CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

Consolidated Income Statements

In millions of euros	Notes	2013 Adjusted (*)	2014
CONSOLIDATED REVENUE	4	**5 425**	**5 454**
Operating expense	5	(3 694)	(3 682)
EBITDAR	6	**1 731**	**1 772**
Rental expense	7	(885)	(849)
EBITDA	8	**846**	**923**
Depreciation, amortization and provision expense	9	(325)	(321)
EBIT	10	**521**	**602**
Net financial expense	11	(90)	(52)
Share of profit of associates after tax	12	11	28
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS		**442**	**578**
Restructuring costs	13	(132)	(11)
Impairment losses	14	(89)	(55)
Gains and losses on management of hotel properties	15	68	(11)
Gains and losses on management of other assets	16	(33)	(82)
OPERATING PROFIT BEFORE TAX		**256**	**419**
Income tax expense	17	(120)	(175)
Profit from continuing operations		**136**	**244**
Net Profit or Loss from discontinued operations	18	1	(4)
NET PROFIT OR LOSS		**137**	**240**
Net Profit, Group Share from continuing operations		125	227
Net Profit or Loss, Group Share from discontinued operations		1	(4)
Net Profit or Loss, Group Share		**126**	**223**
Net Profit, Minority interests from continuing operations		11	17
Net Profit or Loss, Minority interests from discontinued operations		0	-
Net Profit, Minority interests		11	17

Weighted average number of shares outstanding (in thousands)	26	227 613	230 232
EARNINGS PER SHARE (in €)		**0,55**	**0,97**
Diluted earnings per share (in €)	26	0,55	0,96

Earnings per share from continuing operations (in €)		**0,55**	**0,99**
Diluted earnings per share from continuing operations (in €)		**0,55**	**0,98**

Earnings per share from discontinued operations (in €)		**0,00**	**(0,02)**
Diluted earnings per share from discontinued operations (in €)		**0,00**	**(0,02)**

(*) The financial statements have been restated to exclude the impact of the January 1, 2014 adoption of IFRS 11 – Joint Arrangements, which has been applied retrospectively to all periods presented (see Note 2 for explanations and impacts).

Income statement indicators are explained in Note 2.S.

Statements of profit or loss and other comprehensive income

In millions of euros	Notes	2013 Adjusted (*)	2014
NET PROFIT OR LOSS		**137**	**240**
Currency translation adjustment		(208)	83
Effective portion of gains and losses on hedging instruments in a cash flow hedge		4	0
Change in fair value resulting from "Available-for-sale financial assets"		(4)	(2)
Other comprehensive income that will be reclassified subsequently to profit or loss		***(208)***	***81***
Actuarial gains and losses on defined benefit plans, net of deferred taxes		1	(11)
Other comprehensive income that will never be reclassified subsequently to profit or loss		***1***	***(11)***
Other comprehensive income, net of tax	29	**(207)**	**69**
TOTAL PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		**(70)**	**309**
Profit or loss and other comprehensive income, Group share		**(75)**	**295**
Profit or loss and other comprehensive income, Minority interests		5	14

(*) The financial statements have been restated to exclude the impact of the January 1, 2014 adoption of IFRS 11 – Joint Arrangements, which has been applied retrospectively to all periods presented (see Note 2 for explanations and impacts).
Note: the amounts in the table are in millions of euros. The sum of these amounts may be slightly different from the totals shown due to rounding differences.

Statements of financial position

Assets

ASSETS In millions of euros	Notes	Dec. 2012 Adjusted (*)	Dec. 2013 Adjusted (*)	2014
GOODWILL	19	**823**	**691**	**701**
INTANGIBLE ASSETS	20	**263**	**281**	**283**
PROPERTY, PLANT AND EQUIPMENT	21	**2 542**	**2 396**	**3 157**
Long-term loans	22	147	98	133
Investments in associates	23	306	276	324
Other financial investments	24	222	174	129
TOTAL NON-CURRENT FINANCIAL ASSETS		**675**	**548**	**586**
Deferred tax assets	17	153	149	68
TOTAL NON-CURRENT ASSETS		**4 456**	**4 065**	**4 795**
Inventories	25	46	41	28
Trade receivables	25	390	379	417
Other receivables and accruals	25	512	473	461
Receivables on disposals of assets	30 & 31	48	41	14
Short-term loans	30 & 31	32	30	16
Cash and cash equivalents	30 & 31	1 863	1 913	2 677
TOTAL CURRENT ASSETS		**2 891**	**2 877**	**3 613**
Assets held for sale	33	156	61	347
TOTAL ASSETS		**7 503**	**7 003**	**8 755**

(*) The financial statements have been restated to exclude the impact of the January 1, 2014 adoption of IFRS 11 – Joint Arrangements, which has been applied retrospectively to all periods presented (see Note 2 for explanations and impacts).

