirement.

Approximately 80 executives were eligible for this plan in 2015.

To be eligible for a pension under the defined benefit plan, when they retire, members must have participated in the plan for at least five years or have served with the Group for at least fifteen years. If they do not meet this requirement, they are not entitled to any payments under the plan. The pension annuity payable under the defined benefit plan will be reduced by the amount of the annuity payable under the above-described defined contribution plan.

For example, for a reference compensation of €1,000,000 in 2015, provided that all of the plan's eligibility criteria are met, the entitlement is calculated as follows:

- 1% for compensation representing between 4 times the PASS (€152,160) and 8 times the PASS (€304,320), corresponding to 1% of €152,160, *i.e.* €1,522 (a);
- 2% for compensation representing between 8 times and 12 times the PASS (€456,480), corresponding to 2% of €152,160, *i.e.* €3,043 (b);
- 3% for compensation representing between 12 times and 24 times the PASS (€912,960), corresponding to 3% of €456,480, *i.e.* €13,694 (c);
- 2% for compensation representing between 24 times the PASS and €1,000,000 (the reference compensation), corresponding to 2% of €87,040, *i.e.* €1,741 (d).

The sum of these components – *i.e.* (a)+(b)+(c)+(d) – represents a total potential annuity entitlement of €20,000 for 2015.

This calculation is performed for each year of plan membership based on the member's reference compensation, the applicable PASS for that year and any adjustment related in particular to changes in the value of the AGIRC pension point. The final annuity corresponds to the aggregate of the annual amounts thus calculated.

This total final annuity under the defined benefit plan corresponds to an overall amount that includes any annuity to which the member would be entitled under the Company's defined contribution plan, *i.e.* the defined contribution plan annuity is not added to the defined benefit plan annuity.

(1) *For the defined contribution plan, the employer's contribution recognized by Accor in its financial statements for 2015 for each of the Company's two executive officers corresponded to a gross amount of €9,510.*

(2) *The reference compensation corresponds to total gross fixed and variable compensation plus any exceptional bonus paid during the reference year.*

Both Sébastien Bazin and Sven Boinet were eligible for these supplementary pension plans in 2015. The potential annuity entitlements accrued in 2015 for Mr. Bazin and Mr. Boinet amounted to €44,384 and €26,239 respectively, on the basis of fixed and variable compensation of €2,219,188 paid in 2015 for Mr. Bazin and €1,311,978 for Mr. Boinet. The actual payment of these accrued entitlements will be subject to (i) Mr. Bazin and Mr. Boinet meeting the plans' eligibility criteria when they retire, and (ii) any future changes to the applicable laws and regulations.

Taxation of these Group plans under the French system of social levies can be summarized as follows:

- defined contribution plan: (i) the Company pays the 20% forfait social levy due on compensation that is exempt from social security contributions, which is calculated on the Company's total contribution to the plan and (ii) plan participants pay the *Contribution Sociale Généralisée* (CSG) and *Contribution au Remboursement de la Dette Sociale* (CRDS) levies, which are calculated on the basis of the portion of the Company's contribution allocated to them;
- defined benefit plan: the Company has irreversibly elected to pay the social security tax contribution at the rate of 32% on annuities paid to plan participants who retired on or after January 1, 2013 and 16% on annuities paid to plan participants who retired before that date. For their part, plan participants are liable for the CSG and CRDS levies, a national health insurance contribution and the *Contribution Additionnelle de Solidarité pour l'Autonomie* (CASA) social levy, calculated in each case on the amount of their annuities in the same way as for other income replacements. In the specific case of annuities received under defined benefit pension plans (top hat plans), a *Contribution Sociale* levy is also due by the retiree at a rate that varies depending on the amount of the annuity and the retirement date.

Unemployment insurance

A private insurance plan has been set up with *Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise* (GSC) to provide the Chairman and Chief Executive Officer with unemployment benefits should the need arise. The benefits under this plan would be based on net taxable professional-source income for the previous year, and would be payable as from the 31st unbroken day of unemployment.

The maximum length of time that Sébastien Bazin could be paid benefits under the plan is 24 months, and the total amount of benefits is capped at €386,160 (based on the applicable rate for 2016).

ANALYSIS OF DIRECTORS' AND OFFICERS' COMPENSATION

Analysis of compensation paid to executive officers

The following tables provide a summary of the total gross compensation and benefits paid and stock options and performance shares granted by the Group to its executive officers for 2014 and 2015.

Table 1: Summary of compensation, options and shares awarded to each executive officer (Table 1 – AFEP/MEDEF Code)

Sébastien Bazin **Chairman and Chief Executive Officer since August 27, 2013**	**2014**	**2015**
Compensation due in respect of the financial year (see Table 2 for details)	2,280,192	2,415,339
Value of the stock options awarded during the financial year (see Table 5 for details)	-	-
Value of the performance shares awarded during the financial year (see Table 11 for details)(1)	1,655,000	1,536,000
TOTAL	**3,935,192**	**3,951,339**

(1) In accordance with the AFEP/MEDEF Corporate Governance Code, performance shares are measured at their theoretical value – corresponding to Accor's opening share price on the grant date less the present value of unpaid dividends – rather than at the value of the compensation received. Performance shares are forfeited if the grantee leaves the Group before the shares vest or if the performance conditions are not met.

Sven Boinet **Deputy Chief Executive Officer since December 2, 2013**	**2014**	**2015**
Compensation due in respect of the financial year (see Table 2 for details)	1,329,654	1,340,976
Value of the stock options awarded during the financial year (see Table 5 for details)	-	-
Value of the performance shares awarded during the financial year (see Table 11 for details)(1)	827,500	768,000
TOTAL	**2,157,154**	**2,108,976**

(1) In accordance with the AFEP/MEDEF Corporate Governance Code, performance shares are measured at their theoretical value – corresponding to Accor's opening share price on the grant date less the present value of unpaid dividends – rather than at the value of the compensation received. Performance shares are forfeited if the grantee leaves the Group before the shares vest or if the performance conditions are not met.

Table 2: Summary of compensation paid to each executive officer (Table 2 – AFEP/MEDEF Code)

	Due for the year		Paid during the year	
	2014	2015	2014	2015
Sébastien Bazin **Chairman and Chief Executive Officer since August 27, 2013**				
Fixed compensation(1)	850,000	850,000	850,000	850,000
Variable compensation(2)	1,369,188	1,506,875	502,778	1,369,188
Directors' fees(3)	-	-	33,100	-
Benefits-in-kind(4)	61,004	58,464	61,004	58,464
TOTAL	**2,280,192**	**2,415,339**	**1,446,882**	**2,277,652**
Sven Boinet **Deputy Chief Executive Officer since December 2, 2013**				
Fixed compensation(1)	600,000	600,000	600,000	600,000
Variable compensation(2)	711,978	723,300	-	711,978
Directors' fees(3)	-	-	-	-
Benefits-in-kind(4)	17,676	17,676	17,676	17,676
Discretionary profit-sharing(5)	2,446	ND	-	2,446
Statutory profit-sharing(5)	718	ND	-	718
TOTAL	**1,332,818**	**1,340,976**	**617,676**	**1,332,818**

The above amounts are presented in euros on a gross pre-tax basis.
(1) The fixed compensation of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer is paid in the year in which it is earned.
(2) Variable compensation is calculated and paid at the beginning of the year following the year in which it was earned.
(3) Directors' fees paid in 2014 in relation to 2013 to Sébastien Bazin cover his term of office as a director of the Group before he became Chairman and Chief Executive Officer.
(4) Corresponding to (i) a company car for Sébastien Bazin and Sven Boinet, (ii) the benefits under the unemployment insurance policy taken out by the Company for Sébastien Bazin as described on page 142, and (iii) tax and asset management advisory services provided by an external company to Sébastien Bazin (capped at 50 hours) and Sven Boinet (capped at 25 hours). The latter was payrolled in the first quarter of 2016.
(5) Statutory and discretionary profit-sharing are paid in the year following that for which they are due. The amount disclosed for statutory profit-sharing includes any additional profit-sharing bonuses paid.

Table 3: Summary of commitments given to executive officers (Table 10 – AFEP/MEDEF Code)

			Compensation or benefits payable in the case of:		
	Employment contract	Supplementary pension benefits(1)	termination/ removal from office(2)	transfer to a new position within the Group	Non-compete indemnity
Sébastien Bazin Chairman and Chief Executive Officer since 08/27/2013	No	Yes	Yes	No	No
Sven Boinet Deputy Chief Executive Officer since 12/02/2013	Yes(3)	Yes	Yes	No	No

(1) See page 141 for details of the supplementary pension plans of which the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer are members.
(2) See pages 140 and 141 for details of these types of compensation and benefits payable to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer.
(3) On November 26, 2013, the Board of Directors appointed Sven Boinet as Deputy Chief Executive Officer in charge of the Group's Transformation, effective December 2, 2013. It also authorized the Company to enter into an employment contract with Mr. Boinet for him to serve as Director in charge of Legal Affairs and South America.

Compensation paid to other senior executives

The total gross compensation and benefits paid in 2015 by the Group's French and non-French companies to the members of the Executive Committee – in its form as at December 31, 2015 and not including the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer, whose compensation is described above – amounted to €6,171,000, including aggregate gross variable compensation of €2,526,000.

Provisions set aside at December 31, 2015 for pensions and other post-employment benefits payable to senior executives are presented in note 26 to the consolidated financial statements on page 237.

Directors' fees

On February 21, 2012, the Board amended the provisions of its Bylaws concerning the individual allocation of directors' fees, notably by increasing the variable portion based on actual attendance at Board and Committee meetings.

Consequently:

- the annual amount of directors' fees is divided into an amount set aside for the Board and an amount set aside for the Board Committees, as determined by the Board of Directors. The amount for the Board Committees is subsequently divided equally among the three Committees;
- one-third of the amount set aside for the Board and for each Committee is used to pay the fixed portion of directors' fees, based on a lump sum determined by the Board in line with the number of directors or Committee members concerned;
- two-thirds of the amount set aside for the Board and each Committee is used to pay the variable portion of directors' fees based on a per-meeting amount set by the Board depending on the total number of meetings held during the year;
- the Vice-Chairman of the Board of Directors receives the fixed portion of directors' fees payable to all directors as well as a fixed portion corresponding to a lump sum determined by the Board of Directors;
- Committee Chairmen receive a fixed portion of directors' fees equal to double the fixed portion payable to Committee members;
- directors who also hold the position of Chairman and Chief Executive Officer, Chief Executive Officer or Deputy Chief Executive Officer do not receive any directors' fees;
- directors representing employees do not receive any directors' fees. The directors' fees that they would have received are not distributed and instead the Group has pledged to allocate the equivalent amount to supporting Group employees in difficulty;
- directors' fees are paid no later than three months following the end of the fiscal year for which they are due.

Based on the maximum gross amount of €575,000 in directors' fees approved by shareholders at the Annual Meeting on May 30, 2011, the Board allocated a total gross amount of €544,289[1] to its members for 2015 in accordance with its amended Bylaws. The following table shows a breakdown of directors' fees paid to the Board's members in 2014 and 2015.

Table 4: Directors' fees and other compensation received by non-executive directors (Table 3 – AFEP/MEDEF Code)

	Due for the year				Paid during the year			
	2014		2015		2014		2015	
Board of Directors *(in euros)*	**Fixed portion**	**Variable portion**	**Fixed portion**	**Variable portion**	**Fixed portion**	**Variable portion**	**Fixed portion**	**Variable portion**
Jean-Paul Bailly	18,154	47,901	15,859	36,095	23,413	51,120	18,154	47,901
Thomas J. Barrack (2)	N/A	N/A	N/A	N/A	7,117	5,942	N/A	N/A
Sébastien Bazin (3)	N/A	N/A	N/A	N/A	10,517	22,582	N/A	N/A
Philippe Citerne	41,332	42,274	39,443	42,419	38,014	37,033	41,332	42,274
Iliane Dumas (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mercedes Erra	15,820	36,689	16,258	27,572	15,259	33,285	15,820	36,689
Sophie Gasperment	18,461	40,361	16,656	42,650	18,247	43,990	18,461	40,361
Jonathan Grunzweig	6,493	10,062	12,674	19,011	N/A	N/A	6,493	10,062
Iris Knobloch	13,675	28,710	12,276	27,283	10,075	21,195	13,675	28,710
Bertrand Meheut	18,958	31,681	16,258	27,823	19,935	33,967	18,958	31,681
Virginie Morgon	13,675	34,261	12,276	29 296	15,946	35,637	13,675	34,261
Nadra Moussalem	17,657	44,277	16,258	33,192	10,918	24,414	17,657	44,277
Patrick Sayer	22,442	38,357	20,637	40,946	22,191	48,387	22,442	38,357

(1) In accordance with Article 8 of the Board of Directors' Bylaws, the director representing employees does not receive directors' fees. The Company has pledged to allocate the equivalent amount to the Solidarity Accor fund.
(2) Directors' fees paid in relation to Mr Barrack's position as director up until April 25, 2013, date of the term of his mandate.
(3) Directors' fees paid in relation to Mr. Bazin's position as director up until August 27, 2013, the date on which he was appointed Chairman and Chief Executive Officer.

3.5.2 EXECUTIVE OFFICERS' AND EMPLOYEES' INTERESTS IN THE CAPITAL OF THE COMPANY

AccorHotels grants regularly stock-based incentive plans for executive officers, as well as for senior and middle managers. The terms and conditions of the plans are determined by the Board of Directors, which then gives the Chairman and Chief Executive Officer the necessary powers to carry out the grants. In accordance with the AFEP/MEDEF Corporate Governance Code, the plans issued in 2015 were launched during the same period as in previous years.

STOCK OPTION PLANS

Stock option plans issued in 2015

The company has not issued any stock option plans for its employees or executive officers since the stock options granted on September 26, 2013.

Table 5: Stock options granted to each executive officer in 2015 (Table 4 – AFEP/MEDEF Code)

None.

Stock options exercised in 2015

Table 6: Stock options exercised by each executive officer in 2015 (Table 5 – AFEP/MEDEF Code)

None.

Achievement levels of performance conditions for outstanding stock option plans

Each year, the Board of Directors places on record the achievement level of the performance conditions applicable under the performance stock option plans granted for executive officers and other members of the Executive Committee. Consequently, at its meeting on February 17, 2016, the Board placed on record the degree to which the performance condition for the plans outstanding in 2015 had been met. The Board's assessment related to a single external performance condition based on Accor's Total Shareholder Return (TSR) relative to eight other international hotel groups (Marriott, Starwood, Choice, Hyatt, Whitbread, Intercontinental Hotels, NH Hoteles and Melia), as described in note 20.5 to the consolidated financial statements.

The achievement level of this performance condition is measured for each of the four years of the vesting periods under the plans. Each year, the beneficiary may acquire between 0% and 37.5% of the options originally granted depending on the vesting criteria stipulated by the Board of Directors when the plan was issued and the achievement level of the performance conditions in the period under review. However, the total number of options that may be exercised at the end of the four-year vesting period is capped at 100% of the number of options originally granted.

Table 7: Summary of the achievement level in 2015 of the performance condition for stock option plans

Plan	Grant date	Performance condition	Achievement level	Number of options vested in 2015	Maximum number of options that could have vested in 2015
Plan 26	03/27/2012	Accor's Total Shareholder Return (TSR) relative to that of eight other international hotel groups(1)	3rd	11,844	17,766
Plan 27	09/26/2013	Accor's Total Shareholder Return (TSR) relative to that of eight other international hotel groups(2)	3rd	10,000	15,000

(1) Calculated over the period from January 1, 2015 to December 31, 2015.
(2) Calculated over the period from September 1, 2014 to August 31, 2015.

Table 8: Historical information concerning stock options granted to employees and executive officers (Table 8 – AFEP/MEDEF Code)

Stock savings warrants plans and stock option plans	Plan 16[5]	Total stock savings warrants	Plan 17	Plan 18	Plan 19
Grant date	09/13/2007		03/28/2008	09/30/2008	03/31/2009
Date of Board of Directors' decision			02/26/2008	08/27/2008	02/24/2009
Date of Shareholders' Meeting approval			01/09/2006	05/13/2008	05/13/2008
Total number of grantees	40		1,022	6	1,138
Total number of options granted[1]	2,139	2,139	2,080,442	110,052	1,429,456
Of which to executive officers	-	-	94,250	–	131,950
Of which to the top ten employee grantees[2]	-	-	303,108	110,052	190,008
Exercisable from	09/13/2010		03/29/2012	10/01/2012	04/01/2013
Expiry date	09/13/2015		03/28/2015	09/30/2015	03/31/2017
Exercise price *(in euros)*	40.08		30.81	28.32	18.20
Options exercised in 2015	**789**	**789**	**788,590**	**31,320**	**295,057**
Total options exercised at 12/31/2015	**789**	**789**	**1,721,400**	**102,544**	**1,000,168**
Total options cancelled at 12/31/2015[3]	**1,350**	**1,350**	**359,042**	**7,508**	**166,317**
Options outstanding at 12/31/2015	**-**	**-**	**-**	**-**	**262,971**

(1) After adjustments following the Group's July 2, 2010 demerger, made to all of the plans apart from Plans 22, 23, 24, 25, 26 and 27.
(2) Excluding executive officers.
(3) Options cancelled due to grantees leaving the Group or performance conditions not being met. Cancellations due to failure to meet performance conditions are carried out at the end of the last performance measurement period.
(4) All options granted subject to performance conditions.
(5) Granted in connection with employee share issues.
(6) The condition that the grantee must still be a member of the Group has been waived for Denis Hennequin and Yann Caillère.

Plan 20	Plan 21	Plan 22	Plan 23	Plan 24	Plan 25	Plan 26	Plan 27	Total stock options
04/02/2010	02/04/2010[4]	11/22/2010	04/04/2011	04/04/2011[4]	03/27/2012	03/27/2012[4]	09/26/2013[4]	
02/23/2010	02/23/2010	10/13/2010	02/22/2011	02/22/2011	02/21/2012	02/21/2012	08/27/2013	
05/13/2008	05/13/2008	05/13/2008	05/13/2008	05/13/2008	05/30/2011	05/30/2011	04/25/2013	
1,020	10	5	783	8	390	8	1	
2,618,770	153,478	92,448	621,754	53,125	527,515	47,375	40,000	7,774,415
190,125[6]	63,375[6]	–	99,375[6]	33,125[6]	80,250[6]	26,750[6]	40,000	
317,434	90,103	92,448	107,439	20,000	101,375	20,625	–	
04/03/2014	04/03/2014	11/23/2014	04/05/2015	04/05/2015	28/03/2016	28/03/2016	09/27/2017	
04/02/2018	04/02/2018	11/22/2018	04/04/2019	04/04/2019	27/03/2020	27/03/2020	09/26/2021	
26.66	26.66	30.49	31.72	31.72	26.41	26.41	30.13	
652,922	**20,994**	**1,500**	**115,810**	**1,172**	**3,750**	**-**	**-**	**1,911,115**
1,205,991	**20,994**	**1,500**	**115,810**	**1,172**	**3,750**	**-**	**-**	**4,173,329**
487,851	**76,287**	**-**	**42,850**	**19,922**	**29,230**	**26,648**	**-**	**1,215,655**
924,928	**56,197**	**90,948**	**463,094**	**32,031**	**494,535**	**20,727**	**40,000**	**2,385,431**

Table 9: Stock options granted to and exercised by the ten employee grantees other than executive officers who received or exercised the largest number of options

	Number of options	Average exercise price *(in euros)*
Options granted in 2015 to the ten employees other than executive officers who received the largest number of options	-	-
Options exercised in 2015 by the ten employees other than executive officers who exercised the largest number of options	193,219	26.92

Lock-up conditions

In accordance with the French Commercial Code and the AFEP/MEDEF Code, when executive officers or other Executive Committee members purchase shares on exercise of stock options granted since March 22, 2007, a significant proportion of these shares, as set by the Board of Directors, must be held by the grantee until he or she either leaves the Group or ceases to hold the position of executive officer or Executive Committee member of the Group as applicable. The lock-up conditions vary depending on the plan concerned, as shown in the table below.

Table 10: Lock-up conditions for shares purchased on exercise of stock options by executive officers and other members of the Executive Committee

Plan	Grant date	Lock-up conditions applicable to executive officers	Lock-up conditions applicable to other Executive Committee members
Plan 14 Plan 15 Plan 17 Plan 18	03/22/2007 05/14/2007 03/28/2008 09/30/2008	Shares corresponding to the equivalent of 40% of the net capital gain on the exercised options may not be sold until the grantee leaves the Group.	Shares corresponding to the equivalent of 25% of the net capital gain on the exercised options may not be sold until the grantee leaves the Group.
Plan 19 Plan 20 Plan 21 Plan 22	03/31/2009 04/02/2010 04/02/2010 11/22/2010	Shares corresponding to the equivalent of 40% of the net capital gain on the exercised options may not be sold until the grantee ceases to hold an executive officer's position within the Group.	Shares corresponding to the equivalent of 25% of the net capital gain on the exercised options may not be sold until the grantee ceases to be a member of the Executive Committee.
Plan 23 Plan 24 Plan 25 Plan 26	04/04/2011 04/04/2011 03/27/2012 03/27/2012	Shares corresponding to the equivalent of 40% of the net capital gain on the exercised options may not be sold until the grantee ceases to hold an executive officer's position within the Group. However, if the value of the shares exceeds two years of the grantee's fixed compensation, the minimum number of shares locked up following the exercise of stock options is reduced to the equivalent of 10% of the net capital gain on the exercised options.	Shares corresponding to the equivalent of 40% of the net capital gain on the exercised options may not be sold until the grantee ceases to be a member of the Executive Committee. However, if the value of the shares exceeds two years of the grantee's fixed compensation, none of the shares purchased on exercise of the stock options will be locked up.
Plan 27	09/26/2013	Shares corresponding to the equivalent of 40% of the net capital gain on the exercised options may not be sold until the grantee ceases to hold an executive position within the Group. However, if the value of the shares exceeds two years of the grantee's fixed compensation, the minimum number of shares locked up following the exercise of stock options is reduced to the equivalent of 10% of the net capital gain on the exercised options.	N/A

Share equivalents – Stock options granted to employees and executive officers

At December 31, 2015, a total of 2,385,431 stock options were outstanding.

Exercise of all of these options would lead to the issuance of 2,385,431 shares, representing 1.014% of the Company's capital at December 31, 2015, of which 0.168% corresponding to grants to executive officers.

Hedging instruments

AccorHotels' executive officers have undertaken not to use any hedging instruments in relation to their stock options, and members of the Executive Committee who receive stock options are banned by the Company from using any such instruments.

PERFORMANCE SHARE PLANS

Performance share plans issued in 2015

Under the terms of the authorization given in the twentieth resolution of the April 28, 2015 Annual Shareholders' Meeting, the number of free performance shares granted subject to the fulfilment of performance conditions and continued presence in the Group, may not correspond to more than 2.5% of the Company's capital, with this percentage representing a blanket ceiling that also covers stock options. Moreover, the number of free shares that may be granted to executive officers of the Company shall not represent more than 15% of the total performance shares granted under that resolution.

In accordance with Article L. 225-197-6 of the French Commercial Code, Accor has a discretionary profit-sharing plan that covers at least 90% of all employees in the Company and its subsidiaries in France.

The Company issued the following two performance share plans on June 16, 2015:

- the first plan, intended for senior and middle managers, concerned 1,034 beneficiaries in some 40 countries worldwide; The applicable performance conditions are based on the following:
  - actual *versus* budgeted EBIT margin (50% weighting),
  - actual *versus* budgeted operating cash flow (excluding acquisitions and disposals) (50% weighting);
- the second plan, restricted to executive officers, other members of the Executive Committee, and certain senior managers, concerned 16 beneficiaries in three countries. Sébastien Bazin and Sven Boinet were the two executive officer grantees and the number of performance shares granted to them is set out in Table 11 on page 150. The applicable performance conditions are based on the following:
  - actual *versus* budgeted EBIT margin (30% weighting),
  - actual *versus* budgeted operating cash flow (excluding acquisitions and disposals) (30% weighting),
  - degree of completion of budgeted asset disposals (15% weighting),
  - there is also a 25% weighting for the following: Accor's Total Shareholder Return (TSR) compared to eight other international hotel groups (Marriott, Starwood, Choice, Hyatt, Whitbread, Intercontinental Hotels, NH Hoteles and Melia) (12.5% weighting), and compared with that of other CAC 40 companies (12.5% weighting).

The performance share plans have a four-year vesting period for all grantees regardless of their country of residence, corresponding to a four-year vesting period without any holding period.

The achievement level of this performance condition is measured for each of the four years of the plan. Each year, the beneficiary may acquire between 0% and 25% of the options originally granted depending on the vesting criteria stipulated by the Board of Directors when the plan was issued and the achievement level of the performance conditions in the period under review. If the objectives under one performance condition are not met this may be offset by any outperformance achieved with respect to an objective applicable under another performance condition for the same year. The number of shares that vest at the end of the four-year vesting period is capped at 100% of the number of shares originally granted and offsetting between the years is not permitted.

At its meeting on February 17, 2016, as part of the tenth resolution to be submitted to the Annual Shareholders' Meeting, the Board of Directors has decided to issue a performance share plan in 2016 for which performance conditions will be measured over a consecutive three-year period.

Table 11: Performance shares granted to each executive officer in 2015 (Table 6 – AFEP/MEDEF Code)

Grantee	Grant date	Number of shares granted	Theoretical value based on the method used in the consolidated financial statements *(in euros)*	Vesting date	End of holding period	Performance conditions
Sébastien Bazin	06/16/2015	40,000	1,536,000[(1)]	06/16/2019	06/16/2019	Actual *versus* budgeted EBIT margin, Actual *versus* budgeted operating cash flow (excluding acquisitions and disposals), Actual degree of completion of budgeted asset disposals, Accor's Total Shareholder Return (TSR) relative to that of eight other international hotel groups and Accor's TSR relative to that of other CAC 40 companies.
Sven Boinet	06/16/2015	20,000	768,000[(1)]	06/16/2019	06/16/2019	Actual *versus* budgeted EBIT margin, Actual *versus* budgeted operating cash flow (excluding acquisitions and disposals), Actual degree of completion of budgeted asset disposals, Accor's Total Shareholder Return (TSR) relative to that of eight other international hotel groups and Accor's TSR relative to that of other CAC 40 companies.

(1) In accordance with the AFEP/MEDEF Corporate Governance Code, performance shares are measured at their theoretical value – corresponding to Accor's opening share price on the grant date less the present value of unpaid dividends – rather than at the value of the compensation received.

The 60,000 performance shares granted to the Company's executive officers in 2015 and which were still valid at the date of this Registration Document would represent 0.025% of the Company's capital at December 31, 2015 should they fully vest.

Table 12: Performance shares that vested in 2015 but which are subject to holding periods and performance shares whose holding period expired in 2015 (Table 7 – AFEP/MEDEF Code)

None.

Table 13: Performance shares granted in 2015 to the top ten employee grantees other than executive officers

	Number of shares
Performance shares granted in 2015 to the ten employee grantees other than executive officers who received the largest number of shares	79,000

Achievement levels of performance conditions for outstanding performance share plans

Each year, the Board of Directors places on record the achievement level of the performance conditions applicable under outstanding performance share plans.

The table below shows the maximum number of shares that may vest and the number of shares that have actually vested based on the achievement level of the applicable performance conditions (as placed on record by the Board of Directors on February 17, 2016) for outstanding performance share plans.

Table 14: Achievement levels in 2015 of performance conditions for outstanding performance share plans

			Theoretical maximum number of shares that may vest		Actual number of shares vested in 2015		
Grant date	**Performance condition**	**Criteria weighting**	**By performance condition (before cap)**	**Aggregate (after cap)**	**By performance condition (before cap)**	**Aggregate (after cap)**	**% of original grants**
06/18/2014	Actual *versus* budgeted EBIT margin	50%	102,638	136,850	68,425	136,850	50%
	Actual *versus* budgeted operating cash flow (excluding acquisitions and disposals)	50%	102,638		102,638		
06/18/2014	Actual *versus* budgeted EBIT margin	30%	44,663	99,250	29,775	99,250	50%
	Actual *versus* budgeted operating cash flow (excluding acquisitions and disposals)	30%	44,663		44,663		
	Degree of completion of budgeted asset disposals	15%	22,331		18,619		
	Accor's TSR relative to that of eight other international hotel groups	25%	37,219		31,026		
06/16/2015	Actual *versus* budgeted EBIT margin	50%	60,441	80,588	40,294	80,588	25%
	Actual *versus* budgeted operating cash flow (excluding acquisitions and disposals)	50%	60,441		60,441		
06/16/2015	Actual *versus* budgeted EBIT margin	30%	17,303	38,450	11,535	38,450	25%
	Actual *versus* budgeted operating cash flow (excluding acquisitions and disposals)	30%	17,303		17,303		
	Degree of completion of budgeted asset disposals	15%	8,659		6,629		
	Accor's TSR relative to that of eight other international hotel groups	12.5%	7,198		4,799		
	Accor's TSR relative to that of other CAC 40 companies	12.5%	7,229		0		

Table 15: Historical information concerning performance shares granted to employees and/or executive officers (Table 9 – AFEP/MEDEF Code)

Performance share plans	04/04/2011 Plan	04/04/2011 Plan	03/27/2012 Plan	03/27/2012 Plan
Grant date	04/04/2011	04/04/2011	03/27/2012	03/27/2012
Date of Board of Directors' decision	02/22/2011	02/22/2011	02/21/2012	02/21/2012
Date of Shareholders' Meeting approval	05/13/2008	05/13/2008	05/30/2011	05/30/2011
Total number of grantees	783	1	919	8
Total number of shares granted	**228,657**	**20,450**	**237,601**	**47,375**
Of which to executive officers	16,625	20,450[(5)]	–	26,750[(5)]
Of which to the top ten employee grantees[(1)]	31,766	0	18,125	20,625
Vesting date	04/04/2013 or 04/04/2015[(3)]	04/04/2014	03/27/2014 or 03/27/2016[(3)]	03/27/2014
End of holding period	04/04/2015	04/04/2016	03/27/2016	03/27/2016
Total options exercised at 12/31/2015	**213,876**	**13,634**	**152,027**	**37,504**
Number of shares cancelled[(2)] at 12/31/2015	**14,781**	**6,816**	**28,244**	**9,871**
Performance shares outstanding at 12/31/2015	**-**	**-**	**57,330**	**-**
Performance condition(s)	Revenue growth based on constant scope of consolidation, Actual *versus* budgeted EBIT, Actual *versus* budgeted operating cash flow (excluding disposals).	Successfully taking up the duties of Chairman and Chief Executive Officer.	Actual *versus* budgeted EBIT margin, Actual *versus* budgeted operating cash flow (excluding acquisitions and disposals).	Actual *versus* budgeted EBIT margin, Actual *versus* budgeted operating cash flow (excluding acquisitions and disposals), Degree of completion of budgeted asset disposals.

(1) Excluding executive officers.
(2) Shares cancelled due to grantees leaving the Group or performance conditions not being met.
(3) In some countries, the vesting period is four years.
(4) Shares vested following the death of a grantee, in accordance with Article L. 225-197-3 of the French Commercial Code.
(5) The condition that the grantee must still be a member of the Group has been waived for Denis Hennequin and Yann Caillère.

04/15/2013 Plan	04/15/2013 Plan	06/18/2014 Plan	06/18/2014 Plan	06/16/2015 Plan	06/16/2015 Plan
04/15/2013	04/15/2013	06/18/2014	06/18/2014	06/16/2015	06/16/2015
03/03/2013	03/03/2013	02/19/2014	02/19/2014	02/17/2015	02/17/2015
05/30/2011	05/30/2011	04/25/2013	04/25/2013	04/28/2015	04/28/2015
793	8	890	20	1,034	16
218,050	**72,500**	**285,900**	**198,500**	**326,290**	**153,800**
–	32,500 (5)	–	75,000	–	60,000
25,750	40,000	23,000	95,500	21,600	79,000
04/15/2015 or 04/15/2017(3)	04/15/2015	06/18/2016 or 06/18/2018(3)	06/18/2016 or 06/18/2018(3)	06/16/2019	09/16/2019
04/15/2017	04/15/2017	06/18/2018	06/18/2018	06/16/2019	06/16/2019
160,370	**41,331**	**1,400(4)**	**-**	**-**	**-**
11,950	**31,169**	**12,200**	**4,962**	**3,940**	**-**
45,730	**-**	**272,300**	**193,538**	**322,350**	**153,800**
Actual *versus* budgeted EBIT margin, Actual *versus* budgeted operating cash flow (excluding acquisitions and disposals).	Actual *versus* budgeted EBIT margin, Actual *versus* budgeted operating cash flow (excluding acquisitions and disposals), Degree of completion of budgeted asset disposals, Accor's Total Shareholder Return (TSR) relative to eight other international hotel groups.	Actual *versus* budgeted EBIT margin, Actual *versus* budgeted operating cash flow (excluding acquisitions and disposals).	Actual *versus* budgeted EBIT margin, Actual *versus* budgeted operating cash flow (excluding acquisitions and disposals), Degree of completion of budgeted asset disposals, Accor's Total Shareholder Return (TSR) relative to eight other international hotel groups.	Actual *versus* budgeted EBIT margin, Actual *versus* budgeted operating cash flow (excluding acquisitions and disposals).	Actual *versus* budgeted EBIT margin, Actual *versus* budgeted operating cash flow (excluding acquisitions and disposals), Degree of completion of budgeted asset disposals, Accor's Total Shareholder Return (TSR) relative to eight other international hotel groups and relative to that of other CAC 40 companies.

Lock-up conditions

In accordance with the French Commercial Code and the AFEP/MEDEF Code, when executive officers or other Executive Committee members acquire shares under performance share plans issued since May 14, 2007, a certain proportion of these shares, as set by the Board of Directors, may not be sold until the grantee either leaves the Group or ceases to hold the position of executive officer or Executive Committee member, as applicable. The lock-up conditions vary depending on the plan concerned, as shown in the table below.

Table 16: Lock-up conditions for vested performance shares owned by executive officers and other members of the Executive Committee

Grant date	Lock-up conditions applicable to executive officers	Lock-up conditions applicable to other Executive Committee members
03/31/2009	The following percentages of shares may not be sold until the grantee ceases to hold a directorship or an executive officer's position: 20% of the vested shares on fulfillment of the performance conditions. In addition, the grantee must purchase Accor shares corresponding to 3% of the number of vested shares. OR 25% of the vested shares on fulfillment of the performance conditions.	The following percentages of shares may not be sold until the grantee ceases to be a member of the Executive Committee: 25% of the vested shares on fulfillment of the performance conditions.
04/04/2011	The following percentages of shares may not be sold until the grantee ceases to hold a directorship or an executive officer's position: 20% of the vested shares on fulfillment of the performance conditions. In addition, the grantee must purchase Accor shares corresponding to 3% of the number of vested shares. OR 25% of the vested shares on fulfillment of the performance conditions. However, if the value of the shares exceeds two years of the grantee's fixed compensation, the only lock-up condition is that the executive officer must purchase Accor shares corresponding to 3% of the number of vested shares.	The following percentages of shares may not be sold until the grantee ceases to be a member of the Executive Committee: 20% of the vested shares on fulfillment of the performance conditions. In addition, the grantee must purchase Accor shares corresponding to 3% of the number of vested shares. OR 25% of the vested shares on fulfillment of the performance conditions. However, if the value of the shares exceeds two years of the grantee's fixed compensation, none of the vested shares will be subject to lock-up conditions.
03/27/2012	The following percentages of shares may not be sold until the grantee ceases to hold a directorship or an executive officer's position: 25% of the vested shares on fulfillment of the performance conditions. However, if the value of the shares exceeds two years of the grantee's fixed compensation, the only lock-up condition is that the executive officer must purchase Accor shares corresponding to 3% of the number of vested shares.	The following percentages of shares may not be sold until the grantee ceases to be a member of the Executive Committee: 25% of the vested shares on fulfillment of the performance conditions. However, if the value of the shares exceeds two years of the grantee's fixed compensation, none of the vested shares will be subject to lock-up conditions.
04/15/2013	The following conditions apply until the grantee ceases to hold an executive officer's position within the Group: 25% of the vested shares on fulfillment of the performance conditions. However, if the value of the shares exceeds two years of the grantee's fixed compensation, the only lock-up condition is that the executive officer must purchase Accor shares corresponding to 3% of the number of vested shares.	The following percentages of shares may not be sold until the grantee ceases to be a member of the Executive Committee: 25% of the vested shares on fulfillment of the performance conditions. However, if the value of the shares exceeds two years of the grantee's fixed compensation, none of the vested shares will be subject to lock-up conditions.

Grant date	Lock-up conditions applicable to executive officers	Lock-up conditions applicable to other Executive Committee members
06/18/2014	The following conditions apply until the grantee ceases to hold an executive officer's position within the Group: ■ At the end of the holding period, the grantee must keep 25% of the vested shares on fulfillment of the performance and presence conditions until the value of all the available shares held in registered form by the grantee represents the equivalent of a threshold corresponding to two years of his fixed compensation. For the purposes of the above paragraph: • the value of the shares held in registered form is determined based on the average of the Accor opening share price quoted over the 20 trading days preceding the measurement date; • "fixed compensation" means the amount of the grantee's annual gross fixed compensation at the measurement date. ■ Once the above threshold is reached: • (i) the 25% lock-up condition no longer applies; and • (ii) the grantee is required to acquire, or keep, 3% of his vested shares.	The following conditions apply until the grantee ceases to be a member of the Group Executive Committee: ■ At the end of the holding period, grantees who were Executive Committee members at the grant date are required to keep 25% of the shares that vest on fulfillment of the performance conditions until the value of all the available shares held in registered form by the grantee represents the equivalent of a threshold corresponding to two years of the grantee's fixed compensation. For the purposes of the above paragraph: • the value of the shares held in registered form is determined based on the average of the Accor opening share price quoted over the 20 trading days preceding the measurement date; • "fixed compensation" means the amount of the grantee's annual gross fixed compensation at the measurement date. Once the above threshold is reached the 25% lock-up condition no longer applies.
06/16/2015	The following conditions apply until the grantee ceases to hold an executive officer's position within the Group: ■ At the end of the vesting period, the grantee must keep 25% of the vested shares on fulfillment of the performance and presence conditions until the value of all the available shares held in registered form by the grantee represents the equivalent of a threshold corresponding to two years of his fixed compensation. For the purposes of the above paragraph: • the value of the shares held in registered form is determined based on the average of the Accor opening share price quoted over the 20 trading days preceding the measurement date; • "fixed compensation" means the amount of the grantee's annual gross fixed compensation at the measurement date. ■ Once the above threshold is reached: • (i) the 25% lock-up condition no longer applies; and • (ii) the grantee is required to acquire, or keep, 3% of his vested shares.	The following conditions apply until the grantee ceases to be a member of the Group Executive Committee: ■ At the end of the vesting period, grantees who were Executive Committee members at the grant date are required to keep 25% of the shares that vest on fulfillment of the performance and presence conditions until the value of all the available shares held in registered form by the grantee represents the equivalent of a threshold corresponding to two years of the grantee's fixed compensation. For the purposes of the above paragraph: • the value of the shares held in registered form is determined based on the average of the Accor opening share price quoted over the 20 trading days preceding the measurement date; • "fixed compensation" means the amount of the grantee's annual gross fixed compensation at the measurement date. Once the above threshold is reached the 25% lock-up condition no longer applies.

Share equivalents – Performance shares granted to employees and executive officers

At December 31, 2015, a total of 1,045,048 rights to performance shares were outstanding.

Exercise of all of these rights would lead to the issuance of 1,045,048 shares, representing 0.444% of the Company's capital at December 31, 2015, of which 0.081% corresponding to grants to executive officers.

Hedging instruments

AccorHotels' executive officers have undertaken not to use any hedging instruments in relation to their performance shares, and members of the Executive Committee who receive performance shares have been banned by the Company from using any such instruments.

NON-DISCRETIONARY AND DISCRETIONARY PROFIT-SHARING AGREEMENTS

Non-discretionary profit-sharing

In France, a Group-level non-discretionary profit-sharing agreement providing for payment in excess of the legally-mandated minimum (accord dérogatoire) has been negotiated with employee representatives.

It is applicable to Accor and its French subsidiaries that are at least 50%-owned, irrespective of the number of employees in the company concerned.

The agreement enables employees with more than three months' seniority to receive profit-shares based on the results of all of the subsidiaries covered by the program.

Sums are paid into a special profit-sharing reserve, calculated by applying a standard legal formula to the profits of each company that falls within the scope of application of the agreement, as follows:

Special profit-sharing reserve = 1/2 x (net profit - 5% of equity) x (salaries/value added)

Based on this formula, a gross amount of €4.09 million was allocated to the profit-sharing reserve for 2014 (paid in 2015).

Amounts allocated to the special profit-sharing reserve in previous years were:

- €6.67 million for 2013 (paid in 2014);
- €8.5 million for 2012 (paid in 2013).

The total amount of the reserve is allocated between all of the employee beneficiaries in proportion to their individual salary for the reference year, which is capped by the agreement at double the amount of the annual ceiling for French social security contributions, set at December 31 of the reference year.

In compliance with the French Act of December 3, 2008, since 2009 the five-year lock-up period on amounts allocated to employee profit-shares has been optional rather than compulsory. Consequently, in 2015, just over 45% of beneficiaries requested the immediate payment of all or part of their 2014 profit-share.

Where such a request is not made, in accordance with the law, the amounts in the profit-sharing reserve are invested in corporate mutual funds, with half allocated to the Group Retirement Savings Plan (PERCO) and the other half to the Corporate Savings Plan (PEEG). In order to qualify for tax and social security exemptions, the amounts allocated to the Group Retirement Savings Plan are locked in until the employee retires and amounts allocated to the Corporate Savings Plan are locked in for a period of five years.

In 2015, nearly 20% of employees allocated all or part of their profit-share to the Accor Group Retirement Plan.

Discretionary profit-sharing

Due to the Group's organization structure and compensation policy, a large number of discretionary profit-sharing agreements have been negotiated at the level of Accor SA, its subsidiaries and the operating units.

These profit-shares are determined based on whether the subsidiary or unit concerned meets or exceeds its profit targets. In the case of Accor SA, the amount is dependent partly on meeting objectives for reducing support costs and partly on achieving EBIT targets.

The calculation method is based on quantitative criteria specified in each agreement. The amounts vary from year to year and are capped.

Discretionary profit-sharing agreements are negotiated with Works Councils or union representatives.

TRANSACTIONS CARRIED OUT BY EXECUTIVE OFFICERS INVOLVING ACCOR SA SHARES

Sebastien Bazin, Chairman and Chief Executive Officer of Accor(the "Company"), has informed the French securities regulator(AMF) and the Company that, on December 30, 2014, he acquired 1,400,000 call options on Accor shares at a unit price of €3.0404 via a personally-owned company.

The options have an exercise price of €42 and can only be exercised on the expiration date, which falls in the fourth quarter of 2016.

The transaction represents a total personal investment of €4,256,560 or the equivalent of around two years of Mr. Bazin's basic and variable compensation. It will only generate a gain if the Accor share price is higher than €45 on the options' expiration date.

Schedule of transactions involving shares of the Company carried out during the past fiscal year, within the meaning of Article L. 621-18-2 of the French Monetary and Financial Code

Person concerned	Type of transaction	Number of shares
Paul Dubrule	Sale	418,062
Paul Dubrule	Purchase	140,000
Paul Dubrule	Contribution to a company in which P. Dubrule is the only shareholder	1,270,430

3.6 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

Shareholders' Meeting to approve the financial statements for the year ended December 31, 2015

This is a free translation into English of the statutory auditor's special report on regulated agreements and commitments with third parties that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code (Code de Commerce) and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Shareholders,

In our capacity as Statutory Auditors of Accor, we hereby report to you on related party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or merit or identifying any other agreements or commitments. In accordance with Article R.225-31 of the French Commercial Code (*Code de Commerce*), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

It is also our responsibility to provide shareholders with the information required under Article R.225-31 of the French Commercial Code, on the performance during 2015 of any agreements and commitments already approved by shareholders.

We conducted our procedures in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures involved verifying that the information provided to us is consistent with the underlying documents.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR SHAREHOLDER APPROVAL

Pursuant to Article L.225-38 of the French Commercial Code, we hereby advise you that we have not been informed of any agreements or commitments signed during the year to be approved by the Annual Shareholders' Meeting.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY SHAREHOLDERS

A. AGREEMENTS AND COMMITMENTS APPROVED IN PRIOR YEARS THAT WERE IMPLEMENTED DURING 2015

Pursuant to Article R.225-30 of the Commercial Code, we have been advised of the following agreements and commitments that were approved by shareholders in previous years and were implemented during 2015.

1/ With Sébastien Bazin, Chairman and Chief Executive Officer

a) Type of commitment and purpose:

Inclusion of Mr. Sebastien Bazin in the supplementary pension plan set up for Accor senior executives.

Terms and conditions:

The Board of Directors authorized Mr. Sebastien Bazin's inclusion in the supplementary pension plan whose members comprise several dozen Accor senior executives.

Under the terms of this overall plan, except in specific cases provided for by law, if a plan member leaves the Group before retirement, he or she only retains the rights accrued under the defined contribution plan (based on annual employer contributions of up to 5% of five times the annual cap on the basis for calculating social security contributions) and forfeits the rights accrued under the defined benefit plan.

The pension annuities payable to Mr. Sebastien Bazin on retirement would not exceed 30% of his end-of-career salary and the overall replacement rate to which he would be entitled (under government-sponsored plans and the Accor supplementary pension plan) is capped at 35% of the average of his best three years' compensation (fixed plus variable) in the ten years prior to retirement.

In respect of 2015, the Company paid €9,510 under this plan.

b) Type of commitment and purpose:

Private unemployment insurance plan.

Terms and conditions:

The Board of Directors authorized the Company to set up a private insurance plan with Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise (GSC) to provide Mr. Bazin with unemployment benefits should the need arise. The benefits under this plan would be paid as from the 31st unbroken day of unemployment. The maximum length of time that Sebastien Bazin could be paid benefits under the plan has been increased from 12 to 24 months as he has been a member of the plan for more than one year.

The premiums paid by the Company to GSC in 2015 on behalf of Mr. Bazin amounted to €30,298.81.

2/ With Sven Boinet, Deputy Chief Executive Officer

Type of commitment and purpose:

Employment contract with Mr. Sven Boinet.

Terms and conditions:

The Board of Directors authorized the Company to enter into an employment contract with Mr. Sven Boinet covering his position as Director of Human Resources and Legal Affairs. Pursuant to this contract, Mr. Sven Boinet receives a gross annual salary of €400,000, paid in twelve equal monthly installments.

Under his employment contract, Mr. Sven Boinet is eligible for membership in the defined contribution and defined benefit supplementary plans set up within the Company whose members comprise several dozen Accor Group senior executives.

3/ With Institut Paul Bocuse

Type of commitment and purpose:

Agreement providing for a cash advance in the form of a loan.