Equity and Liabilities

EQUITY AND LIABILITIES In millions of euros	Notes	Dec. 2012 Adjusted (*)	Dec. 2013 Adjusted (*)	2014
Share capital		682	684	696
Additional paid-in capital and reserves		2 682	1 728	1 848
Net profit or loss, Group share	26	(599)	126	223
Ordinary Shareholders' Equity, Group Share		**2 765**	**2 538**	**2 767**
Hybrid capital		-	-	887
SHAREHOLDERS' EQUITY, GROUP SHARE		**2 765**	**2 538**	**3 654**
Minority interests	28	228	214	213
TOTAL SHAREHOLDERS' EQUITY AND MINORITY INTERESTS		**2 993**	**2 752**	**3 867**
Other long-term financial debt	30 & 31	1 478	1 651	2 722
Long-term finance lease liabilities	30 & 31	56	48	62
Deferred tax liabilities	17	119	118	41
Non-current provisions	34	122	108	133
TOTAL NON-CURRENT LIABILITIES		**1 775**	**1 925**	**2 958**
Trade payables	25	569	599	690
Other payables and income tax payable	25	1 120	946	966
Current provisions	34	185	244	172
Short-term debt and finance lease liabilities	30 & 31	806	494	82
Bank overdrafts and liability derivatives	30 & 31	19	17	-
TOTAL CURRENT LIABILITIES		**2 699**	**2 300**	**1 910**
Liabilities associated with assets classified as held for sale	33	36	26	20
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**7 503**	**7 003**	**8 755**

(*) The financial statements have been restated to exclude the impact of the January 1, 2014 adoption of IFRS 11 – Joint Arrangements, which has been applied retrospectively to all periods presented (see Note 2 for explanations and impacts).

Consolidated Cash Flow Statements

	In millions of euros	Notes	2013 Adjusted (*)	2014
+	EBITDA	8	846	923
+	Net financial expense	11	(90)	(52)
+	Income tax expense		(131)	(151)
-	Non cash revenue and expense included in EBITDA		20	11
-	Elimination of provision movements included in net financial expense and non-recurring taxes		45	25
+	Dividends received from associates		13	13
+	Impact of discontinued operations		4	(2)
=	**Funds from operations excluding non-recurring transactions**	35	**707**	**767**
+	Decrease (increase) in operating working capital	36	136	103
+	Impact of discontinued operations	36	5	6
=	**Net cash from operating activities**		**848**	**875**
+	Cash received (paid) on non-recurring transactions (included restructuring costs and non-recurring taxes)		(145)	(186)
+	Decrease (increase) in non-operating working capital (1)		(185)	-
+	Impact of discontinued operations		(2)	-
=	**Net cash from operating activities including non-recurring transactions (A)**		**516**	**689**
-	Renovation and maintenance expenditure	37	(264)	(262)
-	Development expenditure	38	(190)	(1 313)
+	Proceeds from disposals of assets		334	128
+	Impact of discontinued operations		1	-
=	**Net cash used in investments/ divestments (B)**		**(120)**	**(1 447)**
+	Proceeds from issue of share capital		13	106
-	Dividends paid		(187)	(197)
+	Issue of hybrid capital		-	887
-	Repayment of long-term debt		(4)	(17)
-	Payment of finance lease liabilities		(7)	(1)
+	New long term debt		607	1 123
=	**Increase (decrease) in long-term debt**		**596**	**1 106**
+	Increase (decrease) in short-term debt		(725)	(398)
+	Impact of discontinued operations		(2)	1
=	**Net cash from financing activities (C)**		**(305)**	**1 505**
+	Effect of changes in exchange rates (D)		(37)	37
=	**Net change in cash and cash equivalents (E)=(A)+(B)+(C)+(D)**		**54**	**784**

-	Cash and cash equivalents at beginning of period		1 844	1 896
-	Effect of changes in fair value of cash and cash equivalents		5	-
-	Net change in cash and cash equivalents for discontinued operations		(7)	(4)
+	Cash and cash equivalents at end of period	31	1 896	2 677
=	**Net change in cash and cash equivalents**		**54**	**784**

(*) The financial statements have been restated to exclude the impact of the January 1, 2014 adoption of IFRS 11 – Joint Arrangements, which has been applied retrospectively to all periods presented (see Note 2 for explanations and impacts).

(1) In 2013, this amount corresponds to the payment of 'precompte' dividend withholding tax for €184.7 million (see Note 40.2).

Changes in Consolidated Shareholders' Equity

In millions of euros	Number of shares outstanding	Share capital	Additional paid-in capital	Currency translation reserve (1)	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, 2013	**227 277 972**	**682**	**1 318**	**79**	**(4)**	**(49)**	**148**	**591**	**2 765**	**230**	**2 995**
Changes in accounting policies (*)	-	-	-	-	-	-	-	-	-	**(2)**	**(2)**
Restated January 1, 2013 (*)	**227 277 972**	**682**	**1 318**	**79**	**(4)**	**(49)**	**148**	**591**	**2 765**	**228**	**2 993**
Issue of share capital											
- Performance share grants	**202 988**	1	-	-	-	-	-	(1)	**-**	**-**	**-**
- On exercise of stock options	**572 142**	2	10	-	-	-	-	-	**12**	**1**	**13**
Dividends paid in cash (3)	-	-	-	-	-	-	-	(173)	**(173)**	**(15)**	**(187)**
Change in reserve related to employee benefits	-	-	-	-	-	-	14	-	**14**	**-**	**14**
Effect of scope changes	-	-	-	-	-	(0)	-	(4)	**(5)**	**(7)**	**(11)**
Other Comprehensive Income	-	**-**	**(199)**	**(202)**	**0**	**1**	**-**	**199**	**(201)**	**(6)**	**(207)**
Net Profit	-	-	-	-	-	-	-	126	**126**	**11**	**137**
Total Profit and other comprehensive Income	-	**-**	**(199)**	**(202)**	**0**	**1**	**-**	**325**	**(75)**	**5**	**(70)**
Restated December 31, 2013 (*)	**228 053 102**	**684**	**1 129**	**(123)**	**(4)**	**(48)**	**162**	**737**	**2 538**	**214**	**2 752**
Issue of share capital											
- Performance share grants	**203 015**	1	-	-	-	-	-	(1)	**-**	**-**	**-**
- On exercise of stock options	**1 684 989**	5	41	-	-	-	-	-	**46**	**(0)**	**46**
Issue of hybrid capital (2)	-	-	-	-	-	-	-	887	**887**	**-**	**887**
Dividends paid (3)	**1 895 293**	6	54	-	-	-	-	(183)	**(123)**	**(13)**	**(137)**
Change in reserve related to employee benefits	-	-	-	-	-	-	10	-	**10**	**-**	**10**
Effect of scope changes	-	-	-	-	-	1	-	0	**1**	**(0)**	**1**
Other Comprehensive Income	-	**-**	**(76)**	**86**	**(2)**	**(11)**	**-**	**75**	**72**	**(3)**	**69**
Net Profit	-	-	-	-	-	-	-	223	**223**	**17**	**240**
Total Profit 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**	**1 738**	**3 654**	**213**	**3 867**

(*) The financial statements have been restated to exclude the impact of the January 1, 2014 adoption of IFRS 11 – Joint Arrangements, which has been applied retrospectively to all periods presented (see Note 2 for explanations and impacts).

Note: the amounts in the table are in millions of euros. The sum of these amounts may be slightly different from the totals shown due to rounding differences.

(1) Exchange differences on translating foreign operations between December 31, 2013 and December 31, 2014, representing a positive impact of €86 million, mainly concern changes in exchange rates against the euro of the US Dollar (€95 million positive impact), the Australian Dollar (€19 million positive impact), the Pound Sterling (€21 million positive impact), the Polish Zloty (€7 million negative impact) and the Chinese Yuan (€34 million negative impact).

Exchange differences on translating foreign operations between December 31, 2012 and December 31, 2013, representing a negative impact of €202 million, mainly concern changes in exchange rates against the euro of the Australian Dollar (€85 million negative impact), the US Dollar (€41 million negative impact), the Brazilian Real (€40 million negative impact) and the Argentinian Peso (€11 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 2013	1,3791	1,5423	4,1543	0,8337	8,3491
December 2014	1,2141	1,4829	4,2732	0,7789	7,5358

(2) On June 30, 2014, Accor issued €887 million (net of transaction costs) worth of perpetual subordinated notes (see Note 3.G. for details).

(3) The 2012 and 2013 dividends were as follows:

In euros	2012	2013	2014 (*)
Dividend per share	**0,76**	**0,80**	**0,95**
Special dividend per share	**N/A**	**N/A**	**N/A**

(*) Ordinary dividend per share recommended by the Board of Directors to the Annual Shareholders' Meeting of April 28, 2015.

Part of the 2013 dividend was paid in cash and part in stock.