Executive officer concerned and other related party:

Sven Boinet, Deputy Chief Executive Officer of Accor and Accor's representative on the Board of Directors of Institut Paul Bocuse; and Gerard Pelisson, Founding Co-Chairman of Accor and Chairman of Institut Paul Bocuse.

Terms and conditions:

The Board of Directors authorized Accor, in its capacity as a member of the non-profit organization, to grant to Institut Paul Bocuse, a €200,000 cash advance to the organization for a five-year period that bears interest at 2% per year.

Under this agreement – whose purpose is to help Institut Paul Bocuse invest in new equipment – Accor will play a part in expanding the operations, notably outside France, of one of its long-standing partners.

The Company paid the €200,000 grant and received the related interest in 2014.

In 2015, the Institut Paul Bocuse paid €4,055.56 in annual interest on the loan.

4/ With Edenred

Type of commitment and purpose:

Signature of a tax-related agreement between Edenred and Accor.

Executive officer concerned and other related party:

Messrs. Jean-Paul Bailly, Philippe Citerne, Bertrand Meheut and Nadra Moussalem, directors of both Accor and Edenred.

Terms and conditions:

The Italian tax authorities notified an Accor subsidiary and several Edenred subsidiaries of a €27.4 million reassessment of registration fees due on transactions carried out as part of the reorganization of Accor's Services division in Italy prior to the demerger. Accor and Edenred are contesting the reassessments before the Italian courts and have signed an agreement to equally share the associated risks and costs of the proceedings between the two groups.

Given that the Asset Contribution-Demerger Agreement of April 19, 2010, before the dispute had arisen, does not contain any provisions covering this type of tax dispute, the agreement signed with Edenred has now protected the Group in the event of an unfavorable outcome of the aforementioned proceedings.

Following the appeal court decision of September 9, 2015 which ruled against the Italian tax authorities, the latter reimbursed the disputed sums and the interest on arrears and did not file an appeal.

No revenue was recognized in 2015 concerning the principal tax amount, since no expense had been recorded with respect to the proceedings. However, the share of the interest on arears owed to the AccorHotels subsidiary in regard to the agreement with Edenred, i.e. 50% of the sums collected, for an amount of €797,707, was recorded in 2015 revenue.

5/ With ColSpa SAS

Type of commitment and purpose:

Hotel management contract between ColSpa SAS and Accor.

Executive officer concerned and other related party:

Mr. Nadra Moussalem, Executive Director, Head of Europe of Colony Capital and Director of Accor and Mr. Jonathan Grunzweig, Executive Director and Global Head – Special Situations of Colony Capital Inc. and Director of Accor.

Terms and conditions:

As part of Colony Capital SAS's project to redevelop the site of the former Molitor swimming pool in Paris through its ColSpa SAS subsidiary, ColSpA undertook to grant a contract to Accor to manage, under the MGallery banner, the 124-room hotel and various related facilities to be built on the site.

This 10-year management contract will be automatically renewable for five years and its financial terms and conditions are comparable to those usually negotiated by the Group for similar contracts.

The transaction fits with the Group's development strategy and will enable it to manage a hotel at a prestigious location in western Paris under its fast-growing MGallery brand.

Pursuant to this contract, the Company invoiced €728,534.73 excluding taxes, to ColSpa SAS in 2015.

B. AGREEMENTS AND COMMITMENTS APPROVED IN PRIOR YEARS BUT NOT IMPLEMENTED IN 2015

We were also informed of the following agreements and commitments that were approved by shareholders but were not implemented during 2015.

1/ With Sébastien Bazin, Chairman and Chief Executive Officer

Type of commitment and purpose:

Compensation for loss of office payable to Mr. Sébastien Bazin as Chairman and Chief Executive Officer or non-renewal of his Director's term of office.

Terms and conditions:

The Board of Directors authorized the Company to enter into an agreement for the payment to Mr. Sébastien Bazin of a termination benefit as compensation for loss of office in the event that his appointment as Chairman and Chief Executive Office is terminated (except in the event of gross or willful misconduct) or his Director's term of office is not renewed. The amount of the termination benefit would be equal to twice the amount of Mr. Bazin's total fixed and variable compensation for the fiscal year preceding his loss of office, and its payment would be subject to the following performance criteria:

- consolidated return on capital employed for the previous three years must have exceeded the Group's cost of capital as published in the Registration Document for those years;
- the Group must have reported positive operating free cash flow in at least two of the previous three years;
- like-for-like EBITDAR margin must have exceeded 27.5% in at least two of the three previous years.

These performance criteria would be applied as follows:

- if all three criteria were met, the compensation would be payable in full;
- if two of the three criteria were met, half of the compensation would be payable;
- if none or only one of the three criteria were met, no compensation would be due.

2/ With Sven Boinet, Deputy Chief Executive Officer

Type of commitment and purpose:

Compensation for loss of office payable to Sven Boinet as Deputy Chief Executive Officer.

Terms and conditions:

The Board of Directors authorized the Company to enter into an agreement providing for the payment to Mr. Boinet of a termination benefit as compensation for loss of office in the event that his position as Deputy Chief Executive Officer is either terminated or not renewed (except in the event of gross or willful misconduct), compensation of €600,000 in addition to (i) variable compensation paid to him for the fiscal year preceding his loss of office, less (ii) any termination benefit due for the termination of his employment contract. The compensation would not be due if, at the date of his departure, Mr. Boinet would be able to claim his full-rate pension benefit within a short period of time.

Payment of the termination benefit would be subject to the following performance criteria:

- consolidated return on capital employed for the previous three years must have exceeded the Group's cost of capital as published in the Registration Documents for those years;
- positive operating free cash flow in at least two of the previous three years;
- like-for-like EBITDAR margin must have exceeded 27.5% in at least two of the previous three years.

These performance criteria would be applied as follows:

- if all three criteria were met, the compensation would be payable in full;
- if two of the three criteria were met, half of the compensation would be payable;
- if none or only one of the three criteria were met, no compensation would be due.

Paris-La Défense and Neuilly-sur-Seine, March 17, 2016

The Statutory Auditors

ERNST & YOUNG et Autres

Jacques Pierres

DELOITTE & ASSOCIÉS

Pascale Chastaing-Doblin

4 Review OF 2015

4.1 FINANCIAL REVIEW

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

The strategic, operational and cultural transformation implemented by the Group over the last two years is starting to pay off. AccorHotels this year delivered robust performances, with growing revenue, a big improvement in earnings and a stronger financial position.

In 2015, AccorHotels took numerous strategic initiatives to increase its revenue, which grew by €127 million over the year. Importantly, the Group transformed its booking platform into a marketplace open to independent hotels. It reinforced the power of its brands – notably at the institutional level – by adopting the name of its marketplace, AccorHotels, with a view to increasing its visibility and uniting all portfolio brands around it in an orderly manner.

The Group also saw its operating margins increase as a result of various restructuring operations, which reduced rental expense by €55 million. In total, earnings before interest and tax (EBIT) amounted to €665 million, representing growth of 3.5% at constant scope of consolidation and exchange rates and 10.6% as reported.

AccorHotels also strengthened its cash position by issuing a new bond and redeeming two existing bonds. This allowed it to lengthen the maturity of its borrowings while refinancing at a lower cost.

Lastly, the Group continued to expand in high-growth areas, opening a record 229 hotels. It also increased its worldwide leadership in the luxury segment with the announced acquisition of FRHI Group and its three iconic brands, Fairmont, Raffles and Swissôtel.

Net income Group share amounted to €244 million, up from €223 million in 2014.

2015 CONSOLIDATED RESULTS

(in millions of euros)	2014	2015	Change (as reported)	Change (like-for-like)[1]
Revenue	5,454	5,581	2.3%	2.9%
EBITDAR[2]	**1,772**	**1,780**	**0.5%**	**0.2%**
EBITDAR margin	*32.5%*	*31.9%*	*(0.6) pt*	*(0.8) pt*
EBIT	**602**	**665**	**10.6%**	**3.5%**
Operating profit before tax and non-recurring items and non-recurring items	578	605	-	-
Net profit before profit/(loss) from discontinued operations	**227**	**246**	**-**	**-**
Profit/(loss) from discontinued operations	(4)	(1)	-	-
NET PROFIT, GROUP SHARE	**223**	**244**	**-**	**-**

(1) Like-for-like: at constant scope of consolidation and exchange rates.
(2) Earnings before interest, taxes, depreciation, amortization and rental expense.

Consolidated revenue

Consolidated 2015 **revenue** amounted to €5,581 million, up 2.9% at constant scope of consolidation and exchange rates (like-for-like), and up 2.3% as reported. The increase resulted from healthy growth in most of the Group's key markets: Mediterranean, Middle East, Africa (MMEA, up 7.9%), Asia-Pacific (up 5.4%) and Northern, Central and Eastern Europe (NCEE, up 5.0%).

- **Germany and the UK** were the main drivers in **Northern, Central and Eastern Europe,** posting revenue growth of 4.5% and 5.9% respectively for the year.
- The **countries of southern Europe** provided strong support for the **MMEA region,** with revenue up 11.4% in Spain and 9.6% in Italy.

Revenue in **France** was down a moderate 0.5% in 2015, reflecting a sharp 6.6% decline in the fourth quarter due to the events of November 13, despite the COP21 conference in Paris in December.

- RevPAR (revenue per available room) deteriorated over the year by 3.4% in the Paris region (down 12.4% in Q4 *versus* 2.1% in Q3).
- In the regional cities, RevPAR improved by 3.4%, (up 0.1% in Q4) after a very positive trend in the previous quarter (up 3.8% in Q3).

The **Americas region** was down 3.7% due to the continued deterioration in economic activity in Brazil (down 7.5% in Q4), where business has slowed across the country, notably affecting seminar and meeting activity in hotels.

(in millions of euros)	2014	2015	Change (as reported)	Change (like-for-like)
HotelServices	1,248	1,339	7.3%	6.2%
HotelInvest	4,794	4,815	0.4%	1.9%
Holding & Intercos	(588)	(574)	2.4%	(1.6)%
REVENUE	**5,454**	**5,581**	**2.3%**	**2.9%**

Reported revenue for the period reflected the following factors:

- **Development,** which added €66.8 million to revenue and 1.2% to growth, with the opening of 36,172 rooms (229 hotels), of which 92% under management contracts or franchise agreements. At December 31, 2015, the HotelServices portfolio comprised 3,873 hotels and 511,517 rooms, of which 30% under franchise agreements and 70% under management contracts, including the HotelInvest portfolio.
- **Disposals,** which reduced revenue by €166.1 million and growth by 3.0%.
- **Currency effects,** which had a positive impact of €66.8 million or 1.2%, mainly related to increases in the British pound (up €61.7 million), the US dollar (up €18.9 million), the Swiss franc (up €14.6 million) and the Chinese yuan (up €11.8 million), and the decline of the Brazilian real (down €49.6 million).

Consolidated EBITDAR

Consolidated EBITDAR amounted to €1,780 million in 2015, representing a year-on-year increase of 0.2% like-for-like and 0.5% as reported. Down slightly at constant scope of consolidation and exchange rates, the EBITDAR margin was 31.9%, including the amounts committed to the digital plan.

EBIT

EBIT totaled €665 million in 2015, compared with €602 million in 2014, an increase of 10.6% as reported and 3.5% like-for-like.

(in millions of euros)	2014	2015
EBITDAR	1,772	1,780
Rental expense	(849)	(794)
Depreciation, amortization and provision expense	(321)	(321)
EBIT	**602**	**665**

Rental expense was **€794 million** in 2015, compared with €849 million in 2014, due to the transformation of HotelInvest.

Depreciation, amortization and provision expense was **€321 million.**

Operating profit before tax and non-recurring items

Operating profit before tax and non-recurring items – corresponding to EBIT less net financial expense plus share of profit of associates – represents the result of operations after the cost of financing Group businesses and before tax. It was **€605 million** in 2015, up from €578 million in 2014.

(in millions of euros)	2014	2015
EBIT	602	665
Net financial expense	(52)	(71)
Share of profit of associates after tax	28	10
OPERATING PROFIT BEFORE TAX AND NON-RECURRING ITEMS	**578**	**605**

Net financial expense amounted to **€71 million,** compared with €52 million in 2014.

The **share of profit of associates** was **€10 million,** compared with €28 million in 2014.

Net profit, Group share

(in millions of euros)	2014	2015
Operating profit before tax and non-recurring items	**578**	**605**
Restructuring costs	(11)	(23)
Impairment losses	(55)	(67)
Gains and losses on management of hotel properties	(11)	(31)
Gains and losses on management of other assets	(82)	(75)
Operating profit before tax	**419**	**408**
Income tax expense	(175)	(136)
Profit/(loss) from discontinued operations	(4)	(1)
Net profit/(loss)	**240**	**271**
NET PROFIT/(LOSS), GROUP SHARE	**223**	**244**
EARNINGS PER SHARE *(in euros)*	**0.97**	**0.88**
Net profit attributable to non-controlling interests	**17**	**27**

Restructuring costs amounted to **€23 million** in 2015, and resulted mainly from various reorganization measures.

Gains and losses on the management of hotel properties represented a loss of **€31 million.**

Asset impairment losses amounted to **€67 million,** of which €64 million relating to property, plant and equipment. This compared with €55 million in 2014.

Gains and losses on the management of other assets, which was a loss in the amount of €75 million, mainly includes expenses related to the planned relocation of headquarters and the acquisition of the Fairmont, Raffles and Swissôtel brands for €37 million, and a provision of €25 million to settle various disputes.

Tax expense amounted to **€136 million** in 2015. At December 31, 2015, the effective tax rate (current tax expense/operating profit before tax, share of profit of associates after tax and non-recurring items) amounts to 29.5%.

After deducting **non-controlling interests** in the amount of €27 million and the €1 million **net loss from discontinued operations, net profit, Group share** amounted to **€244 million,** compared with €223 million in 2014.

Accordingly, **net profit, Group share** increased by €21 million. Based on the weighted average number of shares outstanding during the period (234,387,017), **earnings per share** amounted to **€0.88** in 2015, compared with €0.97 in 2014

.Dividend and payout ratio

	2014	2015	Change
Operating profit before non-recurring items, net of tax (1) *(in millions of euros)*	**435**	**461**	**+6.0%**
Weighted average shares outstanding *(in millions)*	230	234	+1.7%
Operating profit before non-recurring items, net of tax per share *(in euros)*	1.9	1.96	+3.2%
Ordinary dividend per share *(in euros)*	**0.95**(2)	**1.00**(2)	**+5.3%**
Ordinary dividend payout *(in euros)*	**218**	**230**	**+5.5%**
Payout ratio(3)	50%	51%	+2.0%

(1) Operating profit before tax and non-recurring items less tax on recurring items and non-controlling interests.
(2) Submitted for approval at the Combined Annual and Extraordinary Shareholders' Meeting of April 22, 2016
(3) Based on operating profit before non-recurring items, net of tax.

At the Annual Meeting on April 22, 2016, shareholders will be asked to approve the payment of a dividend of €1.00 per share, compared with €0.95 the year before.

Financial flows

(in millions of euros)	2014	2015
Funds from operations[1]	**769**	**816**
Renovation & maintenance capex	(262)	(269)
Free cash-flow	**507**	**547**
Recurring expansion capex	(203)	(205)
Recurring free cash flow	**304**	**341**
Acquisitions	(1,110)	(161)
Proceeds from disposals	128	356
Dividends	(137)	(174)
Working capital	103	72
Others	(109)	(43)
Hybrid financial instruments & interest[2]	887	(37)
Cash flow from discontinued operations	1	0
(INCREASE)/DECREASE IN NET DEBT	**(67)**	**(354)**

(1) Restated for discontinued operation.
(2) Includes the issuance of the hybrid instrument in the amount of €887 million in 2014 and the coupon of €37 million paid in 2015.

Funds from operations amounted to €816 million, compared with €769 million in 2014 thanks to the strong operational performance.

Recurring development expenditure amounted to €205 million, and hotel **renovation and maintenance expenditure** to €269 million, representing 4.8% of Group revenue.

Acquisitions carried out in 2015 amounted to **€161 million**, and mainly related to the acquisition of two Sofitel hotels and five Novotel hotels.

Proceeds from the **disposal of assets** totaled **€356 million,** of which €349 million in disposals of hotel properties, compared with €109 million in hotel property disposals in 2014.

Financial ratios

In the year ended December 31, 2015, the Group's **recurring cash flow** reached a record €341 million, mainly thanks to strong business.

Net debt totaled a negative €194 million at December 31, 2015, an improvement of €354 million over the year, mainly reflecting the €816 million increase in funds from operations excluding non-recurring transactions and the €356 million raised from asset disposals.

Gearing was a negative 4.9% at December 31, 2015, compared with 4.1% a year earlier. This trend resulted primarily from a €250 million increase in investments.

The Group saw **the cost of its debt** fall from 3.11% at end-December 2014 to 2.89% at end-December 2015, benefiting from the successful issue of €500 million in 8-year bonds (coupon of 2.375%) and the partial redemption of two bonds maturing in 2017 (coupon of 2.875%) and 2019 (coupon of 2.50%) in a cumulative amount of €598 million.

Moreover, at December 31, 2015, AccorHotels had an **unused €1.8 billion confirmed long-term line of credit.**

The **ratio of funds from operations excluding non-recurring transactions to adjusted net debt** is calculated according to the method used by the main rating agencies, with net debt adjusted by discounting future minimum lease payments at a rate of 7%. The ratio was 31.8% at December 31, 2015, compared with 27.1% a year earlier.

Return on capital employed (ROCE), corresponding to EBITDA expressed as a percentage of fixed assets at cost plus working capital, edged down to 14.4% in 2015 from 14.6% in 2014. This ratio is also analyzed in the consolidated financial statements.

CONSOLIDATED INCOME BY STRATEGIC BUSINESS

At December 31, 2015, hotel owner and investor **HotelInvest** had 1,288 owned and leased hotels, representing nearly 179,331 rooms. Ninety-four percent of these hotels are in the Economy and Midscale segments, and 82% are located in France and Europe.

At December 31, 2015, hotel operator and brand franchiser **HotelServices** had 3,873 hotels and 511,517 rooms operated under franchise agreements and management contracts, as well as a development pipeline of close to 159,426 rooms. This business, which enjoys leadership positions on four continents, represents an annual business volume of €12.9 billion.

All HotelInvest's hotels are operated by HotelServices under management contracts. In 2015, these hotels generated 40% of the fees received by HotelServices.

(in millions of euros)	HotelServices	HotelInvest	Holding & Intercos	AccorHotels
Revenue	1,339	4,815	(574)	5,581
EBITDAR	**426**	**1,424**	**(70)**	**1,780**
EBITDAR margin	31.8%	29.6%	N/A	31.9%
EBITDA	**399**	**654**	**(66)**	**986**
EBITDA margin	29.8%	13.6%	N/A	17.7%
EBIT	**359**	**378**	**(71)**	**665**
EBIT margin	26.8%	7.8%	N/A	11.9%
2014 EBIT restated	376	292	(66)	602
2014 EBIT margin restated	30.1%	6.1%	N/A	11.0%

The Group's EBIT margin improved strongly to 11.9%, a gain of 0.9 points. Adjusted for operating expenses related to the digital plan, the operating margin was 12.6%.

Revenue by business and region

	HotelServices			HotelInvest		
	Revenues		Like-for-like[(2)]	Revenues		Like-for-like[(2)]
(in millions of euros)	2014	2015	Change	2014	2015	Change
France	341	348	4.3%	1,607	1,545	(1.6)%
NCEE	304	338	8.1%	2,107	2,227	4.4%
MMEA	120	137	8.7%	408	432	7.9%
Asia-Pacific	322	366	7.6%	272	274	2.8%
Americas	113	101	(4.6)%	400	337	(4.1)%
Worldwide structures	48	49	N/A	N/A	N/A	N/A
TOTAL[(1)]	**1,248**	**1,339**	**6.2%**	**4,794**	**4,815**	**1.9%**

(1) Of which €574 million in intra-Group revenue and holding.
(2) Like-for-like: at constant scope of consolidation and exchange rates.

In 2015, the **revenue** figures posted by HotelServices and HotelInvest were up 6.2% and 1.9% respectively on a year-on-year basis at constant scope of consolidation and exchange rates. Both businesses made solid gains in the NCEE region (8.1% and 4.4%), MMEA region (8.7% and 7.9%) and Asia-Pacific region (7.6% and 2.8%). In France, HotelServices' revenue grew by 4.3%, while that of HotelInvest fell by 1.6%, weighed down by the terrorist attacks in January and November 2015. Both businesses recorded declines in the Americas (4.6% and 4.1%) due to the difficult economic situation in Brazil.

EBIT by region and business

(in millions of euros)	HotelServices 2014	HotelServices 2015	HotelInvest 2014	HotelInvest 2015	AccorHotels[1] 2014	AccorHotels[1] 2015	Change like-for-like
France	122	114	64	58	186	171	(10)%
NCEE	110	120	169	250	279	369	20%
MMEA	36	40	(6)	15	30	55	57%
Asia-Pacific	59	64	6	8	65	71	6%
Americas	32	23	19	6	51	29	(40)%
Worldwide structures	17	(1)	40	42	(9)	(31)	N/A
TOTAL	**376**	**359**	**292**	**378**	**602**	**665**	**3.5%**

(1) *Including holding and intra-Group revenue.*

AccorHotels recorded very satisfactory **EBIT growth** in the majority of its markets, including double-digit increases in the NCEE and MMEA.

The NCEE region delivered a stellar performance (up 20% like-for-like), driven in particular by robust business in the United Kingdom, Germany, Poland and the Benelux countries, as well as excellent operational efficiency.

The decline in results in France (down 10%) was mainly attributable to the numerous booking cancellations across the country, and particularly in the Paris region, after the terrorist attacks that took place in 2015. In the Americas (down 40%), the decline was primarily due to the major economic difficulties that have plagued Brazil for the past two years.

ANALYSIS OF RESULTS BY STRATEGIC BUSINESS

HotelServices

HotelServices' EBITDA edged down to €399 million. The **EBITDA margin** excluding Sales, Marketing & Digital and the loyalty program was 49.8%, *versus* 49.0% in 2014.

As expected, the division's results were impacted by the implementation of the digital plan and the related operating expenses. As a result, **HotelServices** recorded **EBIT** of €359 million, a decline of 1.5% like-for-like. The **EBIT margin** narrowed by 3.3 points to 26.8%. Excluding the impact of commitments related to the digital plan (€32 million in 2015), the EBIT margin was stable compared with 2014, at 30.0%.

Detailed results for HotelServices

(in millions of euros)	2014	2015
Business volume *(in billions of euros)*	11.9	12.9
Revenue	1,248	1,339
EBITDA	**411**	**399**
EBITDA margin	32.9%	29.8%
Margin excluding Sales, Marketing & Digital, and loyalty program	49.0%	49.8%
EBIT	**376**	**359**
EBIT margin	30.1%	26.8%
EBIT margin (excluding Sales, Marketing & Digital, and loyalty program)	30.1%	30,0%

HotelServices' cash flow

(in millions of euros)	2014	2015
EBITDA	**411**	**399**
Development & renovation Capex	(81)	(93)
EBITDA – Total Capex	331	306
% EBITDA	*80.5%*	*76.8%*

HotelServices' cash flow fell by €25 million due to operational expenditure on the digital roadmap in 2015.

HotelServices' P&L performance

Similarly, the Sales, Marketing & Digital Division's **EBIT margin** was impacted by the digital investments in 2015, narrowing to 9.9%.

(in millions of euros)	Managed & Franchised	Sales, Marketing & Digital	Other activities	Hotel Services
Revenue	687	467	186	1,339
EBITDAR	380	(22)	68	426
EBITDAR margin	*55.4%*	*(4.8)%*	*36.7%*	*31.8%*
EBITDA	372	(33)	60	399
EBITDA margin	*54.1%*	*(7.1)%*	*32.5%*	*29.8%*
EBIT	**355**	**(46)**	**51**	**359**
EBIT margin	*51.6%*	*(9.9)%*	*27.3%*	*26.8%*
2014 EBITDA margin	*54.3%*	*0.3%*	*23.5%*	*32.9%*

HotelServices' P&L performance reflects a strong improvement in margins, stemming largely from robust business volumes.

HotelServices had an excellent year in terms of operating performance, with a return to record growth in the hotel portfolio (229 hotels and 36,172 rooms) and an increase in the pipeline to a high 159,426 rooms. The Le Club AccorHotels loyalty program also continued to grow, with 7 million members joining in 2015, bringing the total to 25 million. HotelServices also benefited from innovations resulting from the €225 million digital roadmap, with €78 million spent in 2015 to enrich customers' digital experience on their mobile device through new services such as online registration, free access to online newspapers and magazines during their stay, destination guides that can be consulted offline and Wipolo, which is in the process of being deployed for the reservation of hotel services.

HotelInvest

HotelInvest's EBITDAR improved by 1.0% like-for-like to €1,424 million.

Detailed results for HotelInvest

(in millions of euros)	2014	2015
Revenue	4,794	4,815
EBITDAR	**1,401**	**1,424**
EBITDAR margin	29.2%	29.6%
EBITDA	**573**	**654**
EBITDA margin	11.9%	13.6%
EBIT	**292**	**378**
EBIT margin	6.1%	7.8%

HotelInvest's EBIT increased by a strong 12.5% like-for-like to €378 million, putting the margin at 7.8%, an improvement of 176 basis points compared with 2014. The increase is attributable to sustained hotel business, notably in the United Kingdom, the Benelux countries and Germany, but also to the dynamic management of the Group's assets in 2015.

HotelInvest cash flow

(in millions of euros)	2014	2015
EBITDA	**573**	**654**
Renovation & maintenance Capex	(209)	(217)
NOI* (EBITDA – maintenance Capex)	**364**	**437**
% EBITDA	63.5%	66.8%
Development Capex	(201)	(149)
EBITDA – Capex	**162**	**288**
% EBITDA	*28.4%*	*44.0%*

* *Net operating in come*

HotelInvest's EBITDA amounted to €654 million, boosting the EBITDA margin by 1.7 points. **Net operating income (NOI),** which corresponds to EBITDA less maintenance expenditure, rose by €73 million, lifting the **EBITDA margin** by 3.3 points from 63.5% to 66.8%.

HotelInvest's P&L performance

(in millions of euros)	Owned	Fixed Leased	Variable Leased	Others	Total
Number of hotels	331	304	653		1,288
Revenue	1,254	1,310	2,193	58	4,815
EBITDAR	349	434	645	(4)	1,424
EBITDAR margin	*27.8%*	*33.1%*	*29.4%*	*(6.7)%*	*29.6%*
Rents	(15)	(310)	(444)	-	(770)
Depreciation & amortization	(144)	(53)	(82)	N/A	(276)
EBIT	**190**	**71**	**117**	**(1)**	**378**
EBIT margin	*15.2%*	*5.4%*	*5.3%*	*(1.6)%*	*7.8%*

HotelInvest's P&L Performance notably reflects the strong performance by anned hotels, with EBIT up €86 million.

Asset management policy

In 2015, **93 hotels** were restructured, of which **34 hotels** under leases and **59 hotels** under direct ownership. These transactions had the effect of reducing adjusted net debt by **€458 million.**

Moreover, the Group secured the sale of 85 additional hotels in Europe in partnership with Eurazeo (see note 3 to the consolidated financial statements). This transaction will be finalized during the second quarter of 2016.

Gross asset value

At the end-December 2015, HotelInvest's gross asset value supported by business during the year, **HotelInvest's gross asset value** was **€6.9 billion,** versus €6.3 billion at end-December 2014. As last year, AccorHotels had HotelInvest's hotel assets valued by three independent experts, which each analyzed a third of the portfolio. The valuation technique chosen was EBITDA multiples, defined in accordance with each hotel's specific situation (market, segment, etc.) For lease contracts, the valuation took into account such factors as the time remaining on the lease, the options for terminating the contract and the potential lease termination costs.

Return on Investment (ROI), or EBITDA to gross asset, value ratio, for HotelInvest's gross asset, was broodly stable at 9.5%

4.2 REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

ACTIVITIES OF ACCOR SA

Accor SA owns the Pullman, MGallery, Novotel, Suite Novotel, Mercure, ibis, ibis Styles, ibis *budget* and HotelF1 brands, and receives royalties from their licensing. It also owns hotel businesses in France and holds most of the hotel management contracts and franchise agreements in the country.

Accor SA provides other Group companies with hotel management, purchasing, cash management, IT and advertising services, as well as various advisory services, and assigns staff to them as required. Billings for these services correspond either to a percentage of the hotel's revenue and/or profit, either as a flat fee or a fee per service. They are determined on an arm's length basis.

As the Group's holding company, Accor SA manages a substantial portfolio of equity interests, receives dividends from subsidiaries and leads the Group's expansion.

At December 31, 2015, 60 hotels were managed by French subsidiaries under business leases: three Sofitel, 39 Novotel, 11 Suite Novotel, three Mercure, two ibis, one ibis Styles, and one ibis *budget*.

REVIEW OF 2015 RESULTS

Revenue from all of the Company's operations amounted to €881.1 million in 2015, *versus* €825.3 million the year before. This increase in revenue of 6.8%, or €55.8 million, reflected the increases in fees billed to subsidiaries and to non-related parties of €21.3 million and €15.2 million respectively, as well as the €20.2 million increase in services provided by Accor SA (corporate services, purchases, technical support, etc.).

Revenue includes hotel royalties, rental and business-lease revenue and service fees.

	2014	2015	% of total
Royalties from subsidiaries	363	384	44%
Service fees[1]	263	283	32%
Rental and business-lease revenue	68	67	8%
Royalties from non-Group companies	123	138	16%
Guarantee fees	8	8	1%
TOTAL	**826**	**881**	**100%**

(1) Services provided by Accor SA include corporate services, purchasing, technical support, accounting fees and back-office systems.

At December 31, 2015, **provision reversals, expense transfers and other income** amounted to €54.8 million compared to €85.7 million at end-December 2014.

The €30.9 million decrease primarily reflects the reductions of €28.2 million in reversals of provisions for restructuring, and €15.9 million in expense transfers relating to bond issues, which were offset by an increase of €17.3 million in the value of capitalized assets, mainly related to the digital plan.

Operating expenses stood at €927.1 million at December 31, 2015 compared to €852.0 million at end-December 2014.

The €75.0 million rise primarily reflects increases of €38.5 million in distribution costs, €37.2 million in costs related to the digital plan, €14.1 million in marketing and sponsoring costs, €10.2 million in additions to pension provisions and €5.3 million in amounts recharged in relation to purchases. These offset the decreases of €18.7 million in bank arrangement fees and fees relating to bond issues and €14.8 million in payroll costs.

Operating profit stood at €8.8 million in 2015 compared to €58.9 million in 2014, representing a reduction of €50.1 million.

Net financial income came out at €44.3 million compared to €169.1 million in 2014, down €124.8 million, mainly as a result of a decrease in dividends from subsidiaries.

Income from investments in subsidiaries and affiliates totaled €219.9 million, *versus* €323.9 million in 2014. The main dividend payments received during the year were from Accor UK (€55.2 million *vs.* €56.6 million in 2014), Accor Hôtellerie Belgique (€41.4 million), Accor Canada (€17.8 million *vs.* €10.0 million in 2014), Soluxury HMC (€16.4 million), SA ibis *budget* (€8.3 million *vs* €6.3 million in 2014), SHNM (€7.8 million *vs* €35.2 million in 2014) and Orbis (€7.9 million, unchanged from 2014).

Total movements in financial provision, corresponding mainly to write-downs of investments in subsidiaries, represented a net expense of €21.0 million in 2015 *versus* €44.8 million in 2014.

Recurring profit before tax stood at €53.0 million, compared to €228.0 million in 2014.

Net non-recurring income stood at €56.4 million, compared to a net non-recurring expense of €2.3 million in 2014.

It primarily comprised capital gains on the sale of shares in Katerinska (€55.6 million), China Lodging Group (€2.4 million) and La Falaise de Dinard (€0.9 million), as well as a €10.6 million reversal of a provision for a legal dispute and €9.0 million in moving costs for the Group's Paris headquarters.

In 2015, the Company recorded an **income tax benefit** of €25.2 million and a €5.0 million income tax expense (including the 3% surtax on distributed dividends of €4.8 million), compared with a benefit of €17.3 million and an expense of €3.7 million in 2014.

At December 31, 2015, the French **tax group** headed by Accor SA comprised 70 companies compared with 66 a year earlier.

Accor SA ended the year with a **net profit** of €129.7 million *versus* a net profit of €239.3 million in 2014.

Non-deductible provisions and accrued expenses carried in the balance sheet at December 31, 2015 amounted to €135.1 million *versus* €140.4 million in 2014.

Details of the other directorships and positions held by the Company's directors and officers, as well as their compensation, are provided in the Corporate Governance section, on page 97.

SUPPLIER PAYMENT PERIODS

Payment schedule for Accor SA's trade payables

(in millions of euros)	Accrued payables	< 30 days	30-60 days	> 60 days
Trade payables	-	51.2	18.6	-
Accruals for goods and services received but not invoiced	181.2	-	-	-
TOTAL	**181.2**	**51.2**	**18.6**	**-**

2015 BUSINESS REVIEW

Accor acquired 100% of the share capital of **Fastbooking** in April 2015 for €1.8 million and a 19.11% stake in **Melty** for €2 million.

Accor also took up the new shares issued by its **Sogecol** subsidiary for €19.9 million, its **Fastbooking** subsidiary for €20.3 million, its **A3C** subsidiary for €13.5 million and its **Accor Hospitality Argentina** subsidiary for €7.6 million.

Following capital reductions, Accor received €45.0 million from its **Accor Hospitality Germany** subsidiary, €36.3 million from its **Accor Lodging North America** subsidiary and €14.2 million from its **HOLPA** subsidiary.

Accor also received €64.8 million from the sale of **Katerinska** to Orbis.

Finally, as part of its strategic alliance signed in December 2014, Accor SA acquired 2% of the shares in **China Lodging Group** placed on the Nasdaq stock market for €22.3 million, between March and April 2015. The shares were then sold to its subsidiary AAPC Hong Kong in May 2015 for €24.7 million.

HOTEL TRANSACTIONS

The sale of the business assets and property improvements of the **Novotel Caen** gave rise to a €1.8 million capital gain.

TRANSACTIONS IN ACCOR SA SHARES

In June 2015, Accor paid an ordinary dividend for 2014 of €0.95 per share for a total payout of €222.0 million split as follows: €158.7 million in cash and €63.3 million in shares.

In addition, equity was increased following the issuance of 3,516,026 shares. Together, these transactions had the net effect of increasing the share capital by €10.6 million and the additional paid-in capital and share premium by €105.8 million.

On May 27, 2013, Accor appointed Rothschild & Cie Banque to act as market maker in its shares on the Euronext Paris stock exchange, under a liquidity contract complying with the Code of Conduct issued by the French Financial Markets Association (AMAFI) and recognized by the French securities regulator (AMF). To fund the contract, an amount of €30.0 million has been allocated to the liquidity account. The related bank fees amount to a total of €260,000 per year.

Over the period, on behalf of Accor SA, Rothschild & Cie Banque purchased 2,958,532 shares at an average price of €44.59 and sold 2,926,532 shares at an average price of €44.71.

As of December 31, 2015, Accor held 32,000 shares in treasury at a price of €40.00 as reported in the financial statements.

All of these transactions are described in further detail on page 289 of the Registration Document.

The Company's ownership structure is described in the "Capital and Ownership Structure" section on page 291.

FINANCING AND INVESTING TRANSACTIONS

In September 2015 as part of its active balance sheet management strategy, Accor SA launched a liability management drive that involved:

- a new, €500 million eight-year bond issue at 2.375%;
- partial repayment of a €700 million, 2.875% bond issued in June 2012 in an amount of €332.7 million;
- partial repayment of a €600 million, 2.50% bond issued in March 2013 in an amount of €264.9 million.

Accor also signed interest-rate swap agreements with Société Générale and Natixis for €300 million to hedge the €900 million bond issued in February 2014 and maturing in February 2021. The aim of this transaction was to exchange a fixed-rate debt (2.625%) for a floating rate debt at 6-month Euribor plus margin.

Furthermore, Accor has:

- a €250 million, eight-year bond issued in 2009 at 6.039%;
- a €900 million, seven-year bond issued in February 2014 at 2.625%;
- a CHF150 million (€138.1 million as at December 31, 2015) eight-year bond issued on the Swiss market in June 2014 at 1.750%;
- a private €60 million, seven-year bond issued in December 2014 at 1.679%.

Accor also has a €900 million hybrid bond issued in June 2014 at 4.125% with a first call date at the end of the sixth year.

An issue premium of €6 million was deducted from this total. The remaining €894 million was booked to "Other Equity" on the balance sheet in accordance with current accounting regulations.

The Company also has a €1.8 billion, five-year syndicated credit facility set up in June 2014.

At December 31, 2015, the Company had €550.4 million in term deposits and €683.9 million in cash and cash equivalents. Accor also has €1,260.2 million invested in mutual funds.

INFORMATION ABOUT SUBSIDIARIES

Accor SA owns 50% or more of the capital of 124 companies. The main equity interests, based on net value, are as follows:

- **Accor Hotels Belgium** (€1,326.9 million net) is the Belgian company that operates the hotels in Belgium and also owns interests in **Accor Asia** (100%), **AAPC**, the holding company for the hotels business in **Australia** (81.9%), Portugal-based hotel operator **AHS** (50.0%), **Accor Hoteles España** (83.1%), **Groen Brugge Hotel** (99.99%) and **Accor Hotels Luxembourg** (100%).

  Accor Hotels Belgium reported a net profit of €39.7 million in 2015, *versus* €82.6 million in 2014.
- **Accor Hospitality Germany** (€407.9 million net) is a German company that operates 346 hotels in Germany.

  In 2015, it reported a net profit of €52.4 million, *versus* €40.8 million in 2014.
- **Accor Partecipazioni Italia** (€346.6 million net) is the head office for operations in Italy.

  In 2015, it reported a net profit of €610,000, *versus* a net loss of €984,000 in 2014.
- **CIWLT** (€304.6 million net): Compagnie Internationale des Wagons-Lits et Tourisme (CIWLT) is a Belgian company that provides on-board train services in Europe through its subsidiary Treno (100%) and owns stakes in the hotel companies **SFPTH** (100%) in France and in **Macor** (30.5%) and **Accor Hotels SAE** (99.99%) in Egypt.

  CIWLT reported a net profit of €2.8 million in 2015, *versus* €5.3 million in 2014.
- **Société des Hôtels Novotel et Mercure** (€269.3 million net) operates Novotel and Mercure hotels in France.

  In 2015, it reported a net profit of €8.4 million, *versus* €7.5 million in 2014.

The other interests held by Accor SA are listed in the table of subsidiaries and affiliates presented after the parent company financial statements on page 280.

4.3 MATERIAL CONTRACTS

In 2015, material contracts (other than contracts entered into in the ordinary course of business) corresponded to agreements signed in relation to disposals, acquisitions, organic growth and real estate transactions, as described in note 3, paragraphs A to B, and in note 11 to the consolidated financial statements, pages 195 and 209 below.

4.4 SUBSEQUENT EVENTS

On January 27, 2016, AccorHotels announced the **signature of an agreement with a new franchisee hotel operator for the sale of a portfolio of 85 hotels in Europe,** in the Economy and Midscale segments, with an asset value of €504 million. Of these 85 hotels, 57 are from transactions concluded on October 16 and December 1, 2015 for which AccorHotels has a substitution clause for the buyer, for an amount of €358 million.

On January 27, 2016, **AccorHotels and Huazhu cemented their long-term strategic alliance,** which they announced to the market on December 14, 2014. The agreement resulted in a 10.8% stake in Huazhu for AccorHotels and the allocation of a seat on Huazhu's Board of Directors. Huazhu acquired a non-controlling interest of 29.3% and two seats within AccorHotels' Upscale and Luxury segment in China.

On February 18, 2016, AccorHotels announced **strategic investments** in two upscale private property rental operators, US company **Oasis Collections** and French company **Squarebreak.**

5 Financial STATEMENTS

5.1 STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2015

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying consolidated financial statements of ACCOR;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2015 and of the results of its operations for the year then ended in accordance with the IFRSs as adopted by the European Union.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- notes 2.E.4., 2.E.6. and 2.E.7. to the consolidated financial statements describe the accounting policies and methods used to account for leases and sale-and-leaseback transactions as well as the policies and methods used to assess the recoverable amount of property, plant and equipment, intangible assets, and goodwill. We have verified the appropriateness of these accounting policies and methods and of the related disclosures provided in notes 6, 10 et 25.2 to the consolidated financial statements. We have also examined the consistency of the data and assumptions used and the supporting documentation, and on these bases assessed the reasonableness of the estimates made;
- note 30 to the consolidated financial statements describes the legal proceedings currently underway regarding tax audits in various countries, as well as Management's positions concerning these disputes. Our work consisted of assessing the reasonableness of the elements on which these positions are based and verifying that the note to the consolidated financial statements provides appropriate disclosures.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATION

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris-La Défense and Neuilly-sur-Seine, March 17, 2016

The Statutory Auditors

French original signed by

ERNST & YOUNG et Autres	DELOITTE & ASSOCIÉS
Jacques Pierres	Pascale Chastaing-Doblin

5.2 CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

Unless stated otherwise, the amounts presented are in millions of euros, rounded to the nearest million. Generally speaking, the amounts presented in the consolidated financial statements and the notes to the financial statements are rounded to the nearest unit. This may result in a non-material difference between the sum of the rounded amounts and the reported total. All ratios and variances are calculated using the underlying amounts rather than the rounded amounts.

5.2.1 Consolidated income statements

(in millions of euros)	Notes	2014*	2015
CONSOLIDATED REVENUE	4	5,454	5,581
Operating expense	5	(3,682)	(3,801)
EBITDAR	4	1,772	1,780
Rental expense	6	(849)	(794)
EBITDA	4	923	986
Depreciation, amortization and provision expense	7	(321)	(321)
EBIT	4	602	665
Net financial expense	8	(52)	(71)
Share of profit of associates after tax	17	28	10
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS		578	605
Restructuring costs	9	(11)	(23)
Impairment losses	10	(55)	(67)
Gains and losses on management of hotel properties	11	(11)	(31)
Gains and losses on management of other assets	11	(82)	(75)
OPERATING PROFIT BEFORE TAX		419	408
Income tax expense	12	(175)	(136)
PROFIT FROM CONTINUING OPERATIONS		244	273
Net profit or Loss from discontinued operations	25	(4)	(1)
NET PROFIT OR LOSS		**240**	**271**
Net Profit, Group Share from continuing operations		227	246
Net Profit or Loss, Group Share from discontinued operations		(4)	(1)
Net Profit or Loss, Group Share		**223**	**244**
Net Profit, Minority interests from continuing operations		17	27
Net Profit or Loss, Minority interests from discontinued operations		-	-
Net Profit, Minority interests		17	27
Weighted average number of shares outstanding *(in thousands)*	20	230,232	234,387
Earnings per share *(in euro)*		**0.97**	**0.88**
Diluted earnings per share *(in euro)*	20	0.96	0.88
Earnings per share from continuing operations *(in euro)*		0.99	0.89
Diluted earnings per share from continuing operations *(in euro)*		0.98	0.88
Earnings per share from discontinued operations *(in euro)*		(0.02)	(0.01)
Diluted earnings per share from discontinued operations *(in euro)*		(0.02)	(0.01)

* *Including the retrospective impact of the application of IFRIC 21 (see Note 2).*

5.2.2 Statements of profit or loss and other comprehensive income

(in millions of euros)	Notes	2014*	2015
NET PROFIT OR LOSS		**240**	**271**
Currency translation adjustment		83	(3)
Effective portion of gains and losses on hedging instruments in a cash flow hedge		0	(3)
Change in fair value resulting from "Available-for-sale financial assets"		(2)	12
Other comprehensive income that will be reclassified subsequently to profit or loss		**81**	**6**
Actuarial gains and losses on defined benefit plans, net of deferred taxes		(11)	(9)
Other comprehensive income that will never be reclassified subsequently to profit or loss		**(11)**	**(9)**
Other comprehensive income, net of tax	**22**	**69**	**(3)**
TOTAL PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		**309**	**268**
Profit or loss and other comprehensive income, Group share		**295**	**241**
Profit or loss and other comprehensive income, Minority interests		14	27

* *Including the retrospective impact of the application of IFRIC 21 (see Note 2).*

5.2.3 Statements of financial position

Assets

(in millions of euros)	Notes	Dec. 2014*	Dec. 2015
GOODWILL	13	701	697
INTANGIBLE ASSETS	14	283	307
PROPERTY, PLANT AND EQUIPMENT	15	3,157	3,024
Long-term loans	16	133	118
Investments in associates	17	324	346
Other financial investments	18	129	191
TOTAL NON-CURRENT FINANCIAL ASSETS		586	654
Deferred tax assets	12	66	73
Total non-current assets		**4,794**	**4,756**
Inventories	19 & 28	28	37
Trade receivables	19 & 28	417	432
Other receivables and accruals	19 & 28	461	471
Receivables on disposals of assets	23	14	44
Short-term loans	23	16	43
Cash and cash equivalents	23	2,677	2,963
Total current assets		**3,614**	**3,990**
Assets held for sale	25	347	208
ASSETS		**8,754**	**8,953**

* *Including the retrospective impact of the application of IFRIC 21 (see Note 2).*

Equity and Liabilities

(in millions of euros)	Notes	Dec. 2014*	Dec. 2015
Share capital		696	706
Additional paid-in capital and reserves		1,852	1,925
Net profit or loss, Group share		223	244
ORDINARY SHAREHOLDERS' EQUITY, GROUP SHARE		2,770	2,875
Hybrid capital	20	887	887
Shareholders' equity, Group share		**3,657**	**3,762**
Minority interests	21	213	225
Total shareholders' equity and minority interests	**20**	**3,869**	**3,987**
Other long-term financial debt	23	2,722	2,692
Long-term finance lease liabilities	23	62	53
Deferred tax liabilities	12	41	29
Non-current provisions	26	133	142
Total non-current liabilities		**2,957**	**2,916**
Trade payables	19	690	736
Other payables and income tax payable	19	963	1,012
Current provisions	26	172	173
Short-term debt and finance lease liabilities	23	82	91
Bank overdrafts and liability derivatives	23	0	19
Total current liabilities		**1,907**	**2,031**
Liabilities associated with assets classified as held for sale	25	20	19
LIABILITIES AND SHAREHOLDERS' EQUITY		**8,754**	**8,953**

* *Including the retrospective impact of the application of IFRIC 21 (see Note 2).*

5.2.4 Consolidated cash flow statements

	(in millions of euros)	Notes	2014*	2015
+	EBITDA	4	923	986
+	Net financial expense	8	(52)	(71)
+	Income tax expense		(151)	(171)
-	Non cash revenue and expense included in EBITDA		11	21
-	Elimination of provision movements included in net financial expense and non-recurring taxes		25	35
+	Dividends received from associates		13	16
+	Impact of discontinued operations		(2)	(2)
=	FUNDS FROM OPERATIONS EXCLUDING NON-RECURRING TRANSACTIONS	27	767	814
+	Decrease (increase) in operating working capital	28	103	72
+	Impact of discontinued operations	28	6	(0)
=	NET CASH FROM OPERATING ACTIVITIES		875	886
+	Cash received (paid) on non-recurring transactions (included restructuring costs and non-recurring taxes)		(186)	(101)
+	Impact of discontinued operations		-	-
=	NET CASH FROM OPERATING ACTIVITIES INCLUDING NON-RECURRING TRANSACTIONS (A)		689	785
-	Renovation and maintenance expenditure	29	(262)	(269)
-	Development expenditure	29	(1,313)	(366)
+	Proceeds from disposals of assets		128	356
+	Impact of discontinued operations		-	1
=	NET CASH USED IN INVESTMENTS/DIVESTMENTS (B)		(1,447)	(280)
+	Proceeds from issue of share capital		46	52
-	Dividends paid		(137)	(174)
+	Issue of hybrid capital		887	-
-	Hybrid capital dividend payment		-	(37)
-	Repayment of long-term debt		(17)	(688)
-	Payment of finance lease liabilities		(1)	(8)
+	New long term debt		1,123	673
=	INCREASE (DECREASE) IN LONG-TERM DEBT		1,106	(23)
+	Increase (decrease) in short-term debt		(398)	(47)
+	Impact of discontinued operations		1	-
=	NET CASH FROM FINANCING ACTIVITIES (C)		1,505	(230)
+	Effect of changes in exchange rates (D)		37	(10)
=	**NET CHANGE IN CASH AND CASH EQUIVALENTS (E) = (A) + (B) + (C) + (D)**		**784**	**266**
-	Cash and cash equivalents at beginning of period		1,896	2,677
-	Effect of changes in fair value of cash and cash equivalents		(0)	-
-	Net change in cash and cash equivalents for discontinued operations		(4)	1
+	Cash and cash equivalents at end of period		2,677	2,944
=	**NET CHANGE IN CASH AND CASH EQUIVALENTS**		**784**	**266**

* *Including the retrospective impact of the application of IFRIC 21 (see Note 2).*

5.2.5 Changes in consolidated shareholders' equity

(in millions of euros)	Number of shares outstanding	Share capital	Additional paid-in capital	Currency translation reserve	Fair value adjustments on Financial 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, 2014	228,053,102	684	1,129	(123)	(4)	(48)	162	737	2,538	214	2,752
Changes in accounting policies*	-	-	-	-	-	-	-	3	3	-	3
AT JANUARY 1, 2014*	228,053,102	684	1,129	(123)	(4)	(48)	162	740	2,541	214	2,754
Issue of share capital											
■ Performance share grants	203,015	1	-	-	-	-	-	(1)	-	-	-
■ On exercise of stock options	1,684,989	5	41	-	-	-	-	-	46	(0)	46
■ Cancellation of treasury stock	-	-	0	-	-	-	-	-	0	-	0
Issue of hybrid capital	-	-	-	-	-	-	-	887	887	-	887
Hybrid capital dividend payment	-	-	-	-	-	-	-	-	-	-	-
Dividends paid in cash	1,895,293	6	54	-	-	-	-	(183)	(123)	(13)	(137)
Changes in reserve related to employee benefits	-	-	-	-	-	-	10	-	10	-	10
Effects of scope changes	-	-	-	-	-	1	-	0	1	(0)	1
OTHER COMPREHENSIVE INCOME	-	-	(76)	86	(2)	(11)	-	75	72	(3)	69
Net Profit or Loss	-	-	-	-	-	-	-	223	223	17	240
Total Profit or Loss and other comprehensive income	**-**	**-**	**(76)**	**86**	**(2)**	**(11)**	**-**	**298**	**295**	**14**	**309**
AT DECEMBER 31, 2014*	231,836,399	696	1,149	(37)	(5)	(59)	172	1,741	3,657	213	3,869
Issue of share capital											
■ Performance share grants	234,645	1	-	-	-	-	-	(1)	0	-	0
■ On exercise of stock options	1,911,904	6	47	-	-	-	-	-	52	0	52
■ Cancellation of treasury stock		(0)	(1)	-	-	-	-	-	(1)	-	(1)
Hybrid capital dividend payment								(37)	(37)	-	(37)
Dividends paid in cash	1,369,477	4	59	-	-	-	-	(222)	(159)	(15)	(174)
Changes in reserve related to employee benefits	-	-	-	-	-	-	14	-	14	-	14
Effects of scope changes	-	-	-	-	-	0	-	(5)	(5)	1	(4)
Other Comprehensive Income	**-**	**-**	**-**	**(3)**	**10**	**(9)**	**-**	**(0)**	**(3)**	**(0)**	**(3)**
Net Profit or Loss	-							244	244	27	271
Total Profit or Loss and other comprehensive income	**-**	**-**	**-**	**(3)**	**10**	**(9)**	**-**	**244**	**241**	**27**	**268**
AT DECEMBER 31, 2015	**235,352,425**	**706**	**1,254**	**(40)**	**4**	**(68)**	**185**	**1,720**	**3,762**	**225**	**3,987**

* *Including the retrospective impact of the application of IFRIC 21 (see Note 2).*

5.2.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements at December 31, 2015 have been prepared under the responsibility of AccorHotels' Chairman and Chief Executive Officer. They were approved by the Board of Directors of February 17, 2016.