Number of Accor's shares is detailed as follows:

Details on shares	2013	2014
Total number of shares authorized	228 053 102	231 836 399
Number of fully paid shares issued and outstanding	228 053 102	231 836 399
Number of shares issued and outstdanding not fully paid	-	-
Per value per share (in euros)	3	3
Treasury stock	-	-
Number of shares held for allocation on exercise of stock options and grants	-	-

Number of outstanding shares and number of potential shares that could be issued breaks down as follows:

Number of issued shares at January 1, 2014	**228 053 102**
Performance shares granted	203 015
Shares issued on exercise of stock options	1 684 989
Shares issued in payment of dividends	1 895 293
Number of issued shares at December 31, 2014	**231 836 399**
Accor's share capital at December 31, 2014	**231 836 399**
Shares in treasury	-
Outstanding shares at December 31, 2014	**231 836 399**
Stock option plans (see Note 26.3)	4 521 862
Performance shares plans (see Note 26.3)	817 503
Potential number of shares	**237 175 764**

Full conversion would have the effect of reducing debt at December 31, 2014 as follows:

	In millions of euros
Theoretical impact of exercising stock options (*)	123
Theoretical impact on net debt of exercising all equity instruments	**123**

(*) assuming exercise of all options outstanding

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

Outstanding shares at December 31, 2014		**231 836 399**
Effect of share issues on the weighted average number of shares		(48 207)
Adjustment for stock option plans exercised during the period		(756 686)
Effect of stock dividends on weighted average number of shares		(799 658)
Weighted average number of ordinary shares during the period	**(See Note 26)**	**230 231 848**
Impact of dilutive stock options plans at December 31, 2014		1 208 686
Impact of dilutive performance shares at December 31, 2014		375 168
Weighted average number of shares used to calculate diluted earning per share		**231 815 702**

Contents

Notes to the Consolidated Financial Statements

Note 1. Management Ratios

A. Key Management Ratios

	Note	Dec. 2013 Adjusted (*)	Dec. 2014 (*)
Gearing	(a)	8,2%	4,1%
Adjusted Funds from Ordinary Activities / Adjusted Net Debt	(b)	31,1%	34,2%
Return On Capital Employed	(c)	14,0%	14,6%
Economic Value Added (EVA) (in millions of euros)	(d)	160	215

(*) Based on continuing operations: i.e. excluding the Onboard Train Services business reclassified as a discontinued operation and restated to exclude the impact of the January 1, 2014 adoption of IFRS 11 – Joint Arrangements, which has been applied retrospectively to all periods presented.

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

Note (b): Adjusted Funds from Ordinary Activities / Adjusted Net Debt is calculated as follows, corresponding to the method used by the main rating agencies:

	Note	Dec. 2013 Adjusted (*)	Dec. 2014 (*)
Net debt at end of the period (see Note 31)		**226**	**159**
Restatement of perpetual subordinated notes	(1)	-	443
Restatement of the debt of sold and acquired businesses prorated over the period	(2)	78	(160)
Average net debt		**304**	**442**
Rental commitments discounted at 7%	(3)	2 649	2 453
Total Adjusted net debt		**2 953**	**2 895**
Funds from Ordinary Activities		**703**	**769**
Rental amortization (see Note 7.C)		216	221
Adjusted Funds from Ordinary Activities		**919**	**990**
Adjusted Funds from Ordinary Activities / Adjusted Net Debt		**31,1%**	**34,2%**

(*)Based on continuing operations: i.e. excluding the Onboard Train Services business reclassified as a discontinued operation and restated to exclude the impact of the January 1, 2014 adoption of IFRS 11 – Joint Arrangements, which has been applied retrospectively to all periods presented.

(1) For the calculation of the ratio, the perpetual subordinated notes (see Note 3.G) have been allocated for 50% to debt and for 50% to equity in line with the treatment applied by the rating agencies.

(2)

a. At December 31, 2014, including a €(643) million adjustment related to the acquisition of hotel portfolios from Moor Park, Axa Real Estate, Tritax and the interest in Mama Shelter (see Notes 3.B.1 to 3.B.4), a €443 million adjustment for the June 2014 perpetual subordinated notes issue (see Note 3.G.) and a €37 million adjustment for disposals.

b. At December 31, 2013, including €126 million in adjustments for disposals and a €(48) million adjustment related to the ''precompte'' dividend withholding tax refund paid back to the French State (see Note 40.2).

(3) Rental commitments correspond to the amounts presented in Note 7.C. They do not include any variable or contingent rentals. The 7% rate is the rate used by Standard & Poor's.

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

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

2013 and 2014 Economic Value Added (EVA) have been calculated as follows:

		Dec. 2013 Adjusted (*)	Dec. 2014 (*)
Weighted Average Cost of Capital (WACC)		**8,80%**	**8,57%**
ROCE after tax	(1)	**11,34%**	**11,82%**
Capital Employed (in millions of euros)		**6 314**	**6 633**
Economic Value Added (in millions of euros)	(2)	**160**	**215**

(*) Based on continuing operations: i.e. excluding the Onboard Train Services business reclassified as a discontinued operation and restated to exclude the impact of the January 1, 2014 adoption of IFRS 11 – Joint Arrangements, which has been applied retrospectively to all periods presented.

1) ROCE after tax is determined as follows:

$$\frac{\text{Adjusted EBITDA} - [(\text{Adjusted EBITDA} - \text{depreciation, amortization and provisions}) \times \text{tax rate}]}{\text{Capital employed}}$$

For example, at December 31, 2014 the data used in the formula were as follows:

Adjusted EBITDA	€969 million (see ROCE hereafter)
Depreciation, amortization and provisions (12 month)	€321 million
Effective current tax rate	28.5% (see Note 17.2)
Average capital employed	€6,633 million (see ROCE hereafter)

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

A 0.1 point increase or decrease in the Beta would have had a €41 million impact on December 2014 EVA, a €38 million impact on December 2013 EVA.

B. Return On Capital Employed (ROCE)

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 2013 and 2014 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		Dec. 2013 Adjusted (*)	Dec.2014 (*)
Capital employed		6 511	6 911
Adjustments on capital employed	(a)	(198)	(283)
Effect of exchange rate on capital employed	(b)	1	5
Average Capital Employed		**6 314**	**6 633**
EBITDA		846	923
Interest income on external loans and dividends		19	13
Share of profit of associates before tax (see Note 12)		18	33
Published Adjusted EBITDA		**883**	**969**
ROCE (Adjusted EBITDA/Capital Employed)		**14,0%**	**14,6%**

(*) Based on continuing operations: i.e. excluding the Onboard Train Services business reclassified as a discontinued operation and restated to exclude the impact of the January 1, 2014 adoption of IFRS 11 – Joint Arrangements, which has been applied retrospectively to all periods presented.

(a) 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.

(b) 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 Accor Group consolidated financial statements for the year ended December 31, 2014, have been prepared in accordance with the International Financial Reporting Standards (IFRSs) adopted by the European Union as of that date. They include comparative 2013 annual financial information, prepared in accordance with the same standards.

At December 31, 2014, 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, with the exception of IFRIC 21 – Levies. This interpretation is applicable in Europe in financial periods beginning on or after January 1, 2015 and the Group has decided to apply it as from that date. The effects of applying this interpretation on the consolidated financial statements taken as a whole will not be material. 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 following new standards and amendments to existing standards adopted by the European Union were applicable from January 1, 2014:

- IFRS 10 – Consolidated Financial Statements, IFRS 11 – Joint Arrangements, IFRS 12 – Disclosure of Interests in Other Entities, IAS 27R – Separate Financial Statements, IAS 28R – Investments in Associates and Joint Ventures, and their amendments. These standards introduce a new definition of control and no longer allow joint ventures to be consolidated by the proportionate method. Consequently, joint arrangements that are classified as joint ventures are now accounted for by the equity method, which is now the only recognized method. For joint arrangements that are classified as joint operations, the Group accounts for its contractual share of the assets and liabilities, revenues and expenses of the joint operation on the corresponding lines of the consolidated statement of financial position and income statement. The following companies are qualified as joint ventures based on the criteria in IFRS 11: Adagio, Reef Casinos and Société Immobilière d'Exploitation Hôtelière Algérienne. These companies have been accounted for by the equity method as from January 1, 2014. They were all previously consolidated by the proportionate method.

The first-time adoption of these standards represented a change in accounting policy under IAS 8 and the new policy has therefore been applied retrospectively to all periods presented. The effects on the consolidated financial statements are as follows:

In millions of euros	Dec. 2013 Published	Impact IFRS 11	Dec. 2013 Adjusted
Consolidated revenue	**5 536**	**(111)**	**5 425**
Operating Expense	(3 777)	83	(3 694)
EBIT	**536**	**(15)**	**521**
Net financial expense	(92)	2	(90)
Share of profit of associates after tax	2	9	11
Operating Profit before tax and non recurring items	**446**	**(4)**	**442**
Operating Profit before tax	**259**	**(3)**	**256**
Income tax expense	(121)	1	(120)
Net Profit or Loss	**139**	**(2)**	**137**
Net Profit or Loss, Group Share	**126**	**-**	**126**