The Accor Group has changed its trade name to AccorHotels but its legal company name remains unchanged. Accor SA continues to be the parent company of the Group.

NOTE 1 MANAGEMENT RATIOS

	Note	Dec. 2014	Dec. 2015
Gearing	(a)	4.1%	(4.9)%
Adjusted Funds from Ordinary Activities/Adjusted Net Debt	(b)	27.1%	31.8%
Return On Capital Employed	(c)	14.6%	14.4%

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 in accordance with the method used by the main rating agencies. The method was modified in 2015 to be more closely aligned with that used by Standard & Poor's, with the change also applied to 2014 comparatives.

	Note	Dec. 2014	Dec. 2015
NET DEBT AT END OF THE PERIOD (SEE NOTE 23)		159	(194)
Restatement of perpetual subordinated notes	(1)	443	443
Other restatements	(2)	252	333
ADJUSTED NET DEBT		854	582
Rental commitments discounted at 7%	(3)	2,559	2,539
Total Adjusted net debt		**3,413**	**3,121**
FUNDS FROM ORDINARY ACTIVITIES (ON 12 MONTHS)		769	816
Restatement of interests related to perpetual subordinated notes	(1)	(9)	(19)
Rental amortization	(3)	222	230
Other restatements	(4)	(57)	(36)
Adjusted Funds from Ordinary Activities		**924**	**991**
ADJUSTED FUNDS FROM ORDINARY ACTIVITIES/ADJUSTED NET DEBT		**27.1%**	**31.8%**

(1) Due to the fact that the rating agencies treat 50% of subordinated perpetual securities as debt and 50% as equity, 50% of said securities and the related interest are restated as net debt and 50% as funds from operations excluding non-recurring transactions used to calculate the ratio. In accordance with the same principle, only 50% of the interest paid on these instruments is included in funds from operations excluding non-recurring transactions used for the calculation.

(2) Other adjustments at December 31, 2015, concerned cash and cash equivalents, with the application of a 5% discount (€148 million), provisions for pensions and seniority bonuses after tax (€98 million) and short-term loans and receivables from sales of assets (€87 million). Other adjustments at December 31, 2014 concerned cash and cash equivalents, with the application of a 5% discount (€134 million), provisions for pensions and seniority bonuses after tax (€88 million) and short-term loans and receivables from sales of assets (€31 million).

(3) A 7% discount was applied to rental commitments related to hotels (see Note 6.C) and headquarters buildings (see Note 31) with deferred recognition of the commitments on a straight-line basis as from the sixth year, in accordance with the Standard & Poor's method.

(4) At December 31, 2015, other adjustments to funds from operations mainly concerned taxes (€11 million negative adjustment) and restructuring costs (€23 million negative adjustment). At December 31, 2014, other adjustments to funds from operations mainly concerned taxes (€36 million negative adjustment) and restructuring costs (€11 million negative adjustment).

Note (c): Return on Capital Employed (ROCE) is a key management indicator used internally to measure the performance of the Group. 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: EBITDA plus revenue from financial assets and investments in associates (dividends and interests);
- Capital Employed: The average cost of 2014 and 2015 non-current assets, before depreciation, amortization and provisions, plus working capital.

ROCE corresponds to the ratio between adjusted EBITDA and average capital employed for the period.

(in millions of euros)	2014	2015
Capital employed	6,911	7,360
Adjustments on capital employed(1)	(283)	(466)
Effect of exchange rate on capital employed(2)	5	89
AVERAGE CAPITAL EMPLOYED	6,633	6,983
EBITDA	923	986
Adjustments, inc. internal income on external loans and dividends	13	3
Share of profit of associates before tax	33	15
PUBLISHED ADJUSTED EBITDA	969	1,004
ROCE (ADJUSTED EBITDA/CAPITAL EMPLOYED)	14.6%	14.4%

(1) For the purpose of ROCE calculation, capital employed is prorated over the period of EBITDA recognition in the income statement. For example, the capital employed of a business acquired on December 31 that did not generate any EBITDA during the period would not be included in the calculation.
(2) Capital employed is translated at the average exchange rate for the year, corresponding to the rate used to translate EBITDA.

NOTE 2 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 AccorHotels Group consolidated financial statements for the year ended December 31, 2015, have been prepared in accordance with the International Financial Reporting Standards (IFRSs) adopted by the European Union as of that date. They include comparative 2014 annual financial information, prepared in accordance with the same standards.

At December 31, 2015, all of the International Financial Reporting Standards (including IFRSs, IASs and Interpretations) published by the International Accounting Standards Board ("IASB") had been adopted by the European Union. As a result, the Group's consolidated financial statements have been prepared in accordance with International Financing Reporting Standards as published by the IASB.

The new standards and interpretations whose application is mandatory for accounting periods beginning on or after January 1, 2015 have no material impact on Accor's consolidated financial statements. They mainly relate to:

- IFRIC 21 "Levies", which specifies the date on which a liability for a levy should be recognized. The interpretation is effective for annual periods beginning on or after January 1, 2015 and retrospectively applied for all prior periods presented. The changes made to previously published figures primarily relate to France and more specifically to the "contribution sociale de solidarité" tax and to property taxes. The impact on opening equity at January 1, 2014 is a positive €3 million. The impact on the annual income statement is not material. Property taxes previously recognized on a straight-line basis over the year are now recognized on January 1, generating a negative impact of €6 million on the income statement at June 30, 2014.

No new standards have been early adopted.

Assessment of the potential impact on the consolidated financial statements of not adopted future standards, amendments to existing standards and interpretations of existing standards

Standard or Interprétation		Application Date (period beginning on or after)	Measurement of the possible impact on the AccorHotels Group consolidated financial statements in the period of initial application
IFRS 16	"Leases"	01/01/2019*	This standard will have a major impact on the Group accounts. All of the fixed portion of lease payments, particularly those for hotel leases, will generate a right-of-use asset and a financial liability in the balance sheet.
IFRS 9	"Financial Instruments"	01/01/2018*	The standard's impact is currently being analyzed. In the case of IFRS 15, one of the main issues is the consideration payable to a customer. At this stage, the standard is not expected to have any major impact on the consolidated financial statements.
IFRS 15	"Revenue from Contracts with Customers"	01/01/2018*	
IFRS 14	"Regulatory Deferral Accounts"	01/01/2016*	These standards and amendments to existing standards are not expected to have a material impact on the consolidated financial statements.
Amendments to IFRS 10 and IAS 28	"Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	01/01/2016*	
Amendment to IAS 1	Disclosure Initiative	01/01/2016	
Annual Improvements to IFRS 2012-2014 Cycle		01/01/2016	
Amendments to IAS 16 and IAS 38	"Property, Plant and Equipment" and "Intangible assets" Clarification of acceptable methods of depreciation and amortisation	01/01/2016	
Amendment to IFRS 11	"Accounting for Acquisitions of Interests in Joint Operations"	01/01/2016	
Amendment to IAS 19	"Defined Benefit Plans: Employee Contributions"	01/01/2016	
Annual Improvements to IFRS 2010-2012 Cycle		01/01/2016	

* *Standard, amendment or interpretation not yet adopted for use in the European Union.*

Basis for preparation of the financial statements

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 fiscal year-end, except for certain Indian companies that have a March 31 fiscal year-end and are therefore consolidated based on financial statements for the twelve months ended September 30.

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

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

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

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

Capital management

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

Its capital structure is managed and adjusted to keep pace with changes in economic conditions, by adjusting dividends, returning capital to shareholders or issuing new shares. Capital management objectives, policies and procedures were unchanged in 2015.

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"). Group policy consists of keeping this ratio below 100%. For the purpose of calculating the ratio, net debt is defined as all short and long-term borrowings, including lease liabilities, derivative instruments with negative fair values and bank overdrafts less cash and cash equivalents, derivative instruments with positive fair values and disposal proceeds receivable in the short-term. Long-term loans, made primarily to hotel owners and to certain companies in which AccorHotels holds a minority interest with the aim of developing long-term investments, are treated as cash flows from investing activities and not financing activities. Consequently, they are excluded from the net debt calculation.

Equity includes the Group's share of reserves and retained earnings, and unrealized gains and losses recognized directly in equity, but excludes minority interests.

Moreover, the Group has set a target at the end of December 2015 of maintaining the Adjusted funds from ordinary activities/ Adjusted net debt ratio at more than 25%.

The main accounting methods applied are as follows:

A. Consolidation methods

The Group's organizational policy consists of creating subsidiaries in France and, generally, in all of its host countries. These subsidiaries are set up for the sole purpose of operating AccorHotels Group hotels. In most cases, they are wholly owned by AccorHotels and controlled exclusively by the Group. They are therefore fully consolidated.

IFRS 10 – Consolidated financial statements states that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. No account is taken of the potential ability to direct the relevant activities arising from rights that cannot yet be exercised or that are subject to the occurrence of a future event. The investor must have the current, practical ability to direct the relevant activities that most significantly affect the returns of the investee. In the hotel business, an investor has power over a hotel operator, *i.e.* existing rights that give the investor the current ability to direct the relevant activities that significantly affect the hotel's returns, when it has the ability to make all operational, financial and strategic management decisions. In practice, this means that the investor has the power to appoint the hotel operator's management and to approve the operator's business plan and annual budget. In the case of managed and franchised hotels, AccorHotels has no such power and is not in a position to decide on the business plan or the annual budget. In the case of managed hotels, AccorHotels acts on behalf and for the benefit of the hotel owner and as such is a representative of the owner.

The Group has not identified any companies that it controls despite holding less than half of the voting rights. Similarly, The Group has not identified any companies that it does not control despite holding more than half of the voting rights.

In connection with the development of certain hotel businesses, AccorHotels may set up partnerships with other companies to pool their complementary skills. In all cases, the partnerships are organized as separate, independently managed vehicles in which both partners have rights to the net assets. All of these companies are controlled jointly by AccorHotels and the partner under a contractual arrangement, according to which decisions about the relevant activities require the unanimous consent of the parties sharing control. They qualify as joint ventures based on the criteria in IFRS 11 – Joint Arrangements, and have therefore been accounted for by the equity method in the consolidated financial statements as from January 1, 2014 in line with the requirements of IFRS 11.

In some countries, AccorHotels may choose to acquire a minority interest (generally less than 40%) in a local company that is then used as a vehicle for developing hotel projects. In exchange for its investment AccorHotels generally acquires the right to manage the hotels concerned. In most cases, AccorHotels has a seat on the Board, allowing it to participate in decisions proportionately to its percentage interest in the company's capital. However, the power to control the company remains in the hands of the other investors. These companies over which AccorHotels exercises significant influence, directly or indirectly, are qualified as associates and are accounted for by the equity method in the consolidated financial statements.

AccorHotels may also acquire minority interests in real estate companies that own the hotel properties (land and buildings) operated by the Group under a lease or management contract. These interests do not entitle AccorHotels to a seat on the real estate company's Board, and AccorHotels has no right to participate in the process for developing financial and operating policies. Consequently, they are classified as investments in non-consolidated companies under "Other financial investments" in the consolidated financial statements.

B. Business combinations and loss of control – changes in scope of consolidation

B.1. Business combinations

Business combinations are accounted for applying the acquisition method:

- the acquisition cost is measured at the acquisition date at the fair value of the consideration transferred, including all contingent consideration. Subsequent changes in contingent consideration are accounted for either through profit or loss or through other comprehensive income;
- identifiable assets and liabilities acquired are measured at fair value. Fair value measurements must be completed within one year. They are performed in the currency of the acquiree. In subsequent years, these fair value adjustments follow the same accounting treatment as the items to which they relate;
- goodwill is the difference between the consideration transferred and the fair value of the identifiable assets and liabilities assumed at the acquisition date and is recognized as an asset in the statement of financial position (see Note 2.C. Goodwill).

Costs related to business combinations are recognized directly as expenses.

When a business combination is achieved in stages, the previously held equity interest is remeasured at fair value at the acquisition date through profit or loss. The attributable other comprehensive income, if any, is fully reclassified in operating income.

B.2. Loss of control with residual equity interest

The loss of control while retaining a residual equity interest may be analysed as the disposal of a controlling interest followed by the acquisition of a non-controlling interest. This process involves, as of the date when control is lost:

- the recognition of a gain or loss on disposal, comprising:
  - a gain or loss resulting from the percentage ownership interest sold,
  - a gain or loss resulting from the remeasurement at fair value of the ownership interest retained in the entity;
- the other comprehensive income items are reclassified in the profit or loss resulting from the ownership interest disposed.

B.3. Purchases or disposals of non-controlling interest

Transactions with non-controlling interests in fully consolidated companies that do not result in a loss of control, are accounted for as equity transactions, with no effect on profit or loss or on other comprehensive income.

B.4. Loss of significant influence while retaining a residual interest

The loss of significant interest while retaining a residual interest may be analyzed as the disposal of shares accounted for by the equity method followed by the acquisition of a financial asset. This process involves, as of the date of disposal:

- the recognition of a gain or loss on disposal, comprising:
  - a gain or loss resulting from the percentage ownership interest sold, and
  - a gain or loss resulting from the remeasurement at fair value of the retained percentage ownership interest;
- the reclassification in profit of all of the other comprehensive income items.

B.5. Acquisitions of asset portfolios

As part of its strategy, the Group may acquire hotels that were previously operated under lises. These acquisitions are generally treated as asset acquisitions other than business combinations as the strategic business processes (*i.e.* hotel operations) and the generation of economic benefits (*i.e.* revenues from hotel operations) are already controlled by AccorHotels.

When asset portfolios are acquired, the assets and liabilities are initially recognized at cost including transaction expenses. No deferred taxes are recognized, in accordance with IAS 12.

C. Goodwill

C.1. Positive goodwill

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

In accordance with IFRS 3 (revised), which is applicable to business combinations carried out on or after January 1, 2010, each time it acquires less than 100% interest in an entity, the Group must choose whether to recognize goodwill:

- by the full goodwill method (*i.e.* on a 100% basis): in this case, non-controlling interests are measured at fair value and goodwill attributable to non-controlling interests is recognized in addition to the goodwill recognized on the acquired interest;
- by the partial goodwill method (*i.e.* based on the percentage interest acquired, with no change possible later in the event of an additional interest being acquired that does not transfer control): in this case, non-controlling interests are measured as the non-controlling interest's proportionate share of the acquiree's identifiable net assets and goodwill is only recognized for the share acquired.

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 is reported separately.

In accordance with IFRS 3 (revised) "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 2.E.6. If the carrying amount of goodwill exceeds its recoverable amount, an irreversible impairment loss is recognized in profit.

C.2. Negative goodwill

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

C.3. Reallocation of goodwill following reorganizations

IAS 36, paragraph 87, states that if an entity reorganizes its reporting structure in a way that changes the composition of one or more cash-generating units to which goodwill has been allocated, the goodwill must be reallocated to the units affected based on the relative values of the units' discounted cash flows.

D. Foreign currency translation

The presentation currency is the euro.

The statements of financial position 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.

AccorHotels did not have any subsidiaries operating in hyperinflationary economies in any of the periods presented.

E. Non-current assets

E.1. Intangible assets

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

Brands and lease premiums in France (*droit au bail*) are considered as having indefinite useful lives because the Group considers that there is no foreseeable limit to the period in which they can be used 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 is less than their carrying amount, an impairment loss is recognized (see Note 2.E.6).

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

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

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

Software costs incurred during the development phase are capitalized as internally-generated assets if the Group can demonstrate all of the following in accordance with IAS 38:

- its intention to complete the intangible asset and the availability of adequate technical, financial and other resources for this purpose;
- how the intangible asset will generate probable future economic benefits;
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

At the time of signature of management or franchise contracts, AccorHotels may have to pay key money to the owners of the hotels. These payments are necessary to obtain the contracts and are qualified as intangible assets under IAS 38. Key money is amortized over the life of the contracts to which it relates.

E.2. Property, plant and equipment

Property, plant and equipment are measured at purchase 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:

	Luxury 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	

E.3. Borrowing costs

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

E.4. Leases and sale and lease back 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 Lease Back" transactions result in an operating lease and it is clear that the transaction is established at fair value, any profit or loss is recognized immediately. Fair value for this purpose is generally determined based on independent valuations.

E.5. Other financial investments

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

Equity-accounted investments in associates are initially recognized at acquisition cost, including any goodwill. Their carrying amount is then increased or decreased to recognize the Group's share of the associate's profits or losses after the date of acquisition.

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

E.6. Recoverable value of assets

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

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

Criteria used for impairment tests

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

- 15% drop in revenue, based on a comparable consolidation scope; or
- 30% drop in EBITDA, based on a comparable consolidation scope.

Cash-generating unit

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

In the opening balance sheet at January 1, 2014, goodwill was reallocated between the HotelServices and HotelInvest strategic businesses created to support the Group's change of strategy and related reorganization.

In previous years, goodwill was allocated by region, country or hotel. The reallocation was based on discounted cash flow projections between the two strategic businesses for each region or country.

In the HotelInvest strategic business, the CGU's carrying amount includes property and equipment and intangible assets for each hotel, including allocated goodwill. Impairment tests are performed at the level of each individual hotel.

In the HotelServices strategic business, the CGU's carrying amount includes the property and equipment and intangible assets used in each region or country.

Other assets, notably intangibles, are tested individually when they generate separately identifiable cash inflows.

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.

For property, plant and equipment and goodwill, the recoverable value of all the assets or the CGUs is determined by two methods, the EBITDA multiples method (fair value approach) and the after-tax discounted cash flows method (value in use approach).

For intangible assets except goodwill, the recoverable value of an intangible asset is determined according to the discounted cash flow method only, due to the absence of an active market and comparable transactions.

Description of the method

1. Valuation by the EBITDA multiples method

HotelInvest recoverable amounts are estimated using fair values calculated based on a standard EBITDA multiple. For hotel properties, this method is considered as the most appropriate approach to estimating fair value less costs to sell, as it most closely reflects the amount that would be expected to be recovered through the sale of the asset.

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	Coefficients
Luxury and Upscale Hotels	8 < x < 10,5
Midscale Hotels	7,5 < x < 9
Economy Hotels	6,5 < x < 8,5

This is a level 2 valuation technique under IFRS 13.

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

2. Valuation by the discounted cash flows method

HotelServices recoverable amounts are estimated using the value in use determined by the discounted cash flows method.

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. Separation calculations are performed based on each country/region's specific characteristics. The projected long-term rate of revenue growth reflects each country/region's economic outlook.

This is a level 3 valuation technique under IFRS 13.

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 2.S.6).

Reversal of an impairment loss

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

E.7. Assets or disposal groups held for sale

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. Depreciation or amortization of the asset is discontinued from the date of classification as held for sale.

In accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", assets or group of assets held for sale are presented separately on the face of the statement of financial position, at the lower of their carrying amount and fair value less costs to sell.

This item groups together:

- non-current assets held for sale;
- groups of assets held for sale;
- the total current and non-current assets related to a business or geographical segment (*i.e.* to a discontinued operation) itself held for sale.

F. Inventories

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

G. Prepaid expense

Prepaid expense corresponds 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. Prepaid expense is included in "Other receivables and accruals".

H. Employee benefits expense

Employee benefits expense includes all amounts paid or payable to employees, including statutory and discretionary profit-sharing, pension contributions, payroll taxes and the cost of share-based payments. It also includes the cost of outsourced services.

A "Crédit d'Impôt pour la Compétitivité et l'Emploi" (CICE) tax credit was introduced in the 3rd 2012 Rectified Finance Act with the aim of making French businesses more competitive by reducing labor costs for certain employees. The CICE consists in substance of a government grant to be spent by companies on measures to improve their competitiveness. It is therefore accounted for in accordance with IAS 20 "Accounting for Government Grants and Disclosure". As allowed under IAS 20, the Group has chosen to record it as a deduction from the related expenses, *i.e.* as a deduction from payroll costs. The CICE recorded in the December 31, 2015 financial statements in respect of previously recognized payroll costs amounts to €18.6 million; it amounted to €18.8 million at December 31, 2014.

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 are discounted when the effect of the time value of money is material, using a discount rate that reflects current market assessments of the time value of money. The most commonly applied rates are the prime long-term corporate bond rate or the government bond rate.

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 as of the close of accounts.

J. Pensions and other post-employment benefits

The Group offers various supplementary pension, 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, under which the Group has a legal or constructive obligation to provide agreed benefits to current and future employees in exchange for a given level of service (including multi-employer plans when the manager is able to provide the necessary information), the Group's obligations are 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 statement of financial position 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.

Current service cost, past service cost, administrative expense, taxes for the year, and paid contributions and benefits are recognized in operating expense, whereas net interest on the net defined benefit liability (asset) is recognized in financial expense (income).

For post-employment benefits, actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized immediately in equity. However, actuarial gains and losses on long-term benefit obligations towards active employees (such as jubilees, seniority bonuses…) are recognized directly in profit or loss in net financial expense.

The net defined benefit obligation is recognized in the statement of financial position 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. Income taxes

Income tax expense (or benefit) includes both current and deferred tax expense (or benefit).

Current taxes on taxable profits for the reporting period and previous periods are recognized as liabilities until they are paid.

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 last tax rates (and tax laws) that have been enacted or substantively enacted. 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 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.

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

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

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

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

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

In France, the “*taxe professionnelle*” local business tax was replaced in the 2010 Finance Act by the “*Contribution Économique Terri*toriale” tax (CET). The CET comprises two separate taxes, a tax assessed on the rental value of real estate (“CFE”) and a tax assessed on the value added by the business (“CVAE”). AccorHotels decided therefore to classify CVAE as income tax.

The second Amended 2012 Finance Act introduced a 3% surtax on dividends and other distributions paid by companies that are subject to French corporate income tax. The surtax is treated as an income tax expense arising as of the date of the Annual Shareholders’ Meeting at which the dividend is approved. In 2015, the Group therefore recognized additional income tax expense of €4.8 million in its financial statements in respect of the 2014 dividends paid in 2015. In 2014, the Group recognized additional income tax expense of €3.7 million in its financial statements in respect of the 2013 dividends paid in 2014.

M. Share-based payments

M.1. Share-based payments

Stock Option Plans

AccorHotels regularly sets up option plans for executives, as well as for senior and middle managers. IFRS 2 applies to all stock option plans outstanding at December 31, 2015.

- for some plans, grantees must still be employed by the Group at the starting date of the exercise period;
- the other plans are a performance option plan with vesting conditions based on performance in relation to the market.

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

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

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

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

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 the AccorHotels 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

AccorHotels 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.

M.3. Perpetual subordinated notes

Perpetual subordinated notes are accounted for in accordance with IAS 32 taking into account their specific characteristics. They are recorded in equity at historical cost when AccorHotels has an unconditional right to avoid delivering cash or another financial asset to settle the contractual obligation.

Interest paid on these notes is recorded as a deduction from equity. The related tax effect is booked in Profit and Loss. The interest paid are tax deductible.

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 statement of financial position 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 corresponds to the difference between the carrying amount and the recoverable amount (*i.e.* the present value of the expected cash flows discounted using the original effective interest rate) and 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 money market 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. The impairment loss corresponds to the difference between the carrying amount and the recoverable amount (*i.e.* the present value of the expected cash flows discounted using the original effective interest rate) and is recognized in profit or loss. This loss may be reversed if the recoverable amount increases in a subsequent period.

  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: see Note 2.R) and the fair value of unlisted equities and mutual funds corresponds to their net asset value (level 1 valuation technique: see Note 2.R). 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: see Note 2.R). Securities that are not traded on an active market, for which fair value cannot be reliably estimated, are carried in the statement of financial position 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 and can't be reversed.

N.2. Derivative financial Instruments

Derivative financial instruments such as interest rate and currency swaps, caps and forward purchases of foreign currencies, are used 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. 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 associated with 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 or to a discontinued operation (see Note 2.E.7).

Q. Put Options granted by AccorHotels

IAS 32 "Financial Instruments: disclosures and presentation" requires that the value of the financial commitment represented by put options granted by AccorHotels to minority interests in subsidiaries, be recognized as a debt.

For put options granted before January 1, 2010, the difference between the debt and the related minority interests in the statement of financial position, corresponding to the portion of the subsidiary's net assets represented by the shares underlying the put, is recognized as goodwill. When the exercise price is equal to the fair value of the shares, the amount of the debt is determined based on a multiple of the EBITDA reflected in the 5-year business plan of the subsidiary concerned and is discounted. Changes in the debt arising from business plan adjustments are recognized in goodwill. Discounting adjustments are recognized in financial expense.

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

R. Fair value

The fair value corresponds to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In accordance with IFRS 13 "Fair value measurement", the fair value hierarchies have the following levels:

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

S. Income statement and cash flow statement presentation

S.1. Revenue

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

The Group applies the guidance provided in IAS 18 to determine whether it acts as the principal or an agent in its contractual hotel management relationships. For the purpose of applying IAS 18, the Group is considered as acting as the principal when it has exposure to the significant risks and rewards associated with the rendering of services. In this case, the revenue and related expenses are reported separately in the income statement. When the above criterion is not met, the Group is considered as acting as an agent and only the remuneration corresponding to the agency fee is recognized in revenue.

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

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

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

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

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

S.2. 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 reactivity 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 reactivity ratio, used when revenue goes down, is defined as 1- (change in like-for-like EBITDAR/change in like-for-like revenue).

S.3. 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:

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

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

S.4. 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 indicators used by the Group.

S.5. Restructuring costs

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

S.6. Impairment losses

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

S.7. Gains and losses on management of hotel properties

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

S.8. 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 concerned transactions are not directly related to the management of continuing operations.

S.9. Operating profit before tax

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

S.10. Profit or loss from discontinued operations

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

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Profit or loss from discontinued operations corresponds to:

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

S.11. 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 adjustment for changes in deferred taxes and gains and losses on disposals of assets;
- cash received and paid on non-recurring transactions;
- changes in working capital.

Cash flows from investing activities comprise:

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

Cash flows from financing activities include:

- changes in equity;
- changes in debt;
- dividends.

T. Earnings per share

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

The interest paid in relation to securities recognized as equity (see Note 2 M.3) is deducted from the earnings amount used to calculate earnings per share.

U. Other information

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

- in the normal course of business; or
- within twelve months of the period-end.

NOTE 3 SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION

On June 3, 2015, AccorHotels announced that it was changing its name to AccorHotels. The idea is to enable the Group brand and the hotel brands to cement their reciprocal bonds while also linking the name to the Group's digital platform.

Note 3.1 HotelServices

A. Acquisition of the Fairmont, Raffles and Swissotel Group (scheduled to be completed in June 2016)

On December 9, 2015, AccorHotels announced the signing of an agreement with the Qatar Investment Authority (QIA), Kingdom Holding Company (KHC) of Saudi Arabia and Oxford Properties, an Ontario Municipal Employees Retirement System (OMERS) company for the acquisition of FRHI Holdings Ltd (FRHI), parent of Fairmont, Raffles, and Swissôtel.

FRHI has 155 hotels (of which 40 are under development), and more than 56,000 rooms (of which approximately 13,000 are under development) in 34 countries. Most of these hotels are operated under management contracts. With nearly 500 luxury and upscale properties, AccorHotels will become one of the key global players in this segment. AccorHotels aims to generate around €65 million in revenue and cost synergies thanks to the combination of brands, the maximization of hotel earnings, the increased efficiency of marketing, sales and distribution channel initiatives, and the optimization of support costs. Significant improvements will also be made in terms of customer data, thanks to the integration of a customer base including 3 million loyalty members, of which 75% are North Americans. The transaction will be accretive on earnings per share from the second year, with synergies fully effective by the third year.

The operation will be funded through the cash payment of $840 million (circa €768 million) and the issuance of 46.7 million Accor shares. These shares will be issued *via* a reserved capital increase. The transaction will leave QIA and KHC respective stakes of 10.5% and 5.8% in Accor's share capital. Two representatives of QIA and one representative of KHC will be appointed to the AccorHotel Board of Directors.

This transaction is subject to the regulatory approvals of the antitrust authorities and the approval of shareholders at an Extraordinary Shareholders' Meeting.

In addition, in early January 2016, AccorHotels purchased euro/dollar currency hedges on a total notional amount of $840 million.

This announced transaction had no impact on the consolidated financial statements at December 31, 2015.

B. Digital transformation and acquisition of Fastbooking

On October 30, 2014, AccorHotels announced a five-year, €225 million investment plan. The aim of this strategic plan is to rethink and incorporate digital technology throughout the customer journey, improve the services on offer for investor partners and consolidate the Group's distribution market share. The €225 million envelope earmarked for the 2014-2018 period will be allocated to capital expenditure for 55% and to operating expenditure for the remaining 45%. The plan is in the process of being implemented.

In line with its digital transformation objectives, in October 2014 AccorHotels also acquired French start-up Wipolo, which has developed a cutting-edge mobile travel app "Compagnon de voyage", for an acquisition price of €1.9 million. The provisional goodwill as of December 31, 2014, for an amount of €2.3 million, was fully allocated to licences and software.

On April 17, 2015, AccorHotels announced its acquisition of FastBooking, a company specialized in providing digital services to hotel operators, for €1.8 million. As the fair value of assets acquired had a negative value of €2.9 million, a goodwill of €4.9 million was recognized on the transaction. The company is fully consolidated in the Group's financial statements.

On June 3, 2015, AccorHotels announced that it would be opening its AccorHotels.com distribution platform to independent hotels selected on the basis of certain hotel criteria, as well as on guest reviews. In time, the objective is to reach the number of 10,000 hotels offered on AccorHotels.com. Over the first two years of its roll-out, this initiative will represent an additional investment corresponding to around 10% of the cost of the Group's digital plan.

These two initiatives form part of the Group's move to create a new BtoB digital services division. AccorHotels now offers a wider range of digital and technical solutions to all its partners, as well as more support, guaranteeing them greater visibility as well as an increase in their indirect web booking volumes.

C. Finalisation of a strategic alliance with Huazhu in January 2016

On December 14, 2014, AccorHotels and Nasdaq-listed Huazhu Hotels Group (also known as China Lodging) announced the signature of a strategic alliance in China, which was finalized on January 25, 2016. As part of the arrangement, AccorHotels' Economy and Midscale hotels in China is sold to Huazhu, which holds an exclusive master franchise agreement for the ibis, ibis Styles and Mercure brands. It will also develop and operate the Grand Mercure and Novotel brands as per Co-Development agreements. Huazhu also becomes a minority shareholder in AccorHotels' Luxury and Upscale business in China, with a 29.3% stake. Twelve hotels are also transferred to Huazhu and were reclassified as "Assets held for sale" at December 31, 2015.

AccorHotels will have a 10.8% stake in Huazhu, including a stake of 1,8% acquired from the open market in the first half of 2015 for €22 million and a seat on the Company's Board of Directors. This major alliance enables the two groups to accelerate their development, with a medium-term objective of 350 to 400 new hotels under AccorHotels brands. The agreement also gives the members of both partners' loyalty programs access to a combined network of around 6,500 hotels worldwide.

Note 3.2 HotelInvest

As part of its strategy, the HotelInvest division is aiming to streamline its hotel portfolio.

A. Exclusive negotiations for the sale of a portfolio of 85 hotels in Europe

On January 27, 2016, AccorHotels announced that it had begun exclusive negotiations with a new hotel investment company for the sale of 85 owned or leased hotels for €504 million.

The portfolio comprises one Pullman, 19 Novotel, 13 Mercure, 35 ibis, three ibis Styles and 14 ibis *budget* hotels. Most of these hotels are located in France and Spain. All of the hotels will remain under AccorHotels brands *via* franchise agreements. The investment company will begin operations before the end of first-half 2016 and will ultimately become HotelServices' largest franchisee. It will be 70%-owned by Eurazeo and 30% owned by AccorHotels. The two partners may rapidly be joined by a third institutional investor. The newly created entity will have access to significant resources to restructure and develop its portfolio, including a hotel renovation budget of more than €100 million.

AccorHotels will sell all of the 85 hotel businesses included in the transaction, as well as 28 owned hotel properties for a total of €146 million, corresponding to their gross asset value (GAV). The other 57 hotel properties are currently owned by Foncière des Régions, Axa IM-RE and Invesco. AccorHotels has signed agreements to purchase these hotels, with a clause allowing it to substitute another buyer. This clause will enable the properties to be purchased directly by the new entity, for €358 million.

All of the assets related to these hotels (buildings, furniture) have been reclassified as "Assets held for sale" at December 31, 2015.

The transaction will be the subject of a consultation procedure with employee representatives.

B. Acquisitions of asset portfolios

AccorHotels has announced the purchase of four portfolios of hotel assets in Europe representing 72 hotels (7,914 rooms), for a total of €565 million. For the first three portfolios, the purchase agreements include a buyer substitution clause allowing HotelInvest to transfer the agreement to an investment company. These four separate transactions concern:

- a portfolio of 43 hotels (4,237 rooms) to be purchased from Foncière des Murs (Foncière des Régions group) for a total of €281 million. The hotels have been operated under variable leases by AccorHotels since 2005 and 2007, under the ibis *budget*, ibis, Novotel, Mercure, Pullman and Sofitel brands. Among these 43 hotels, 40 are intended to be purchased directly by the new hotel investment company and their furniture has therefore been reclassified as "Assets held for sale" at December 31, 2015. The purchase of one hotel (Biarritz Sofitel) has already been completed, for €27 million. At the same time, and in light of the good performances of the other 80 hotels owned by Foncière des Murs in France and in Belgium, HotelInvest has agreed to renew their leases when the time comes, for a further 12-year period;
- a portfolio of 19 hotels in France (1,512 rooms) to be purchased from Axa IM-RE for €56 million. These hotels have been operated under variable leases by AccorHotels since 2008, under the ibis *budget*, ibis, Novotel and Mercure brands. Among these 19 hotels, 12 are intended to be purchased directly by the new hotel investment company and their furniture has therefore been reclassified as "Assets held for sale" at December 31, 2015;
- a portfolio of six hotels (1,347 rooms) to be purchased from Invesco for €152 million. Located in Germany, Italy, the Netherlands and Austria, these hotels were operated under fixed and variable leases under the Novotel and Mercure brands. Among these six hotels, five are intended to be purchased directly by the new hotel investment company and their furniture has therefore been reclassified as "Assets held for sale" at December 31, 2015.

All of these transactions are scheduled to be finalized during first-half 2016. They are subject to the usual conditions for this type of transaction.

- A portfolio of four Novotel hotels (818 rooms) in Spain to be purchased from Deutsche AWM for €77 million. These hotels were operated under fixed leases. The transaction was completed on November 27, 2015, leading to the immediate recognition of a €17 million impairment loss but generating an annual improvement in EBIT of around €4 million.

C. Transfer to Orbis of the management of AccorHotels's central European operations

Under the terms of the agreement signed on January 7, 2015, Orbis takes over all of AccorHotels' operations in the region, including in Poland, Hungary, the Czech Republic, Slovakia, Romania, Bulgaria and Macedonia. Its task is to develop all of AccorHotels' hotel banners in the region through a master franchise agreement for all of the Group's brands. Orbis acquired AccorHotels' operating subsidiaries in the abovementioned countries for a total of €142 million, thereby taking control of a network of 38 existing hotels and 8 hotels in the pipeline as of January 7, 2015. Orbis is 52.7%-owned by AccorHotels and is fully consolidated. These transactions have been treated as equity transactions in accordance with IFRS 10 and therefore have no impact on the "Net Profit or Loss". They resulted in the transfer of €4 million between "Shareholders' equity, Group share" and "Minority interests".

D. Sale and management-back of the Zurich MGallery

On February 18, 2015, AccorHotels announced the signature of an agreement relating to the sale and management-back of the Zurich MGallery to a private investor, already an AccorHotels franchisee, for a total of €55 million. This amount includes the sale price of €32 million and a commitment from the buyer to carry out €23 million worth of renovations. This operation has generated a net debt impact including fees of €30 million.

The hotel will continue to be operated by AccorHotels under a long-term management contract. The hotel property was bought back by AccorHotels as part of a portfolio of properties previously owned by Axa Real Estate.

E. Sale & franchise back of 29 hotels in Germany and the Netherlands

On April 29, 2015, AccorHotels announced the sale and franchise-back of 29 hotels (3,354 rooms) in Germany and the Netherlands for a total value of €234 million. This amount includes the sale price of €209 million and a commitment from the buyer to carry out €25 million worth of renovations. The transaction with Germany company Event Hotels has been finalized on September 30, 2015 generating a profit impact of -€9 million and a net debt impact of €202 million. On 29 hotels, 27 hotels were bought back by AccorHotels as part of a portfolio of properties previously owned by Moor Park in 2014.

F. Sale & franchise-back of nine hotels in the United Kingdom and Ireland

On May 21, 2015, AccorHotels announced the sale and franchise-back of seven hotels (708 rooms) for €32.6 million, together with a commitment from the buyers to carry out €5.2 million worth of renovations. Six of the seven hotels were bought back by AccorHotels as part of a portfolio of properties previously owned by Tritax in 2014. In July 2015, AccorHotels has sold two more ibis previously owned by Tritax. The transactions with three buyers: Starboard Hotels Ltd, Hetherley Capital Partners and S&J Group were finalized in 2015 generating a profit impact of €2 million and a net debt impact of €36 million.

G. Summary of real estate transactions

The main real estate transactions carried out by the Group at December 31, 2015 are as follows:

2015	Number of transactions	Sale price	Net Debt impact	Adjusted net debt impact
"Sale & Variable Lease-Back" transactions	8	-	11	31
"Sale & Management-Back" transactions(1)	10	61	71	98
"Sale & Franchise-Back" transactions and outright sales(2)	75	311	267	330
TOTAL	**93**	**372**	**349**	**458**

(1) *At the end of 2015, the main transactions related to the sale of Zürich Continental MGallery in Switzerland, the sale of ibis Sion Est and ibis Rothrist Olten in Switzerland (net debt impact: €18 million), the sale of the ibis Bogota and ibis Medellin (net debt impact: €13 million) and the sale of Mercure Nice Centre Notre Dame (net debt impact: €14 million).*

(2) *At the end of 2015, the main operations related to the sale of 29 hotels in Germany and the Netherlands, the sale of nine ibis hotels in the United Kingdom and Ireland (eight concerning Tritax operation) and the sale of two Novotel in Canada (net debt impact: €22 million).*

In addition, the acquisition of a portfolio of four Novotel units in Spain led to the cancellation of €36 million worth of rent commitments. As a result, the total impact of transactions for the period on adjusted net debt was €494 million.

Note 3.3 Colony Capital/Eurazeo

In March 2015, the members of the shareholders' pact sold half of their AccorHotels shares. At December 31, 2015, these shareholders held a total of 26,080,517 shares, representing 11.08% of the Company's share capital and 19.26% of its voting rights, and still had four seats on the Board of Directors.

Note 3.4 Bond issues

On September 17, 2015, Accor successfully set the terms of a €500 million 2.375% 8-year bond (issue due September 17, 2023). It has enabled Accor to partially repurchase two bonds maturing in 2017 (2.875% coupon) and 2019 (2.50% coupon), for a total amount of €598 million split as follows: €333 million on the 2017 bond and €265 million on the 2019 bond.

These operations have been treated as debt modification in line with IAS 39 principles; all related costs are amortized over the remaining life of the bond.

Orbis, which is 52.7% owned by the AccorHotels Group, successfully issued on June 26, 2015 floating-rate bonds (6-month WIBOR +0.97% margin) in the amount of 300 million zloty (€72 million) maturing in 5 years (maturity June 26, 2020), with a first coupon of 2.76%.

Note 3.5 AccorHotels moves its headquarters to Issy-les-Moulineaux

On July 16, 2015, AccorHotels signed a lease agreement with a view to moving its headquarters to Issy-les-Moulineaux, in the first half of 2016. The 12-year lease on the property, owned by Hines, includes an option to purchase the asset exercisable on the lease's third anniversary. The contract has been classified as an operating lease in accordance with IAS 17, in particular because it is not reasonably certain that the option will be exercised.

NOTE 4 OPERATIONAL SEGMENTS

A. Chief operating decision maker

AccorHotels' Chief operating decision maker is Executive management, assisted by the Executive Committee. Executive management assesses the results and performance of each operating segment and makes resource allocation decisions.

B. Operating segments

The Group's business model is organized around two strategic businesses:

- hotel operator and brand franchisor HotelServices, with a business model focused on generating revenue from fees and optimizing the income statement;
- hotel owner and investor HotelInvest, with a business model aimed at improving the return on assets and optimizing the statement of financial position.

Each strategic business is organized by region, as follows:

- France;
- Europe (excluding France/Mediterranean);
- Mediterranean, Middle East and Africa;
- Asia-Pacific;
- Americas.

The Group's internal reporting presentation is based on the Strategic business/Region matrix. The Executive Committee assesses the performance of each Strategic business/Region and makes resource allocation decisions based on their respective results.

HotelServices

HotelServices corresponds to AccorHotels' business as a hotel operator and franchisor. It comprises all of the Group's hotels, as the hotels owned by HotelInvest are operated by HotelServices under management contracts. Its business model focuses entirely on generating fee revenue, including fees received by hotel-owning subsidiaries that are eliminated in consolidation. HotelServices spans Management and Franchising activities, sales and marketing, distribution and information systems as well as other activities such as a timeshare business in Australia, Strata, a company that operates the common areas of hotels in Oceania, and the AccorHotels loyalty program.

HotelInvest

HotelInvest is the Group's hotel owner and investor. It comprises the Group's owned and leased hotels. Its business model aims to improve the return on assets and optimize the impact on the statement of financial position. HotelInvest spans all asset portfolio management activities, hotel design, construction, refurbishment and maintenance activities, the legal and finance functions, as well as various non-strategic businesses such as the casinos, Orféa (business conducted in partnership with SNCF).