In millions of euros	Dec. 2012 Published	Impact IFRS 11	Dec. 2012 Adjusted	Dec. 2013 Published	Impact IFRS 11	Dec. 2013 Adjusted
Goodwill	**840**	**(17)**	**823**	**707**	**(16)**	**691**
Intangible assets	**264**	**(1)**	**263**	**283**	**(2)**	**281**
Propoerty, plant and equipment	**2 592**	**(50)**	**2 542**	**2 448**	**(52)**	**2 396**
Financial assets	**632**	**43**	**675**	**502**	**46**	**548**
Deferred tax assets	151	2	153	148	1	149
Current assets	**2 925**	**(34)**	**2 891**	**2 911**	**(34)**	**2 877**
Assets held for sale	156	-	156	61	-	61
Total Assets	**7 560**	**(57)**	**7 503**	**7 060**	**(57)**	**7 003**
Share capital	682	-	682	684	-	684
Additional paid-in capital and reserves	2 682	-	2 682	1 729	(1)	1 728
Net profit or loss, Group share	(599)	-	(599)	126	-	126
Minority interests	230	(2)	228	217	(3)	214
Total shareholder's equity and minority interests	**2 995**	**(2)**	**2 993**	**2 756**	**(4)**	**2 752**
Non-current liabilities	**1 793**	**(18)**	**1 775**	**1 945**	**(20)**	**1 925**
Current liabilities	**2 736**	**(37)**	**2 699**	**2 333**	**(33)**	**2 300**
Liabilitites associated with assets classified as held for sale	36	-	36	26	-	26
Total Liabilities	**7 560**	**(57)**	**7 503**	**7 060**	**(57)**	**7 003**

- Amendment to IAS 32 – Offsetting Financial Assets and Financial Liabilities, which clarifies IAS 32's offsetting requirements. As Accor does not offset financial assets and financial liabilities, this amendment has no impact on the consolidated financial statements.

- Amendment to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting. This amendment provides an exception to IAS 39's requirement to discontinue hedge accounting in situations where derivatives designated in hedging relationships are directly or indirectly novated to a central counterparty as a consequence of laws or regulations. This amendment has no impact on the consolidated financial statements.

Assessment of the potential impact on the consolidated financial statements of future standards, amendments to existing standards and interpretations of existing standards.

The Group did not early adopt the following standards, amendments and interpretations adopted or in the process of being adopted by the European Union at December 31, 2014 and applicable after that date:

Standard or Interpretation		Application Date (period beginning on or after)	Measurement of the possible impact on the Accor Group consolidated financial statements in the period of initial application
IFRS 9	"Financial Instruments''	01/01/2018*	Impacts on the consolidated financial statements being analyzed
IFRS 15	"Revenue from Contracts with Customers''	01/01/2017*	
IFRS 14	"Regulatory Deferral Accounts"	01/01/2016*	These standards and amendments to existing standards are currently 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 2010-2012 Cycle		01/01/2016*	
Amendments to IAS 16 and IAS 38	**''Property, Plant and Equipment'' and ''Intangible assets''** - clarification of	01/01/2016*	

Standard or Interpretation		Application Date (period beginning on or after)	Measurement of the possible impact on the Accor Group consolidated financial statements in the period of initial application
	acceptable methods of depreciation and amortisation		
Amendment to IFRS 11	"Accounting for Acquisitions of Interests in Joint Operations"	01/01/2016*	These standards and amendments to existing standards are currently not expected to have a material impact on the consolidated financial statements.
Amendment to IAS 19	"Defined Benefit Plans: Employee Contributions	07/01/2014*	
Annual Improvements to IFRS 2010-2012 Cycle		07/01/2014*	
Annual Improvements to IFRS 2011-2013 Cycle		07/01/2014*	
IFRIC 21	"Levies''	01/01/2014**	The estimated impact on opening equity at January 1, 2015 is estimated at €4 million. The impact on net profit at June 30, 2014 is estimated at €(9) million and the impact on the 2014 annual financial statements at €(0) million.

* Standard, amendment or interpretation not yet adopted for use in the European Union.
** These standards are applicable in the European Union for annual periods beginning after January 1, 2015, with early adoption allowed from January 1, 2014.

First-time adoption of IFRSs

The following options adopted by Accor in the opening IFRS statement of financial position at the IFRS transition date (January 1, 2004) in accordance with IFRS 1, continue to have a material impact on the consolidated financial statements:

- Business combinations recorded prior to January 1, 2004 were not restated.
- Cumulative translation differences at the transition date were reclassified in retained earnings.
- Property, plant and equipment and intangible assets were not measured at fair value at the transition date.

Basis for preparation of the financial 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 2014.

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 Accor 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 2014 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 Accor Group hotels. In most cases, they are wholly owned by Accor 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, Accor 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, Accor 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, Accor 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 Accor 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, Accor 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 Accor generally acquires the right to manage the hotels concerned. In most cases, Accor 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 Accor exercises significant influence, directly or indirectly, are qualified as associates and are accounted for by the equity method in the consolidated financial statements.

Accor 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 Accor to a seat on the real estate company's Board, and Accor 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

Applicable since January 1, 2010, IFRS 3 (revised) "Business Combinations" and IAS 27 (revised) "Consolidated and Separate Financial Statements" have led the Group to alter its accounting treatment of business combinations and transactions with non-controlling interests carried out on or after this date, as follows:

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 or as soon as the necessary information to identify and value the assets and liabilities has been obtained. 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<0}

As part of its strategy, the Group may acquire hotels that were previously operated under leases. 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 Accor.
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 and jointly controlled entities 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.

Accor 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, Accor 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 7.

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.

<u>Description of the methods:</u>

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.

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.

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, 2014 financial statements in respect of previously recognized payroll costs amounts to €18.8 million; it amounted to €10.5 million at December 31, 2013.

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.

Since January 1, 2010, deferred tax assets of acquired companies that are not recognized at the time of the business combination or during the measurement period are recognized in profit or loss without adjusting goodwill if they arise from a post-acquisition event.

In France, the "*taxe professionnelle*" local business tax was replaced in the 2010 Finance Act by the "*Contribution Economique Territoriale*" 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"). In its 2012 and 2013 financial statements, Accor 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 2014, the Group therefore recognized additional income tax expense of €3.7 million in its financial statements in respect of the 2013 dividends paid in 2014. In 2013, the Group recognized additional income tax expense of €5.2 million in its financial statements in respect of the 2012 dividends paid in 2013.

M. Share-based payments

M.1. Share-based payments

Stock Option Plans

Accor 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, 2014. 12 of these plans do not have any specific vesting conditions except for the requirement for grantees to continue to be employed by the Group at the starting date of the exercised period:

- For eight plans, grantees must still be employed by the Group at the starting date of the exercise period.
- Four 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 dates on which the Board of Directors approved these plans.

Under IFRS 2, vesting conditions, other than market conditions, are not taken into account when estimating the fair value of the options but are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount, so that, ultimately, the amount recognized for goods and services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

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 Accor 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 Accor opening share price on the grant date less the present value of dividends unpaid multiplied by the number of shares issued.

M.2. Treasury stock

Accor shares held by the Company and/or subsidiaries are recognized as a deduction from equity.

Gains and losses on sales of treasury stock (and the related tax effect) are recognized directly in equity without affecting profit. No impairment losses are recognized on treasury stock.

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 Accor 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, along with the related tax effect.

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 solely to hedge exposures to changes in interest rates and exchange rates.

They are measured at fair value. Changes in fair value are recognized in profit, except for instruments qualified as cash flow hedges (hedges of variable rate debt) for which changes in fair value are recognized in equity.

The fair value of interest rate derivatives is equal to the present value of the instrument's future cash flows, discounted at the interest rate for zero-coupon bonds.

The fair value of currency derivatives is determined based on the forward exchange rate at the period-end.

N.3. Financial liabilities hedged by derivative instruments

Financial liabilities hedged by derivative instruments qualify for hedge accounting. The derivative instruments are classified as either fair value hedges or cash flow hedges.

Financial liabilities hedged by fair value hedges are measured at fair value, taking into account the effect of changes in interest rates. Changes in fair value are recognized in profit and are offset by changes in the fair value of the hedging instrument.
Financial liabilities hedged by cash flow hedges are measured at amortized cost. Changes in the fair value of the hedging instrument are accumulated in equity and are reclassified into profit in the same period or periods during which the financial liability affects profit.

N.4. Bank borrowings

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

N.5. 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 Accor

IAS 32 "Financial Instruments: disclosures and presentation" requires that the value of the financial commitment represented by put options granted by Accor to minority interests in subsidiaries, be recognized as a debt. The difference between the debt and the related minority interests in the 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.

For put options granted before January 1, 2010, 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:

a) Level 1: fair value measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities;

b) 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);

c) 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 Accor 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.

The consolidated financial statements at December 31, 2014 have been prepared under the responsibility of Accor’s Chairman and Chief Executive Officer. They were approved by the Board of Directors of February 17, 2015.