HotelInvest hotels are classified into three sub-segments:

- owned hotels;
- hotels operated under fixed leases, *i.e.*, for which the rent corresponds to a fixed amount;
- hotels operated under variable leases, *i.e.*, for which the rent is determined as a percentage of revenue or EBITDA.

HotelServices operates HotelInvest's hotels under management contracts and is paid a fee for this service. The management fees are aligned with market prices in the region or country concerned.

In addition, Service Level Agreements (SLAs) have been signed to allocate the cost of the services supplied to themselves and each other by HotelServices and HotelInvest (corresponding to the costs of the finance, human resources, purchasing, IT and legal functions).

C. Segment information

For each of the segments presented, management monitors the following indicators:

- revenue;
- EBITDAR;
- EBITDA;
- EBIT.

The following selected balance sheet information by operating segment is reported to the chief operating decision maker.

Note that the Group's revenue is derived from a very large number of transactions, of which less than 10% involve a single external customer.

C.1. Information by business activity

At December 31, 2015 *(in millions of euros)*	HotelServices	HotelInvest	of which Owned	of which Variable	of which Fixed rent	Corporate & Intercos	Total
Revenue	1,339	4,815	1,254	1,310	2,193	(574)	5,581
EBITDAR	426	1,424	349	434	645	(70)	1,780
EBITDAR Margin	*31.8%*	*29.6%*	*27.8%*	*33.1%*	*29.4%*	*N/A*	*31.9%*
EBITDA	399	654	334	124	199	(66)	986
EBITDA Margin	*29.8%*	*13.6%*	*26.6%*	*9.5%*	*9.1%*	*N/A*	*17.7%*
EBIT	359	378	190	71	117	(71)	665
EBIT Margin	*26.8%*	*7.8%*	*15.2%*	*5.4%*	*5.3%*	*N/A*	*11.9%*

At December 31, 2014 *(in millions of euros)*	HotelServices	HotelInvest	of which Owned	of which Variable	of which Fixed rent	Corporate & Intercos	Total
Revenue	1,248	4,794	1,042	1,303	2,374	(588)	5,454
EBITDAR	435	1,401	270	427	711	(64)	1,772
EBITDAR Margin	*34.8%*	*29.2%*	*25.9%*	*32.8%*	*29.9%*	*N/A*	*32.5%*
EBITDA	411	573	252	107	221	(61)	923
EBITDA Margin	*32.9%*	*11.9%*	*24.1%*	*8.2%*	*9.3%*	*N/A*	*16.9%*
EBIT	376	292	129	50	128	(66)	602
EBIT Margin	*30.1%*	*6.1%*	*12.4%*	*3.9%*	*5.4%*	*N/A*	*11.0%*

At December 31, 2015 *(in millions of euros)*	HotelServices	HotelInvest	Holding/ Eliminations	Total
Goodwill	440	257	-	697
Intangible Assets	178	115	13	307
Property, plant and equipment	71	2,938	15	3,024
Non-current financial assets	102	557	(5)	654
NON-CURRENT ASSETS EXCL. DEFERRED TAX ASSETS	791	3,868	23	4,682
Deferred tax assets	13	27	33	73
NON-CURRENT ASSETS	804	3,895	56	4,756
Cash, short-term debt and receivables on disposals of assets				3,050
Other current assets	1,293	1,371	(1,723)	940
Assets held for sale	1	207	0	208
ASSETS				**8,953**

At December 31, 2014 *(in millions of euros)*	**HotelServices**	**HotelInvest**	**Holding/ Eliminations**	**Total**
Goodwill	435	266	-	701
Intangible Assets	150	121	12	283
Property, plant & equipment	78	3,062	17	3,157
Non-current financial assets	95	553	(62)	586
NON-CURRENT ASSETS EXCL. DEFERRED TAX ASSETS	758	4,002	(33)	4,727
Deferred tax assets	17	26	23	66
NON-CURRENT ASSETS	775	4,028	(9)	4,794
Cash, short-term debt and receivables on disposals of assets				2,707
Other current assets	1,191	1,050	(1,335)	906
Assets held for sale	-	347	-	347
ASSETS				**8,754**

C.2. Information by region

Revenue and earnings indicators by region break down as follows:

At December 31, 2015 *(in millions of euros)*	**France**	**Europe (excl. France/ Mediterranean)**	**Mediterranean, Middle East and Africa**	**Asia Pacific**	**Americas**	**Worldwide Structures**	**Total**
Revenue	1,691	2,309	520	615	404	42	5,581
EBITDAR	496	873	154	159	98	0	1,780
EBITDAR Margin	*29.3%*	*37.8%*	*29.7%*	*25.8%*	*24.2%*	*N/A*	*31.9%*
EBITDA	248	512	83	97	48	(2)	986
EBITDA Margin	*14.7%*	*22.2%*	*15.9%*	*15.8%*	*11.8%*	*N/A*	*17.7%*
EBIT	171	369	55	71	29	(31)	665
EBIT Margin	*10.1%*	*16.0%*	*10.6%*	*11.6%*	*7.2%*	*N/A*	*11.9%*

At December 31, 2014 *(in millions of euros)*	**France**	**Europe (excl. France/ Mediterranean)**	**Mediterranean, Middle East and Africa**	**Asia Pacific**	**Americas**	**Worldwide Structures**	**Total**
Revenue	1,737	2,171	483	571	469	23	5,454
EBITDAR	524	802	134	154	141	17	1,772
EBITDAR Margin	*30.2%*	*36.9%*	*27.7%*	*27.0%*	*30.1%*	*N/A*	*32.5%*
EBITDA	267	418	58	92	71	17	923
EBITDA Margin	*15.4%*	*19.2%*	*12.1%*	*16.2%*	*15.1%*	*N/A*	*16.9%*
EBIT	186	279	30	65	51	(9)	602
EBIT Margin	*10.7%*	*12.9%*	*6.3%*	*11.5%*	*10.8%*	*N/A*	*11.0%*

For information, revenue in Germany amounts to €833 million at December 31, 2015 and to €820 million at December 31, 2014.

At December 31, 2015 *(in millions of euros)*	France	Europe (excl. France/ Mediterranean)	Mediterranean, Middle East and Africa	Asia Pacific	Americas	Worldwide Structures	Total
Goodwill	176	193	27	201	100	-	697
Intangible assets	9	126	10	52	23	87	307
Property, plant and equipment	582	1,773	315	122	194	39	3,024
Non-current financial assets	121	61	483	297	76	(384)	654
NON-CURREND ASSETS EXCL. DEFERRED TAX ASSETS	888	2,153	835	672	393	(258)	4,682
Deferred tax assets	(21)	22	8	11	16	38	73
Non-current assets	**866**	**2,175**	**843**	**683**	**409**	**(220)**	**4,756**
CURRENT ASSETS	1,424	1,016	274	470	136	670	3,990
Assets held for sale	50	36	53	57	11	0	208
Other assets	**1,474**	**1,052**	**327**	**528**	**147**	**670**	**4,197**
ASSETS	**2,340**	**3,227**	**1,170**	**1,211**	**556**	**449**	**8,953**

At December 31, 2014 *(in millions of euros)*	France	Europe (excl. France/ Mediterranean)	Mediterranean, Middle East and Africa	Asia Pacific	Americas	Worldwide Structures	Total
Goodwill	175	199	28	199	100	-	701
Intangible assets	13	113	12	51	29	65	283
Property, plant and equipment	621	1,764	299	142	285	46	3,157
Non-current financial assets	100	52	619	241	98	(524)	586
NON-CURRENT ASSETS EXCL. DEFERRED TAX ASSETS	909	2,128	958	633	512	(413)	4,727
Deferred tax assets	(21)	29	4	10	14	30	66
Non-current assets excl. deferred tax assets	**888**	**2,157**	**962**	**643**	**526**	**(383)**	**4,794**
CURRENT ASSETS	1,600	787	196	452	165	414	3,614
Assets held for sale	1	266	13	57	10	-	347
Other assets	**1,601**	**1,053**	**209**	**509**	**175**	**414**	**3,961**
ASSETS	**2,489**	**3,209**	**1,171**	**1,153**	**700**	**31**	**8,754**

For information, total non-current assets (excluding deferred tax assets) in Germany amounts to €666 million at December 31, 2015 and to €671 million at December 31, 2014.

C.3. Consolidated revenue by strategic business and by region

(in millions of euros)	France	Europe (excl. France/ Mediter-ranean)	Mediterr-anean, Middle East and Africa	Asia Pacific	Americas	Worldwide Structures (1)	2015	2014	Like-for-like change *(in %)*
HOTELSERVICES	348	338	137	366	101	49	1,339	1,248	6.2%
HOTELINVEST	1,545	2,227	432	274	337	-	4,815	4,794	1.9%
CORPORATE & INTERCOS	(202)	(256)	(49)	(25)	(34)	(7)	(574)	(588)	(1.6)%
TOTAL 2015	**1,691**	**2,309**	**520**	**615**	**404**	**42**	**5,581**		
TOTAL 2014	**1,737**	**2,171**	**483**	**571**	**469**	**23**		**5,454**	
LIKE-FOR-LIKE CHANGE *(in %)*	(0.5)%	5.0%	7.9%	5.4%	(3.7)%	30.5%			2.9%

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

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

■ Like-for-like growth	+159 m€	+2.9%
■ Business expansion (owned and leased hotels only)	+67 m€	+1.2%
■ Currency effects	+67 m€	+1.2%
■ Disposals	(166) m€	(3.0)%
VARIATION IN 2015 CONSOLIDATED REVENUE	**+127 m€**	**+2.3%**

At December 31, 2015, HotelServices revenue breaks down as follows:

(in millions of euros)	Management fees	Franchise fees	HotelInvest fees	Other Revenues	Total
2015	417	207	538	177	1,339
2014	356	164	552	176	1,248

Total fees for Managed and franchised hotels only, excluding currency and acquisitions, increased by 14.4%.

C.4. EBITDAR by strategic business and region

(in millions of euros)	France	Europe (excl. France/ Mediter-ranean)	Mediterr-anean, Middle East and Africa	Asia Pacific	Americas	Worldwide Structures (1)	2015	2014	Like-for-like change *(in %)*
HOTELSERVICES	118	127	43	83	26	29	426	435	0.1%
HOTELINVEST	378	747	111	76	72	41	1,424	1,401	1.0%
CORPORATE & INTERCOS	-	-	-	-	-	(70)	(70)	(64)	(15.3)%
TOTAL 2015	**496**	**873**	**154**	**159**	**98**	**0**	**1,780**		
TOTAL 2014	**524**	**802**	**134**	**154**	**141**	**17**		**1,772**	
LIKE-FOR-LIKE CHANGE *(in %)*	(4.9)%	6.4%	13.0%	2.0%	(20.5)%	N/A			0.2%

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

The period-on-period EBITDAR variation breaks down as follows:

■ Like-for-like growth	+4 m€	+0.2%
■ Business expansion (owned and leased hotels only)	+7 m€	+0.4%
■ Currency effects	+30 m€	+1.7%
■ Disposals	(33) m€	(1.9)%
VARIATION IN 2015 EBITDAR	**+8 m€**	**+0.5%**

C.5. EBITDA by strategic business and region

(in millions of euros)	France	Europe (excl. France/ Mediter-ranean)	Mediterr-anean, Middle East and Africa	Asia Pacific	Americas	Worldwide Structures [(1)]	2015	2014	Like-for-like change *(in %)*
HOTELSERVICES	114	122	42	75	25	22	399	411	(0.5)%
HOTELINVEST	134	391	41	22	23	43	654	573	3.5%
CORPORATE & INTERCOS	-	-	-	-	-	(66)	(66)	(61)	(15.5)%
TOTAL 2015	**248**	**512**	**83**	**97**	**48**	**(2)**	**986**		
TOTAL 2014	**267**	**418**	**58**	**92**	**71**	**17**		**923**	
LIKE-FOR-LIKE CHANGE *(in %)*	(7.8)%	10.6%	29.6%	1.9%	(28.9)%	N/A			0.9%

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

The period-on-period EBITDA variation breaks down as follows:

■ Like-for-like growth	+9 m€	+0.9%
■ Business expansion (owned and leased hotels only)	+38 m€	+4.1%
■ Currency effects	+24 m€	+2.6%
■ Disposals	(8) m€	(0.8)%
VARIATION IN 2015 EBITDA	**+63 m€**	**+6.8%**

C.6. EBIT by strategic business and region

In millions of euros	France	Europe (excl. France/ Mediter-ranean)	Mediterr-anean, Middle East and Africa	Asia Pacific	Americas	Worldwide Structures [(1)]	2015	2014	Like-for-like change *(in %)*
HOTELSERVICES	114	120	40	64	23	(1)	359	376	(1.5)%
HOTELINVEST	58	250	15	8	6	42	378	292	12.5%
CORPORATE & INTERCOS	-	-	-	-	-	(71)	(71)	(66)	(14.2)%
TOTAL 2015	**171**	**369**	**55**	**71**	**29**	**(31)**	**665**		
TOTAL 2014	**186**	**279**	**30**	**65**	**51**	**(9)**		**602**	
LIKE-FOR-LIKE CHANGE *(in %)*	(10.1)%	20.3%	56.6%	6.0%	(40.2)%	N/A			3.5%

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

The period-on-period EBIT variation breaks down as follows:

■ Like-for-like growth	+21 m€	+3.5%
■ Business expansion (owned and leased hotels only)	+15 m€	+2.6%
■ Currency effects	+20 m€	+3.3%
■ Disposals	+7 m€	+1.2%
VARIATION IN 2015 EBIT	**+64 m€**	**+10.6%**

NOTE 5 OPERATING EXPENSE

(in millions of euros)	2014	2015
Cost of goods sold(1)	(347)	(322)
Employee benefits expense(2)	(1,940)	(1,989)
Energy, maintenance and repairs	(279)	(276)
Taxes, insurance and service charges (co-owned properties)	(194)	(199)
Other operating expense(3)	(922)	(1,014)
OPERATING EXPENSE	**(3,682)**	**(3,801)**

(1) The cost of goods sold includes food and beverage purchases, laundry costs and the cost of telephones calls billed to clients.
(2) The Ratio employee benefits expense/Full-time equivalent (FTE) is presented as follows:

Full-time equivalent	2014	2015
Full-time equivalent*	48,270	49,953
Ratio employee benefits expense/FTE *(in thousands of euros)*	(40)	(40)

* *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. There is no employee number for associates.*
At December 31, 2015, employee benefits expense includes €13.4 million (€9.7 million in 2014) related to stock option plans and performance share plans (see Note 20).
(3) Other operating expense consists mainly of marketing, advertising, promotional, selling and information systems costs. The total also includes various fee payments.

NOTE 6 RENTAL EXPENSE

Rental expense amounted to €794 million at December 31, 2015 compared €849 million at December 31, 2014

In accordance with the policy described in Note 2.E.4, the expense reported on this line only concerns operating leases. Finance leases are recognized in the statement of financial position as an asset and a liability (see Note 23.1).

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 AccorHotels 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 AccorHotels, and there are no cross-default clauses or covenants.

The 794 million in rental expense corresponds to 943 leased hotels (excluding hotels accounted for by the equity method for which rental expense is included in the Group's share of their profit), including less than 2% 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. Key Management Ratios

Rental expense can be analyzed as follows by Strategic Business:

(in millions of euros)	2014	2015
HOTELSERVICES	(24)	(28)
HOTELINVEST	(828)	(770)
CORPORATE & INTERCOS	3	4
TOTAL	**(849)**	**(794)**

B. Rental expense by type of contract

Rental expense breaks down as follows by type of contract:

(in millions of euros)	Number of hotels	2015 rental	Fixed rental expense	Variable rental expense
Fixed rent with purchase option	9	(13)	(13)	-
Fixed rent without purchase option	229	(200)	(200)	-
Fixed rent with a variable portion(1)	58	(70)	(59)	(11)
Land rent		(10)	(7)	(3)
Office rental expenses (Hotels business)		(49)	(45)	(4)
Fees on intragroup rent guarantees on Hotels business		(15)	(9)	(6)
HOTEL FIXED RENTAL EXPENSE	296	(356)	(332)	(24)
Variable rent with a minimum(2)	88	(86)	(68)	(18)
Variable rent with a minimum and cap(3)	21	(35)	(20)	(15)
Variable rent without a minimum(4)	538	(320)	-	(320)
HOTEL VARIABLE RENTAL EXPENSE	647	(441)	(88)	(353)
HOTEL RENTAL EXPENSE	**943**	**(797)**	**(420)**	**(377)**
Rental expense not related to hotels		(11)	(11)	(0)
Internal lease guarantee fees		15	9	6
RENTAL EXPENSE	**943**	**(794)**	**(422)**	**(371)**

(1) 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.
(2) This rent expense depends on a percentage of revenue or a percentage of EBITDAR with a fixed contract guaranteed minimum.
(3) This rent expense depends on a percentage of revenue with a fixed contract guaranteed minimum which is also caped.
(4) Variable rents without a minimum are generally based on a percentage of revenue (506 hotels) or a percentage of EBITDAR (32 hotels). None of the leases contains any minimum rent clause. Variable rents based on a percentage of EBITDAR amounted to -€18 million at December 31, 2015.

C. Minimum rental commitments (cash basis)

Minimum future rentals in the following tables only correspond to long-term rental commitments in the Hotels Division for hotels opened or closed for repairs.

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

Years	*(in millions of euros)*
2016	(369)
2017	(342)
2018	(323)
2019	(312)
2020	(283)
2021	(239)
2022	(220)
2023	(202)
2024	(187)

Years	*(in millions of euros)*
2025	(163)
2026	(144)
2027	(114)
2028	(94)
2029	(77)
2030	(57)
2031	(47)
> 2031	(350)
TOTAL	**(3,525)**

At December 31, 2015, the present value of future minimum lease payments is considered as representing 7% of the minimum lease payments, used to calculate the “Adjusted funds from ordinary activities/adjusted net debt” ratio, with future payments estimated on a straight-line basis as from the sixth year. At December 31, 2015, the present value of future minimum lease payments calculated as described above amounted to €2,358 million.

NOTE 7 DEPRECIATION, AMORTIZATION AND PROVISION EXPENSE

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

(in millions of euros)	2014	2015
Depreciation and amortization	(318)	(329)
Provision	(3)	8
TOTAL	**(321)**	**(321)**

NOTE 8 NET FINANCIAL EXPENSE

(in millions of euros)	2014	2015
Finance costs[1]	(58)	(71)
Other financial income and expenses[2]	6	0
NET FINANCIAL EXPENSE	**(52)**	**(71)**

Finance costs net include interest received on paid loans, receivables and debts measured at amortized cost.

The other financial income and expenses include mainly dividend income from non-consolidated companies, exchange gains and losses and movements in provisions.

(1) Finance costs can be analyzed as follows between cash and non-cash items:

(in millions of euros)	2014	2015
Finance costs, net – cash	(59)	(71)
Finance costs, net – non-cash	1	0
FINANCE COSTS	**(58)**	**(71)**

The decrease in interest paid during the year mainly reflected:

- interest savings arising from the early repayment of the 2012 and 2013 bond issues, for €5 million;
- interest expense on the €750 million and €150 million bond issues carried out in 2014 and the 2015 bond issue, for €9 million; and
- fair value adjustments (see Note 23.8) and costs concerning an interest rate hedge on a potential finance lease, for €7 million.

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

(in millions of euros)	2014	2015
Dividend income from non-consolidated companies (Available-for-sale financial assets)	3	4
Exchange gains and losses (excl. financial instruments at fair value)	5	(0)
Movements in provisions	(2)	(3)
OTHER FINANCIAL INCOME AND EXPENSES	**6**	**0**

NOTE 9 RESTRUCTURING COSTS

Restructuring costs correspond mainly to the costs linked to the reorganisation of the Group. They can be analysed as follows:

(in millions of euros)	2014	2015
Movements in restructuring provisions	63	6
Restructuring costs	(74)	(29)
RESTRUCTURING COSTS	**(11)**	**(23)**

In 2014, voluntary redundancy plans represented an actual expense of €63 million, which was fully covered by the provisions set aside in 2013.

NOTE 10 IMPAIRMENT LOSSES

Impairment losses and reversals of impairment losses recognised in 2014 and 2015 can be analysed as follows:

(in millions of euros)	2014	2015
Goodwill	(3)	(3)
Intangible assets	(0)	(0)
Property, Plant and Equipment	(52)	(64)
IMPAIRMENT LOSSES	**(55)**	**(67)**

Goodwill included in the carrying amount of CGUs tested for impairment is presented in Note 13.

A. HotelInvest

HotelInvest recoverable amounts are first estimated using fair values calculated based on a standard EBITDA multiple, which represents the core operational assumption used for the valuation. The coefficients are presented within the accounting standards.

Goodwill

At December 31, 2015, impairment losses were recognized following a review of the recoverable amounts of hotels in France for €1 million, in Czech Republic for €1 million and in South America for €1 million. Goodwill allocated to the hotels concerned has been written down in full.

At December 31, 2014, impairment losses were recognized following a review of the recoverable amounts of hotels in France for €1 million and in Germany for €2 million. Goodwill allocated to the hotels concerned has been written down in full.

The probability of the EBITDA of all the hotels in a given CGU being affected to the same extent and at the same time by changing macro-economic conditions is extremely remote, with the result that an overall sensitivity analysis would not provide useful insight. This is because the hotels' performance depends above all on their geographic location and specific business environment. However, if the carrying amount of certain hotels was found to be sensitive to changes in macro-economic factors, a sensitivity analysis would be provided for the hotels concerned.

Tangible assets

(in millions of euros)	France	Europe (excl. France/ Méditerranean)	Mediterranean, Middle East and Africa	Asia Pacific	Americas	Worldwide Structures	Total
2015	(20)	(9)	(19)	(11)	(6)	-	(64)
2014	(8)	(22)	(11)	(11)	(0)	-	(52)

At December 31, 2015, impairment losses on property, plant and equipment concerned 180 hotels for €64 million. No impairment losses were reversed. Impairment losses for the year included the €17-million immediate write-down of the portfolio of four Novotel units in Spain acquired in 2015 (see Note 3.2.B).

Impairment losses were recognized on the Koeln City Friesenstrasse in Germany and the Wuhan Hankou in China based on the prices offered by potential buyers for a total of €1 million. (level 2 valuation technique under IFRS 13: see Note 2.R).

At December 31, 2014, impairment losses on property, plant and equipment concerned 102 hotels for €50 million. No impairment losses were reversed.

Impairment losses of €5 million were recognized on ibis Shanghai Waigaoqio, ibis Weifang Qingnian, ibis Beijing Capital Airport and ibis Yangzhou based on the prices offered by potential buyers (level 2 valuation technique under IFRS 13: see Note 2.R).

B. HotelServices

HotelServices recoverable amounts are first estimated using the value in use determined on the basis of discounted cash flows, which correspond to the core operating assumption used for business plan purposes.

The core assumptions used to determine the recoverable amount of an asset are consistent with those used to prepare the Group's business plans and budgets. They reflect past experience and also take into account information from external sources such as hotel industry growth forecasts and forecasts concerning geopolitical and macro-economic developments in the regions concerned.

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

December 2015	Germany	France	Asia	Australia	Americas
Growth rate	2.00%	2.00%	2.00%	2.00%	4.24%
Discount rate	8.02%	8.02%	8.79%	7.33%	11.94%

December 2014	Germany	France	Asia	Australia	Americas
Growth rate	2.00%	2.00%	2.00%	2.60%	4.24%
Discount rate	8.57%	8.57%	9.52%	8.05%	12.73%

In 2014 and in 2015, analyses showed that, in the case of CGUs for which no impairment was recorded during the period, only a substantial, improbable change in the discount rate in the next twelve months would have caused their recoverable amount to fall to below their carrying amount.

Sensitivity tests performed on the main CGUs at December 31, 2015 showed that:

- in Germany, the CGU's carrying amount would exceed its recoverable amount if the discount rate increased by 1,279 basis points or the growth rate to perpetuity was reduced by 1,711 basis points;
- in Asia, the CGU's carrying amount would exceed its recoverable amount if the discount rate increased by 4,735 basis points. As the enterprise value would be recovered in five years based on projected discounted cash flows, its carrying amount would represent less than its recoverable amount whatever the growth rate to perpetuity used for the calculation;
- in Australia, the CGU's carrying amount would exceed its recoverable amount if the discount rate increased by 1,425 basis points or the growth rate to perpetuity was reduced by 4,630 basis points;
- in America, the CGU's carrying amount would exceed its recoverable amount if the discount rate increased by 16,940 basis points. As the enterprise value would be recovered in five years based on projected discounted cash flows, its carrying amount would represent less than its recoverable amount whatever the growth rate to perpetuity used for the calculation;
- in France, only a highly improbable 465,576 basis points increase in the discount rate would result in the carrying amount becoming greater than the recoverable amount. As the enterprise value would be recovered by five years' worth of discounted cash flows, the carrying amount would remain below the recoverable amount whatever the growth rate to perpetuity.

Sensitivity tests on these recoverable amounts show that a 10% decline in projected discounted operating cash flows would not result in the recognition of any impairment loss.

No impairment loss was recorded for HotelServices.

NOTE 11 GAINS AND LOSSES ON MANAGEMENT OF HOTEL PROPERTIES AND OTHER ASSETS

(in millions of euros)	2014	2015
Disposal gains and losses	(14)	(12)
Provision for losses on hotel properties	3	(19)
GAINS AND LOSSES ON MANAGEMENT OF HOTEL PROPERTIES	**(11)**	**(31)**
Disposal gains and losses	(26)	(9)
Provision movements	36	(14)
Gains and losses on non-recurring transactions	(92)	(52)
GAINS AND LOSSES ON MANAGEMENT OF OTHER ASSETS	**(82)**	**(75)**

At December 31, 2015, gains and losses on management of hotel properties included:

- a €9 million loss on the sale of a portfolio of 29 hotels in Germany and the Netherlands;
- non-recurring costs of €14 million incurred for the renegotiation of or conversion to management contracts in Austria and Germany.

Gains and losses on management of other assets included:

- costs recognized in connection with the planned transfers of corporate headquarters and the acquisition of the Fairmont, Raffles and Swissôtel Group, for €37 million;
- various provisions for claims and litigation, for €25 million.

At December 31, 2014, gains and losses on the management of hotel properties included a €13 million provision to cover estimated losses on the sale of eight hotels in the Tritax portfolio.

At December 31, 2014, the total mainly included €(41) million in costs mostly related to a non-recurring transaction indemnity and miscellaneous fees for €(11) million.

NOTE 12 INCOME TAX EXPENSE

Note 12.1 Income tax expense for the period

(in millions of euros)	2014	2015
Current tax	(163)	(150)
CURRENT TAX	(163)	(150)
Deferred taxes (expense) income on new temporary differences and reversals of temporary differences arising in prior periods	(13)	17
Deferred taxes arising from changes in tax rates or tax laws	1	(2)
DEFERRED TAX	(12)	15
TAX	**(175)**	**(136)**

Note 12.2 Effective tax rate

(in millions of euros)		2014	2015
OPERATING PROFIT BEFORE TAX	(A)	419	408
Non deductible impairment losses		34	13
Tax on share of profit (loss) of associates		5	5
Other		13	11
PERMANENT DIFFERENCES (NON-DEDUCTIBLE EXPENSES)	(B)	52	29
UNTAXED PROFIT AND PROFIT TAXED AT A REDUCED RATE	(C)	1	64
Profit taxed at standard rate	**(D) = (A) + (B) + (C)**	**472**	**501**
STANDARD TAX RATE IN FRANCE*	(E)	38.00%	38.00%
TAX AT STANDARD FRENCH TAX RATE	(F) = (D) X (E)	(180)	(191)
Effects on tax at standard French tax rate of:			
■ Differences in foreign tax rates		44	70
■ Unrecognized tax losses for the period		(13)	(17)
■ Utilization of tax loss carryforwards		21	17
■ Share of profit (loss) of associates		5	5
■ Net charges to/reversals of provisions for tax risks		(12)	21
■ Effect of CET business tax in France (see Note 2.L)		(20)	(20)
■ Other items		(20)	(21)
EFFECTS ON TAX AT STANDARD FRENCH TAX RATE	(G)	5	55
INCOME TAX EXPENSE	**(H) = (F) + (G)**	**(175)**	**(136)**

* *At December 31, 2014, and at December 31, 2015, the standard tax rate in France includes the 3.3% "contribution sociale de solidarité" tax and the 10.7% "contribution additionnelle" surtax, both calculated on the 33.3% corporate income tax.*

At December 31, 2015, the effective tax rate (current tax expense/operating profit before tax, share of profit of associates after tax and non-recurring items) amounts to 29.5%. The current tax expense excludes all tax impacts of non recurring items.

Note 12.3 Details of deferred tax (Statement of financial position)

(in millions of euros)	Dec. 2014	Dec. 2015
Timing differences between company profit and taxable profit	52	79
Timing differences between consolidated profit and company profit	(62)	(60)
Recognized tax losees	35	25
DEFERRED TAX ASSETS, NET (LIABILITIES)	**25**	**44**
Deferred tax assets	**66**	**73**
Deferred tax liabilities	**41**	**29**

Note 12.4 Unrecognized deferred tax assets

Unrecognized deferred tax assets amounted to €812 million at December 31, 2015 (€757 million at December 31, 2014).

Unrecognized deferred tax assets will expire in the following periods if not utilized:

(in millions of euros)	Deductible temporary differences	Tax loss carryforwards	Tax credits	Total
Y+1	0	17	-	17
Y+2	0	3	-	3
Y+3	0	6	-	6
Y+4	0	26	-	26
Y+5 and beyond	2	542	4	548
Evergreen	38	173	0	211
DEFERRED TAX, NET	**41**	**767**	**4**	**812**

In accordance with IAS 12, deferred tax assets are recognized for ordinary and evergreen tax loss carry forwards only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. The Group generally estimates those future profits over a five-year period, and each year reviews the projections and assumptions on which its estimates are based, in accordance with the applicable tax rules.

NOTE 13 GOODWILL

(in millions of euros)	Dec. 2014	Dec. 2015
Goodwill (gross value)	795	792
Less impairment losses	(94)	(94)
GOODWILL, NET	**701**	**697**

(in millions of euros)	Dec. 2014	Dec. 2015
Australia	128	127
France	111	113
Germany	84	84
America	60	60
Asia	43	48
Others	9	8
HOTELSERVICES	435	440
Germany	79	74
France	63	62
America	40	40
Australia	23	23
Egypt	20	19
Switzerland	11	11
Netherlands	6	6
Ivory Coast	7	6
Others	17	15
HOTELINVEST	266	257
GOODWILL, NET	**701**	**697**

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

(in millions of euros)	Notes	Dec. 2015
NET CARRYING AMOUNT AT JANUARY 1		**701**
Goodwill recognized on acquisitions for the period and other increases	(a)	7
Disposals	(b)	(7)
Impairment losses	Note 10	(3)
Translation adjustment		4
Reclassifications to Property, Plant and Equipment		-
Reclassifications to Assets held for sale	Note 25	(3)
Other reclassifications and movements		(1)
NET CARRYING AMOUNT AT END OF PERIOD		**697**

(a) In 2015, AccorHotels bought Fastbooking, generating goodwill (after purchase price allocations) of €4.9 million.
(b) This change mainly corresponds to the sale of a portfolio of 29 hotels in Germany and the Netherlands (see Note 3).

NOTE 14 INTANGIBLE ASSETS

(in millions of euros)	Dec. 2014	Dec. 2015
Brands and rights[1]	64	57
Licenses, software	191	220
Other intangible assets[2]	283	307
Intangible assets at cost	**538**	**584**
Brands and rights[1]	(36)	(37)
Licenses, software	(147)	(165)
Other intangible assets[2]	(72)	(76)
Accumulated amortization and impairment losses	**(255)**	**(278)**
INTANGIBLE ASSETS, NET	**283**	**307**

(1) The carrying amount of other brands and rights was €21 million at December 31, 2015 including, for HotelInvest:
- *€8 million related to 2 ibis in France,*
- *€5 million related to Pullman in Brazil (concession fees), and*

For HotelServices, €5 million for the Sebel brand in Australia.

(2) At December 31, 2015, the net book value of other intangible assets amounted to €231 million, including:
- *€91 million in lease premiums, of which €79 million corresponding to the value attributed to Orbis's land use rights in Poland;*
- *€33 million corresponding to the value attributed to management contracts for HotelServices of which:*
  - *i. €19 million for Mirvac's Australian management contracts.*
  - *ii. €14 million for management contracts in Brazil, Argentina and Chile;*
- *€65 million in key money for HotelInvest of which:*
  - *i. €27 million for management contracts and franchise contracts in the United Kingdom;*
  - *ii. €10 million for management contracts in Australia.*

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

(in millions of euros)	Dec. 2014	Dec. 2015
CARRYING AMOUNT AT BEGINNING OF PERIOD	**281**	**283**
Acquisitions[1]	13	31
Internally-generated assets[2]	27	45
Intangible assets acquired[3]	14	1
Amortization for the period	(33)	(37)
Impairment losses for the period	-	(0)
Disposals of the period	(5)	(15)
Translation adjustment	3	(3)
Reclassifications of Assets held for sale (See Note 25)	(16)	(0)
Other reclassifications	(1)	2
CARRYING AMOUNT AT END OF PERIOD	**283**	**307**

(1) In 2015, intangible assets acquired consisted of hotel key money of €19 million recognized during the year (mainly in the United Kingdom, with an amortization period of 15 years).
(2) In 2015, mainly acquisitions of licenses and software for the Digital Plan.
(3) In 2014, intangible assets acquired consisted of hotel key money of €12 million recognized during the year (for a portfolio of three hotels subject to finance leases in France).

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

(in millions of euros)	Dec. 2014	Dec. 2015
Sebel brand (Australia)	5	5
Other brands and rights with indefinite useful life	1	2
CARRYING AMOUNT AT END OF PERIOD	**6**	**6**

NOTE 15 PROPERTY, PLANT AND EQUIPMENT

Note 15.1 Property, plant and equipment by nature

(in millions of euros)	Dec. 2014	Dec. 2015
Land	286	284
Buildings	2,296	2,298
Fixtures	1,604	1,566
Equipment and furniture	1,393	1,323
Constructions in progress	274	261
PROPERTY, PLANT AND EQUIPMENT, AT COST	**5,853**	**5,731**

(in millions of euros)	Dec. 2014	Dec. 2015
Buildings	(576)	(690)
Fixtures	(895)	(868)
Equipment and furniture	(992)	(951)
Constructions in progress	(4)	(3)
DEPRECIATION	(2,467)	(2,512)
Land	(11)	(8)
Buildings	(117)	(100)
Fixtures	(59)	(53)
Equipment and furniture	(32)	(23)
Constructions in progress	(10)	(11)
IMPAIRMENT LOSSES	(229)	(195)
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES	**(2,696)**	**(2,707)**

(in millions of euros)	Dec. 2014	Dec. 2015
Land	275	276
Buildings	1,603	1,508
Fixtures	650	645
Equipment and furniture	369	349
Constructions in progress	260	247
PROPERTY, PLANT AND EQUIPMENT, NET	**3,157**	**3,024**

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

(in millions of euros)	Dec. 2014	Dec. 2015
NET CARRYING AMOUNT AT BEGINNING OF PERIOD	**2,396**	**3,157**
Property, plant and equipment acquired(1)	1,000	106
Capital expenditure(2)	406	341
Depreciation for the period	(284)	(295)
Impairment losses for the period recognized in impairment losses or in net loss from discontinued operations (see Note 10.A)	(52)	(64)
Translation adjustment	15	(3)
Disposals for the period	(87)	(71)
Reclassification of assets held for sale (see Note 25)	(294)	(145)
Other reclassifications(3)	57	(2)
NET CARRYING AMOUNT AT END OF PERIOD	**3,157**	**3,024**

(1) At December 31, 2015, property, plant and equipment acquired correspond mainly to four Novotel units in Spain acquired from Deutsche AWM (€77 million) and the Biarritz Sofitel (€27 million). See Note 3.
At December 31, 2014, property, plant and equipment acquired corresponded mainly to Moor Park portfolio for €704 million, Axa Real Estate portfolio for €180 million and Tritax portfolio for €89 million.
(2) At December 31, 2015, capital expenditure included refurbishment work for €224 million, for the most part in France, Germany and the United Kingdom, as well as new buildings for €117 million for the most part in the United Kingdom and France.
Capital expenditure in December 31, 2014 included refurbishment work for €233 million, for the most part in France, Germany and the United Kingdom, as well as new buildings for €173 million for the most part in Germany and in the United Kingdom.
(3) At December 31, 2014, other reclassifications mainly concerned the reclassification of the deposit paid in 2011 for the exercise of AccorHotels' pre-emptive right to acquire the building housing the Sofitel Rio de Janeiro Copacabana. The deposit was reclassified to property and equipment following a May 2014 court ruling that AccorHotels was the rightful owner of the property.
At December 31, 2015, contracts totaling €144 million have been signed for the purchase of property, plant and equipment. They are not recognized in the statement of financial position. At December 31, 2014, contracts totalized €54 million (see Note 31).

Note 15.2 Finance leases

(in millions of euros)	Dec. 2014	Dec. 2015
Land	9	11
Buildings	62	48
Fixtures	35	36
Equipment and furniture	4	3
PROPERTY, PLANT AND EQUIPMENT, AT COST	110	97
Buildings	(28)	(10)
Fixtures	(17)	(14)
Equipment and furniture	(4)	(3)
CUMULATED DEPRECIATION AND IMPAIRMENT LOSSES	(49)	(27)
PROPERTY, PLANT AND EQUIPMENT, NET	**61**	**70**

In 2015, AccorHotels acquired Biarritz Miramar Sofitel under finance leases for €27 million.

Finance lease liabilities can be analysed as follows by maturity:

Debt in millions of euros Non Discounted			
2015	72	2023	40
2016	53	2024	39
2017	53	2025	38
2018	52	2026	36
2019	45	2027	36
2020	44	2028	35
2021	43	2029	25
2022	41	2030	25

NOTE 16 LONG-TERM LOANS

(in millions of euros)	Dec. 2014	Dec. 2015
Gross value	140	125
Accumulated impairment losses	(7)	(7)
TOTAL	**133**	**118**

(in millions of euros)	Dec. 2014	Dec. 2015
Hotels, Asia-Pacific(1)	52	52
Other(2)	81	66
TOTAL	**133**	**118**

(1) At December 31, 2015, loans to hotels in the Asia-Pacific region mainly consist of:
- *For HotelServices, a loan to A.P.V.C. Finance Pty Limited (a timeshare financing company) for an amount of €18 million at December 31, 2015 (€21 million at December 31, 2014), paying interest at an average rate of 14.75% and a €9 million loan made to Darling Harbour Hotel Trust, the future owner of the Sydney Darling Harbour Sofitel.*
- *For HotelInvest, a loan to Shree Naman Hotels Private to finance the development of the Mumbai Sofitel in India. The total loan amounts to €19 million at December 31, 2015 (at December 31, 2014: €18 million).*

(2) At December 31, 2015, loans to hotels excluding the Asia-Pacific region manly consist of the guaranteed minimum rent of €18 million under the management contract for the Paris Tour Eiffel Pullman under a management contract (€17 million at December 31, 2014), an €11 million loan to the owner company (SHTE) to finance the development of the hotel (€12 million at December 31, 2014), and a loan to the owner of the Barcelona Skipper Pullman to finance 10% of its acquisition for an amount of €5 million at an average interest rate of 3.7% (€5 million at December 31, 2014).

NOTE 17 ASSOCIATES

Note 17.1 Share of profit (loss) and investments in associates

(in millions of euros)	2014	2015
Share of profit of associates before tax	33	15
Share of tax of associates	(5)	(5)
SHARE OF PROFIT OF ASSOCIATES AFTER TAX	**28**	**10**

The main contributions are as follows:

	2014		2015	
(in millions of euros)	Share of profit	Investment	Share of profit	Investments
Asia Pacific Hotels* [(1),(2),(3),(4)]	(0)	143	(2)	158
Mama Shelter[(5)]	(0)	29	(1)	28
TGRE (Sofitel The Grand, Netherlands)	(0)	14	(1)	12
Sofitel Hotels US (25%)**	15	3	0	4
SERHR (Orféa)	4	5	4	5
Société Hôtelière Paris Les Halles	1	12	2	13
Other (including Risma)***	2	73	(1)	77
Associates	**22**	**279**	**2**	**297**
SIEHA (hospitality Algeria)[(6)]	2	21	2	22
Reef Casinos[(7)]	3	18	4	19
Adagio	2	4	2	7
Other	(1)	2	(0)	2
Joint ventures	**6**	**45**	**9**	**49**
ASSOCIATES	**28**	**324**	**10**	**346**

* *The Asia-Pacific investments primarily include Interglobe Hotels Entreprises Limited (the development company for ibis hotel in India) for €55 million, Caddie Hotels (the development company for a Novotel and a Pullman in New Delhi) for €33 million, a joint-venture for development partnerships under ibis and Novotel brands in India (Triguna) for €18 million and Ambassador Inc., Ambasstel and Ambatel Inc (South Korea) for €30 million.*

** *In 2014, profits from the Sofitel US Hotels segment were boosted by the €17 million special dividend received in connection with the sale of the New York Sofitel.*

*** *Including a €4 million expense arising from the correction of errors following discovery of a fraud at Risma in 2015.*

Note 17.2 Information about material associates

The following associates have a material impact on the consolidated financial statements:

(1) Interglobe Hotels, which owns and operates ibis hotels in India that are run by AccorHotels under management contracts. Key figures for Interglobe Hotels as follows:

Interglobe Hotels (Hotels ibis India)

Development ibis India *(in millions of euros)*	**March 2014**	**March 2015**
Revenue	13	22
Net profit (loss)	(3)	(6)
Total current Assets	6	14
Total non-current Assets	157	209
Equity (including currency translation reserve)	100	142
Total current Liabilities	10	13
Total non-current Liabilities	53	67
Net cash/(Net debt)	(47)	(34)
Market capitalization	N/A	N/A
Dividends paid by the company to AccorHotels during the period	-	-
% interest held	40.00%	40.00%

As Interglobe Hotels has a March 31 year-end, the key figures shown above are extracted from Interglobe's latest audited and published financial statements.

(2) Ambassador, which owns and operates Novotel Seoul Ambassador Gangnam that is run by AccorHotels under management contract. Key figures for Ambassador Inc are as follows:

Hotels Korea

Ambassador (Novotel Seoul Ambassador Gangnam) *(in millions of euros)*	**Dec. 2014**	**Dec. 2015**
Revenue	24	24
Net profit (loss)	2	(0)
Total current Assets	5	4
Total non-current Assets	73	76
Equity (including currency translation reserve)	57	58
Total current Liabilities	11	9
Total non-current Liabilities	9	13
Net cash/(Net debt)	(10)	(11)
Market capitalization	N/A	N/A
Dividends paid by the company to AccorHotels during the period	-	-
% interest held	30.19%	30.19%

(3) Ambasstel which owns and operates ibis Seoul Myeong Dong, ibis Seoul and ibis Seoul Ambassador Insadong that are run by AccorHotels under management contract. Key figures Ambasstel are as follows:

Ambasstel (ibis in Seoul) *(in millions of euros)*	**Dec. 2014**	**Dec. 2015**
Revenue	29	25
Net profit (loss)	4	2
Total current Assets	17	8
Total non-current Assets	27	41
Equity (including currency translation reserve)	39	41
Total current Liabilities	4	4
Total non-current Liabilities	1	4
Net cash/(Net debt)	15	0
Market capitalization	N/A	N/A
Dividends paid by the company to AccorHotels during the period	0	0
% interest held	20.00%	20.00%

(4) Ambatel which owns and operates Novotel Seoul Ambassador Doksan that is run by AccorHotels under management contract. Key figures for Ambatel Inc are as follows:

Ambatel (Novotel Seoul Ambassador Doksan) *(in millions of euros)*	**Dec. 2014**	**Dec. 2015**
Revenue	9	8
Net profit (loss)	1	(2)
Total current Assets	2	1
Total non-current Assets	54	54
Equity (including currency translation reserve)	41	41
Total current Liabilities	5	3
Total non-current Liabilities	10	12
Net cash/(Net debt)	(7)	(7)
Market capitalization	N/A	N/A
Dividends paid by the company to AccorHotels during the period	-	-
% interest held	21.83%	21.83%

(5) Mama Shelter is developing an eponymous hotel network.It currently has hotels in France, in Istanbul and in the United States:

Mama Shelter *(in millions of euros)*	**Dec. 2014**	**Dec. 2015**
Revenue	7	42
Net profit (loss)	(0)	(3)
Total current Assets	12	9
Total non-current Assets	71	143
Equity (including currency translation reserve)	44	76
Total current Liabilities	26	63
Total non-current Liabilities	14	13
Net cash/(Net debt)	(26)	(36)
Market capitalization	N/A	N/A
Dividends paid by the company to AccorHotels during the period	-	-
% interest held	36.60%	36.60%

This financial information includes fair value adjustments made following the purchase price allocation.

Note 17.3 Information about material joint ventures

The following joint ventures have a material impact on the consolidated financial statements:

(6) Société Immobilière d'Exploitation Hôtelière Algérienne (SIEHA), which operates a hotel network in Algeria, mainly under the ibis brand. Key figures for SIEHA are as follows:

Société Immobilière d'Exploitation Hôtelière Algérienne *(in millions of euros)*	**Dec. 2014**	**Dec. 2015**
Revenue	24	24
Net profit (loss)	4	5
Total current Assets	45	17
Total non-current Assets	73	71
Equity (including currency translation reserve)	42	43
Total current Liabilities	32	6
Total non-current Liabilities	44	39
Net cash/(Net debt)	(28)	(24)
Market capitalization	N/A	N/A
Dividends paid by the company to AccorHotels during the period	-	-
% interest held	50.00%	50.00%

(7) Reef Casinos is a resort in Australia comprising a hotel and a casino.

Reef Casinos in Australia *(in millions of euros)*	**Dec. 2014**	**Dec. 2015**
Revenue	23	25
Net profit (loss)	6	6
Total current Assets	14	15
Total non-current Assets	88	86
Equity (including currency translation reserve)	85	84
Total current Liabilities	11	11
Total non-current Liabilities	7	6
Net cash/(Net debt)	7	8
Market capitalization	N/A	N/A
Dividends paid by the company to AccorHotels during the period	3	3
% interest held	50.00%	50.00%

Note 17.4 Other information about associates and joint ventures

To the best of the Group's knowledge, there are no material restrictions on the ability of any associate or joint venture to transfer funds to AccorHotels in the form of cash dividends or to repay any loans or other liabilities.

Adequate provisions have been recorded in the consolidated financial statements for the Group's liability for part of the losses of associates or joint ventures where applicable.

Irrevocable purchase commitments received by AccorHotels that relate to associates and joint ventures are described in the note on off-balance sheet commitments.

NOTE 18 OTHER FINANCIAL INVESTMENTS

(in millions of euros)	Dec. 2014	Dec. 2015
Investments in non-consolidated companies (Available for sale financial assets)	93	121
Deposits (Loans and Receivables)	70	90
OTHER FINANCIAL INVESTMENTS, AT COST	163	211
Accumulated impairment losses	(34)	(21)
OTHER FINANCIAL INVESTMENTS, NET	**129**	**191**

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

Other financial investments break down as follows:

(in millions of euros)	Dec. 2014	Dec. 2015
Pullman Tour Eiffel receivable	21	21
A-HTrust (Singapore investment fund)	20	22
Stone (French property company)	11	11
Deposit for hotels in France sold in 2008	10	-
Huazhu	-	36
Sofitel Santa Clara purchase price payment	-	22
Other investments and deposits	67	79
OTHER FINANCIAL INVESTMENTS, NET	**129**	**191**

At December 31, 2015, the fair value reserve for assets classified as available-for-sale amounts to €7 million (see Note 22), and amounted to €(5) million at December 31, 2014.

NOTE 19 RECEIVABLES AND PAYABLES

Note 19.1 Trade receivables and related provision

(in millions of euros)	Dec. 2014	Dec. 2015
Gross value	455	476
Provisions	(38)	(44)
NET	**417**	**432**

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 19.2 Details of other receivables and accruals

(in millions of euros)	Dec. 2014	Dec. 2015
Recoverable VAT	130	146
Prepaid wages and salaries and payroll taxes	3	3
Other prepaid and recoverable taxes	67	42
Other receivables	240	243
Other prepaid expenses	71	75
OTHER RECEIVABLES AND ACCRUALS, AT COST	511	509
PROVISIONS	(50)	(38)
OTHER RECEIVABLES AND ACCRUALS, NET	**461**	**471**

Note 19.3 Details of other payables

(in millions of euros)	Dec. 2014	Dec. 2015
VAT payable	84	88
Wages salaries and payroll tax payables	332	331
Other tax payables	81	80
Other payables	389	427
Deferred income	76	85
OTHER PAYABLES	**963**	**1,012**

Note 19.4 Analysis of other receivables/payables' periods

(in millions of euros)	< 1 year	1 to 5 years	> 5 years	Dec. 2015	Dec. 2014
Inventories	37	-	-	37	28
Trade receivables	430	1	-	432	417
Recoverable VAT	144	2	0	146	130
Prepaid payroll taxes	3	-	-	3	3
Other prepaid and recoverable taxes	42	-	-	42	67
Other receivables	204	1	-	205	190
CURRENT ASSETS	860	5	0	865	835
Trade payables	736	0	-	736	690
VAT payable	88	-	-	88	84
Wages and salaries and payroll taxes payable	330	1	-	331	332
Other taxes payable	80	-	-	80	81
Other payables	427	-	-	427	389
CURRENT LIABILITIES	1,662	1	-	1,663	1,576

NOTE 20 SHAREHOLDERS' EQUITY

Note 20.1 Changes in share capital

At December 31, 2015, the number of outstanding shares and the number of potential shares that could be issued break down as follows:

Number of issued shares at January 1, 2015	**231,836,399**
Performance shares granted	234,645
Shares issued on exercise of stock options	1,911,904
Shares issued in payment of dividends	1,369,477
Number of issued shares at December 31, 2015	**235,352,425**
Stock option plans	2,385,431
Performance shares plans	1,045,048
Potential number of shares	**238,782,904**

At December 31, 2015, the share's par value was €3.

Note 20.2 Diluted earnings per share

At December 31, 2015, the average number of ordinary shares before and after dilution is presented as follows:

Outstanding shares at December 31, 2015	**235,352,425**
Effect of share issues on the weighted average number of shares	(63,096)
Adjustment for stock option plans exercised during the period	(335,762)
Effect of stock dividends on weighted average number of shares	(566,551)
Weighted average number of ordinary shares during the period	**234,387,017**

Diluted earnings per share were therefore calculated as follows:

(in millions of euros)	Dec. 2014	Dec. 2015
NET PROFIT, GROUP SHARE (continuing and discontinued operations)	**223**	**244**
Hybrid capital dividend payment	-	(37)
Adjusted Net profit, Group share	223	207
Weighted average number of ordinary shares *(in thousands)*	230,232	234,387
Number of shares resulting from the exercise of stock options *(in thousands)*	1,209	1,073
Number of shares resulting from performance shares grants *(in thousands)*	375	529
Fully diluted weighted average number of shares *(in thousands)*	231,816	235,989
Earnings per share *(in euros)*	0.97	0.88
DILUTED EARNINGS PER SHARE *(in euros)*	**0.96**	**0.88**

Full conversion would have the effect of reducing debt at December 31, 2015 as follows:

(in millions of euros)	
Theoretical impact of exercising stock options*	64
Theoretical impact on net debt of exercising all equity instruments	**64**

* *Assuming exercise of all options outstanding.*

Note 20.3 Exchange differences on translating foreign operations

Exchange differences on translating foreign operations between December 31, 2014 and December 31, 2015, representing a positive impact of €3 million, mainly concern changes in exchange rates against the euro of the US Dollar (€62 million positive impact), the Pound Sterling (€16 million positive impact), the Swiss Franc (€8 million positive impact), the Brazilian Real (€53 million negative impact) and the Chinese Yuan (€17 million negative impact).

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

	USD	AUD	PLN	GBP	CNY
December 2014	1,2141	1,4829	4,2732	0,7789	7,5358
December 2015	1,0887	1,4897	4,2639	0,7340	7,0608

Note 20.4 Payment of dividends

The 2014 and 2015 dividends were as follows:

(in euros)	2014	2015
Dividend per Share	0.95	1.00

Part of the 2014 dividend was paid in cash and part in stock.

Note 20.5 Share-based payments

Stock option plans

Description of the main plans

The following table summarizes the characteristics of stock options outstanding at December 31, 2015, 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 16*	September 13, 2007	8 years	2,139	from 09/13/2010 until 09/13/2015	40	€40.08	Equity
Plan 17	March 28, 2008	7 years	2,080,442	from 03/29/2012 until 03/28/2015	1,022	€30.81	Equity
Plan 18	September 30, 2008	7 years	110,052	from 10/01/2012 until 09/30/2015	6	€28.32	Equity
Plan 19	March 31, 2009	8 years	1,429,456	from 04/01/2013 until 03/31/2017	1,138	€18.20	Equity
Plan 20	April 2, 2010	8 years	2,618,770	from 04/03/2014 until 04/02/2018	1,020	€26.66	Equity
Plan 21	April 2, 2010	8 years	153,478	from 04/03/2014 until 04/02/2018	10	€26.66	Equity
Plan 22	November 22, 2010	8 years	92,448	from 11/23/2014 until 11/22/2018	5	€30.49	Equity
Plan 23	April 4, 2011	8 years	621,754	from 04/05/2015 until 04/04/2019	783	€31.72	Equity
Plan 24	April 4, 2011	8 years	53,125	from 04/05/2015 until 04/04/2019	8	€31.72	Equity
Plan 25	March 27, 2012	8 years	527,515	from 03/28/2016 until 03/27/2020	390	€26.41	Equity
Plan 26	March 27, 2012	8 years	47,375	from 03/28/2016 until 03/27/2020	8	€26.41	Equity
Plan 27	September 26, 2013	8 years	40,000	from 09/27/2017 until 09/26/2021	1	€30.13	Equity

* *Plan 16 is stock savings warrants.*

Stock options granted under Plan 21 are performance options based on market conditions. The vesting criterion, which concerned the relative performance of the Accor SA share compared to the CAC 40 index in 2010, 2011, 2012 and 2013, was adjusted following the demerger of the Hotels and Services businesses. The options vest after four years, depending on the annual performance of the AccorHotels share *versus* the CAC 40 index. The number of options that may be exercised after the four-year vesting period may not exceed 100% of the initial award. The performance criteria were met in 2010. In 2011 and 2012, the performance criteria were only partly met. In 2013, the performance criteria were not met. Grantees received 77,191 stock options in 2014.

Stock options granted under Plan 24, Plan 26 and Plan 27 are subject to a market-based performance criterion. During each year of the vesting period (from 2011 to 2014 for Plan 24, from 2012 to 2015 for Plan 26 and from September 2013 to September 2017 for Plan 27) options representing one quarter of the original grant are subject to an external performance measure based on AccorHotels' Total Shareholder Return (TSR) relative to that of eight international hotel groups. The objectives have been set for four years, with intermediate rankings. A fixed percentage of options vest each year for each level in the ranking achieved. In 2011, the Plan 24's performance criteria were not met. In 2012, the Plan 24's performance criteria were met and the Plan 26's performance criteria were partially met. In 2013, the Plan 24's performance criteria were partially met and the Plan 26's performance criteria were not met. In 2014, the plan 24's performance criteria were partially met and the Plan 26's and 27's performance criteria were not met. In 2015, the plans 26 and 27's performance criteria were met. Grantees of the plan 24 received 33,203 stock options in 2015.

Changes in outstanding stock options during 2014 and 2015 are as follows:

	December 31, 2014		December 31, 2015	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
OPTIONS OUTSTANDING AT BEGINNING OF PERIOD	8,300,398	€31.77	4,521,862	€27.29
Options cancelled or expired during the period	(2,093,547)	€44.92	(224,527)	€30.03
Options exercised during the period	(1,684,989)	€27.46	(1,911,904)	€27.41
OPTIONS OUTSTANDING AT END OF PERIOD	4,521,862	€27.29	2,385,431	€26.93
OPTIONS EXERCISABLE AT END OF PERIOD	3,314,855	€26.57	1,830,169	€27.00

Outstanding options at December 31, 2015 are as follows:

	Number of outstanding options	Remaining life of the options
Plan 19	262,971	1 year and 3 months
Plan 20	924,928	2 years and 3 months
Plan 21	56,197	2 years and 3 months
Plan 22	90,948	2 years and 11 months
Plan 23	463,094	3 years and 3 months
Plan 24	32,031	3 years and 3 months
Plan 25	494,535	4 years and 3 months
Plan 26	20,727	4 years and 3 months
Plan 27	40,000	5 years and 9 months

Fair value of options

The fair value of these options at the grant date has been determined using the Black & Scholes or Monte Carlo option-pricing models, based on data and assumptions that were valid at that date. The information presented in this table for plans 16 to 21 (particularly the exercise price, the share price at the grant date and the fair value) has not therefore been adjusted for the effects of the July 2, 2010 demerger.

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

	Plan 16	Plan 17	Plan 18	Plan 19	Plan 20	Plan 21
Expected volatility(1)	27.57%	27.87%	26.72%	31.91%	33.96%	33.96%
Expected share yield(2)	4.15%	3.84%	4.03%	2.63%	2.29%	2.29%
Dividend rate(3)	2.29%	2.53%	2.53%	2.53%	3.24%	3.24%
Fair value of options(4)	€16.66	€11.55	€7.00	€5.78	€10.28	€9.44

	Plan 22	Plan 23	Plan 24	Plan 25	Plan 26	Plan 27
Expected volatility(1)	34.99%	35.74%	35.74%	39.71%	39.71%	37.16%
Expected share yield(2)	1.98%	2.90%	2.60%	1.67%	1.67%	1.20%
Dividend rate(3)	2.22%	2.19%	2.19%	2.42%	2.42%	3.04%
Fair value of options(4)	€9.25	€9.40	€8.89	€7.88	€6.50	€6.30

(1) Weighted volatility based on exercise periods.
(2) Expected share yield based on exercise periods.
(3) For the plans granted before 2011, the dividend rate used to measure the fair value of options correspond to the average payout rate for the previous two, three or four years. For the plans granted in 2011, this rate corresponds to the expected payout rate for 2011. For the plans granted since 2012, this rate corresponds to the payout rate for the previous year.
(4) Fair value of options based on exercise periods.

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 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.

Performance share plans

Main features of the performance share plans

	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan
Grant date	04/04/2011	03/27/2012	04/15/2013	06/18/2014	06/16/2015
Number of shares granted	249,107	284,976	290,550	484,400	480,090
2-year vesting period + 2 performance conditions	*190,331*	*170,332*	*169,605*	*206,050*	-
2-year vesting period + 3 performance conditions	-	*47,375*	-	-	-
2-year vesting period + 4 performance conditions	-	-	*72,500*	*176,500*	-
3-year vesting period + 2 performance conditions	*20,450*	-	-	-	-
4-year vesting period + 2 performance conditions	*38,326*	*67,269*	*48,445*	*79,850*	*326,290*
4-year vesting period + 4 performance conditions	-	-	-	*22,000*	*153,800*
Performance critea	**Revenue, operating profit and operating cash flow**	**EBIT margin, operating cash flow, completion of planned asset disposals**	**EBIT margin, operating cash flow from operating activities, completion of planned asset disposals and an external performance criterion**		
Performance measurement period	2011-2012	2012-2013	2013-2014	2014-2015	2015-2018
Performance criteria met	Met in 2011 and 2012	Partially met in 2012 and fully met in 2013	Partially met in 2013 and 2014	Partially met in 2014 and fully met in 2015	Met in 2015
Data *(in millions of euros)*					
Initial Fair value[(1)]	7.6	7.1	6.6	16.6	19.6
2011 Plan costs	2.5	-	-	-	-
2012 Plan costs	3.3	2.4	-	-	-
2013 Plan costs	1.0	2.6	2.6	-	-
2014 Plan costs	0.2	0.7	2.4	4.0	-
2015 Plan costs	0.3	0.3	0.8	7.3	4.2

(1) The cost of the performance share plan 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 is measured as the average of the AccorHotels share prices for the twenty trading days preceding the grant date less the present value of dividends unpaid multiplied by the number of shares granted under the plan.

Shares subject to a two- or three-year vesting period are also subject to a two-year lock-up. No lock-up period applies when the initial vesting period is four years.

For all plans between 2011 and 2014, two years' annual growth targets compared to the budget have been set (four years' annual growth targets for 2015 plan), with intermediate levels. For each intermediate performance level that is met each year, a fixed percentage of the performance shares will vest in that year.

Cost of share-based payments recognized in the accounts

The total cost recognized in profit or loss by adjusting equity in respect of share-based payments amounted to €13.6 million at December 31, 2015 when it amounted to €10.0 million at December 31, 2014.

Note 20.6 Perpetual subordinated notes

On June 30, 2014, AccorHotels issued €900 million worth of perpetual subordinated notes. The interest rate on the notes is set at 4.125% up until June 30, 2020 and will be re-set every five years thereafter, with a 25-bps step-up in June 2020 and a 275-bps step-up in June 2040.

The notes have no fixed maturity. They are repayable at AccorHotels' option on June 30, 2020, June 30, 2025 and on each anniversary of the issue date thereafter. Dividend payment (interest) is payable on the notes only in those periods for which a dividend is paid to shareholders.

Due to their characteristics and in accordance with IAS 32 (see Note 2.M.3), the notes were recorded in equity upon receipt of the issue proceeds for €887 million (net of transaction costs). The dividend payments are also recorded in equity.

In 2015, dividend payment on perpetual subordinated notes amounted to €37 million.

NOTE 21 MINORITY INTERESTS

Note 21.1 Changes in Minority Interests

Changes in minority interests break down as follows:

(in millions of euros)	
DECEMBER 31, 2013	**214**
Minority interests in net profit for the period	17
Dividends paid to minority interests	(13)
Increase in capital	(1)
Translation adjustment	(4)
Changes in scope of consolidation	(0)
DECEMBER 31, 2014	**213**
Minority interests in net profit for the period	27
Dividends paid to minority interests	(15)
Capital increase	0
Translation adjustment	(0)
Changes in scope of consolidation	1
DECEMBER 31, 2015	**225**

Changes in scope of consolidation during the period included the reclassification of €4 million from "Shareholders' equity, group share" to "Minority interests" following the transfer by AccorHotels to Orbis of the management of its Central European operations.

Note 21.2 Information about material minority interests

Material minority interests are as follows:

Orbis/Hekon (Poland)	% interests	% voting rights	Minority interests in net profit for the period	Minority interests in equity at period-end	Dividends paid by AccorHotels to minority interests during the period
December 31, 2014	47.31%	47.31%	9	168	8
December 31, 2015	47.31%	47.31%	19	180	8

Orbis/Hekon (Poland)	Selected financial information about the subsidiary					
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Net Profit or Loss
December 31, 2014	56	401	11	446	168	18
December 31, 2015	96	486	66	516	300	40

This financial information includes adjustments recorded by AccorHotels in 2008 when the Group acquired control of Orbis.

To the best of the Group's knowledge, no minority shareholders have any particular protective rights that could materially affect AccorHotels' ability to use and dispose of its subsidiaries' assets or use and settle their liabilities.

NOTE 22 COMPREHENSIVE INCOME AND FAIR VALUE ADJUSTMENTS ON FINANCIAL INSTRUMENTS RESERVE

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

(in millions of euros)	Dec. 2014			Dec. 2015		
	Before tax	Income tax expense	Net of tax	Before tax	Income tax expense	Net of tax
Currency translation adjustment	83	-	83	(3)	-	(3)
Change in fair value resulting from "Available-for-sale financial assets"	(2)	-	(2)	12	-	12
Effective portion of gains and losses on hedging instruments in a cash flow hedge	0	-	0	(3)	-	(3)
Actuarial gains and losses on defined benefits plans	(17)	5	(11)	(14)	5	(9)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	-	-	-	-	-	-
OTHER COMPREHENSIVE INCOME	**64**	**5**	**69**	**(8)**	**5**	**(3)**

Fair value adjustments on financial instruments reserve break down as follows:

(in millions of euros)	Dec. 2014	Dec. 2015
Interest rate and currency swaps	(0)	(3)
Fair value adjustments to non-consolidated investments	(5)	7
FAIR VALUE ADJUSTMENTS ON FINANCIAL INSTRUMENTS RESERVE	**(5)**	**4**

NOTE 23 DEBT BY CURRENCY AND MATURITY

Note 23.1 Analysis of Long and Short-term debt by nature

Long and short-term debt at December 31, 2015 breaks down as follows:

(in millions of euros)	Dec. 2014	Dec. 2015
Bonds	2,625	2,582
Bank borrowings	100	123
Other borrowings	6	5
LONG AND SHORT-TERM BORROWINGS	2,731	2,710
Long and short-term finance lease liabilities	72	72
Purchase commitments (minority put)	11	10
Liability derivatives	-	15
Other financial liabilities and bank overdrafts	52	48
LONG AND SHORT-TERM DEBT	**2,866**	**2,855**

Note 23.2 Bonds

Bonds at December 31, 2015 break down as follows:

Nominal amount *(in local currency)*	Date of issuance	Maturity	Initial effective interest rate *(in %)*	2014 *(in millions of euros)*	2015 *(in millions of euros)*
250 M EUR	August 2009	November 2017	6.04%	249	250
700 M EUR	June 2012	June 2017	2.88%	698	367
600 M EUR	March 2013	March 2019	2.50%	596	334
900 M EUR	February 2014	February 2021	2.63%	898	902
150 M CHF	June 2014	June 2022	1.75%	124	138
60 M EUR	December 2014	February 2022	1.68%	60	60
300 M PLN	June 2015	June 2020	2.76%	-	71
500 M EUR	September 2015	September 2023	2.38%	-	461
BONDS				**2,625**	**2,582**

Note 23.3 Analysis of Long and Short-term Debt by maturity

At December 31, 2015, maturities of long and short-term debt were as follows:

(in millions of euros)	Dec. 2014	Dec. 2015
Year N + 1	82	110
Year N + 2	20	633
Year N + 3	965	16
Year N + 4	31	350
Year N + 5	614	119
Year N + 6	12	908
Beyond	1,142	719
LONG AND SHORT-TERM DEBT	**2,866**	**2,855**

The maturity profile of debt is one of the indicators used to assess the Group's liquidity position.

In this presentation, the fair value of derivative interest rate and currency instruments is classified as short term. Interest rate and currency hedges are analyzed by expiry date in Note 23.8 "Financial instruments". Foreign currency borrowings and investments are translated at year-end exchange rates.

December 2015 financial costs amount to €71 million. Future financial costs are estimated at €253 million for the period from January 2016 to January 2019 and €85 million thereafter.

2014 financial costs amounted to €58 million. Future financial costs were estimated at €275 million for the period from January 2015 to December 2018 and €71 million thereafter.

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

Note 23.4 Analysis of long and short-term debt by currency before and after hedging

	Before hedging			After hedging		
	Total debt			Total debt		
(in millions of euros)	Amount	Rate	% of total debt	Amount	Rate	% of total debt
Euro	2,390	2.91%	88%	2,285	2.91%	84%
Swiss franc	152	1.73%	6%	210	1.74%	8%
Polish zloty	107	2.83%	4%	107	2.83%	4%
Japanese yen	-	0.00%	-	33	0.07%	1%
Mauritian rupee	25	7.68%	1%	25	7.68%	1%
CFA franc	12	7.82%	0%	12	7.82%	0%
Other currencies	24	7.43%	1%	38	5.94%	1%
LONG AND SHORT-TERM DEBT	**2,710**	**2.95%**	**100%**	**2,710**	**2.89%**	**100%**

Note 23.5 Analysis of long and short-term debt by interest rate after hedging

At December 31, 2015, 85% of long and short-term debt was fixed rate, with an average rate of 2.95%, and 15% was variable rate, with an average rate of 2.55%.

At December 31, 2015, fixed rate debt was denominated primarily in EUR (86%), while variable rate debt was denominated mainly in EUR (75%), in PLN (17%) and in MUR (3%).

Note 23.6 Covenants

None of the loan agreements include any rating triggers. However, certain loan agreements include acceleration clauses that may be triggered in the event of a change of control, following the acquisition of more than 50% of outstanding voting rights. Of the overall gross debt of €2,710 million, a total of €2,582 million worth is subject to such clauses. In the case of bonds, the acceleration clause can be triggered only if the change of control leads to AccorHotels' credit rating being downgraded to non-investment grade.

Note, however, that in the case of the syndicated loan renegotiated in June 2014, the acceleration clause can be triggered if AccorHotels does not comply with the leverage ratio covenant (consolidated net debt to consolidated EBITDA).

None of the loan agreements include a cross default clause requiring immediate repayment in the event of default on another facility. Cross acceleration clauses only concern loans for periods of at least three years; these clauses would be triggered solely for borrowings and only if material amounts were concerned.

Note 23.7 Unused confirmed credit line

On December 31, 2015, unused long-term committed line is amounting to €1,800 million, expiring in June 2019.

Note 23.8 Financial instruments

1. Currency hedges

The following tables analyzes the nominal amount of currency hedges by maturity and the carrying amount of these instruments in the statement of financial position, corresponding to their fair value, at December 31, 2015:

Currency swaps *(in millions of euros)*	Maturity 2016	Dec. 2015 Nominal amount	Dec. 2015 Fair value
Japanese yen	32	32	(0)
Chinese yuan	11	11	(0)
British pound	57	57	1
Australian dollar	54	54	0
Polish zloty	9	9	0
Other currencies	8	8	(0)
CURRENCY HEDGING	**172**	**172**	**0**

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 purchased by the Group are designated and documented fair value hedges of intra-group loans.

At December 31, 2015, the total fair value of currency derivatives was €0 million, recorded in assets.

2. Interest rate hedges

The following table analyse the notional amount of interest rate hedges by maturity and the carrying amount of these instruments in the statement of financial position, corresponding to their fair value, at December 31, 2015:

(in millions of euros)	2015	2016	2017	Beyond	Dec. 2015 Nominal Amount	Dec. 2015 Fair Value
Rate swaps	-	-	-	721	721	7
Interest rate hedges	**-**	**-**	**-**	**721**	**721**	**7**

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.

The portfolio comprises:

- interest rate swaps converting interest on part of the Group's bond debt to variable rate (fair value of the swap: €4 million);
- a cross-currency swap (fair value: -€7 million) converting EUR debt into CHF in addition to another CHF bond issue, matched by an intragroup loan for the same amount;
- interest rate swaps set up in connection with a future real estate finance lease (fair value: -€4 million).

Only the fixed-to-variable rate swaps on bond debt represent designated and documented fair value hedges.

At December 31, 2015, the total fair value of rates derivatives was €7.3 million, recorded in liabilities.

3. Fair value

3.1 Fair value of financial instruments

The carrying amount and fair value of financial instruments at December 31, 2015 are as follows:

	Dec. 2014	Dec. 2015	
(in millions of euros)	Carrying amount	Carrying amount	Fair value
FINANCIAL LIABILITIES	2,866	2,855	3,007
Bonds[1]	2,625	2,582	2,733
Bank borrowings	92	117	117
Finance lease liabilities	72	72	72
Other financial liabilities	77	69	69
Derivative instruments – liabilities[2]	-	15	15
FINANCIAL ASSETS	(2,707)	(3,050)	(3,052)
Money market securities	(2,549)	(2,799)	(2,801)
Cash	(126)	(156)	(156)
Other	(30)	(87)	(87)
Derivative instruments – assets[2]	(2)	(8)	(8)
NET DEBT	**159**	**(194)**	**(45)**

(1) The fair value of listed bonds corresponds to their quoted market value on the Luxembourg Stock Exchange and on Bloomberg on the last day of the period (level 1 valuation technique according to IFRS 13).
(2) The fair value of forward foreign exchange contracts and interest rate and currency swaps corresponds to the market price that the Group would have to pay or receive to unwind these contracts (level 2 valuation technique according to IFRS 13).

3.2 Fair value of money market securities

The carrying amount and fair value of money market securities at December 31, 2015 are as follows:

	Dec. 2014	Dec. 2015	
(in millions of euros)	Carrying amount	Carrying amount	Fair value
Other negotiable debt securities[1]	(1,701)	(1,533)	(1,533)
Mutual funds units convertible into cash in less than three months* [2]	(831)	(1,266)	(1,268)
Other (accrued interest)	(17)	-	-
MONEY MARKET SECURITIES	**(2,549)**	**(2,799)**	**(2,801)**

** The fair value of mutual fund units corresponds to their net asset value (level 1 valuation technique according to IFRS 13).*
(1) Loans and receivables issued by the Group.
(2) Available-for-sale financial assets.

NOTE 24 ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES UNDER IFRS 7

	Breakdown by accounting category					Fair value for financial instruments recognized at fair value			
At December 31, 2015 *(in millions of euros)*	**Fair value through profit or loss**	**Assets held for sale**	**Loans, receivables and debts at amortized cost**	**Derivatives**	**Carrying amount**	**Level 1***	**Level 2***	**Level 3***	**Fair value of the class**
Loans			161		161				-
Other financial investments		100	90		191	58		42	100
Trade receivables			432		432				-
Receivables on disposals of assets			44		44				-
Cash and cash equivalents	4	1,266	1,689	4	2,963	1,268	8		1,276
ASSETS	**4**	**1,366**	**2,416**	**4**	**3,790**	**1,326**	**8**	**42**	**1,376**
Bonds			2,582		2,582				-
Bank borrowings			117		117				-
Finance lease liabilities			72		72				-
Trade payables			736		736				-
Other debts	15		69		84		15		15
LIABILITIES	**15**	**-**	**3,576**	**-**	**3,592**	**-**	**15**	**-**	**15**

At December 31, 2014 *(in millions of euros)*	**Fair value through profit or loss**	**Assets held for sale**	**Loans, receivables and debts at amortized cost**	**Other derivatives**	**Carrying amount**	**Level 1***	**Level 2***	**Level 3***	**Fair value of the class**
Loans			149		149				-
Other financial investments		59	70		129	20		39	59
Trade receivables			417		417				-
Receivables on disposals of assets			14		14				-
Cash and cash equivalents	2	831	1,844		2,677	831	2		833
ASSETS	**2**	**890**	**2,494**	**-**	**3,386**	**851**	**2**	**39**	**892**
Bonds			2,625		2,625				-
Bank borrowings			92		92				-
Finance lease liabilities			72		72				-
Trade payables			690		690				-
Other debts			77		77				-
LIABILITIES	**-**	**-**	**3,556**	**-**	**3,556**	**-**	**-**	**-**	**-**

* *The fair value hierarchies have three levels: see Note 2.R. Fair value hierarchies are presented only for financial instruments measured at fair value. The methods used to measure the fair value of derivative instruments, mutual fund unit convertible into cash and bonds are described in Note 23. The method used to measure the fair value of investments in non-consolidated companies is described in Note 2.N.1.*

NOTE 25 PROFIT OR LOSS FROM DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD FOR SALE

Note 25.1 Profit or loss from discontinued operations

Profit or loss from discontinued operations includes the profit generated by the Italian Onboard day Train Services business, which remained classified as a "discontinued operations" because of the ongoing liquidation process of the company. Profit or loss from discontinued operations is not significant regarding the size of the Group.

Note 25.2 Assets and Liabilities Held for Sale

Assets and liabilities held for sale break down as follows:

(in millions of euros)	Dec. 2014	Dec. 2015
Onboard Train Services business	14	12
Non-current assets classified as held for sale	333	195
ASSETS CLASSIFIED AS ASSETS HELD FOR SALE	**347**	**208**
Onboard Train Services business	(9)	(8)
Liabilities related to Disposal groups classified as held for sale	(11)	(10)
LIABILITIES CLASSIFIED AS LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	**(20)**	**(19)**

A. Onboard Train Services

In 2010 and 2012, AccorHotels sold Onboard rail catering businesses in France, Austria and Portugal and part of the Italian business to Newrest.

Following the ongoing liquidation process of the company, the related assets and liabilities remained classified under "Assets held for sale" and "Liabilities associated with assets held for sale" at December 31, 2015.

B. Other assets held for sale

(in millions of euros)	Dec. 2014	Dec. 2015
France[(1)]	1	50
Spain[(1)]	0	23
Austria[(1)]	-	15
Italia[(1)]	-	12
Belgium[(1)]	-	9
Germany[(1), (6)]	125	5
Netherlands[(1), (6)]	81	2
Portugal[(1)]	0	1
China[(2)]	57	47
Colombia[(3)]	-	11
United Kingdom[(4)]	29	4
Swiss[(5)]	25	0
Other	15	16
NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	**333**	**195**

In accordance with IFRS 5, these assets are reclassified in the statement of financial position under "Assets held for sale" and measured at the lower of their carrying amount and fair value less costs to sell.

(1) At December 31, 2015, 85 hotels had been reclassified as "Assets held for sale" for a total of €114 million. The properties are intended to be sold to a hotel investment company in 2016 (see Note 3). They include 61 hotels in France for €48 million, nine in Spain for €23 million, four in Austria for €15 million, three in Italy for €12 million, four in Belgium for €9 million, one in Germany for €4 million, one in the Netherlands for €2 million and two in Portugal for €1 million.

(2) In 2014, in connection with its partnership with Huazhu, the Group decided to sell twelve ibis hotels in China (see Note 3). These hotels are still classified as assets held for sale and their carrying amount was €46 million at December 31, 2015. These hotels were sold in January 2016.

(3) At December 31 2015, the Cartagena ibis was reclassified as "Assets held for sale". The property is intended to be sold under a sale-and-management-back contract in 2016.

(4) At December 31 2015, the Gloucester ibis was reclassified as "Assets held for sale". In 2014, the Group decided to sell eight hotels acquired by the Group when it purchased the Tritax portfolio. Six of these hotels were sold during the first half of 2015 and two during the second half. See Note 3.

(5) At December 31, 2014, the Zürich MGallery was reclassified as "Assets held for sale" for a carrying amount of €25 million. This hotel was sold on April 14, 2015.

(6) At December 31, 2014, twenty-nine hotels (twenty-seven that the Group acquired when it purchased the Moor Park portfolio) were reclassified as assets held for sale. Their total carrying amount at that date was €206 million. These hotels were sold in September 2015.

NOTE 26 PROVISIONS

Movements in provisions between December 31, 2014 and December 31, 2015 can be analysed as follows:

(in millions of euros)	Dec. 2014	Equity impact	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope	Dec. 2015
Provisions for pensions[3]	103	14	11	(6)	(2)	(0)	(0)	120
Provisions for loyalty bonuses[3]	20	-	3	(2)	(2)	(0)	0	19
Provisions for claims and litigation and others contingencies	10	-	1	(0)	(6)	0	(2)	2
LONG-TERM PROVISIONS	**133**	**14**	**15**	**(8)**	**(10)**	**(0)**	**(2)**	**142**
Tax provisions	41	-	1	(5)	(8)	(1)	(0)	28
Restructuring provisions[2]	21	-	12	(14)	(3)	0	0	17
Provisions for claims litigations and others contingencies[1]	110	-	50	(14)	(17)	(3)	2	128
SHORT-TERM PROVISIONS	**172**	**-**	**63**	**(32)**	**(28)**	**(4)**	**2**	**173**

(1) Claims and litigations
At December 31, 2015, ordinary provisions for claims and litigation and others include:
- *€30 million in provisions for sinister claims;*
- *€16 million in provisions for the head office removal;*
- *€12 million in provisions for employee-related claims.*

(2) Restructuring provisions at December 31, 2014 included €7 million in provisions for voluntary separation plans within the Group. These provisions were reversed in 2015.
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 of euros)	Dec. 2015
EBIT	(7)
Finance cost, net	3
Provision for losses on hotel properties	1
Provision on other assets and restructuring provisions	13
Provision for tax	(11)
TOTAL	**0**

(3) 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 benefits).

Short-term benefit obligations are recognized in the statements of financial position 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 statement of financial position.

The value of the obligation recorded consists of an actuarial valuation performed according to the projected unit credit method. The method is described in Note 2.J.

At AccorHotels, 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 once a year during the second half. 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 (49% of the obligation), in the Netherlands (23% of the obligation), in Belgium (11% of the obligation) and in Switzerland (7% of the obligation). The plan in the Netherlands is closed to new participants and is fully funded, with the result that no provision has been recognized in the statement of financial position for this plan. Pension benefit obligations are determined by reference to employees' years of service and end-of-career salary. They are funded by payments to external organizations that are legally separate from AccorHotels Group. In the Worldwide Structures, the pension plan concerns senior executives. Pension rights are unvested and plan participants receive a regular pension, not a lump sum. In the Netherlands, the plan concerns all employees and provides for the payment of a lump sum to participants on retirement.

B. Actuarial assumptions

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

The main assumptions made by the Group to estimate the obligations at December 31, 2015 and at December 31, 2014 are as follows:

	France		Netherlands		Germany		Belgium		Switzerland		Worldwide Structures	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Rate of future salary increases	3.0%	3.0%	2.0%	2.0%	1.5%	1.5%	3.0%	3.0%	1.0%	1.5%	4.0%	3.0%
Discount rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	1.0%	1.5%	2.0%	2.0%

The assumptions concerning the discount rate applied to calculate the present value of benefit obligations were determined based on the recommendations of independent experts. For subsidiaries located in the euro zone, the discount rate is determined based on the iBoxx Corporate AA 10+ euro zone index. For subsidiaries outside the euro zone, 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. In all other cases, the discount rate is based on government bond rates.

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

	Pensions			Other benefits			Total		
(in millions of euros)	Projected benefit obligation	(Fair value of plan assets)	Provision	Projected benefit obligation	(Fair value of plan assets)	Provision	Projected benefit obligation	(Fair value of plan assets)	Provision
SITUATION AT JANUARY 1, 2015	**217**	**(115)**	**103**	**20**	**-**	**20**	**238**	**(115)**	**123**
Current service cost	9	-	9	2	-	2	11	-	11
Interest (income)/cost	4	(2)	2	0	-	0	5	(2)	3
(Gains) losses on curtailments/ settlements	(4)	3	(2)	(1)	-	(1)	(6)	3	(3)
Actuarial (gains)/losses related to other benefits				(0)	-	(0)	(0)	-	(0)
Cost recognized in net profit or loss	9	0	9	1	-	1	10	0	10
Expense for the period	(10)	7	(3)	(2)	-	(2)	(12)	7	(5)
Employer contributions for the period	-	(3)	(3)	-	-	-	-	(3)	(3)
Employee contributions for the period	1	(1)	(0)	-	-	-	1	(1)	(0)
Benefits paid	(9)	3	(6)	(2)	-	(2)	(11)	3	(8)
Actuarial gains and losses related to experience adjustments	4	(1)	3				4	(1)	3
Actuarial gains and losses related to changes in demographic assumptions	(0)	-	(0)				(0)	-	(0)
Actuarial gains and losses related to changes in financial assumptions	12	-	12				12	-	12
Actuarial (gains) losses recognized in equity	15	(1)	14				15	(1)	14
Effect of changes in scope of consolidation	-	-	-	0	-	0	0	-	0
Exchange differences	1	(1)	(0)	(0)	-	(0)	1	(1)	(0)
Other	(2)	2	(0)	(0)	-	(0)	(2)	2	(0)
SITUATION AT DECEMBER 31, 2015	**232**	**(112)**	**120**	**19**	**-**	**19**	**252**	**(112)**	**139**

At December 31, 2015, pension obligations break down by region as follows:

	Pensions at December 31, 2015							
(in millions of euros)	France	Netherlands	Germany	Belgium	Switzerland	Worldwide Structures	Other countries	Total
Actuarial debt	30	53	13	25	16	84	11	232
(Fair value of plan assets)	0	(53)	(5)	(14)	(11)	(29)	0	(112)
Funded status	30	0	8	11	5	55	11	120

The present value of unfunded obligation amounts to €64 million at December 31, 2015 (of which €45 million related to pensions and €19 million related to other benefits). At December 31, 2014 it amounted to €66 million (of which €46 million related to pensions and €20 million related to other benefits).

Detail of plan assets

The assets of insured defined benefit plans are invested in investment funds held by insurance companies in each of the countries concerned except for Worldwide Structures.

The following table shows the breakdown of these plan assets by country:

Detail of plan assets *(in millions of euros)*	Netherlands	Germany	Belgium	Switzerland	Worldwide Structures	Total
Bonds	-	5	12	4	23	43
Real Estate	-	-	1	2	2	6
Shares	-	-	1	3	3	7
Liquidity	-	-	0	0	-	1
Insurance contracts	53	-	-	-	-	53
Other	-	-	0	2	1	3
TOTAL VALUE OF PLAN ASSETS	**53**	**5**	**14**	**11**	**29**	**112**

The AccorHotels Group's pension obligations are funded under insured plans or by external funds. Plan assets therefore consist mainly of the classes of assets held in insurers' general portfolios managed according to conservative investment strategies. The expected long-term return on plan assets is matched to the discount rate.

Sensitivity analysis

At December 31, 2015, 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 €13.1 million reduction in the projected benefit obligation, a 0.5 point decrease in the discount rate would lead to a €14.8 million increase in the projected benefit obligation. The impact on the cost for the year would not be material.

At December 31, 2014, 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 €12.7 million reduction in the projected benefit obligation, a 0.5 point decrease in the discount rate would lead to a €14.2 million increase in the projected benefit obligation. The impact on the cost for the year would not be material.

Expected cash flows

The following table shows expected cash outflows for the coming years, without taking account any cash inflows generated by plan assets:

Expected cash flows *(in millions of euros)*	France	Netherlands	Germany	Belgium	Switzerland	Worldwide Structures	Other countries	Total
Expected benefits payment in 2016	0	2	1	1	2	2	1	8
Expected benefits payment in 2017	1	2	1	0	1	2	1	7
Expected benefits payment from 2018 to 2025	11	15	5	7	6	19	4	66
Expected contributions in 2016	-	-	0	1	1	-	-	2

NOTE 27 RECONCILIATION OF FUNDS FROM OPERATIONS

(in millions of euros)	Dec. 2014	Dec. 2015
Net Profit, Group share	227	246
Minority interests	17	27
Depreciation, amortization and provision expenses	319	324
Share of profit of associates, net of dividends received	(15)	6
Deferred tax	12	(15)
Change in financial provisions and provisions for losses on assets disposals	(76)	27
Impairment losses	55	67
Funds from operations from discontinued operations	(2)	(2)
FUNDS FROM OPERATIONS INCLUDING NON-RECURRING TRANSACTIONS	**537**	**680**
(Gains)/Losses on disposals of assets, net	40	21
(Gains)/Losses on non-recurring transactions (included restructuring costs and exceptional taxes)	190	113
Non-recurring items from discontinued activities	0	(0)
FUNDS FROM OPERATIONS EXCLUDING NON-RECURRING TRANSACTIONS	**767**	**814**

NOTE 28 CHANGE IN WORKING CAPITAL

The variation in Working Capital can be analyzed as follows:

(in millions of euros)	Dec. 2014	Dec. 2015	Variation
Inventories	28	37	10
Trade receivables	417	432	15
Other receivables and accruals	461	471	10
WORKING CAPITAL ITEMS – ASSETS	906	940	34
Trade payables	690	736	46
Other payables	963	1,012	48
WORKING CAPITAL ITEMS – LIABILITIES	1,652	1,748	96
NET WORKING CAPITAL	**746**	**808**	**62**

DECEMBER 31, 2014 NET ADJUSTED WORKING CAPITAL	**746**
Change in operating working capital	72
Change in operating working capital of discontinued operations	(0)
Working capital items included in development expenditure	4
Working capital items included in assets disposals and assets reclassified as held for sale	(4)
Translation adjustment	(3)
Change in provisions	(7)
Reclassifications	1
NET CHANGE IN WORKING CAPITAL	62
DECEMBER 31, 2015 NET WORKING CAPITAL	**808**

NOTE 29 RENOVATION AND MAINTENANCE EXPENDITURE AND DEVELOPMENT EXPENDITURE

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 1) as a condition of their continuing operation.

(in millions of euros)	2014	2015
HOTELSERVICES	44	44
HOTELINVEST	209	217
CORPORATE & INTERCOS	9	9
RENOVATION AND MAINTENANCE EXPENDITURE	**262**	**269**

Development expenditure excluding discontinued operations

Development expenditure corresponds to the property, plant and equipment, and working capital of newly consolidated companies (in accordance with IAS 7 "Statement of cash flows") and includes the purchase or construction of new assets and the exercise of call options under sale-and-leaseback transactions, as follows:

(in millions of euros)	2014	2015
HOTELSERVICES	39	49
HOTELINVEST	1,309	310
CORPORATE & INTERCOS	(35)	7
DEVELOPMENT EXPENDITURE	**1,313**	**366**

At December 31, 2015, most important development expenditure of HotelInvest concern:

- acquisition of a portfolio of four Novotel hotels in Spain from Deutsche AWM for €77 million (see Note 3);
- €28 million related to the development of London Canary Wharf Novotel;
- acquisition of the Biarritz Miramar Sofitel for €27 million (see Note 3);
- the deposit paid in connection with the acquisition of the Santa Clara Sofitel for €25 million;
- acquisition of Huazhu shares for €22 million (see Note 3).

At December 31, 2014, most important development expenditure of HotelInvest concerned:

- €715 million related to the acquisition of an 86-hotel portfolio from Moor Park;
- €176 million related to the acquisition of an 11-hotel portfolio from Axa Real Estate;
- €89 million related to the purchase of a portfolio of 13 Tritax hotels in the United Kingdom;
- €29 million related to the acquisition of a stake in Mama Shelter.

NOTE 30 CLAIMS AND LITIGATION

Note 30.1 CIWLT tax audit

Following tax audits covering the year 2003 of the French branch of Compagnie Internationale des Wagons Lits et du Tourisme (CIWLT), a Belgian company that is 99.78%-owned by Accor SA, the French tax authorities concluded that CIWLT's seat of management was in France, not Belgium.

The authorities therefore added CIWLT's profit to the profit taxable in France. CIWLT contested this reassessment before the competent French courts.

The tax and related penalties totaling €17.5 million were paid in July 2011 and late interest of €2.7 million was paid in August 2011. Receivables for the same amounts were recorded in the consolidated statement of financial position at December 31, 2011, offset in full by provisions. The Versailles Administrative Court of Appeal found against CIWLT in a ruling handed down on May 21, 2013 and in August 2013 CIWLT filed a summary motion to institute proceedings before the French Supreme Court of Appeal (*Conseil d'État*). The motion was accepted and the appeal is currently being heard.

Note 30.2 Dividend withholding tax (*précompte*)

In 2002, Accor SA mounted a legal challenge to its obligation to pay "précompte" dividend withholding tax 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" dividend withholding tax. However, no tax credit was attached to European source dividends.

Accor SA contested this rule, on the grounds that it breached European Union rules.

In the dispute between Accor SA and the French State, on December 21, 2006 the Versailles Administrative Court ruled that Accor SA 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 SA 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, thereby confirming Accor SA's right to the refund decided by the Versailles Administrative Court.

As the State had not yet exhausted all avenues of appeal, a liability was recognized for the amounts received and the financial impact of the rulings by the Versailles Administrative Court and Court of Appeal was not recognized in the financial statements.

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 (ECJ) for a preliminary ruling on this issue.

After reviewing the matter, the ECJ's final ruling was handed down on September 15, 2011. In this ruling, the ECJ held that the French *précompte*/tax credit system restricts the freedom of establishment and free movement of capital.

In its ruling handed down on December 10, 2012, the French Supreme Court of Appeal considered that the dividend tax credit and *précompte* withholding tax systems had been shown to be incompatible. However, the Court also considered that the amount to be refunded was subject to strict rules which, to all intents and purposes, restricted Accor SA's right to a refund. Accordingly, the Court found that Accor SA was entitled to only approximately €6.3 million of the €156 million in principal already refunded.

In addition to the €149.7 million to be returned to the French State, Accor SA was also required to repay the late interest received in 2007, amounting to approximately €36.4 million, less the portion related to the retained refund of €6.3 million. In all, €184.7 million in principal and interest was repaid to the French State during first-half 2013.

In the 2012 financial statements, the €6.3 million "précompte" dividend withholding tax refunded to Accor SA and not repayable to the French State was credited to a reserve account. The estimated €1.4 million in late interest received on this amount was considered as offsetting the early payment of tax, and was therefore recorded as a tax benefit in the income statement.

AccorHotels has noted the Supreme Court of Appeal's decision and intends to continue to use the avenues available to it to defend its position in the dispute with the French tax authorities.

On February 7, 2007, Accor SA filed an application originating proceedings before the Cergy-Pontoise Court on the same grounds, to obtain a refund of the €187 million in "'précompte" dividend withholding tax paid in the period 2002 to 2004. In a ruling handed down on May 27, 2014, the Cergy Pontoise Court applied the restrictive principles governing the calculation of refunds described by the French Supreme Court of Appeal (*Conseil d'État*) in a decision dated December 10, 2012. In line with these principles, the Court found that Accor SA was entitled to a refund of €7.1 million in respect of the "précompte" dividend withholding tax for the years 2002, 2003 and 2004 together with interest of €3.3 million.

These amounts are recorded in the statement of financial position since June 30, 2014, as Accor SA appealed the decision before the Versailles Administrative Court of Appeal on July 23, 2014 and the ruling is therefore not final.

Note 30.3 Tax audit at Accor SA

A tax audit is currently in progress at Accor SA. On December 26, 2013, the tax authorities notified the Company of proposed adjustments to its 2010 and 2011 accounts. The proposal was timed to interrupt the statute of limitations that was due to expire for claims by the tax authorities on December 31, 2013 and December 31, 2014. The tax authorities have not yet provided any indication of the financial consequences of the proposed adjustments for the tax group of which Accor SA is the filing entity, but the total risk including late interest is estimated at €29.5 million.

The tax authorities were challenging the independent valuation of the Accor Services brands that was used by Accor SA to calculate the taxable capital gain on the brands contributed at the time of the Group's demerger in 2010. They have also queried the alleged waiver by Accor SA of income due by its wholly-owned Brazilian subsidiary, Hotelaria Accor Brasil S.A., which they say had corporate income tax and withholding tax implications. This represents a relatively minor risk.

Accor SA wrote to the tax authorities in February 2014 and December 2014 contesting the proposed adjustments, but has nevertheless recorded a contingency provision of €14.5 million in its 2014 financial statements. Following an appeal to the department head, on July 21, 2015 the tax authorities dropped the reassessment of the taxable capital gain on the brands contributed at the time of the Group's demerger in 2010 but maintained the reassessment concerning the alleged waiver of income from its Brazilian subsidiary, Hotelaria Accor Brasil S.A. This led to a reduction in back taxes due as a result of the reassessments, from €29.5 million to €8.1 million (including late interest), of which €4.1 million was claimed by the tax authorities in December 2015 and recorded as an expense for the year. The contingency provision was therefore reduced from €14.5 million to €4 million at December 31, 2015. The Group intends to contest the proposed reassessment before the competent tax courts.

Note 30.4 Other claims and litigation

In the normal course of its business, the Group is exposed to claims, litigations and proceedings that may be in progress, pending or threatened. The Company believes that these claims, litigations and proceedings have not and will not give rise to any material costs at Group level and have not and will not have a material adverse effect on the Group's financial position, business and/or results of operations.

NOTE 31 OFF-BALANCE SHEET COMMITMENTS

The tables below do not include the put options on portfolios of hotel properties granted by AccorHotels that are matched by put options for equivalent amounts received from the new hotel investment company in January 2016 (see Note 3).

The three portfolios concerned are as follows:

- 40 hotels that should ultimately be acquired by the new hotel investment company from Foncière des Murs for €227 million;
- 12 hotels that should ultimately be acquired by the new hotel investment company from Axa for €39 million;
- five hotels that should ultimately be acquired by the new hotel investment company from Invesco for €91 million.

Note 31.1 Off-Balance Sheets commitments given

Off-balance sheet commitments (which are not discounted except for lease commitments related to headquartes buildings) given at December 31, 2015 break down as follows:

(in millions of euros)	Less than 1 year	1 to 5 years	Beyond 5 years	December 31, 2015	December 31, 2014
SECURITY INTERESTS GIVEN ON ASSETS(1)	33	115	24	171	74
PURCHASE COMMITMENTS(2)	183	20	-	203	69
Renovation commitment in Germany	9	3	-	12	17
Renovation commitment in the United Kingdom(3)	20	-	-	20	3
Renovation commitment in France(4)	10	69	0	79	3
Renovation commitment in Australia(5)	3	14	-	17	2
Renovation commitment in Poland(6)	12	-	-	12	2
Other renovation commitments	2	-	1	3	28
CAPEX COMMITMENTS	56	86	1	144	54
LOAN GUARANTEES GIVEN(7)	15	100	133	248	63
COMMITMENTS GIVEN IN THE NORMAL COURSE OF BUSINESS	7	121	25	153	202
CONTINGENT LIABILITIES	-	4	-	4	4
DECEMBER 31, 2015	**295**	**446**	**182**	**924**	
TOTAL DECEMBER 31, 2014 ADJUSTED	86	262	119		466

(1) Security interests given on assets correspond to pledges and mortgages valued at the net book value of the underlying assets.
a. In connection with the bond issue carried out in Poland, assets worth €48 million have been mortgaged in favor of the bank. The amount of the mortgage corresponds to the carrying amount of two hotel properties, Warszawa Centrum Novotel and Warszawa Centrum Mercure.
b. In connection with the transfer by AccorHotels to Orbis of the management of its Central European operations, a facility agreement was signed with a bank. Drawdowns on this facility are secured by a €43 million mortgage. The amount of the mortgage corresponds to the carrying amount of two hotel properties, Warszawa Grand Mercure and Warsaw Victoria Sofitel.
c. Mortgages on the Bogota ibis and Medellin ibis in Colombia in the amount of €19 million were canceled following the sale of these two hotels during the period.
d. The loan obtained from Société Générale to finance renovation of the Toulouse Centre Pullman and the Toulouse Parthénon Adagio is secured by various mortgages representing a total of €27 million.
(2) In connection with property development projects:
a. The Group has a €30 million commitment related to a leaseholder and property development contract for the construction of the ibis Canning Town.
b. The €12 million worth of renovation work that the Group was committed to carrying out under the Moorfield contract (management and rebranding of 24 Mercure units in the United Kingdom) was completed during the year.
c. Commitments given in connection with asset portfolio purchases:
- The Group's memorandum of understanding with Invesco includes a commitment to purchase the München City Novotel for €61 million
- The Group's memorandum of understanding with Foncière des Murs includes a commitment to purchase assets for €27 million
- AccorHotels' memorandum of understanding with the Axa Group includes a commitment to purchase €12-million worth of assets
d. The Group is committed to acquiring an 80% stake in Compagnie Hôtelière du Brésil, owner of two hotels in Rio de Janeiro, for €32 million.
e. The Group is committed to acquiring two hotel properties in Germany – the Olympiapark Mercure and the München City ibis – for €29 million.
(3) Commitments related to the construction of the Canary Wharf Novotel amount to €20 million.
(4) Commitments to carry out work in France mainly include:
a. A €36-million guarantee given to ADP for the construction of the Cœur d'Orly Novotel, Cœur d'Orly ibis and Cœur d'Orly ibis Budget.
b. A new €33-million guarantee given to SCI Tours and Orly covering payment of the sums due to property developer Bouygues Bâtiment for the construction of the Cœur d'Orly hotel complex.
(5) Commitments to carry out work on hotels owned by TAHL (an Australian property company) in Australia and New Zealand amount to €17 millions.
(6) AccorHotels has given commitments concerning the construction of several hotels and the rebranding of the Gdynia hotel, for €12 million.
(7) For the first time at December 31, 2015, other guarantees that increase debt included rent guarantees for the headquarters buildings in the amount of €180 million (discounted at 7%).

The Group commits in most of the cases to spend a specified amount on hotel maintenance, generally expressed as a percentage of revenue. These commitments are not included in the above table due to the difficulty of estimating the amounts involved.

From time to time the Group may also issue performance guarantees to the owners of managed hotels. The guarantee may include a clawback clause applicable if the hotel's performance improves in subsequent years.

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 31.2 Off-balance sheet commitments received

Off-balance sheet commitments (not discounted) received at December 31, 2015 break down as follows:

(in millions of euros)	Less than 1 year	1 to 5 years	Beyond 5 years	December 31, 2015	December 31, 2014
Irrevocable commitments received for the purchase of intangible assets and property, plant and equipment	0	-	-	0	1
Irrevocable commitments received for the purchase of financial assets(1)	-	-	18	18	19
PURCHASE COMMITMENTS RECEIVED	0	-	18	19	20
Sellers' warranties received	1	-	-	1	1
Other guarantees received in the normal course of business(2)	18	15	25	58	62
OTHER COMMITMENTS AND GUARANTEES RECEIVED	18	15	25	58	63
DECEMBER 31, 2015	**19**	**15**	**43**	**77**	
TOTAL DECEMBER 31, 2014 ADJUSTED	17	12	54		83

(1) In connection with irrevocable commitments received for the purchase of financial assets:
a. Under the "Sale and Management Back" transaction concerning the Sofitel The Grand in Amsterdam with Société Hôtelière Paris Les Halles (SHPH), AccorHotels has an option to sell its 40% interest in this hotel to SHPH for €14 million at December 31, 2015 in the event that SHPH decides not to renew the 25-year management agreement.
b. In connection with the Orféa joint venture with SNCF (set up to supply hotel services for the service apartments made available to SNCF employees), in the event of a disagreement between the partners:
- SNCF Participations would have the option of buying out AccorHotels' stake in Orféa (held through its Soparfi 1 subsidiary), in which case AccorHotels would be obliged to sell;
- if SNCF Participations decided not to exercise its call option, Soparfi 1 would have the option of selling its entire stake to SNCF Participations, which would be obliged to buy the shares.
In both cases, the sale price would be equal to Soparfi 1's equity in Orféa's net assets plus its share of outstanding dividends.
(2) Other commitments received mainly include:
a. In connection with the Silverstone project, Stone is committed to making an earn-out payment of €15 million to AccorHotels if the Formule 1 hotels meet their business plan objectives in 2019. AccorHotels believes that the probability of the business plan objectives being met is remote and the commitment was therefore canceled in the financial statements at December 31, 2015.
b. In connection with the sale by Invesco of the Paris La Défense Pullman, the new owner – QFI Luxembourg – gave a commitment to finance €10 million worth of refurbishment and maintenance work described in the original lease. This guarantee will expire on May 30, 2022.
c. Under the terms of the memorandum of understanding with AccorHotels, Foncière des Murs is committed to financing and performing €10 million worth of construction work between June 30, 2016 and June 30, 2018 on hotel properties for which the leases have been renewed.

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

NOTE 32 MAIN CONSOLIDATED COMPANIES AT DECEMBER 31, 2015

The main subsidiaries and associates represent 98% of consolidated revenue, 97% of EBITDAR and 88% of EBIT. The other subsidiaries and associates represent individually less than 0.07% of these aggregates.

To the best of the Group's knowledge, there are no material restrictions on the use and sale by AccorHotels of the assets of subsidiaries controlled by the Group.

ACCOR SA

FRANCE			
Golfe d'Ajaccio	France	IG	100.00%
Société Hôtelière du Forum	France	IG	100.00%
Sofitel Luxury Hotels France	France	IG	100.00%
Pradotel	France	IG	100.00%
Sté du Domaine de Marlioz et Extensions	France	IG	100.00%
Paris Porte De Saint Cloud	France	IG	100.00%
SHORET	France	IG	100.00%
Varoise SHTCV	France	IG	100.00%
Sté Porte Montreuil	France	IG	99.96%
SIGEST 1	France	IG	100.00%
Sté Exploitation Hôtel Monégasque (SEHM)	Monaco	IG	100.00%
Gestal	France	IG	96.00%
Académie France	France	IG	100.00%
Sté Hôtelière Paris Eiffel Suffren	France	IG	75.00%
Paris Clichy	France	IG	100.00%
SH Défense Grande Arche	France	IG	100.00%
Exhotel	France	IG	100.00%
SOGECA	France	IG	100.00%
Société Hôtelière de Montparnasse (SHDM)	France	IG	100.00%
Thalamer	France	IG	100.00%
Société Hôtelière d'exploitation Économique (HOTEXCO)	France	IG	100.00%
Compagnie Etap Hôtel Roissy	France	IG	96.00%
Sté Hot Exploitation Marseille	France	IG	100.00%
Ecotel	France	IG	99.45%
SHNM	France	IG	100.00%
Société Commerciale des Hôtels Économiques (SCHE)	France	IG	99.96%
SPARHE	France	IG	100.00%

Société d'Étude et de Promotion Hôtelière International (SEPHI)	France	IG	100.00%
Accor Redevances France	France	IG	100.00%
NCEE			
Accor Hospitality Germany GMBH	Germany	IG	100.00%
Balhotel	Switzerland	IG	70.00%
Accor Hotels Romania	Romania	IG	52.69%
Accor - Pannonia Hotels ZRT	Hungary	IG	52.66%
Orbis	Poland	IG	52.69%
Societe d'Exploitation Hôtelière	Switzerland	IG	99.93%
Russian Management Hotel Company LLC	Russia	IG	100.00%
Accor Hotels Luxembourg	Luxembourg	IG	100.00%
Accor Hospitality Nederland N.V.	The Netherlands	IG	100.00%
Accor Pannonia Slovakia S.r.o	Slovakia	IG	52.66%
Berne Messe	Switzerland	IG	60.00%
Katerinska Hotel Jur	Czech Republic	IG	52.69%
Accor Hotelbetriebs GMBH	Austria	IG	100.00%
Accor Hotels Belgium	Belgium	IG	100.00%
Accor Uk Economy Hotels Ltd	United Kingdom	IG	100.00%
ASPAC			
Marara	French Polynesia	IG	100.00%
Sa Motu	French Polynesia	IG	100.00%
Accor Asia Pacific Corp.	Australia	IG	100.00%
Aapc India Hotel Management Private Hs	India	IG	70.00%
Aapc Properties Pty Ltd	Australia	IG	100.00%
Safari Club	French Polynesia	IG	100.00%

ACCOR SA

AMERICAS			
Hotelaria Accor Brasil	Brazil	IG	100.00%
Sociedad Inmobiliaria y de Hoteles Larcomar (SIHLSA)	Peru	IG	100.00%
Sofitel Support USA HI	United States of America	IG	100.00%
Accor Hospitality Arg SA	Argentina	IG	100.00%
Sociedad de Desarrollo de Hoteles Peruanos SA (SDHP)	Peru	IG	100.00%
Si Hotelera De Mexico Jur	Mexico	IG	100.00%
Accor Business and Leisure North America	United States of America	IG	100.00%
MMEA			
Accor Afrique Support HS	Morocco	IG	100.00%
Sté Hôtelière De L'autoroute (SHA)	Ivory Coast	IG	94.70%
Cie Hôtelière Plateau Abidjan	Ivory Coast	IG	90.85%
Sté Hôtelière La Lagune	Ivory Coast	IG	100.00%
Sté Hôtelière Athènes Centre	Greece	IG	100.00%
Upsite Investimentos Hoteleiros	Portugal	IG	100.00%
Belle Rivière Hôtel (BRH)	Mauritius	IG	100.00%
Hôtel Union Pullman	Senegal	IG	100.00%
Saudi French Company Hotel MGT	Saudi Arabia	IG	99.99%
Accor Gestion Maroc	Morocco	IG	77.99%
Tamaris Turizm Try	Turkey	IG	100.00%
El Gezirah Hotels Tourism CY	Egypt	IG	65.71%
Accor Hotel SAE	Egypt	IG	99.93%
Société Abidjanaise d'Hôtellerie	Ivory Coast	IG	99.99%
Portis	Portugal	IG	100.00%
Accor Hospitality Italia SRL	Italy	IG	100.00%
Accor Hoteles España SA	Spain	IG	100.00%
Société Hôtelière Barachois	Senegal	IG	90.58%

OTHER SERVICES			
MAMA SHELTER	France	MEE	36.60%
Treno (*)	Italy	Asset held for sale	99.77%

(*) *These entities are not held directly by Accor SA*

IG: fully consolidated.

MEE: accounted by the equity method.

The percentages correspond to the Group's percentage interest.

NOTE 33 RELATED PARTY TRANSACTIONS

For the purpose of applying IAS 24, the Group has identified the following related parties:

- all fully 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;
- companies that exercises significant influence over AccorHotels;
- fully or proportionately consolidated companies by a company that exercise significant influence over AccorHotels.

Fully 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 32. 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 2014 and 2015.

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 34. Commitments towards members of the Executive Committee and the Board of Directors, and direct or indirect agreements with one or several Board members not entered into on arm's length terms in the normal course of business are described in the Auditors' special report on related party agreements included in the 2015 Registration Document.

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 normal course of business on arm's length terms and are not material. Any agreements that did not fulfill this criterion would be discussed in the Statutory Auditors' special report on related-party agreements and commitments.

Companies that exercises significant influence over AccorHotels

Colony Capital and Eurazeo, acting in concert, together exercise significant influence over AccorHotels through their shareholders' pact. Transactions between the parent company and Eurazeo and Colony Capital were not material in 2014 and 2015. However, AccorHotels has entered into exclusive negotiations with a hotel investment company controlled by Eurazeo for the sale of a portfolio of 85 hotels (see Note 3).

An agreement with a Colony Group company is discussed in the Statutory Auditors' special report on related-party agreements and commitments.

NOTE 34 CORPORATE OFFICER'S COMPENSATION

	2014		2015	
(in millions of euros)	Expenses	Balance sheet amount	Expenses	Balance sheet amount
Short-term benefits received	13	8	16	9
Post-employment benefits	1	10	3	17
Other long-term benefits	-	-	-	-
Compensation for loss of office	-	-	2	-
Share-based payments	2	-	4	-
COMPENSATION	**16**	**18**	**24**	**27**

Corporate officers are defined as members of the Executive Committee which had thirteen members at the end of December 31, 2015 (eleven members at the end of December 2014) and the Board of Directors.

The compensation data for corporate officers presented above includes all the different forms of compensation received by the members of the Executive Committee.

Members of the Board of Directors do not receive any compensation and receive only attendance fees. Attendance fees paid by the Group to the members of the Supervisory Board for 2014 amounted to €541,242.

NOTE 35 FEES PAID TO THE AUDITORS

The table below shows the total fees billed by the Auditors recognized in the income statements in 2015 and prior year.

(in millions of euros)	2014	2015
Statutory and contractual audit fees	(9)	(8)
Fees for audit-related services	(1)	(2)
FEES BILLED BY THE AUDITORS	**(10)**	**(10)**

NOTE 36 SUBSEQUENT EVENTS

Exclusive negotiations for the sale of a portfolio of 85 hotels in Europe

On January 27, 2016, AccorHotels announced that it was in exclusive negotiations for the sale of a portfolio of 85 hotels in Europe to a new franchisee hotel operator that would be 30%-owned by the Group. See Note 3 for more details.

Finalization of the strategic alliance between AccorHotels and Huazhu

On January 27, 2016, AccorHotels and Huazhu Hotels Group announced that they had finalized their strategic alliance in China. See Note 3 for more details.

Hedge of the currency risk arising on the acquisition of the Fairmont, Raffles and Swissôtel brands

In connection with the planned acquisition of the Fairmont, Raffles and Swissôtel brands in the first half of 2016, in January, AccorHotels purchased financial instruments to hedge the risk of an unfavorable change in the euro/dollar exchange rate on the $840 million payable in cash. See Note 3 for more details about the acquisition.

5.3 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Year ended December 31, 2015

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31, 2015 on:

- the audit of the accompanying financial statements of ACCOR;
- the justification of our assessments;
- the specific verification and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matter:

- Note 1.c to the financial statements sets out the accounting policies and methods used to value shares in subsidiaries and affiliates and other long-term investments. We have verified the appropriateness of these accounting policies and methods and of the related disclosures in the notes to the financial statements. We have also examined the consistency of the data and assumptions used and the supporting documentation provided, and on these bases have assessed the reasonableness of the estimates made.

This assessment was made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC PROCEDURES AND DISCLOSURES

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of Board of Directors and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the management report contains the appropriate disclosures as to the acquisition of equity and controlling interests, and the identity of shareholders and holders of voting rights.

Paris-La Défense and Neuilly-sur-Seine, March 17, 2016

The statutory auditors

French original signed by

ERNST & YOUNG et Autres	DELOITTE & ASSOCIÉS
Jacques Pierres	Pascale Chastaing-Doblin

5.4 PARENT COMPANY FINANCIAL STATEMENTS AND NOTES

5.4.1 2015 BALANCE SHEETS

ASSETS

(in millions of euros)	Notes	Dec. 31, 2014 net	Dec. 31, 2015 net
Licenses, trademarks and rights of use	(2-3-4)	79	87
Networks	(2-3-4-7)	20	19
Other intangible assets	(2)	17	29
INTANGIBLE ASSETS		116	135
Land	(2-4)	4	4
Buildings	(2-3-4)	32	29
Machinery and equipment	(2-4)	4	3
Other	(2-4)	30	27
Assets under construction	(2)	3	6
Prepayments to suppliers of property and equipment	(2)	0	0
PROPERTY AND EQUIPMENT		73	69
Shares in subsidiaries and affiliates	(2-6-7-19)	4,394	4,296
Loans and advances to subsidiaries and affiliates	(2-7-11-18-19)	334	296
Other investment securities	(2-6-7-19)	33	33
Other loans	(2-7-11-18)	16	15
Other investments	(2-7-18)	31	49
INVESTMENTS		4,808	4,689
Fixed assets		**4,997**	**4,893**
Prepayments to suppliers	(5)	7	12
Trade receivables	(5-7-11-18-19)	309	292
Other receivables	(5-7-11-18-19)	343	386
Marketable securities	(8-11)	1,521	1,811
Cash and cash equivalents	(11)	917	1,142
Current assets		**3,097**	**3,643**
Accruals and other assets			
Prepaid expenses	(9-18)	7	7
Deferred charges	(9)	24	54
Bond redemption premiums		0	1
Unrealized foreign exchange losses	(10)	8	24
Accruals and other assets		**39**	**86**
ASSETS	**(1)**	**8,133**	**8,622**

LIABILITIES AND EQUITY

(in millions of euros)	Notes	Dec. 31, 2014 net	Dec. 31, 2015 net
Share capital	(13-14)	696	706
Additional paid-in capital	(13-14)	998	1,104
Legal reserve	(13)	69	69
Untaxed reserves	(13)	9	9
Other reserves	(13-14)	14	13
Retained earnings	(13)	-	17
Net profit for the year	(13)	239	130
Untaxed provisions	(7-13)	8	8
Shareholders' equity		**2,033**	**2,056**
Proceeds from issue of non-voting securities (perpetual hybrid bonds)	(15)	894	894
Other equity		**894**	**894**
Provisions for contingencies	(7)	68	53
Provisions for charges	(7)	79	98
Provisions for contingencies and charges		**147**	**151**
Other bonds	(12-16-17)	2,682	2,593
Bank borrowings	(12-17)	227	481
Other borrowings	(12-17-19)	1,819	2,058
Trade payables	(12-17-19)	207	251
Accrued taxes and payroll costs	(12-17-24)	88	91
Due to suppliers of fixed assets	(17)	9	11
Other payables	(12-17)	19	10
Liabilities		**5,051**	**5,495**
Deferred income	(9-17)	1	3
Unrealized foreign exchange gains	(10)	7	23
Accruals and other liabilities		**8**	**26**
LIABILITIES AND EQUITY	**(1)**	**8,133**	**8,622**

5.4.2 2015 INCOME STATEMENT

(in millions of euros)	Notes	2014 net	2015 net
Sales of goods and services		825	881
NET REVENUE	(20)	825	881
Own work capitalized		15	33
Reversals of depreciation, amortization and provisions and expense transfers		68	22
Other income		2	0
Operating income		**910**	**936**
Purchases of goods for resale		-	-
Purchases of raw materials and supplies		0	-
Other purchases and external charges		628	710
Taxes other than on income		16	12
Wages and salaries	(21)	106	93
Payroll taxes		47	45
Depreciation, amortization and provision expense			
■ Depreciation and amortization of fixed assets	(4)	35	37
■ Additions to provisions for fixed assets		0	0
■ Additions to provisions for current assets		4	2
■ Additions to provisions for contingencies and charges		14	25
Other expenses	(21)	2	3
Operating expenses		**852**	**927**
OPERATING PROFIT		**58**	**9**
Share of profits from non-managed joint ventures or transferred losses of managed joint ventures		-	-
Share of losses of non-managed joint ventures and transferred profits from managed joint ventures		-	-
Joint ventures			
Income from investments in subsidiaries and affiliates	(19)	324	220
Income from investment securities and long-term loans		0	1
Other interest income	(19)	27	25
Provision reversals and expense transfers		55	136
Foreign exchange gains		17	48
Financial income		**423**	**430**
Amortization and provisions – financial assets		100	157
Interest expense	(19)	137	182
Foreign exchange losses		17	47
Financial expenses		**254**	**386**
NET FINANCIAL INCOME	**(22)**	**169**	**44**
RECURRING INCOME BEFORE TAX		**227**	**53**

(in millions of euros)	Notes	2014 net	2015 net
Non-recurring income from revenue transactions		0	21
Non-recurring income from capital transactions		22	95
Exceptional provision reversals and expense transfers		23	25
Non-recurring income		**45**	**141**
Non-recurring expenses on revenue transactions		11	11
Non-recurring expenses on capital transactions		31	49
Exceptional additions to depreciation, amortization and provisions		5	24
Non-recurring expenses		**47**	**84**
NET NON-RECURRING INCOME (EXPENSE)	**(23)**	**(2)**	**57**
Income tax expense	(24)	(14)	(20)
TOTAL INCOME		**1,378**	**1,507**
TOTAL EXPENSES		**1,139**	**1,377**
NET PROFIT		**239**	**130**

The financial statements of Accor SA have been prepared in accordance with French generally accepted accounting principles. All amounts are stated in millions of euros unless otherwise specified.

The notes below relate to the balance sheet at December 31, 2015 before appropriation of net profit for the year, which shows total assets of €8,622 million, and to the income statement for the year then ended, which shows a net profit of €130 million.

The financial statements cover the 12-month period from January 1 to December 31, 2015.

Accor SA's individual financial statements are included in the consolidated financial statements of the AccorHotels Group.

The preparation of financial statements requires the use 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. 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 these financial statements concern the valuation and useful lives of intangible assets, property and equipment, and financial assets, as well as the amount of provisions for claims, litigation and contingencies and the assumptions underlying the calculation of pension obligations.

The main assumptions applied by the Company are presented in the relevant notes to the financial statements.

In 2015, Accor SA's revenue rose by 6.8% compared with 2014.

Accor has extended the average maturity of its debt by approximately one year following the placement of a €500 million bond issue and the partial repayment of two bond issues representing an aggregate amount of €598 million.

In 2015, Accor continued to accelerate its «Leading Digital Hospitality» digital transformation plan, particularly by acquiring Fastbooking which provides a wide range of digital and technological support services to independent hotels. Accor will make significant investments as part of its five-year investment plan launched in 2014.

In June 2015, Accor decided to group together all its Parisian sites in a single location at the Tour Sequana in Issy-les-Moulineaux. The related moving costs have already been recognized in the 2015 financial statements.

5.4.3 NOTES TO THE FINANCIAL STATEMENTS

Notes 1 to 27 set out below form an integral part of the financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accor SA's balance sheet and income statement have been prepared in accordance with French legal requirements, particularly regulation no. 2014-03 issued by the French accounting standards authority (*Autorité des Normes Comptables* – ANC).

The financial statements of Accor SA have been prepared in accordance with French generally accepted accounting principles, including the principles of prudence, materiality and segregation of accounting periods, for the purpose of giving a true and fair view of the assets, liabilities and financial position of the Company and the results of its operations. They are presented on a going concern basis and accounting methods have been applied consistently from one year to the next.

Assets recorded in the balance sheet are stated at historical cost or contributed value, as applicable.

The significant accounting policies used are described below:

Property and equipment and intangible assets are recognized when the following two conditions are met:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company;
- the cost or value of the asset can be reliably measured.

a) Intangible assets

Purchased intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives, corresponding to between two and five years for software and between three and five years for licenses.

Leasehold rights, networks and trademarks with indefinite useful lives are not amortized. Their value is assessed whenever events or circumstances indicate that they may be impaired. If an assessment of fair value based on the same criteria as at the time of acquisition indicates the existence of a prolonged impairment in value, a provision is recorded.

b) Property and equipment

Property and equipment are stated at cost, corresponding to i) the asset's purchase price, ii) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management, and iii) borrowing costs directly attributable to the construction or production of the asset.

Property and equipment are depreciated on a straight-line basis over their estimated useful lives, as follows:

- buildings: 35 to 50 years;
- fixtures and fittings: 7 to 25 years;
- other property and equipment: 5 to 15 years.

a and b bis) Fair values of intangible assets and property and equipment

At each year-end, the Company determines whether there are any indicators of impairment in value of intangible assets or property and equipment. Impairment indicators include obsolescence, physical damage, significant changes in the manner in which the asset is used, lower-than-expected economic performance, a steep fall in revenues, or other external indicators. Where there is an indication that the value of an asset may be impaired, its present value is assessed and compared with its carrying amount for the purpose of calculating the potential impairment charge.

The present value of an asset is deemed to be the higher of its fair value or value in use.

c) Investments

Shares in subsidiaries and affiliates are stated at cost. Transaction costs on these assets are recorded in the income statement.

At each year-end, the Company determines whether there are any indicators of impairment in value of its investments. Impairment indicators include lower-than-expected economic performance, a drop in share price, rating downgrades and steep falls in revenue or earnings.

Where there is an indication that the value of an asset may be impaired, its present value is assessed and compared with its carrying amount for the purpose of calculating the potential impairment charge. The present value of an investment is deemed to be the higher of its fair value or value in use.

Accor considers that the most appropriate method for measuring the fair value of its investments is to calculate its equity in the underlying net assets of the subsidiaries and affiliates concerned. Another method used for investments in hotel companies is to calculate their average EBITDA for the last two years and apply a multiple based on the type of hotels owned by the company concerned and their financial position. Accor also uses comparable recent transactions for the purpose of calculating fair values.

If the fair value of an investment is lower than the asset's carrying amount, the Company then also determines the investment's value in use, which corresponds to the present value of the future cash flows expected to be derived from the investment.

The value in use of investments in subsidiaries and affiliates is assessed using a range of indicators, including:

- the historical data used to value the investment at the time of acquisition;
- current profitability data and the current value of the underlying net assets;
- projections of future profitability, realizable values and economic trends.

If shares in subsidiaries and affiliates or other investment securities are deemed to be impaired, they are written down to the lower of their fair value or value in use, based on the impairment tests performed and taking into account their financial position. Where the company concerned is not certain of achieving operating profitability in the future, the investment is written down to an amount corresponding to the Company's equity in the underlying net assets. The measurement process also takes into account i) the maturity of the business (for example no provision is recorded for investments in companies that are in the start-up phase if their future profitability is assured) and ii) the fair value of certain of the subsidiary's assets that are not included in the balance sheet (*e.g.* trademarks). Provisions for impairment recognized on these investments are not permanent and may be reversed if the financial position of the company concerned improves. However, any reversals of impairment provisions may not result in the investment's carrying amount being increased to above its historical cost.

Additional provisions may be recorded to write down loans and advances to the company concerned and, where necessary, a provision for contingencies is also recorded.

d) Inventory

Inventory is measured at the lower of cost or probable realizable value. Cost is determined by the weighted average cost method.

e) Deferred charges

In accordance with the applicable French accounting standards relating to assets, since January 1, 2005 deferred charges have consisted solely of debt issuance costs, which are amortized over the life of the related debt.

f) Receivables

Receivables are recognized at nominal value and provisions for impairment are subsequently recorded if their fair value is lower than their carrying amount.

g) Marketable securities

Marketable securities are stated at the lower of cost or market value.

h) Revenue

Revenue includes the amount of services and contractual fees (*i.e.* management and franchise fees) billed to managed and franchised hotels, subsidiaries and non-related parties. It also includes amounts billed under real estate and business lease contracts as well as fees received in return for rent and debt guarantees issued by the Company.

Revenue from product sales is recognized when the product is delivered and ownership is transferred to the buyer. Revenue from sales of services is recognized when the service is rendered.

Consequently:

- rental and business lease revenues are recognized on a straight-line basis over the life of the contract;
- fees billed to subsidiaries and non-related parties are recognized on a straight-line basis over the life of the contract;
- fees for guarantees are recognized on a straight-line basis over the term of the guarantee concerned;
- revenue from other services is recognized when the service is rendered.

i) Untaxed provisions

Hotel fixed assets may be depreciated by the reducing balance method for tax purposes. Any difference between straight-line depreciation recorded in the accounts and reducing balance depreciation calculated for tax purposes is recorded as excess tax depreciation in shareholders' equity.

j) Provisions for contingencies and charges

A provision is recorded when the Company has an obligation towards a third party, which is probable or certain of giving rise to an outflow of economic resources without any inflow of economic resources of at least an equivalent value being expected.

k) Provisions for pensions and other post-employment benefit obligations

The Company's total obligation for the payment of pensions and other post-retirement benefits is provided for in the balance sheet. This obligation concerns statutory length-of-service awards payable in France and other defined benefit plans. The projected benefit obligation is recognized on a straight-line basis over the vesting period of the plans concerned, taking into account the probability of employees leaving the Company before retirement age. The provision recorded in the balance sheet is equal to the discounted value of the defined benefit obligation, plus or minus any actuarial differences, which are taken to the income statement in the year in which they arise.

In addition to these statutory benefit plans, certain employees are members of:

- a defined contribution supplementary pension plan funded by periodic contributions to an external organization that is responsible for the administrative and financial management of the plan as well as for payment of the related annuities. The contributions made by Accor under this plan are expensed as incurred;
- a defined benefit supplementary pension plan under which beneficiaries are entitled to pension benefits calculated based on their salary and the duration of their participation in the plan. The provision recorded for the Company's obligation under this plan takes into account any amounts funded through an external organization (plan assets).

l) Plain vanilla bonds

For plain vanilla bonds issued at a discount to face value, the difference between the issue proceeds and the face value of the bonds is amortized on a straight-line basis over the life of the bonds.

m) Other equity

On June 30, 2014, Accor placed a €900 million issue of perpetual hybrid bonds. The bonds have no maturity date but are first callable as from June 30, 2020.

They have been classified as "Other equity" in the Company's balance sheet and the €6 million issue premium has been recorded as a deduction from the nominal amount of the debt.

The interest payable on the bonds is included in "Other borrowings" and the related debt issuance costs are being amortized through the income statement.

n) Foreign currency transactions

Income and expenses in foreign currencies are converted into euros at the exchange rate prevailing on the transaction date.

Payables, receivables, currency swaps and cash balances in foreign currencies are converted at the year-end exchange rate.

Conversion differences on payables, receivables and currency swaps are recorded in «Accruals and other assets/liabilities» in the balance sheet and cash conversion differences are recorded in the income statement.

No provision for exchange losses is recorded for loans and borrowings denominated in the same currency with broadly equivalent maturities.

o) Currency risks

Currency risks arising on the conversion of euro cash reserves into foreign currencies to meet part of the financing needs of foreign subsidiaries are hedged by currency swaps with the same maturities as the loans to subsidiaries.

p) Corporate income tax

Accor has elected for group relief in application of the French Act of December 31, 1987. Under the group relief system, tax losses of companies in the tax group can be netted off against the profits of other companies in the group, provided that certain conditions are met. The applicable tax rules are defined in Articles 223 A *et seq.* of the French General Tax Code.

Each company in the tax group records in its accounts the tax charge it would have incurred if it had been taxed on a standalone basis. The group relief benefit or charge is recorded in the balance sheet of Accor SA as head of the tax group.

In accordance with tax regulations applicable since January 1, 2005, provisions for unrealized long-term losses on securities are not offset against unrealized capital gains on the same class of investments.

q) Stock options and performance shares

In compliance with the «Fillon 3 Act», the Company uses the fair values of stock options and performance shares measured in accordance with IFRS 2 as the basis for calculating the related *contribution sociale* surtax.

Accor SA launches performance share plans and/or employee stock option plans each year and has launched several plans since 2006, with vesting periods of between two and four years. New shares will be issued when the rights under these plans vest. Consequently, no provision has been recorded for the cost of these plans in the financial statements at December 31, 2015.

NOTE 2 MOVEMENTS IN FIXED ASSETS

(in millions of euros)	Gross value at Jan. 1, 2015	Acquisitions and inter-item transfers	Retirements and disposals and inter-item transfers	Other	Gross value at Dec. 31, 2015
Trademarks and rights of use	59	-	-	-	59
Licenses and software	152	24	(0)	-	176
Networks	57	-	(0)	-	57
Other intangible assets	18	30	(17)	-	31
Prepayments to suppliers of intangible assets	-	-	-	-	-
Intangible assets	**286**	**54**	**(17)**	**-**	**323**
Land	5	0	(0)	-	5
Buildings	83	0	(2)	-	81
Machinery and equipment	26	1	(1)	-	26
Other property and equipment	84	10	(2)	-	92
Assets under construction	4	4	(2)	-	6
Prepayments to suppliers of property and equipment	0	0	(0)	-	0
Property and equipment	**202**	**15**	**(7)**	**-**	**210**
Shares in subsidiaries and affiliates(1)	7,278	66	(119)	-	7,225
Loans and advances to subsidiaries and affiliates(2)	405	9	(62)	20	372
Other investment securities(1)	33	22	(22)	1	34
Other loans	23	0	(1)	-	22
Other investments	31	17	(0)	-	48
Investments	**7,770**	**114**	**(204)**	**21**	**7,701**
TOTAL FIXED ASSETS	**8,258**	**183**	**(228)**	**21**	**8,234**

(1) See Note 6 for a breakdown of the aggregate €53 million decrease in these items.
(2) The decrease in this item reflects the combined effect of new loan originations and loans maturing during the year.

NOTE 3 PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

Trademarks and rights of use

This item mainly relates to the valuation of the Novotel trademark and rights granted to subsidiaries to use the Group's trademarks.

Licenses and software

These correspond to IT licenses and software used by the Company in its operating activities.

Networks

Networks primarily correspond to the hotel networks of Novotel and Suite Novotel.

Buildings and fixtures and fittings

These items mainly correspond to buildings and fixtures and fittings related to hotels, headquarters premises and the Group's training center.

NOTE 4 MOVEMENTS IN DEPRECIATION AND AMORTIZATION

(in millions of euros)	At Jan. 1, 2015	Increase	Decrease	At Dec. 31, 2015
Trademarks and rights of use	-	-	-	-
Licenses and software	116	16	-	132
Networks	37	1	-	38
Other intangible assets	2	0	-	2
Intangible assets	**155**	**17**	**-**	**172**
Land	1	0	-	1
Buildings	50	3	(2)	51
Machinery and equipment	22	2	(1)	23
Other property and equipment	54	12	(1)	65
Property and equipment	**127**	**17**	**(4)**	**140**
FIXED ASSETS	**282**	**34**	**(4)**	**312**

NOTE 5 RECEIVABLES(1)

(in millions of euros)	Dec. 31, 2014 Gross amount	Dec. 31, 2015 Gross amount
Prepayments to suppliers	**7**	**12**
Trade receivables	**325**	**305**
Other receivables	**363**	**415**
Supplier-related receivables	2	1
Recoverable VAT and other taxes	69	88
Current accounts with subsidiaries	262	285
Other	30	41
TOTAL	**695**	**732**

(1) Including prepayments to suppliers.

NOTE 6 MOVEMENTS IN SHARES IN SUBSIDIARIES AND AFFILIATES AND OTHER INVESTMENT SECURITIES

Business acquisitions and purchases of newly-issued shares	Number of shares acquired	Amount *(in millions of euros)*	% interest at Dec. 31, 2015
FASTBOOKING	55,261,407	2	100.00%(1)
EEPLE	8,304	2	19.11%
ACQUISITIONS		**4**	

(1) Percent interest held following a purchase of new shares and before a sale, capital reduction or merger - see next section.

Additional investments	Number of shares acquired	% acquired	Amount *(in millions of euros)*	% interest at Dec. 31, 2015
FASTBOOKING	70,836,817	-	20	100.00%[(2)]
SOGECOL	10,351,720	-	20	94.52%[(2)]
ACCOR CENTRE CONTACT CLIENTS	902,810	-	13	100.00%[(2)]
ACCOR HOSPITALITY ARGENTINA	53,877	-	7	95.00%[(2)]
CIWLT	5,896	0.15%	1	99.93%
SCI METROPOLE SURESNE	64	12.77%	1	36.73%[(a)]
ACQUISITIONS			**62**	

(2) Partial or full take-up of shares in connection with a share issue.
(a) Acquisition raising the Company's interest to more than 33.33%.

Disposals	Number of shares sold	% sold	Carrying amount derecognized *(in millions of euros)*	% interest at Dec. 31, 2015
ACCOR HOSPITALITY GERMANY	-	0.00%	(45)	100.00%[(3)]
ACCOR LODGING NORTH AMERICA	-	0.00%	(36)	62.12%[(3)]
HOLPA	-	0.00%	(14)	63.55%[(3)]
KATERINSKA	300,000	100.00%	(9)	0.00%
FALAISE DE DINARD	30,000	8.57%	(1)	0.00%
FASTBOOKING	107,767,323	0.00%	-	100.00%[(4)]
Sales			**(105)**	
COMPAGNIE ITALIENNE DE TOURISME HOLDING SPA	5,170,000	10.00%	(9)	0.00%
SCI DU MOTEL PARIS NORD AÉROPORT	1,666	100.00%	(3)	0.00%
SCI ORPA	32,448	100.00%	(2)	0.00%
Liquidations			**(14)**	
SALES AND LIQUIDATIONS			**(119)**	

(3) Decrease in the carrying amount of Accor's investment following a capital reduction without the cancellation of shares.
(4) Decrease in the carrying amount of Accor's investment following a capital reduction with the cancellation of shares.

TOTAL ACQUISITIONS	**66**	**-**
TOTAL DISPOSALS AND LIQUIDATIONS	**(119)**	**-**
TOTAL MOVEMENTS	**(53)**	

NOTE 7 MOVEMENTS IN PROVISIONS

(in millions of euros)	At Jan. 1, 2015	Increase	Decrease: Surplus provisions	Decrease: Utilized provisions	At Dec. 31, 2015
Excess tax depreciation	8	1	(1)	-	8
UNTAXED PROVISIONS	8	1	(1)	-	8
Claims and litigation	3	1	(0)	(0)	4
Foreign exchange losses	1	0	(0)	-	1
Other(1)	64	9	(24)	(1)	48
PROVISIONS FOR CONTINGENCIES	68	10	(24)	(1)	53
Pensions and other post-employment benefit obligations(4)	38	20	(1)	(0)	57
Taxes	28	-	(6)	(4)	18
Other	13	20	(2)	(8)	23
PROVISIONS FOR CHARGES(2)	79	40	(9)	(12)	98
Untaxed provisions and provisions for contingencies and charges	**155**	**51**	**(34)**	**(13)**	**159**
Intangible assets	17	0	(0)	-	17
Property and equipment	1	0	(0)	-	1
Investments*	2,963	140	(91)	-	3,012
Trade receivables	16	2	(5)	-	13
Other receivables*	20	10	-	-	30
Provisions for impairment in value(3)	**3,017**	**152**	**(96)**	**-**	**3,073**
PROVISIONS	**3,172**	**203**	**(130)**	**(13)**	**3,232**

Income statement impact of movements in provisions	**Increase**	**Decrease**
Operating income and expenses	27	(18)
Financial income and expenses	155	(100)
Non-recurring income and expenses	21	(25)
TOTAL	**203**	**(143)**

* *Recorded in accordance with the accounting policy described in Note 1c.*

(1) *Other provisions for contingencies mainly comprised €41 million in provisions for risks related to subsidiaries. These provisions are set aside after taking into account provisions for shares in and loans and advances to subsidiaries and affiliates.*
Movements in this item primarily reflect i) additions to provisions for subsidiaries in an amount of €3 million, ii) reversals of provisions for subsidiaries amounting to €23 million and iii) a €4 million addition for penalties.

(2) *At the year-end, total provisions for charges included i) €57 million in provisions for pensions and other post-employment benefit obligations, ii) €18 million in provisions for taxes, iii) €7 million in restructuring provisions and iv) €15 million in provisions for head office moving costs.*
Additions to and reversals of provisions for pensions and other post-employment benefit obligations amounted to €20 million and €1 million respectively.
A reversal of €6 million was made from provisions for taxes after the French State waived payment of part of a reassessed tax charge following an audit related to the years 2010 and 2011. A further €4 million was reversed following the payment of reassessed tax resulting from the same audit.
Movements in other provisions for charges corresponded to €20 million in additions, primarily relating to €15 million for moving costs (of which €11 million was put aside for rental payments and charges for unoccupied premises, and €4 million was put aside for refurbishments) and €5 million in restructuring costs, and €10 million in reversals (of which €8 million from restructuring provisions and €2 million from provisions for future rental payments and charges).

(3) *These provisions mainly concern impairment in value of shares in subsidiaries and affiliates, and current accounts and loans and advances to subsidiaries and affiliates, with the 2015 year-end balance primarily corresponding to write-downs of CIWLT (€847 million), ALNA (€840 million), IBL (€639 million), Accor Participazione Italia (€114 million), SHNM (€76 million), Belle Rivière Hôtel (€47 million), Accor Hoteles Espana (€41 million), Sofitel Luxury Hotels France (€31 million), La Thermale de France (€30 million), HOLPA (€29 million), SPFH (€24 million) and SIH Mexico (€22 million).*
Movements in these provisions in 2015 broke down as €152 million in additions and €96 million in reversals. Additions included €78 million for CIWLT, €16 million for RISMA, €13 million for SCHE, €10 million for Accor Centre de Contact Clients and €8 million for SFPIE. Reversals included €40 million for ALNA, €17 million for Accor Participazione Italia, €13 million for IBL and €9 million for Compagnie Italienne de Tourisme.

(4) *Pension benefit obligations and underlying actuarial assumptions.*

	2014	2015
Discount rate	2.0%	2.0%
Mortality tables	TG05 Générationnelle INSEE	TG05 Générationnelle INSEE
Rate of future salary increases*	3.00%	3.00%
Retirement age	65 years	65 years
Voluntary or compulsory retirement	Voluntary	Voluntary
Staff turnover rate	Rate progressively decreasing in line with age: ■ ranging between 7.1% and 0% for non-managerial employees and 0% as from 44 years of age; ■ between 5.2% and 0% for managerial employees and 0% as from 55 years of age.	Rate progressively decreasing in line with age: ■ ranging between 7.1% and 0% for non-managerial employees and 0% as from 44 years of age; ■ between 5.2% and 0% for managerial employees and 0% as from 55 years of age.
Payroll tax rate	46.00%	46.00%

* *This rate has been set at 4% for defined benefit plans.*

	2014	2015
Provisions for pensions and other post-employment benefit obligations at Jan. 1	32	38
Service cost	3	4
Interest expense	1	1
Actuarial (gains)/losses	(4)	15
Curtailments and settlements	(2)	(1)
Benefits/contributions paid	0	0
Other movements	0	0
PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENFIT OBLIGATIONS AT DEC. 31	**38**	**57**

NOTE 8 MARKETABLE SECURITIES PORTFOLIO

(in millions of euros)	Dec. 31, 2014 Gross value	Dec. 31, 2015 Gross value
Mutual fund units	30	31
Money market funds	800	1,230
Term deposits	691	550
TOTAL	**1,521**	**1,811**

No provisions for impairment in value were set aside in 2015 for marketable securities as their fair value exceeded or was equal to their carrying amount.

NOTE 9 ACCRUALS AND OTHER ASSETS/LIABILITIES

(in millions of euros)	Net at Jan. 1, 2015	Increase	Decrease	Net at Dec. 31, 2015
Debt issuance costs	24	49	(19)	54
DEFERRED CHARGES	**24**	**49**	**(19)**	**54**
Issue premiums	1	2	(2)	1
BOND ISSUE PREMIUMS	**1**	**2**	**(2)**	**1**
Prepaid IT rental and maintenance costs	3	0	(1)	2
Prepaid property rents	1	0	(0)	1
Other	3	2	(1)	4
PREPAID EXPENSES	**7**	**2**	**(2)**	**7**
Marketing fund	1	2	-	3
DEFERRED INCOME	**1**	**2**	**-**	**3**

NOTE 10 UNREALIZED FOREIGN EXCHANGE GAINS AND LOSSES

(in millions of euros)	2014	2015
Decrease in receivables	3	2
Increase in payables	5	22
ASSETS	**8**	**24**

(in millions of euros)	2014	2015
Increase in receivables	5	23
Decrease in payables	1	1
LIABILITIES AND EQUITY	**6**	**24**

NOTE 11 ACCRUED INCOME

Accrued income is included in the following balance sheet items *(in millions of euros)*	At Dec. 31, 2014	At Dec. 31, 2015
Loans and advances to subsidiaries and affiliates	2	3
Trade receivables	241	241
Other loans	1	1
Current accounts with subsidiaries	0	0
Marketable securities	16	0
Cash and cash equivalents	1	5
TOTAL	**261**	**250**

NOTE 12 ACCRUED EXPENSES

Accrued expenses are included in the following balance sheet items *(in millions of euros)*	**At Dec. 31, 2014**	**At Dec. 31, 2015**
Bonds	47	41
Bank borrowings	20	23
Other borrowings	5	2
Trade payables	158	181
Accrued taxes and payroll costs	50	51
Other payables	2	3
TOTAL	**282**	**301**

NOTE 13 CHANGES IN SHAREHOLDERS' EQUITY

(in millions of euros)	**At Dec. 31, 2014**	**Appropriation of 2014 net profit**	**Capital increase/ reduction**	**Other**	**2015 net profit**	**At Dec. 31, 2015**
Number of shares making up the Company's capital[(1)]	231,836,399	-	2,146,549	1,369,477	-	235,352,425
Share capital	696	-	6	4	-	706
Additional paid-in capital	998	-	47	59	-	1,104
Legal reserve	69	0	-	-	-	69
Untaxed reserves	9	-	-	-	-	9
Other reserves	14	-	(1)	-	-	13
Retained earnings	-	17	-	-	-	17
Net profit	239	(239)	-	-	130	130
Untaxed provisions	8	-	-	0	-	8
SHAREHOLDERS' EQUITY	**2,033**	**(222)[(2)]**	**52[(3)]**	**63[(4)]**	**130**	**2,056**

(1) With a par value of €3 per share.
(2) €222 million in dividends paid on June 3, 2015.
(3) Shares issued on the exercise of employee stock options.
(4) Part of the 2014 dividend was paid in shares, which resulted in the issuance of 1,369,477 new Accor shares and a €63 million capital increase.

Potential shares: if all employee stock options had been exercised and performance shares granted at December 31, 2015, the number of issued shares would have been increased by 3,430,479, raising the Company's capital by €67 million.

NOTE 14 STOCK OPTION AND PERFORMANCE SHARE PLANS

Stock option plans	Plan 17	Plan 18	Plan 19	Plan 20
Grant date	28/03/2008	30/09/2008	31/03/2009	02/04/2010
Expiration date	28/03/2015	30/09/2015	31/03/2017	02/04/2018
Post-demerger exercise price *(in euros)*	30.81	28.32	18.20	26.66
Value used for calculating the *contribution sociale* surtax *(in euros)*[1]	11.55	7.00	5.78	10.28
Vesting conditions	4 years of seniority	4 years of seniority	4 years of seniority	4 years of seniority
NUMBER OF OPTIONS OUTSTANDING AT DEC. 31, 2014	**967,560**	**31,320**	**559,862**	**1,584,335**
Number of options granted in 2015	-	-	-	-
Number of options exercised in 2015	788,590	31,320	295,057	652,922
Number of options cancelled in 2015	178,970	-	1,834	6,485
NUMBER OF OPTIONS OUTSTANDING AT DEC. 31, 2015	**-**	**-**	**262,971**	**924,928**
Number of options exercised since the plan launch	1,721,400	102,544	1,000,168	1,205,991
Number of options cancelled since the plan launch	359,042	7,508	166,317	487,851

(1) Surtax of 10% for options granted until 2011 and 14% for options granted after 2012.
(2) Performance condition based on the Accor share performance relative to the overall performance of the CAC 40 index for 2010, 2011, 2012 and 2013.
(3) Performance condition based on the Accor TSR versus the TSR of eight other international hotel groups.

Stock savings warrants	Plan 16
Grant date	13/09/2007
Expiration date	13/09/2015
Post-demerger exercise price *(in euros)*	40.08
Value used for calculating the *contribution sociale* surtax *(in euros)*[1]	N/A
Vesting conditions	3 years of seniority
Number of warrants granted at the plan launch	2,139
NUMBER OF WARRANTS OUTSTANDING AT DEC. 31, 2014	**2,139**
Number of warrants granted in 2015	-
Number of warrants exercised in 2015	789
Number of warrants cancelled in 2015	1,350
NUMBER OF WARRANTS OUTSTANDING AT DEC. 31, 2015	**-**
Number of warrants exercised since the plan launch	1,350
Number of warrants cancelled since the plan launch	789

(1) Surtax of 10% for warrants granted until 2011 and 14% for warrants granted after 2012.

	Plan 21	Plan 22	Plan 23	Plan 24	Plan 25	Plan 26	Plan 27
	02/04/2010	22/11/2010	04/04/2011	04/04/2011	27/03/2012	27/03/2012	26/09/2013
	02/04/2018	22/11/2018	04/04/2019	04/04/2019	27/03/2020	27/03/2020	26/09/2021
	26.66	30.49	31.72	31.72	26.41	26.41	30.13
	9.44	9.25	7.99	7.99	7.88	6.50	6.30
	4 years of seniority + performance conditions(2)	4 years of seniority	4 years of seniority	4 years of seniority + performance conditions(3)	4 years of seniority	4 years of seniority + performance conditions(3)	4 years of seniority + performance conditions(3)
	77,191	**92,448**	**582,864**	**33,203**	**503,565**	**47,375**	**40,000**
	-	-	-	-	-	-	-
	20,994	1,500	115,810	1,172	3,750	-	-
	-	-	3,960	-	5,280	26,648	-
	56,197	**90,948**	**463,094**	**32,031**	**494,535**	**20,727**	**40,000**
	20,994	1,500	115,810	1,172	3,750	-	-
	76,287	-	42,850	19,922	29,230	26,648	-

Performance share plans	2011 Plan	2011 Plan	2011 Plan	2012 Plan	2012 Plan	2012 Plan
Grant date	04/04/2011	04/04/2011	04/04/2011	27/03/2012	27/03/2012	27/03/2012
Expiration date	04/04/2015	04/04/2015	04/04/2016	27/03/2016	27/03/2016	27/03/2016
Value used for calculating the *contribution sociale* surtax *(in euros)*(1)	30.62	29.35	29.98	25.32	24.16	25.32
Vesting conditions	2 years of seniority + performance conditions(2)	4 years of seniority + performance conditions(2)	3 years of seniority + performance conditions(3)	2 years of seniority + performance conditions(4)	4 years of seniority + performance conditions(4)	2 years of seniority + performance conditions(5)
Number of performance shares granted at the plan launch	190,331	38,326	20,450	170,332	67,269	47,375
POTENTIAL NUMBER OF NEW SHARES ISSUABLE AT DEC. 31, 2014 IF PERFORMANCE CONDITIONS MET	**-**	**32,749**	**-**	**-**	**59,351**	**-**
Number of performance shares granted in 2015	-	-	-	-	-	-
Number of performance shares vested in 2015	-	31,544	-	-	-	-
Number of performance shares forfeited in 2015	-	1,205	-	-	2,021	-
Number of performance shares cancelled in 2015 due to failure to achieve the performance conditions	-	-	-	-	-	-
POTENTIAL NUMBER OF NEW SHARES ISSUABLE AT DEC. 31, 2015 IF PERFORMANCE CONDITIONS MET	**-**	**-**	**-**	**-**	**57,330**	**-**
Number of performance shares vested since the plan launch	182,332	31,544	13,634	152,027	-	37,504
Number of performance shares cancelled since the plan launch	7,999	6,782	6,816	18,305	9,939	9,871

(1) Surtax of 10% for warrants granted until 2011 and 14% for warrants granted after 2012.
(2) Performance condition based on revenue growth and EBIT and operating cash flow targets.
(3) Performance condition based on the Chairman and CEO successfully taking up his duties, including successfully implementing changes in the Group's organizational structure.
(4) Performance condition based on actual versus budgeted EBIT margin, and actual versus budgeted operating cash flow excluding acquisitions and disposals.
(5) Performance condition based on actual versus budgeted EBIT margin, actual versus budgeted operating cash flow excluding acquisitions and disposals, and the degree of completion of the asset disposal plan included in the budget.
(6) Performance condition based on actual versus budgeted EBIT margin, and actual versus budgeted operating cash flow excluding acquisitions and disposals.
(7) Performance condition based on actual versus budgeted EBIT margin, actual versus budgeted operating cash flow excluding acquisitions and disposals, the degree of completion of the asset disposal plan included in the budget, and the Accor TSR versus the TSR of eight other international hotel groups.
(8) Performance condition based on actual versus budgeted EBIT margin, and actual versus budgeted operating cash flow excluding acquisitions and disposals.
(9) Performance condition based on actual versus budgeted EBIT margin, actual versus budgeted operating cash flow excluding acquisitions and disposals, the degree of completion of the asset disposal plan included in the budget, and the Accor TSR versus the TSR of eight other international hotel groups and compared with that of other CAC 40 companies.

2013 Plan	2013 Plan	2013 Plan	2014 Plan	2014 Plan	2014 Plan	2014 Plan	2015 Plan	2015 Plan
15/04/2013	15/04/2013	15/04/2013	18/06/2014	18/06/2014	18/06/2014	18/06/2014	16/06/2015	16/06/2015
15/04/2017	15/04/2017	15/04/2017	18/06/2016	18/06/2018	18/06/2016	18/06/2018	16/06/2019	16/06/2019
23.40	22.94	21.10	35.31	34.82	33.10	32.93	42.00	38.40
Performance conditions[6]	Performance conditions[6]	Performance conditions[7]	2 performance conditions[6]	2 performance conditions[6]	4 performance conditions[7]	4 performance conditions[7]	2 performance conditions[8]	4 performance conditions[9]
169,605	48,445	72,500	206,050	79,850	176,500	22,000	326,290	153,800
161,465	**47,670**	**41,331**	**203,250**	**78,150**	**172,088**	**21,450**	**-**	**-**
-	-	-	-	-	-	-	326,290	153,800
160,370	-	41,331	1,400	-	-	-	-	-
1,095	1,940	-	4,850	2,850	-	-	3,940	-
-	-	-	-	-	-	-	-	-
-	**45,730**	**-**	**197,000**	**75,300**	**172,088**	**21,450**	**322,350**	**153,800**
160,370	-	41,331	1,400	-	-	-	-	-
9,235	2,715	31,169	7,650	4,550	4,412	550	3,940	-

NOTE 15 OTHER EQUITY

In line with its strategy of increasing the maturity of its borrowings and ensuring the sustainability of its financial resources, in 2015 Accor placed a €900 million issue of perpetual hybrid bonds.

These bonds have no maturity date, but are first callable as from June 30, 2020.

(in millions of euros)	Currency	Original issue amount	Fixed/ variable rate	Interest rate	Outstanding principal at Dec. 31, 2014	Outstanding principal at Dec. 31, 2015
June 2014 issue of perpetual hybrid bonds	Euros	900	Fixed	4.125%	900	900
Issue premium on perpetual hybrid bonds	Euros				(6)	(6)
OTHER EQUITY					**894**	**894**

NOTE 16 OTHER BONDS

In line with its strategy of increasing the maturity of its borrowings and ensuring the sustainability of its financial resources, Accor has partially repaid two bond issues representing an aggregate amount of €598 million and placed a new bond issue for an amount of €500 million.

(in millions of currency units)	Currency	Original issue amount *(in currency units)*	Original issue amount *(in euros)*	Fixed/ variable rate	Interest rate	Term	Outstanding principal at Dec. 31, 2014	Outstanding principal at Dec. 31, 2015
July 2009 bond issue	Euros	250	250	Fixed	6.039%	8 years	250	250
June 2012 bond issue	Euros	700	700	Fixed	2.875%	5 years	700	367
March 2013 bond issue	Euros	600	600	Fixed	2.500%	6 years	600	335
February 2014 bond issue	Euros	900	900	Fixed	2.625%	7 years	900	900
June 2014 bond issue	Swiss francs	150	123	Fixed	1.750%	8 years	125	139
December 2014 bond issue	Euros	60	60	Fixed	1.679%	7 years and 2 months	60	60
September 2015 bond issue	Euros	500	500	Fixed	2.375%	8 years	-	500
OTHER BONDS							**2,635**	**2,551**

NOTE 17 LIABILITIES BY MATURITY

(in millions of euros)	Gross amount	Due within 1 year	Due in 1-5 years	Due beyond 5 years
Other bonds[(1) (3)]	2,593	41	952	1,599
Bank borrowings[(1) (3)]	481	481	-	-
Other borrowings[(1) (2) (3)]	2,058	2,058	-	-
BORROWINGS	5,132	2,580	952	1,599
Trade payables[(3)]	251	251	-	-
OPERATING PAYABLES	251	251	-	-
Accrued taxes and payroll costs[(3)]	91	91	-	-
Due to suppliers of fixed assets[(3)]	11	11	-	-
Other payables[(3)]	10	10	-	-
Deferred income[(3)]	3	3	-	-
MISCELLANEOUS PAYABLES	115	115	-	-
LIABILITIES	**5,498**	**2,946**	**952**	**1,599**

(1) Gross amount of new borrowings during the year: €753 million.
Gross amount of borrowings repaid during the year: €606 million.
(2) Including €2,058 million due to related parties.
(3) Breaking down as follows by currency:

Liabilities by currency	
AUD	54
CHF	139
EUR	5,221
GBP	63
ILS	2
MXN	4
PLN	9
SGD	2
USD	4
BY CURRENCY	**5,498**

Financing policy

At December 31, 2015, Accor had a confirmed line of credit maturing in more than one year. The unused portion of this facility totaled €1,800 million, expiring in 2019.

NOTE 18 RECEIVABLES BY MATURITY

(in millions of euros)	Gross amount	Due within 1 year	Due beyond 1 year
Loans and advances to subsidiaries and affiliates	372	19	353
Other loans	23	12	11
Other investments	48	15	33
FIXED ASSETS	443	46	397
Trade receivables	305	305	-
Other receivables	415	415	-
Prepaid expenses	7	7	-
CURRENT ASSETS	727	727	-
RECEIVABLES(1)	**1,170**	**773**	**397**

(1) Breaking down as follows by currency:

Receivables by currency	
AED	4
AUD	55
CHF	274
CNY	20
EGP	2
EUR	687
GBP	1
HKD	47
JPY	32
NZD	8
THB	2
USD	38
BY CURRENCY	**1,170**

NOTE 19 RELATED PARTY ITEMS(1)

(in millions of euros)	2014	2015
Shares in subsidiaries and affiliates	7,165	7,119
Loans and advances to subsidiaries and affiliates	404	371
Trade receivables	198	176
Other receivables	255	285
Borrowings	1,819	2,058
Trade payables	45	48
Income from investments in subsidiaries and affiliates	307	210
Other financial income	21	13
Financial expenses	38	24

(1) Companies that are fully consolidated in the Group's consolidated financial statements are deemed to be related parties.

NOTE 20 BREAKDOWN OF NET REVENUE

(in millions of euros)	2014	2015
France	550	565
International	275	316
NET REVENUE	**825**	**881**

NOTE 21 DIRECTORS' FEES, EXECUTIVE COMPENSATION AND HEADCOUNT

Compensation paid to members of the Company's administrative and supervisory bodies

(in millions of euros)	2014	2015
Directors' fees	0.60	0.50
Members of the Executive Committee (excl. payroll taxes)	4.41	8.41

Headcount

Employee category	2014	2015
Managerial staff	775	903
Supervisors	155	153
Administrative staff	70	48
Apprentices	33	41
HEADCOUNT	**1,033**	**1,145**

The Company had 1,145 employees at December 31, 2015, including 25 whose salaries are rebilled to subsidiaries.

Training entitlement

The CPF (*compte personnel de formation* – personal training account) replaced the DIF (*droit individuel à la formation* – statutory training entitlement) on January 1, 2015, with the right to utilize unused DIF training hours maintained for a period of six years.

NOTE 22 FINANCIAL INCOME AND EXPENSES

(in millions of euros)	2014	2015
Dividends received from subsidiaries	315	212
Interest received on intragroup loans and receivables	8	8
INCOME FROM INVESTMENTS IN SUBSIDIARIES AND AFFILIATES	323	220
INCOME FROM INVESTMENT SECURITIES AND LONG-TERM LOANS	1	1
Interest on current accounts	6	4
Interest on loans and advances	0	1
Interest on marketable securities	12	7
Interest on bank deposits	6	6
Interest on interest rate swaps	-	4
Interest on currency swaps	2	2
Other	1	1
OTHER INTEREST INCOME	27	25
Bond issue premiums	0	1
Reversals of provisions for shares in subsidiaries and affiliates	23	77
Reversals of provisions for loans and advances to subsidiaries and affiliates	11	0
Reversals of provisions for other receivables	19	-
Reversals of provisions for contingencies and charges	2	24
Expense transfers	-	34
REVERSALS OF PROVISIONS FOR FINANCIAL ITEMS	55	136
FOREIGN EXCHANGE GAINS	17	48
Total financial income	**423**	**430**
Interest on bonds	(73)	(76)
Interest on bank borrowings	(19)	(37)
Interest on other borrowings	(36)	(30)
Interest on interest rate swaps	-	(3)
Interest on currency swaps	(1)	(1)
Other	(8)	(35)
INTEREST EXPENSE	(137)	(182)
Additions to provisions for shares in subsidiaries and affiliates	(60)	(136)
Additions to provisions for loans	(3)	(5)
Additions to provisions for current assets	(8)	(10)
Amortization of bond issue premiums	(2)	(2)
Additions to provisions for contingencies and charges	(27)	(4)
AMORTIZATION AND PROVISIONS – FINANCIAL ASSETS	(100)	(157)
FOREIGN EXCHANGE LOSSES	(17)	(47)
Financial expenses	**(254)**	**(386)**
NET FINANCIAL INCOME	**169**	**44**

NOTE 23 NON-RECURRING INCOME AND EXPENSES

In 2015, total non-recurring items before tax represented net income of €57 million, breaking down as follows:

(in millions of euros)	2014	2015
Non-recurring income and expenses on revenue transactions(1)	(11)	9
Gains (losses) on disposals of intangible assets and property and equipment	14	1
Gains (losses) on disposals and liquidations of investments(2)	(19)	46
Reversals of provisions for contingencies and charges(3)	3	11
Additions to provisions for contingencies and charges(4)	(4)	(21)
Non-recurring income and expenses on capital transactions	(4)	-
Reversals of provisions for current accounts	4	-
Reversals of provisions for shares in subsidiaries and affiliates(5)	15	14
Additions to provisions for excess tax depreciation	(1)	(1)
Reversals of provisions for excess tax depreciation	1	1
Accelerated depreciation	-	(3)
NET NON-RECURRING INCOME (EXPENSE)	**(2)**	**57**

(1) Primarily corresponding to income of €20 million received in indemnities for early cancellation of head office leases and €9 million in expenses related to rent and a new lease contract.

(2) Mainly corresponding to €59 million on capital gains on sales of shares and €15 million in losses on liquidations of investments.

(3) Principally corresponding to reversals of provisions for tax risks related to the audit of the years 2010 and 2011. On July 21, 2015, Accor received a letter from the French public finances department (Direction générale des finances publiques) announcing that it was withdrawing the tax reassessment on the capital gain on the Services brands contributed at the time of the Group's demerger. A provision for this tax reassessment had been recorded in the financial statements in the amount of €6.4 million. Furthermore, following the payment of a withholding tax assessment notice received on December 22, 2015, Accor made a €4.1 million reversal from the related tax provision.

(4) Primarily corresponding to additions to provisions for penalty risk of €4 million and €16 million in charges for head office moving costs (principally costs related to current premises: €11 million for rental payments and charges and €4 million for refurbishment).

(5) Mainly provision reversals recorded following company liquidations (€14 million).

NOTE 24 INCOME TAX

A. Accor SA income tax

(in millions of euros)	2014	2015
Group relief	22	25
Adjustment to prior-year tax benefit	(4)	0
Corporate income tax, withholding tax and other taxes	(4)	(5)
TOTAL	**14**	**20**

In 2015, the Company's contribution to the tax group was a loss of €80.1 million taxed at the standard rate.

B. Group relief

Group relief for the Company in its capacity as head of the French tax group amounted to €24.7 million in 2015.

C. Tax group

The tax group headed by Accor SA comprises the following 69 subsidiaries:

ACCOR Afrique	IBL	SHORET
ACCOR Centres de Contacts Clients	Immobilière Perrache SNC	SIDH
Actimos	La Thermale de France	SIGEST 1
Blanche Neige SCI	Lionest SCI	SNC Management Hôtels
Chammans Finance	MARCQ HÔTEL	SODETIS
Cie d'Exploitation Hôtelière de Bagnolet	Mer et Montagne SNC	Sofitel Luxury Hôtels France
Cie d'Exploitation Hôtelière de Roissy	NMP France	SOLUXURY HMC SARL
Cie Toulon. d'Invest.et de Développement	NOVOBIENS	SOPARAC
CIWLT Succursale France	Paris Clichy	SOPARFI
DEVIMCO	Paris Porte de St Cloud	SOPHIA ANTIPOLIS
Domaine de Marlioz	P.I.H.	SPARHE
ECOTEL	PRADOTEL	Sté Commerciale des Hôtels Économiques
EHS SNC	PROFID	Sté Comtoise Hôtels Brochets
EVPA SCI	SA des Hôtels de Tradition	Sté de Construction des Hôtels Suite
EXHOTEL	SEORIM	Sté Française de Participations et d'Investissements Européens
FIMAKER	SEPHI	Sté Internationale de Participations
GESTAL	SH 61 QG	Sté Management Intermarques
HOSPITEL	SH Du Montparnasse SNC	Sté Participations et d'Investissements de Motels
Hôtel de Porticcio	SH de Thalasso Côte Varoise	Sté Participations d'Île-de-France
HOTEL MÉTROPOLE SURESNES	SH Forum	Sté de Participations Financières d'hôtellerie
HOTEXCO	SH Porte de Sèvres	SUDAIX SCI
ibis *budget*	SHEMA	THALAMER
ibis Style Hôtels	SHNM	TOURS ORLY SCI

D. Provision recognized in accordance with Article 322-1 of ANC regulation 2014

In 2014, Accor applied Recommendation 2005-G issued on October 12, 2005 by the French National Accounting Board's Urgent Issues Task Force concerning the conditions applicable for recognizing a provision within a parent company that has set up a tax group.

Under the Group relief agreement between Accor SA and its subsidiaries, the tax benefits resulting from the utilization by the tax group of a subsidiary's tax losses revert to the subsidiary if it leaves the tax group.

As required by Article 322-1 of ANC regulation 2014, a provision is recorded for the Company's liability when it is probable that the tax benefit will be transferred as a result of a subsidiary leaving the tax group.

In practice, over the past five years the majority of the companies that have left the tax group have done so as a result of a liquidation, merger or disposal not requiring any transfer of tax benefits.

E. Dividend withholding tax (*précompte*)

In 2002, Accor SA launched a legal challenge to its obligation to pay withholding tax on the redistribution of European-source dividends.

Until 2004, French parent companies that received dividends from their French subsidiaries were entitled to a 50% tax credit, which could be set off against the withholding tax payable on redistribution of the dividends. However, no such tax credit was available for European-source dividends.

Accor SA claimed that the absence of a tax credit on European-source dividends breached European Union rules.

Ruling on a dispute between Accor SA and the French State, on December 21, 2006 the Versailles Administrative Court ordered the State to refund the *précompte* withholding tax paid by Accor SA in the period from 1999 to 2001, for a total of €156 million.

The amount of €156 million was refunded to Accor SA during the first half of 2007, together with €36.4 million in late payment interest due by the French State.

However, on March 8, 2007, the French State appealed the ruling to the Versailles Administrative Court of Appeal. On May 20, 2008, the Versailles Administrative Court of Appeal ruled in favor of Accor SA and confirmed the Company's right to the refunded amount.

The French State went on to appeal the ruling to the French Supreme Court and a provision was therefore booked for the amount of the refund and the late payment interest, with the result that the decisions of the Versailles Administrative Court and Administrative Court of Appeal had no net impact on the 2011 accounts.

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 (ECJ) for a preliminary ruling on this issue.

After reviewing the matter, the ECJ's final ruling was handed down on September 15, 2011. In this ruling, the ECJ held that the French *précompte*/tax credit system restricts the freedom of establishment and free movement of capital.

In its ruling handed down on December 10, 2012, the French Supreme Court of Appeal considered that the dividend tax credit and *précompte* withholding tax systems had been shown to be incompatible. However, the Court also considered that the amount to be refunded was subject to strict rules which, to all intents and purposes, restricted Accor SA's right to a refund. Accordingly, the Court found that Accor was entitled to only approximately €6.3 million of the €156 million in principal already refunded. In addition to the €149.7 million to be returned to the French State, Accor SA is also required to repay the late interest received in 2007, amounting to approximately €36.4 million, less the portion related to the retained refund of €6.3 million. In all, €184.7 million in principal and interest was repaid to the French State during first-half 2013.

In the 2012 financial statements, the €6.3 million *précompte* dividend withholding tax refunded to Accor SA and not repayable to the French State was credited to a reserve account. The estimated €1.4 million in late interest received on this amount has been considered as offsetting the early payment of tax, and was therefore recorded as a tax benefit in the income statement.

AccorHotels has noted the Supreme Court of Appeal's decision and intends to continue to use the avenues available to it to defend its position in disputes with the French tax authorities

In addition, on February 7, 2007, Accor SA filed an application originating proceedings before the Cergy-Pontoise Administrative Court to obtain a refund of the €187 million in *précompte* withholding tax paid in the years 2002 to 2004.

In a ruling handed down on May 27, 2014, the Cergy-Pontoise Court applied the restrictive principles governing the calculation of refunds described by the French Supreme Court in its decision dated December 10, 2012. In line with these principles, the Court found that Accor SA was entitled to a refund of €7.1 million in respect of the *précompte* dividend withholding tax for the years 2002, 2003 and 2004 together with late payment interest of €3.3 million.

These amounts were recorded in the balance sheet at December 31, 2014. They had no impact on the income statement as Accor SA appealed the decision to the Versailles Administrative Court of Appeal on July 23, 2014 (which is currently investigating the case) and the ruling is therefore not final.

NOTE 25 DEFERRED TAX

Additions and reversals of non-deductible provisions recorded in 2015 by subsidiaries that form part of the Accor tax group represented a net non-deductible addition to provisions of €19.3 million, resulting in a €1.2 million reduction in deferred tax assets calculated at the rate of 33.33% excluding the 3.3% *contribution sociale* surtax and the 10.7% special contribution.

NOTE 26 OFF-BALANCE SHEET COMMITMENTS GIVEN AND RECEIVED

Lease commitments

Commitments given by Accor SA to its subsidiaries concerning fixed and variable lease payments were as follows:

(in millions of euros)	2014	2015
Fixed lease payment commitments given to subsidiaries	1,100	1,042
Variable lease payment commitments given to subsidiaries	1,091	1,022
LEASE PAYMENT COMMITMENTS GIVEN	**2,190**	**2,065**

Other off-balance sheet commitments

Other off-balance sheet commitments given break down as follows:

(in millions of euros)	2014	2015
COMMITMENTS GIVEN (LIABILITIES)		
Pledge of BRH shares(1)	-	-
Hotel purchase commitments(2)	4	39
Other purchase commitments(2)	-	4
Pledge of networks and securities – France	1	1
TOTAL PURCHASE COMMITMENTS	5	44
Construction performance bonds – France(3)	108	107
TOTAL WORKS COMMITMENTS	108	107
Guarantees given (4)	71	53
Guarantees for confirmed credit lines(5)	20	25
Guarantees for bank borrowings(5)	29	24
Guarantees given to third parties(6)	36	42
Guarantees for liabilities(7) (8)	290	281
TOTAL GUARANTEE COMMITMENTS	446	425
COMMITMENTS GIVEN IN THE NORMAL COURSE OF BUSINESS	-	-
COMMITMENTS GIVEN	**558**	**576**

(1) Security interests given on assets correspond to pledges and mortgages valued at the acquisition cost of the underlying assets.
Accor has fully written down its original €25.74 million interest in BRH, which has been pledged as collateral for a loan in the same amount granted to BRH by Mauritius Commercial Bank. As this pledge was indexed to the net value of the shares held by Accor SA, its amount was zero at December 31, 2015.
(2) At December 31, 2015, Accor SA had undertaken to buy out the current accounts of the founders of the company Mama Shelter for €4 million.
At December 31, 2015, commitments given by Accor SA in respect of the Nova France project were as follows: under the memorandum of understanding with the Oteli (AXA) group, Accor has undertaken to acquire the Novotel Limoges Le lac, Mercure Chambéry Centre, ibis budget Bourges Le Subdray and ibis budget Nantes Ouest for a total amount of €12 million; and under the memorandum of understanding with the Foncière des Murs (Foncière des Régions) group, Accor has undertaken to acquire, as is, the rights to the Sofitel Porticcio and ibis Hyères Plage for a total amount of €27 million. The deeds will be signed by June 30, 2016, at the latest.
(3) The Company has given a total of €70 million in commitments in the capacity as property developer for refurbishment works to be carried out on the Pullman Paris Tour Eiffel hotel. In addition, Accor gave a €36 million financial guarantee on October 31, 2014 on behalf of its subsidiaries for performance bonds on work that they have taken on (the Iris, Sunlight and BAC Orly projects).
(4) This item includes various guarantees given on behalf of direct and indirect subsidiaries either to banks or directly to the subsidiaries' customers. Accor also stands as guarantor for six Adagio hotels, representing an aggregate amount of €38 million at December 31, 2015.
(5) Accor has given guarantees for borrowings (€24.1 million) and confirmed credit lines (€24.9 million).
(6) Total guarantees given to other third parties came to €42.1 million at December 31, 2015.
(7) Accor granted a €10 million seller's warranty to WBA Saint-Honoré in connection with the sale of WBA that took place on March 28, 2013.
Accor has also given guarantees for liabilities of SNC limited partnerships (€270.3 million).
(8) Accor granted an asset and liability warranty to SHTE in connection with the sale of SNC SH 18 Suffren in October 2012. This warranty, which is capped at €1 million (excluding for tax, para-fiscal and payroll liabilities) expires in November 2017.

(in millions of euros)	2014	2015
COMMITMENTS RECEIVED (ASSETS)		
Non-cancelable commitments received for the purchase of financial assets	-	-
PURCHASE COMMITMENTS RECEIVED	-	-
Commitments given for refurbishment works – Pullman Paris Tour Eiffel (1)	1	0
WORKS COMMITMENTS RECEIVED	1	0
Guarantees for confirmed credit lines	-	-
Guarantees received	-	-
Other commitments received	-	-
OTHER FINANCIAL GUARANTEES FOR BORROWINGS	-	-
COMMITMENTS RECEIVED	**1**	**0**

(1) *As part of the refinancing operation launched in 2012 concerning the Pullman Paris Tour Eiffel, Accor undertook to carry out refurbishment works at the hotel in the capacity of property developer and the investor undertook to purchase the resulting fixed assets for €47 million. At December 31, 2014, the outstanding amount of the investor's commitments stood at €1.4 million. At December 31, 2015, the outstanding amount was €470,000.*

NOTE 27 SUBSEQUENT EVENTS

On January 27, 2016, Accor announced that it had entered into exclusive negotiations for the sale of a portfolio of 85 hotels in Europe to a new franchisee hotel operator that would be 30%-owned by Accor.

In January 2016, Accor purchased euro/dollar currency hedges to cover the cash payment of $840 million for the acquisition of the Fairmont, Raffles and Swissôtel brands, which is scheduled to be completed in the first half of 2016.

NOTE 28 MAIN SUBSIDIARIES AND AFFILIATES AT DECEMBER 31, 2015

(in thousands of local currency units)

Subsidiaries and affiliates	Currency	Share capital	Reserves (retained earnings)	Percent interest
A. SUBSIDIARIES AND AFFILIATES WITH A BALANCE SHEET VALUE IN EXCESS OF 1% OF ACCOR'S CAPITAL				
1- Subsidiaries (at least 50%-owned)				
a) French subsidiaries				
SPFH, 110, avenue de France 75013 Paris	EUR	29,796	(24,181)	100.00%
SOCIÉTÉ HÔTELIÈRE DE MONTPARNASSE, 2, rue de la Mare Neuve 91000 Évry	EUR	16,008	72	100.00%
IBL, 110, avenue de France 75013 Paris(2)	EUR	28,767	18,593	100.00%
STÉ DE CONSTRUCTION DES HÔTELS SUITES, 2, rue de la Mare Neuve 91000 Évry	EUR	29,296	85	100.00%
SOLUXURY HMC, 110, avenue de France 75013 Paris(2)	EUR	10,226	4,333	100.00%
CHAMMANS, 110, avenue de France 75013 Paris(2)	EUR	102,048	2,485	100.00%
PROFID, 2, rue de la Mare Neuve 91000 Évry	EUR	3,500	415	100.00%
SNC SH 61 QG, 2, rue de la Mare Neuve 91000 Évry	EUR	10,038	(10,609)	100.00%
STÉ DES HÔTELS DE TRADITION, 2, rue de la Mare Neuve 91000 Évry	EUR	13,366	(355)	100.00%
THALAMER, 2, rue de la Mare Neuve, 91000 Évry	EUR	15,384	3,567	100.00%
LA THERMALE DE FRANCE, 2, rue de la Mare Neuve 91000 Évry	EUR	23,905	(24,334)	100.00%
FASTBOOKING, 108, avenue de France 75013 Paris	EUR	18,331	339	100.00%
ACCOR CENTRE CONTACT CLIENTS, 110, avenue de France 75013 Paris	EUR	15,042	(12,587)	100.00%
SEPHI, 6-8, rue du Bois Briard 91000 Évry	EUR	8,000	33,663	99.99%
SFPIE, 110, avenue de France 75013 Paris(2)	EUR	15,129	(111)	99.99%
SOFITEL LUXURY HÔTELS FRANCE, 2, rue de la Mare Neuve 91000 Évry	EUR	2,338	(3,557)	99.99%
P.I.H., 2, rue de la Mare Neuve 91000 Évry	EUR	32,236	20,578	99.99%
HOTEXCO, 6-8, rue du Bois Briard 91000 Évry	EUR	39,071	56,878	99.99%
FIMAKER, 6-8, rue du Bois Briard 91000 Évry	EUR	1,103	1,324	99.99%
SPARHE, 2, rue de la Mare Neuve 91000 Évry	EUR	9,000	1,668	99.99%
CTID, 2, rue de la Mare Neuve 91000 Évry	EUR	3,481	205	99.99%
SCHE, 6-8, rue du Bois Briard 91000 Évry	EUR	44,570	11,380	99.09%
ACCOR AFRIQUE, 2, rue de la Mare Neuve 91000 Évry	EUR	29,709	21,060	97.22%
MARCQ HÔTEL, 2, rue de la Mare Neuve 91000 Évry	EUR	6,789	4,026	96.91%
PRADOTEL, 6-8, rue du Bois Briard 91000 Évry	EUR	789	16,441	90.67%
SOCIÉTÉ DES HÔTELS NOVOTEL ET MERCURE, 2, rue de la Mare Neuve 91000 Évry	EUR	4,724	303,125	82.85%
SEORIM, 2, rue de la Mare Neuve 91000 Évry	EUR	31,359	2,489	70.94%
SCI DES HÔTELS DE TOURS ET ORLY, 6-8, rue du Bois Briard 91000 Évry	EUR	2,970	2,143	70.06%
SHTC, 84, allée Jean Jaurès 31000 Toulouse	EUR	195	2,516	51.44%
b) Foreign subsidiaries				
ACCOR SUISSE SA (Switzerland)	CHF	14,300	20,278	100.00%
SH ATHENES CENTRE (Greece)	EUR	2,933	(3,754)	100.00%
ACCOR POLSKA (Poland)(2)	PLN	173,038	(2,477)	100.00%

(in thousands of euros)

Carrying amount of shares						
Cost	Net	Outstanding loans and advances granted by Accor SA	Guarantees given by Accor SA	Last published net revenue	Last published net profit (loss)	Dividends received by Accor SA during the year
29,796	5,587	-	-	-	271	-
34,623	25,017	-	-	62,170	1,447	1,227
706,501	67,785	-	-	-	25,988	-
33,887	29,424	-	-	3	276	273
10,226	10,226	-	-	63,580	16,094	16,362
108,151	108,151	45,790	-	-	(350)	14,032
13,903	13,364	-	-	132,887	3,143	-
10,038	-	3,750	10	48,846	309	-
13,095	-	9,083	-	5,442	185	-
20,286	20,286	4,143	10	50,687	(1,627)	-
31,548	1,889	425	-	-	(72)	-
22,141	22,141	-	-	16,112	(7,113)	-
18,830	3,110	-		17,824	1,458	-
40,399	40,399	-	259	112,815	9,937	425
24,640	16,546	-	-	-	(1,532)	-
26,390	-	10,518	10	39,291	(4,256)	-
29,263	29,263	-	-	-	2,744	604
12,469	12,469		10	95,360	1,574	5,128
7,240	7,240	-	-	3,635	162	551
12,845	12,845	-	-	11,926	882	1,500
7,331	5,099	-	-	2,074	(888)	298
65,382	52,298	-	-	109,075	(11,678)	-
76,681	70,450	-	-	11,554	3,790	1,540
9,392	9,050	-	-	2,506	943	833
7,357	7,357	-	10	17,712	(240)	-
345,663	269,316		65	79,747	8,411	7,828
22,164	22,164	-	-	-	1,162	2,920
9,101	7,379	17,077	36,408	1,391	(111)	-
7,984	4,776	-	200	10,426	(652)	-
25,907	25,907	-	-	-	4,587	1,278
10,362	-	1	241	4,938	40	-
60,481	60,481	-	-	-	24,319	-

(in thousands of local currency units)

Subsidiaries and affiliates	Currency	Share capital	Reserves (retained earnings)	Percent interest
ACCOR UK LTD (United Kingdom)(2)	GBP	32,530	51,564	100.00%
ACCOR HOTELS BELGIUM (Belgium)(2)	EUR	1,386,846	28,108	100.00%
ACCOR HOSPITALITY GERMANY GMBH (Germany)(2)	EUR	48,750	248,726	100.00%
SOGEDETU (Dominican Republic)(2)	DOP	479,724	(151,374)	100.00%
BELLE RIVIÈRE HOTEL (Mauritius)	MUR	1,420,000	(2,236,800)	100.00%
ACCOR CHILE (Chile)(2)	CLP	7,977,620	3,338,839	100.00%
STE IMMOBILIARIA HOT. DE MEXICO (Mexico)	MXN	350,450	(227,672)	100.00%
ACCOR AUSTRIA (Austria)	EUR	5,542	10,353	100.00%
ACCOR PARTICIPAZIONI Italia (Italy)(2)	EUR	342,232	6,437	100.00%
TURAMBAR (Spain)(2)	EUR	13,000	37,493	100.00%
COMPAGNIE DES WAGONS-LITS (Belgium)(2)	EUR	50,676	249,065	99.93%
ACCOR HOSPITALITY ARGENTINA (Argentina)(2)	ARS	13,535	180,168	95.00%
SOGECOL LTDA (Colombia)	COP	16,469,996	86,290,199	94.52%
SHERATON GEZIRAH LE CAIRE (Egypt)	USD	16,476	4,756	65.01%
HOLPA (Luxembourg)	EUR	1,900	269	63.55%
ACCOR LODGING NORTH AMERICA (United States)	USD	1,472,764	257,534	62.12%
ACCOR HOSPITALITY NEDERLAND (Netherlands)	EUR	6,930	64,250	58.09%
2. Affiliates (10 to 50%-owned)				
a) French affiliates				
SHPS, 2 avenue du Lac 91080 Courcouronnes	EUR	48,909	5,556	40.89%
TOWN AND SHELTER, 61, rue Servan, 75011 Paris(2)	EUR	8	4,534	30.00%
MAMA SHELTER, 61, rue Servan, 75011 Paris(2)	EUR	1,822	7,200	20.19%
b) Foreign affiliates				
AMORIM HOTELS SERVICOS (Portugal)	EUR	16,475	11,324	50.00%
ORBIS (Poland)(2)	PLN	517,754	1,297,926	47.69%
RISMA (Morocco)	MAD	795,942	96,470	33.34%
PROGETTO VENEZIA (Italy)(1)	EUR	20,750	(10,243)	20.00%
AAPC (Australia)(2)	AUD	522,382	(342,450)	18.10%
ACCOR HOTELES ESPANA (Spain)(2)	EUR	38,603	310,519	16.40%
B. OTHER INVESTMENTS IN COMPANIES WITH A BALANCE SHEET VALUE OF LESS THAN 1% OF ACCOR'S CAPITAL				
1. Subsidiaries (at least 10%-owned)				
a) French subsidiaries (aggregate)				
b) Foreign subsidiaries (aggregate)				
2. Other investments (less than 10%-owned)				
a) French companies (aggregate)				
b) Foreign companies (aggregate)				
TOTAL				

(1) Balance sheets at December 31, 2004.
(2) Provisional or unaudited balance sheets.

(in thousands of euros)

Carrying amount of shares		Outstanding loans and advances granted by Accor SA	Guarantees given by Accor SA	Last published net revenue	Last published net profit (loss)	Dividends received by Accor SA during the year
Cost	Net					
92,790	92,790	-	-	-	25	55,189
1,326,923	1,326,923	-	-	118,625	39,650	41,404
407,919	407,919	-	-	825,360	52,421	-
20,855	4,561	-	-	4,052	(186)	-
35,315	-	11,882	-	4,780	(5,177)	-
10,498	10,498	-	3,745	18,648	1,233	-
28,707	6,859	-	-	17,725	3,360	-
21,573	21,573	-	-	5,937	1,843	-
460,863	346,612	-	2,611	-	610	-
180,970	180,970	-	-	-	(555)	-
1,151,339	304,557	122,173	-	-	2,803	-
28,067	11,329	-	-	20,493	(1,444)	-
31,240	31,240	-	-	6,860	577	-
33,913	33,720	-	-	11,052	6,779	3,427
30,374	1,445	-	-	-	(651)	-
881,501	41,235	-	-	-	2	2,003
17,746	17,746	-	-	185,381	20,690	-
20,000	20,000	-	233	12,255	7,473	788
12,995	12,995	-	-	737	1	-
15,802	15,802	-	-	38,946	(112)	-
8,238	8,238	24,130	8,000	-	(104)	-
206,534	206,534	-	-	144,340	26,107	7,943
44,709	28,229	-	-	53,275	(8,161)	519
8,568	-	-	-	-	-	-
66,758	66,758	-	-	7,112	(5,529)	-
97,323	55,880	2,001	13,918	120,413	(7,474)	-
74,255	**49,677**	**61,654**	**70,071**			**19,528**
47,629	**27,382**	**66,341**	**7,289**			**24,941**
11,668	**11,019**	**807**	**10**			**9**
3,554	**1,036**	**-**	**-**			**-**
7,232,702	**4,303,546**	**379,775**	**143,100**			**210,550**

5.4.4 FIVE-YEAR FINANCIAL SUMMARY

(in millions of euros)	2011	2012	2013	2014	2015
Capital at year-end					
Share capital	682	682	684	696	706
Number of shares in issue	227,251,446	227,277,972	228,053,102	231,836,399	235,352,425
Results of operations					
Net revenues	725	753	807	825	881
Profit before tax, depreciation, amortization and provisions	751	67	124	261	209
Income tax	(24)	(32)	(20)	(14)	(20)
Net profit (loss)	771	(584)	101	239	130
Dividends	261	173	183	220	235(1)
Per-share data *(in euros)*					
Earnings per share after tax, before depreciation, amortization and provisions	3.41	0.44	0.63	1.18	0.97
Earnings (loss) per share	3.39	(2.57)	0.44	1.03	0.55
Dividend per share (before tax credit/allowance)	1.15	0.76	0.80	0.95	1.00(1)
Employees					
Number of employees	1,042	1,069	1,051	1,033	1,145(2)
Total payroll and employee benefits	130	127	158	146	133

(1) Recommended dividend for 2015 proposed at the Annual Shareholders' Meeting of April 22, 2016 based on 235,352,425 shares outstanding at December 31, 2015.
(2) Number of employees on the Accor SA payroll at December 31, 2015.

6 Capital AND OWNERSHIP STRUCTURE

6.1 INFORMATION ABOUT THE COMPANY

COMPANY NAME

Accor

REGISTERED OFFICE

110, avenue de France – 75013 Paris.

LEGAL FORM

Joint stock company *(société anonyme)* governed by the applicable French laws and regulations, including Articles L. 225-17 to L. 225-56 of the French Commercial Code.

GOVERNING LAW

The laws and regulations of France.

TERM

The Company was incorporated on April 22, 1960 and will be dissolved on April 22, 2059 unless it is wound up in advance or its term is extended.

CORPORATE PURPOSE

(Article 3 of the Bylaws)

The Company's corporate purpose is to engage in the following activities, in France and other countries, on its own behalf, or on behalf of third parties, or jointly with third parties:

- the ownership, financing and management, directly, indirectly, or under specified mandates, of hotels, restaurants and bars of any nature or category and, more generally, any establishment related to accommodation, food, tourism, leisure, and services;
- the economic, financial, and technical review of projects and, generally, all services related to the development, organization and management of the above-mentioned establishments, including all actions related to their construction or the provision of any related consulting services;
- the review and provision of services intended to facilitate the supply of meals to employees in companies, institutions and other organizations;
- the creation of any new company and the acquisition of interests by any method in any company operating in any business;
- all civil, commercial, industrial and financial transactions, involving both securities and property, related to the purposes of the Company and all similar or related purposes.

TRADE REGISTER

The Company is registered in Paris under number 602 036 444.

Business Identification (APE) Code: 7010Z.

DOCUMENTS ON DISPLAY

Corporate documents, including the Bylaws, balance sheets, income statements, Board of Directors' reports and Auditors' Reports, may be inspected at the Company's registered office.

FISCAL YEAR

The Company's fiscal year begins on January 1 and ends on December 31.

PROFIT AVAILABLE FOR DISTRIBUTION

(Article 27 of the Bylaws)

Profit available for distribution consists of net profit for the year, less any losses brought forward from prior years and any amounts to be credited to reserves pursuant to the law, plus any unappropriated retained earnings brought forward from prior years.

After approving the accounts for the year, the Annual Shareholders' Meeting may decide to appropriate all or part of the profit available for distribution, if any, to the payment of a dividend. In the event of partial distribution, the Annual Shareholders' Meeting may decide to appropriate the remaining profit to one or more reserve accounts. Alternatively, the Annual Shareholders' Meeting may decide to appropriate all of the profit available for distribution to said reserve accounts.

SHAREHOLDERS' MEETINGS

Notice of Shareholders' Meetings

(Article 24 of the Bylaws)

Shareholders' Meetings shall be called as provided for by law. The meetings shall take place at the Company's registered office or at any other venue specified in the notice of meeting.

Attendance and representation

(Article 24 of the Bylaws)

In accordance with the applicable regulations, shareholders have the right to attend and participate in Shareholders' Meetings in person or by proxy, whatever the number of shares held, upon presentation of evidence that their shares have been recorded in a securities account opened in their name or in that of their accredited financial intermediary, as specified in the applicable laws and regulations.

In the case of bearer shares, such evidence shall take the form of a statement of share ownership *(«attestation de participation»)* issued by the accredited financial intermediary in accordance with the law.

ORGANIZATION OF SHAREHOLDERS' MEETINGS

(Article 25 of the Bylaws)

All shareholders have the right to attend or be represented at Shareholders' Meetings, under the conditions set by law. They may vote by post in accordance with Article L. 225-107 of the French Commercial Code. The proxy/postal voting form may be sent to the Company or to the Company's registrar in paper form or, by decision of the Board of Directors published in the notice of meeting, by electronic mail in accordance with the applicable laws and regulations.

In addition, if decided by the Board of Directors when the meeting is called, shareholders who participate in the meeting by videoconference or by any electronic means enabling their identification, on the basis and by the method stipulated in the applicable laws and regulations, will be considered as being physically present for the calculation of the quorum and voting majority.

To cast a vote or execute a proxy by electronic means, shareholders or their duly authorized representative or attorney must either:

- provide a secure electronic signature fulfilling the requirements of the applicable laws and regulations; or
- enter a unique username and password on the Company's website, if such a website exists, in accordance with the applicable laws and regulations. This type of electronic signature shall be considered a reliable mechanism for identifying shareholders and their votes, in compliance with the first sentence of paragraph 2 of Article 1316-4 of the French Civil Code.

Meetings are chaired by the Chairman of the Board of Directors or, in his or her absence, by a director designated by the Board. Otherwise, the meeting elects its own Chairman.

The function of Scrutineer of the Meeting is fulfilled by the two shareholders present at the Meeting who represent the largest number of voting rights and who consent to take on the role. The Bureau thus formed names a Secretary, who may or may not be a shareholder.

An attendance register is kept, pursuant to the law.

Copies or excerpts of the Meeting minutes may be certified by the Chairman of the Board of Directors, the Chairman of the meeting, or the meeting Secretary.

Ordinary and Extraordinary Shareholders' Meetings fulfilling the relevant quorum and majority voting requirements exercise the powers vested in them by law.

DOUBLE VOTING RIGHTS

(Article 25 of the Bylaws)

All fully paid shares registered in the name of the same holder for at least two years carry double voting rights.

In the event of a capital increase through the capitalization of retained earnings, profits or additional paid-in capital, the resulting bonus shares distributed in respect of registered shares carrying double voting rights will similarly carry double voting rights.

Registered shares converted into bearer shares or sold to a different holder lose their double voting rights. However, transfers through inheritance, liquidation of marital assets, *inter vivos* transfers to a spouse or to a relative in the ascending or descending line do not result in the loss of double voting rights or a break in the qualifying period. The merger of the Company has no impact on double voting rights, provided that the Bylaws of the surviving company allow for their exercise.

When shares are held by beneficial and non-beneficial owners, voting rights in Ordinary and Extraordinary Shareholders' Meetings are exercised by the beneficial owner.

DISCLOSURE THRESHOLDS

(Article 9 of the Bylaws)

Any shareholder, acting alone or in concert with other shareholders within the meaning of Article L. 233-10 of the French Commercial Code, that directly or indirectly acquires an interest, or raises its interest, in the capital or voting rights of the Company, including any equivalent shares or voting rights as defined in Article L. 223-9-1 of the Commercial Code, to above or below any statutory disclosure threshold is required to disclose its interest to the Company. In the case of failure to make such disclosure, the sanctions provided for by law will apply.

In addition, any shareholder that acquires or raises its interest to 1% of the capital or voting rights is required to disclose its interest to the Company by registered letter with return receipt requested sent to the head office, within five trading days of the transaction date or the signature of any agreement resulting in the disclosure threshold being crossed, whatever the date on which the shares are recorded in the holder's account. The notification must include details of the total number of shares and/or share equivalents held and the number of voting rights held as provided for above.

Above said 1% threshold, the same disclosure rules as defined above will apply to any increase in a shareholder's interest by any multiple of 0.5% of the capital or voting rights and to any reduction in a shareholder's interest by any multiple of 1% of the capital or voting rights.

For the application of the above paragraphs, the shares or voting rights referred to in paragraphs 1 to 8 of Article L. 233-9-1 of the French Commercial Code are considered as being equivalent to the shares or voting rights held by the shareholder.

RESTRICTIONS ON VOTING RIGHTS

(Article 9 of the Bylaws)

In the case of failure to comply with the applicable disclosure rules, at the request of one or several shareholders representing at least 3% of the Company's capital or voting rights, as duly recorded in the minutes of the Shareholders' Meeting, the undisclosed shares will be stripped of voting rights at all Shareholders' Meetings held in the two years following the date when the omission is remedied.

NOTIFICATION OF INTENTIONS

(Article 9 of the Bylaws)

Any shareholder that acquires or raises its interest to more than one-twentieth, three-twentieths or one quarter of the capital or voting rights is required to notify the Company of its intentions over the following twelve months.

At the end of each successive twelve-month period, any shareholder that continues to hold a number of shares or voting rights in excess of the above fractions will be required to notify the Company of its intentions for the following twelve months.

In particular, the shareholder must inform the Company of whether it is acting alone or in concert with other shareholders, whether or not it plans to purchase additional shares, and whether or not it intends to acquire control of the Company or to request its election or the election of one or several candidates of its choice as directors of the Company. The Company will have the right to inform the public and shareholders of the said shareholder's disclosed intentions, or of the shareholder's failure to comply with this requirement.

For the application of the above paragraphs, the shares or voting rights referred to in paragraphs 1 to 8 of Article L. 233-9-1 of the French Commercial Code are considered as being equivalent to the shares or voting rights held by the shareholder.

6.2 SHARE CAPITAL

6.2.1 SHARE CAPITAL

At December 31, 2015, the Company's share capital amounted to €706,057,275 divided into 235,352,425 common shares with a par value of €3.00, all fully paid-up and in the same class.

Shares may be held in either registered or bearer form.

The Company avails itself of legal procedures to identify its shareholders.

Shares are freely transferable within legal and regulatory limits.

The transfer of shares, regardless of price or terms, is made by account transfer, pursuant to the regulations in force.

6.2.2 SHARE BUYBACK PROGRAM

AUTHORIZATION GRANTED BY THE ANNUAL MEETING OF APRIL 28, 2015

At the Annual Meeting on April 28, 2015, shareholders authorized the Board of Directors to buy back the Company's shares on the stock market. The authorization was given for a period of 18 months and superseded all previous authorizations.

The number of shares acquired under the authorization may not exceed 23,000,000, or 9.92% of the share capital at April 28, 2015 and the maximum total investment in the buyback program may not exceed €1.61 billion.

The authorization may be used to purchase shares for the following purposes:

- for cancellation at a later date in connection with a capital reduction decided or authorized by shareholders in an Extraordinary Meeting;
- for allocation upon exercise of stock options granted under plans governed by Articles L. 225-177 et seq. of the French Commercial Code, or to members of an employee stock ownership plan governed by Articles L. 3332-1 *et seq.* of the Labor Code or to recipients of stock grants made under plans governed by Articles L. 225-197-1 *et seq.* of the Commercial Code;
- for allocation on the conversion, redemption, exchange or exercise of share equivalents;
- to be held in treasury for subsequent remittance in exchange or payment in connection with external growth transactions, a merger, demerger or asset contribution within a limit of 5% of the Company's capital;
- to make a market in the Company's shares under a liquidity contract that complies with the Code of Conduct recognized by the *Autorité des Marchés Financiers* (AMF).

IMPLEMENTATION OF THE SHARE BUYBACK PROGRAM IN 2015

As of May 30, 2013, and for a period of twelve months tacitly renewable for successive twelve-month terms, Accor contracted with Rothschild & Cie Banque to implement a liquidity contract complying with the Code of Conduct issued by the French Financial Markets Association (AMAFI) and approved by the French securities regulator (AMF) on March 24, 2011. To fund the contract, €30 million has been allocated to the liquidity account.

At December 31, 2015, Accor held 32,000 shares in treasury.

6.2.3 FINANCIAL AUTHORIZATIONS

Shareholders have granted the Board of Directors the following authorizations.

Type of authorization	Date of authorization	Nominal amount authorized	Term and expiry date	Utilization in 2015
Reduction of capital by canceling treasury stock	Annual Meeting of April 28, 2015 11th resolution	10% of the share capital	24 months April 28, 2017	
Issuance of shares and share equivalents:	Annual Meeting of April 28, 2015 12th to 16th resolutions		26 months June 28, 2017	
■ with pre-emptive subscription rights		€347 million		
■ by public offering without pre-emptive subscription rights		€69 million with or without priority subscription rights		
■ by restricted offering without pre-emptive subscription rights		€69 million		
■ in connection with a stock-for-stock offer		€69 million		
■ to increase the amount of any issues that are oversubscribed		15% of the initial issue (or according to legislation prevailing on the issue date)		
■ in payment for contributed assets		€69 million		
Issuance of new shares by capitalizing reserves, retained earnings or additional paid-in capital	Annual Meeting of April 28, 2015 17th resolution	€347 million	26 months June 28, 2017	
Blanket ceiling on the authorizations to issue shares and/or other securities (par value)	Annual Meeting of April 28, 2015 18th resolution			
■ with or without pre-emptive subscription rights (12th to 17th resolutions)		€347 million		
■ without pre-emptive subscription rights (13th to 16th resolutions)		€69 million		
Employee share issue	Annual Meeting of April 28, 2015 19th resolution	2% of the share capital at April 28, 2015	26 months June 28, 2017	
Stock option plans for employees and executive directors	Annual Meeting of April 25, 2013 20th resolution	2.5% of the share capital at April 25, 2013 (blanket ceiling including stock granted without consideration by virtue of the 21st resolution of the April 28, 2015 Annual Meeting)	38 months June 25, 2016	
Stock grants without consideration	Annual Meeting of April 28, 2015 20th resolution	2.5% of the share capital at April 28, 2015 (blanket ceiling including stock options granted by virtue of the 20th resolution of the April 25, 2013 Annual Meeting) Directors: a cap of 15% of the share capital for all of the shares granted	38 months June 28, 2018	480,090 performance shares granted on June 16, 2015

6.2.4 EMPLOYEE STOCK OWNERSHIP

The first employee share issue, open to participants in the «Accor en Actions» Corporate Savings Plan, was carried out in France in 1999, with 7,900 employees purchasing shares.

In 2000, Accor launched its first international employee share issue in 23 countries, demonstrating its commitment to offering a significant number of employees worldwide the opportunity to become Accor shareholders by tailoring the plan rules to comply with legal and tax restrictions in each country. A total of 16,000 people participated in the offer.

International employee share issues were again carried out in 2002 in 25 host countries, with more than 12,600 employees taking part.

In 2004, another share issue for employees in over 20 countries took place. A total of 9,100 employees participated in the offer.

Lastly, in 2007, for the first time, a leveraged employee share ownership plan was offered in the 26 countries where such plans are permitted by local legislation, with 8,736 employees purchasing shares.

At December 31, 2015, 0.828% of the Company's capital was held by AccorHotels employees and former employees.

6.2.5 SHARES NOT REPRESENTING CAPITAL

None.

6.2.6 CHANGES IN CAPITAL

Year	Changes in capital over the past five years	Increase/(decrease) in capital *(in euros)* Share capital	Additional paid-in capital	New capital *(in euros)*	New shares outstanding
2011	Exercise of stock options at €18.20	9,048	45,843	680,390,895	226,796,965
	Exercise of stock options at €21.50	596,58	3,678,910	680,987,475	226,995,825
	Exercise of stock options at €23.66	420,447	2,895,478	681,407,922	227,135,974
	Exercise of stock options at €30.60	13,572	124,862	681,421,494	227,140,498
	Exercise of stock savings warrants at €22.51	8,775	57,067	681,430,269	227,143,423
	Vested performance shares	324,069	-	681,754,338	227,251,446
2012	Exercise of stock options at €18.20	3,486	17,662	681,757,824	227,252,608
	Exercise of stock options at €21.50	4,074	25,123	681,761,898	227,253,966
	Exercise of stock options at €26.66	2,715	21,412	681,764,613	227,254,871
	Exercise of stock savings warrants at €22.51	69,303	450,701	681,833,916	227,277,972
2013	Exercise of stock options at €18.20	1,348,791	6,833,874	683,182,707	227,727,569
	Exercise of stock options at €30.81	367,635	3,407,976	683,550,342	227,850,114
	Vested performance shares	608,964	-	684,159,306	228,053,102
	Distribution of 2012 dividend	-	(58,768,161)	684,159,306	228,053,102
2014	Exercise of stock options at €18.20	754,008	3,820,307	684,913,314	228,304,438
	Exercise of stock options at €26.66	1,656,492	13,064,200	686,569,806	228,856,602
	Exercise of stock options at €28.32	213,672	1,803,392	686,783,478	228,927,826
	Exercise of stock options at €30.81	2,430,795	22,533,470	689,214,273	229,738,091
	Vested performance shares	609,045	-	689,823,318	229,941,106
	Distribution of 2013 dividend	-	(65,467,481)	689,823,318	229,941,106
	Dividend reinvestment at €31.73	5,685,879	54,451,768	695,509,197	231,836,399
2015	Exercise of stock options at €18.20	885,171	4,484,866	696,394,368	232,131,456
	Exercise of stock options at €26.41	11,250	87,788	696,405,618	232,135,206
	Exercise of stock options at €26.66	2,021,748	15,944,853	698,427,366	232,809,122
	Exercise of stock options at €28.32	93,960	793,022	698,521,326	232,840,442
	Exercise of stock options at €30.49	4,500	41,235	698,525,826	232,841,942
	Exercise of stock options at €30.81	2,365,770	21,930,688	700,891,596	233,630,532
	Exercise of stock options at €31.72	350,946	3,359,723	701,242,542	233,747,514
	Exercise of stock savings warrants at €40.08	2,367	29,256	701,244,909	233,748,303
	Vested performance shares	703,935	-	701,948,844	233,982,948
	Dividend reinvestment at €46.20	4,108,431	59,158,667	706,057,275	235,352,425

N.B.: There are no options outstanding to purchase existing shares of the Company. All options granted are to purchase new shares.

6.3 OWNERSHIP STRUCTURE

6.3.1 OWNERSHIP AND VOTING RIGHTS STRUCTURE

At December 31, 2015, the Company's capital consisted of 235,352,425 shares, representing a total of 269,612,062 voting rights, all of which were exercisable. There are 34,259,637 double voting rights outstanding.

The Company had 5,217 registered shareholders at December 31, 2015, representing 14.92% of the capital and 25.73% of total voting rights.

Shareholders at December 31, 2015

	Number of shares	Number of voting rights	% capital	% voting rights
ColDay/Legendre Holding 19 (1)	26,080,517	51,915,799	11.08%	19.26%
Founders	5,093,474	10,186,948	2.16%	3.78%
Other members of the Board of Directors	14,039	20,139	0.01%	0.01%
Board members and founders	**5,107,513**	**10,207,087**	**2.17%**	**3.79%**
Other shareholders	204,164,395	207,489,176	86.75%	76.96%
TOTAL AT DECEMBER 31, 2015	**235,352,425**	**269,612,062**	**100.00%**	**100.00%**

(1) *Shareholders acting in concert at December 31, 2015: ColDay A S.à.r.l. (Colony Capital, LLC), which owns 13,895,214 shares and 27,669,205 voting rights, and Legendre Holding 19 (controlled by Eurazeo), which owns 12,185,303 shares and 24,246,594 voting rights.*

At December 31, 2015, 1,948,885 shares (0.83% of total capital) and 3,994,228 voting rights (1.48% of the total) were held by AccorHotels employees and former employees.

During the year, the following registered intermediaries or fund managers notified the *Autorité des Marchés Financiers* of changes in their interests, in accordance with disclosure threshold rules:

Registered intermediary or fund manager	Disclosure date	AMF reference number	Increase or decrease in interest	Number of shares	% capital	Number of voting rights	% voting rights
Colony/Eurazeo acting in concert	April 10, 2015	215C1483		25,955,282	11.12%	51,791,564	19.36%

Changes in ownership structure over the past three years

	Dec. 31, 2013			Dec. 31, 2014			Dec. 31, 2015		
	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
ColDay/Legendre Holding 19	48,673,442	21.34%	31.18%	48,673,442	20.99%	30.75%	26,080,517	11.08%	19.26%
Founders	5,923,809	2.60%	3.40%	5,492,864	2.37%	3.96%	5,093,474	2.16%	3.78%
Other shareholders	173,455,851	76.06%	65.42%	177,670,093	76.64%	65.29%	204,178,434	86.75%	76.97%
TOTAL	**228,053,102**	**100.00%**	**100.00%**	**231,836,399**	**100.00%**	**100.00%**	**235,352,425**	**100.00%**	**100.00%**

Source: Accor share register, disclosures made to the Autorité des Marchés Financiers and the Company.

At December 31, 2015, Accor held 32,000 shares in treasury.

A Euroclear France survey of financial institutions holding at least 100,000 shares and of shareholders holding at least 250 shares at December 31, 2015 identified 9,340 shareholders owning an aggregate 82.29% of the Company's capital, representing 71.84% of total voting rights.

Analysis by shareholder category at December 31, 2015	% capital	% voting rights
Private shareholders	1.72%	1.50%
Institutional investors	73.41%	64.08%
French institutions	11.22%	9.80%
Foreign institutions	62.19%	54.28%
Unidentified in the Euroclear survey	24.87%	34.42%
TOTAL	**100.00%**	**100.00%**

Source: Euroclear France.

SHAREHOLDERS' AGREEMENTS RELATING TO THE SHARES MAKING UP THE COMPANY'S CAPITAL

Apart from the shareholders' pact described below, the Company is not aware of any other shareholders' agreements relating to the shares making up its capital.

On May 4, 2008, a memorandum of understanding was signed by Colony Capital (represented by ColTime (1) and ColDay (2)) and Eurazeo (represented by Legendre Holding 19 (3)), acting in concert in accordance with the memorandum of understanding regarding their investment in Accor, which they had signed on January 27, 2008.

On December 18, 2009, an amendment to the memorandum was signed following the Accor Board of Directors' approval of the potential benefits of demerging the Group's Hotels and Prepaid Services businesses to create two separate listed companies. The purpose of the amendment was (i) to extend the provisions of the memorandum of understanding to the shares in Edenred, and (ii) to extend the undertaking in the memorandum not to sell their shares in Accor and Edenred until January 1, 2012.

The main clauses of the agreement are as follows:

- an undertaking to cast the same votes on strategic matters at Board of Directors' meetings;
- an undertaking to cast the same votes at Accor Shareholders' Meetings;
- an agreement that the parties should have equal representation on Accor's Board;
- an agreement that if either of the undertakings set out above with respect to voting are breached by one of the parties, the party that has breached the undertaking shall offer to sell its Accor shares to the other party, at a price equal to 80% of the lower of i) the weighted average price of the Accor share over the twenty trading days preceding the breach, and ii) the closing price on the day of the breach. This offer must be made and taken up within a month of the date of breach;
- an undertaking not to enter into any acquisition or other agreement with a third party that would result in the concert group raising its interest to above one third of Accor's capital and/or voting rights;
- in the event that one of the parties decides to sells its shares to an identified purchaser, a right of first refusal for the other party, exercisable within ten days following notification of the intention to sell. The price for the shares sold will be proposed by the selling party;
- a duty for each party to give the other party four days' notice if they decide to sell their shares on the market to unidentified purchasers;
- in the event that one of the parties sells its shares, a right for the other party to sell the same proportion of shares, exercisable within ten days following the related notification;
- in the event that the two parties' existing shareholdings are equal, the obligation for either party that decides to purchase additional shares to propose the acquisition of the same number of shares to the other party;
- a priority share purchase right for the party holding the least number of shares. However, ColDay may freely acquire shares enabling it to raise its interest to 11% of Accor's capital and Eurazeo may freely acquire shares enabling it to raise its interest to 10% of the capital;
- in the event of a public offer initiated by a third party, if one of the two parties does not wish to tender its shares whereas the other one does, the right for the former to acquire the shares tendered to the offer by the other party at the offer price or at a higher price;
- in the event of a public offer initiated by one of the parties, in which the other party does not wish to participate, the right for either of the parties to terminate the concert arrangement. If the party not participating in the offer wishes to sell its Accor shares, the right for the initiator of the offer to acquire said shares before filing the offer, at the offer price or at a higher price.

The shareholders' pact had a five-year term, which means that the concert arrangement may now be terminated with 30 days' notice.

On December 6, 2012, the concert group increased its interest to more than 30% of the Company's voting rights, simply because of a decrease in the number of total voting rights outstanding. In line with its General Regulations, and given the concert group's undertaking not to «actively increase» its interest in the Company, the AMF has waived the concert group's obligation to file a public tender offer.

(1) ColTime S.à.r.l. is controlled by the investment funds ColonyInvestors VI, LP and ColyzeoInvestors LP, which are managed by the Colony Capital, LLC investment company.

(2) ColDay S.à.r.l. is controlled by the investment funds ColonyInvestors VIII, LP and ColyzeoInvestors II, LP, which are managed by the Colony Capital, LLC investment company.

(3) Controlled by Eurazeo SA.

On March 30, 2015, the concert group comprising ColDay S.à.r.l. and Legendre Holding 19 reduced its interest in Accor to below 15% of the Company's capital and 20% of the voting rights, and at that date held 25,955,282 Accor shares, or 11.12% of the capital and 51,791,564 voting rights or 19.36% of total voting rights.

On July 31, 2015, ColDay and Legendre Holding signed an amendment that, in particular, lowered the share ownership threshold below which the pact is automatically terminated from 5% to 3% of the share capital.

On October 15, 2015, ColDay S.à.r.l. transferred all of its Accor shares to ColDay A S.à.r.l. After this transaction, the concert group comprising ColDay A S.à.r.l. and Legendre Holding 19 declared that it held 26,080,517 Accor shares, or 11.08% of the Company's capital and 51,915,799 voting rights, or 19.26% of total voting rights.

ITEMS LIKELY TO HAVE AN INFLUENCE IN THE EVENT OF A PUBLIC TAKEOVER OFFER

To the best of the issuer's knowledge, there are no items likely to have a material influence on the execution of lease, management or franchise contracts in the event of a public takeover bid.

On the other hand, as mentioned on page 133 and 134 above, certain financing contracts contain change of control clauses.

6.3.2 DIVIDENDS

Year	Shares outstanding at December 31	Dividend for the year *(in euros)*	Paid on	Share price *(in euros)* High	Low	Year-end closing	Yield based on year-end closing price
2010	226,793,949	0.62	June 6, 2011	34.03	22.26	33.29	1.86%
2011	227,251,446	1.15	June 14, 2012	36.20	17.03	19.59	5.87%
2012	227,277,972	0.76	June 5, 2013	27.76	18.32	26.70	2.85%
2013	228,053,102	0.80	June 4, 2014	34.32	24.54	34.30	2.33%
2014	231,836,399	0.95	June 3, 2015	39.58	28.87	37.34	2.54%
2015	235,352,425	1.00 (1)	May 18, 2016	51.65	35.99	40.00	2.50%

(1) Submitted for approval at the Annual Shareholders' Meeting of April 22, 2016.

No interim dividend was paid. Dividends are paid through Euroclear France.

Dividends not claimed within five years from the date of payment are forfeited, as provided for by law.

The Board of Directors will recommend that shareholders at the Combined Ordinary and Extraordinary Shareholders' Meeting of April 22, 2016 approve the payment of a 2015 dividend of €1.00 per share. Shareholders may opt to receive the entire dividend in cash or to receive half in cash and reinvest the other half in new shares, at a 5% discount.

6.4 THE MARKET FOR ACCOR SECURITIES

THE MARKET FOR ACCOR SHARES

Accor shares are traded on the Euronext Paris stock exchange (Compartment A) and are included in the CAC 40 index.

They are also included in the main socially responsible investment stock indexes: FTSE4Good Global, Euronext Vigeo Eurozone 120, Ethibel Sustainability Index (ESI) Excellence Europe and Excellence Global, Dow Jones Sustainability Indices (DJSI), Low Carbon 100 Europe and STOXX Global ESG Leaders.

At December 31, 2015, the Accor share closed at €40.01, and the Company's market capitalization stood at €9.4 billion.

Accor share prices and trading volumes (ISIN: FR0000120404)

	Average closing price	High-Low		Trading volume
		High	Low	
2015				
January	39.78	44.54	35.99	22,180,469
February	45.81	48.33	43.50	22,936,399
March	48.98	51.22	46.08	31,217,372
April	49.63	51.65	48.13	23,676,122
May	49.67	51.37	47.16	20,353,596
June	48.20	51.01	45.04	24,702,905
July	46.04	48.31	42.71	26,569,964
August	43.66	46.29	37.44	24,377,267
September	42.12	44.49	39.95	24,372,722
October	43.79	46.26	41.13	22,869,696
November	41.47	45.59	37.60	29,358,840
December	39.83	42.68	37.48	25,939,165
2016				
January	35.32	39.78	31.21	41,454,515
February	34.09	39.15	29.96	49,356,173

Source: Euronext.

7 Other INFORMATION

7.1 INVESTOR RELATIONS AND DOCUMENTS ON DISPLAY

In addition to the Annual Meeting and the events organized to present the annual results, Accor keeps both individual and institutional shareholders informed of the latest developments on a highly responsive daily basis. This information is tailored to the specific needs of different types of shareholders and financial analysts while constantly complying with the principle of fair access to information.

MEETINGS WITH INVESTORS

In 2015, AccorHotels met with 589 representatives from more than 381 financial institutions and organized 23 roadshows and conferences in Europe and North America.

These events included hotel visits that enabled investors to talk with line managers and gain a better understanding of management practices and processes. AccorHotels also took part in twelve investor conferences during the year, in France, the United Kingdom, in Italy, Switzerland and the United States.

Held on April 28, 2015 at the Hotel Pullman Paris Centre - Bercy, the Annual Shareholders' Meeting was attended by 343 people and provided many opportunities for exchanging views and opinions.

ACCORHOTELS SHAREHOLDERS CLUB

Created in May 2000, the AccorHotels Shareholders Club had 4,086 members at year-end 2015, with each one owning at least 50 bearer shares or one registered share.

Club members take advantage of dedicated benefits and events such as regular e-mail updates throughout the year with press releases, Shareholder webzines and other news, the possibility of subscribing to all of our other corporate publications, the opportunity to discover the Group's businesses in a more personal way through site visits, and VIP invitations to investor events in which AccorHotels participates.

As part of the Le Club Accorhotels loyalty program, Shareholders Club members receive a Le Club Accorhotels Gold Card, which offers a systematic upgrade whenever possible, a 7% discount in the form of points that can be saved and used in the AccorHotels' network and with its partners, and exclusive offers and benefits offered by its partners.

SHAREHOLDER ADVISORY COMMITTEE

The Shareholder Advisory Committee serves as both a consultative body and a forum for discussion, to improve the way we communicate with our retail shareholders. The aim is to enhance our understanding of individual shareholders' expectations about the information they receive and their relationship with the company in order to make the communication process as transparent as possible and align it more closely with their specific needs.

The Committee, which is composed of nine members, met twice in 2015 with the following agenda:

- on June 24, 2015 at the Sofitel Paris Faubourg hotel:
  - a review of the Group's most recent transformation achievements, in the area of distribution, with the creation of the accorhotels.com marketplace open to independent hotels, and in the area of digital technology, with the development of an ecosystem of applications designed to ensure that guests have the best possible experience when they stay in one of the network's hotels,
  - a discussion about the Group's new AccorHotels marketing brand, «Feel Welcome» promise and visual identity, which create a link between the Group, its various brands and the accorhotels.com distribution platform, thereby improving their appeal, both individually and collectively,
  - a presentation of the editorial content for the first-half 2015 Shareholder Webzine,
  - lunch at the hotel,
  - a tour of the hotel;
- on November 26, 2015 at the Pullman Paris Bercy hotel:
  - a review of the real estate challenges at AccorHotels (and their development over nearly five decades), from when the Group was first formed in 1967 up to the creation of HotelInvest in 2014,
  - a presentation of HotelInvest's strategy and growth drivers, as well as its position in relation to HotelServices,
  - a talk by Arnaud Beaulieu, HotelInvest's SVP Asset Management, about various portfolio restructuring operations carried out under his authority,
  - lunch at the hotel,
  - a tour of the hotel.

EASILY ACCESSIBLE INFORMATION TAILORED TO SHAREHOLDER PROFILES

All of the Group's financial news and publications can be accessed in the «Finance» section of the accorhotels-group.com website, which serves as a comprehensive investor relations database. The site carries live and deferred webcasts of results presentations, Investor Days and Annual Shareholders' Meetings. It also tracks the Accor share price in real time and features a dedicated section for retail shareholders and members of the Shareholders Club.

A wide array of documents far exceeding regulatory requirements may be viewed in the «Finance» section of the website. These documents, which cover both current and previous years, include:

- the Registration Document filed with the *Autorité des Marchés Financiers* (available in electronic form since 1997);
- the Annual Report;
- a corporate brochure describing the Group and its values;
- information memoranda filed with the *Autorité des Marchés Financiers* concerning corporate actions;
- notices of Shareholders' Meetings, sent systematically to registered shareholders and on request to members of the Shareholders Club;
- the Shareholders webzine.

Legal documents are on display at the company's primary business office, Tour Sequana, 82, rue Henri Farman, 92130 Issy-les-Moulineaux, France.

Since January 20, 2007, when the European Transparency Directive was transposed into French law, AccorHotels has issued its regulatory filings through a professional disclosure service that complies with the criteria set out in the AMF's General Regulations. The filings are also available on the corporate website.

SHAREHOLDER HOTLINE

Shareholders in France can call 0805 650 750 (free from a landline) at any time to obtain general information about the Group, the share price, the latest news and practical guidelines for individual shareholders. Operators are available to answer questions from 9:00 a.m. to 6:00 p.m. from Monday to Friday. Messages left out of hours are answered as soon as possible.

SENIOR VICE-PRESIDENT, INVESTOR RELATIONS AND FINANCIAL COMMUNICATION

- Sébastien Valentin

Immeuble Odyssey
110, avenue de France
75013 Paris – France

Phone: +33 (0)1 45 38 86 25
Fax: + 33 (0)1 45 38 85 95

Shareholder hotline (France only): 0805 650 750
(free from a landline)
E-mail: comfi@accor.com

7.2 PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE AUDIT OF THE ACCOUNTS

NAME AND POSITION OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

- Sébastien Bazin

Chairman and Chief Executive Officer

STATEMENT BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I further declare that, to the best of my knowledge, the financial statements included in the Registration Document have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of Accor and its subsidiaries, and that the Management report represents a fair view of the business, results and financial position of Accor and its subsidiaries and provides a description of the main risks and uncertainties to which they are exposed.

I obtained a statement from the Statutory Auditors at the end of their engagement affirming that they have read the whole of the Registration Document and examined the information about the financial position and the accounts contained therein.

The Statutory Auditors' report on the consolidated financial statements for the year ended December 31, 2014, presented on page 166 of the 2014 Registration Document filed with the AMF on March 27, 2015, contains an observation concerning the application from January 1, 2014 of IFRS 11 – Joint Arrangements.

Paris – March 24, 2016

Sébastien Bazin

PERSONS RESPONSIBLE FOR INFORMATION

- François Pinon

Group General Counsel
Phone: + 33 (0)1 45 38 87 33

- Jean-Jacques Morin

Member of the Executive Committee – Chief Financial Officer
Phone: + 33 (0)1 45 38 87 03

- Sébastien Valentin

Senior Vice-President, Investor Relations and Financial Communications
Phone: +33 (0)1 45 38 86 25

STATUTORY AUDITORS

STATUTORY AUDITORS

- Ernst & Young et Autres

Member of the Ernst & Young network
Jacques Pierres
1/2, place des Saisons
92400 Courbevoie – Paris-La Défense 1

Date of first appointment: June 16, 1995.

Re-appointed for six years at the April 25, 2013 Annual Shareholders' Meeting.

- Deloitte & Associés

Pascale Chastaing-Doblin
185, avenue Charles-de-Gaulle – BP 136
92203 Neuilly-sur-Seine Cedex, France

Date of first appointment: June 16, 1995.

Re-appointed for six years at the April 25, 2013 Annual Shareholders' Meeting.

ALTERNATE AUDITORS

- Auditex

Tour Ernst & Young – 11, allée de l'Arche
92037 Paris, La Défense Cedex, France

Appointed for six years at the April 25, 2013 Annual Shareholders' Meeting.

- BEAS

7, villa Houssay
92200 Neuilly-sur-Seine, France

Date of first appointment: May 29, 2001.

Re-appointed for six years at the April 25, 2013 Annual Shareholders' Meeting.

7.3 FEES PAID TO THE AUDITORS

The fees paid to the Auditors and the members of their networks by the Group may be analyzed as follows:

	Deloitte				Ernst & Young			
	2014		2015		2014		2015	
(in millions of euros)	Amount	%	%	%	Amount	%	Amount	%
AUDIT SERVICES								
Statutory and contractual audit services								
France: issuer	1	17%	0.8	12%	0.8	17%	0.6	16%
France: subsidiaries	1	17%	1	14%	0.8	17%	0.9	24%
International: subsidiaries	2.5	43%	2.7	38%	2.7	56%	2.1	55%
Other audit-related services								
France: issuer	0.9	16%	1.5	21%	0.1	2%	0.2	5%
France: subsidiaries	0.1	2%	0.0	0%	0	0%	0	0%
International: subsidiaries	0.2	3%	0.3	5%	0	0%	0	0%
Sub-total	**5.7**	**98%**	**6.4**	**90%**	**4.4**	**92%**	**3.8**	**100%**
OTHER SERVICES								
Legal, tax and employee relations advice								
France	0.0	0%	0	0%	0	0%	0	0%
International	0.1	2%	0	0%	0.4	8%	0	0%
Other services (representing less than 10% of the audit budget)								
France	0.0	0%	0.1	1%	0	0%	0	0%
International	0.0	0%	0.6	8%	0	0%	0	0%
Sub-total	**0.1**	**2%**	**0.7**	**10%**	**0.4**	**8%**	**0**	**0%**
TOTAL	**5.8**	**100%**	**7.1**	**100%**	**4.8**	**100%**	**3.8**	**100%**

7.4 INFORMATION INCORPORATED BY REFERENCE

In accordance with Article 28 of European Commission Regulation (EC) 809/2004, the Registration Document incorporates by reference the following information:

- the consolidated financial statements and the related Auditors' Reports contained in the 2014 Registration Document filed with the *Autorité des Marchés Financiers* on **March 27, 2015** under no. **D.15-0219** (pages **167 to 265**, and **166**);
- the financial information contained in pages **152 to 159** of the 2014 Registration Document filed with the *Autorité des Marchés Financiers* on **March 27, 2015** under no. **D.15-0219**;
- the consolidated financial statements and the related Auditors' Reports contained in the 2013 Registration Document filed with the *Autorité des Marchés Financiers* on **March 28, 2014** under no. **D.14-0235** (pages **179 to 279**, and **178**);
- the financial information contained in pages **164 to 171** of the 2013 Registration Document filed with the *Autorité des Marchés Financiers* on **March 28, 2014** under no. **D.14-0235**;
- sections of these documents that are not mentioned above are either not applicable to investors or are covered in another part of the Registration Document.

7.5 CROSS-REFERENCE TABLE FOR THE REGISTRATION DOCUMENT

The table below cross-references the pages in the Registration Document and the key information required under European Commission Regulation (EC) no. 809/2004 implementing EC Directive 2003/71/EC of the European Parliament and of the Council.

Key information required under Annex 1 of European Commission Regulation 809/2004		Page number
1.	**Persons responsible**	**300**
2.	**Statutory Auditors**	**300**
3.	**Financial highlights**	
3.1.	Historical financial information	11 ; 162-169 ; 284
3.2.	Selected financial information for interim periods	N/A
4.	**Risk factors**	**130-138**
5.	**Information about the issuer**	
5.1.	History and development of the issuer	12-15 ; 195-198
5.2.	Investments	6 ; 8 ; 9 ; 17-19 ; 165 ; 169 ; 242
6.	**Business overview**	
6.1.	Principal activities	4-10
6.2.	Principal markets	4-10 ; 162-169 ; 199-207
6.3.	Exceptional factors	N/A
6.4.	Dependence on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	N/A
6.5.	Competitive position	9-10
7.	**Organizational structure**	
7.1.	Brief description of the Group	112 ; 172 ; 246-247
7.2.	List of significant subsidiaries	170-172 ; 246-247 ; 280-283
8.	**Property, plant and equipment**	
8.1.	Material tangible fixed assets and any major encumbrances thereon	9 ; 208-210
8.2.	Environmental issues that may affect the utilization of tangible fixed assets	65-66
9.	**Operating and financial review**	
9.1	Financial condition	165-166 ; 172 ; 183-184
9.2.	Operating results	200 ; 203
10.	**Cash and capital resources**	
10.1.	Information concerning capital resources	165-166 ; 181 ; 186 ; 223
10.2.	Cash flows	133-136 ; 180
10.3.	Borrowing requirements and funding structure	230-231 ; 270-271
10.4.	Restrictions on the use of capital resources	133-136
10.5.	Anticipated sources of funds	133-136 ; 197 ; 270
11.	**Research and development, patents and licenses**	**N/A**
12.	**Trend information**	
12.1.	Significant recent trends	17 ; 173
12.2.	Known trends or events that are reasonably likely to have a material effect on the issuer's prospects	173 ; 249 ; 279
13.	**Profit forecasts or estimates**	**N/A**

7.6 CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT

The 2012 Registration Document contains all of the information in the Annual Financial Report governed by article L. 451-1-2 of the French Monetary and Financial Code. To make this information easier to find, the following cross-reference table lists it by main topic.

7.7 CROSS-REFERENCE TABLE FOR THE MANAGEMENT REPORT

The 2012 Registration Document contains all of the information in the Annual Financial Report governed by article L. 451-1-2 of the French Monetary and Financial Code. To make this information easier to find, the following cross-reference table lists it by main topic.

7.8 CROSS-REFERENCE TABLE FOR CORPORATE SOCIAL, SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY

Disposition Grenelle 2 – Article 225	Principle of the UN Global Compact	Section of Chapter 2/CSR Indicators	Page of the Registration Document
GENERAL REPORTING PRINCIPLES			
The information published is presented "in a manner that allows data comparison" (Law of 07/12/2010). The report of the Board of Directors or the Executive Board "presents the data observed in the course of the year that has ended and, where applicable, in the course of the previous year, in a manner that allows data comparison".	NA	Methodological review	81
Among the information listed in the decree implementing the decision, the report lists the information that, given the nature of the activities or the organization of the company, cannot be produced or does not seem relevant, and provides all appropriate explanations.	NA	Table of CSR equivalences	97
When a company voluntarily complies with national or international social or environmental guidelines, the report can state this by indicating the recommendations from the guidelines that have been adopted and the methods used to consult them.	NA	AccorHotels' CSR reporting falls under the scope of the Global Reporting Initiative guidelines (GRI-G4 "core"). A table of equivalences for the GRI-G4 core indicators is available on the web (http://www.accorhotels-group.com/en/sustainable development.html)	85
The social and environmental information that is or should be listed according to legal and regulatory obligations is verified by an independent third party [...]. An opinion is issued based on this verification, and sent to the Shareholders' Meeting or to the shareholders at the same time as the Board of Directors or Executive Board report.	NA	Independent verifier's report on consolidated social, environmental and societal information presented in the management report	94
The independent verifier must include the following in his report: ■ a) a statement that all the information required by the decision has been included, noting, where applicable, the information that has been omitted and not explained. ■ b) a reasoned opinion on; ● the fairness of the information found in the management report; ● the explanations provided, if appropriate, for the absence of certain information; ■ c) the steps taken in conducting the verification.	NA	Independent verifier's report on consolidated social, environmental and societal information presented in the management report	94
SOCIAL INFORMATION		EMPLOYMENT COMMITMENTS	35 to 51
Employment			
Total number of payroll and non-payroll employees	Commitments 1, 3 and 6	Total number of payroll and non-payroll employees by operating structure and by region	37
Employees by sex		Promoting gender diversity and equality/ Percentage of women by job category	48
Employees by age		Employees by age	37
Employees by geographic region		Total number of payroll and non-payroll employees by operating structure and by region	37
Hirings		Hirings and separations	38

Disposition Grenelle 2 – Article 225	Principle of the UN Global Compact	Section of Chapter 2/CSR Indicators	Page of the Registration Document
Dismissals		Hirings and separations	38
Compensation		Compensation policies	44
Changes in compensation		These data are not yet consolidated at Group level, so the average salary raise cannot be reported.	NA
Workweek organization			
Working conditions	Commitments 1, 3 and 6	Workweek organization and work-life balance/Working hours/Workweek organization/Part-time work/Telecommuting/Night work	45
Absenteeism		Absenteeism	38
Employee relations			
Organizing the social dialogue	Commitments 1, 3 and 6	The social dialogue/forums and resources	50
Report on collective agreements		Collective agreements/agreements signed by issue	51
Health and safety			
Health and safety conditions at work		Working conditions that enhance employee well-being and team performance/Preventing workplace accidents and occupational illnesses/Improving worklife quality and promoting health	45
Agreements signed with unions or personnel representatives regarding health and safety at work		Collective agreements/agreements signed by issue	50
Frequency and incident severity rate for workplace accidents		Lost-time injury rate Incident severity rate for workplace accidents	47
Occupational illness		Preventing workplace accidents and occupational illnesses/Promoting health	46
Training			
Training policies implemented		Learning solutions key to skills development	40
Training hours		Training hours	41
Specific professional training programs		Training policies	40
Equal opportunity			
Policies implemented and measures taken to promote equal opportunity between genders	Commitments 1, 3 and 6	Diversity and equal opportunity policies	48
Policies implemented and measures taken to promote the integration of people with disabilities		Diversity and equal opportunity policies	48
Policies implemented and measures taken towards preventing musculoskeletal disorders, discrimination, and promoting diversity		Diversity and equal opportunity policies	48
Promoting and complying with the provisions of fundamental agreements of the International Labour Organisation			
Compliance with freedom of association and right to collective bargaining		Commitments supported by the Ethics and Corporate Social Responsibility Charter	24
Eliminating employment and professional discrimination		Commitments supported by the Ethics and Corporate Social Responsibility Charter	24
Eliminating forced or mandatory work		Commitments supported by the Ethics and Corporate Social Responsibility Charter	24
Effectively abolishing child labor		Commitments supported by the Ethics and Corporate Social Responsibility Charter	24

Disposition Grenelle 2 – Article 225	Principle of the UN Global Compact	Section of Chapter 2/CSR Indicators	Page of the Registration Document
ENVIRONMENTAL INFORMATION		ENVIRONMENTAL COMMITMENTS	65 to 79
General environmental policies			
How the company is organized to consider environmental issues	Commitments 7, 8 and 9	Managing the stakeholder dialogue process/PLANET 21 goals and results	29
Steps for evaluation or certification for environmental issues		Environmental management	65
Training and informing employees on protecting the environment		Environmental management	65
Methods dedicated to preventing environmental risk and pollution	Commitment 7	Environmental management Environment-related industrial risks	65 132
Amount of environment-related provisions and guarantees (provided that this information is not likely to cause serious harm to the company in an ongoing legal dispute)		Environment-related industrial risks	132
Pollution and waste management			
Measures for prevention, reduction, remediation: air	Commitments 7, 8 and 9	A line of "responsible" products and services/Ecological design for products and services offered	55
Measures for prevention, reduction, remediation: water		Water	72
Measures for prevention, reduction, remediation: soil		Controlling local environmental impacts	76
Measures to prevent, recycle, and eliminate waste		Waste	78
Consideration of noise disturbances and any other type of pollution that is specific to an activity		Controlling local environmental impacts/ noise disturbances	76
Sustainable use of resources			
Water use		Water/Water performance	72
Water supply based on local constraints	Commitments 7, 8 and 9	Management of water-stressed regions	74
Consumption of raw materials		Environmental commitments/ environmental footprint of the Group	66 to 77
Measures taken to improve efficiency in the use of raw materials		A line of "responsible" products and services/Ecological design for products and services offered	55
Energy consumption	Commitments 7, 8 and 9	Energy and climate change/energy performance in operations	67
Measures adopted to improve energy efficiency		Energy performance in operations	67
Measures adopted to increase the use of renewable energy		Renewable energies	70
Land use		Controlling local environmental impacts/ Soil use	76
Climate change			
Release of greenhouse gases		Energy and climate change	67
Adapting to the consequences of climate change		Risk related to geographical environment	131
Protecting biodiversity			
Measures taken to preserve and develop biodiversity	Commitments 7, 8 and 9	Protecting biodiversity and controlling local environmental impacts Plant for the Planet, agroforestry projects to develop communities and protect the environment	76 62

Disposition Grenelle 2 – Article 225	Principle of the UN Global Compact	Section of Chapter 2/CSR Indicators	Page of the Registration Document
SOCIETAL INFORMATION		SOCIETAL RESPONSIBILITY COMMITMENTS	52 to 64
Regional, economic and social impact of the activities of the Company on local or neighboring populations			
Regarding employment and regional development		The AccorHotels employment model and human capital	35
On local or neighboring populations	/	Protecting children from abuse Plant for the Planet, agroforestry projects to develop communities and protect the environment Corporate responsibility: Solidarity AccorHotels	60 62 63
Relations maintained with persons or organizations who have a stake in the activities of the company, especially			
Social inclusion organizations		Corporate responsibility: Solidarity AccorHotels	63
Educational institutions		Fostering partnerships with educational institutions	42
Environmental protection organizations		Outside partnerships to extend the process	27
Consumer groups		Main opportunities for dialogue between AccorHotels and its stakeholders in 2015	27
Neighboring populations		Corporate responsibility: Solidarity AccorHotels	63
Conditions of the dialogue with people and organizations		Dialogue and partnerships with stakeholders	27
Partnerships or sponsorships		Corporate responsibility: Solidarity AccorHotels	63
Sub-contracting and suppliers			
Considering social and environmental issues in procurement policies	Commitments 1 & 2	Responsibilities to suppliers and contractors	57
Importance of sub-contracting and taking the CSR Charter into consideration in relations with suppliers and sub-contractors		Responsibilities to suppliers and contractors	57
Fairness of practices			
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Measures taken in support of health and consumer safety		Responsibility to guests/Safety and security: Physical protection of guests, personnel, and infrastructure/Offering healthy food that respects the planet	52
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Actions taken in support of human rights		Responsibilities to suppliers and contractors/Responsible procurement practices	57

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