Note 3. Significant Events and Changes in Scope of Consolidation

A. Strategy

On November 27, 2013, led by newly appointed Chairman and Chief Executive Officer Sébastien Bazin, Accor decided to redefine its business model around two strategic businesses:

- Hotel operator and brand franchiser HotelServices, with a business model focused on generating revenue from fees and optimizing the income statement.
- Hotel owner and first investor in Europe HotelInvest, with a business model aimed at improving the return on assets and optimizing the statement of financial position.

The new structure reaffirms the strategic nature of Accor's two traditional areas of expertise – asset management and owner services – by separating the relevant functions, responsibilities and objectives to build a more efficient business model. The hotels owned by HotelInvest (owned or leased hotels) are operated by HotelServices under management contracts.

HotelServices' main challenges are to:

- Implement a business model based on generating fees, with a portfolio of services adapted to owners' needs, focusing on contract profitability and optimizing cost management to enhance the financial performance of Accor and its partners.
- Optimize sales and marketing strategies, with projects in such areas as customer relationship management, loyalty programs and, more generally, digital services to enable more agile revenue management and more effective use of distribution channels, including online travel agencies (see Note A.1 below).
- Strengthen the brands, which have now been reorganized into three segments: Luxury & Upscale, which focuses on service excellence and a development strategy that targets high-profile hotels in strategic cities; Midscale, where a particular emphasis is placed on innovation to more effectively differentiate the brands; and Economy, where the aim is to capitalize on the successful creation of the ibis megabrand to accelerate the growth, consolidate market leadership and capitalize on economies of scale.

HotelInvest's main challenges are to:

- Strengthen its position as the leading hotel investor in the economy and midscale segments in Europe, with strategic positions in emerging markets.
- Optimize cash flow generation and reduce earnings volatility, particularly by reducing the number of lease contracts. To achieve this objective, certain hotels could be subject to restructuring and lease contracts 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 Accor has already made a commitment.
- Manage and rationalize the asset portfolio, with a focus on value creation through the strategic allocation of capital expenditure.
- Support the Group's growth strategy, by holding a selective portfolio of profitable hotel property assets.

With this new strategy, Accor has a solid base for maximizing operational performance and creating value for shareholders and all other stakeholders.

Deployment of this strategy during 2014 led to:

- Changes in the presentation of segment information in the consolidated financial statements (see Note 39)
- Reallocation of goodwill to the two businesses, based on discounted cash flow projections (see Note 2.E.6).

A.1. Digital Transformation

On October 30, 2014, Accor 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 plan includes eight programs focused on clients (4 programs), partners, employees, IT infrastructure and data management. 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%.

In line with its digital transformation objectives, in 2014 Accor also acquired French start-up Wipolo, which has developed a cutting-edge mobile travel app, for an acquisition price of €1.9 million.

A.2. STRATEGIC ALLIANCE WITH HUAZHU

On December 14, 2014, Accor and Nasdaq-listed Huazhu Hotels Group (also known as China Lodging) announced the signature of a strategic alliance in China. As part of the arrangement, Accor's Economy and Midscale hotels in China will be sold to Huazhu, which will hold an exclusive master franchise agreement for the ibis, ibis Styles, Mercure, Novotel and Grand Mercure brands. Huazhu will also become a minority shareholder in Accor's Luxury and Upscale business in China, with a 10% stake.
In exchange, Accor will receive a 10% interest in Huazhu and a seat on the company's Board of Directors. This major alliance will enable the two groups to accelerate their development, with a medium-term objective of 350 to 400 new hotels under Accor brands. The agreement will also give the members of both partners' loyalty programs access to a combined network of 5,600 hotels worldwide.
The transaction is scheduled for completion in the second half of 2015. As a result, the 12 hotels earmarked for sale were reclassified as "Assets held for sale" at December 31, 2014.

B. HotelInvest

In light of their specific characteristics, all acquisitions of asset portfolios completed during the period have been classified as acquisitions of assets and not as business combinations (see Note 2.B.5). For Accor, all of these the transactions consisted of becoming the owner of hotels that it previously operated under leases.

B.1 ACQUISITION OF AN 86-HOTEL PORTFOLIO FROM MOOR PARK

On May 27, 2014, Accor announced the acquisition by HotelInvest of a portfolio of 86 hotels (11,286 rooms) – 67 in Germany and 19 in the Netherlands – that had been operated by Accor since 2007 under variable leases under the ibis, ibis *budget*, Mercure and Novotel brands. The hotels were acquired at a total cost of €715 million, of which €657 million for the repayment of debt. The vendors are two funds, Moor Park Fund I and II. The transaction was completed on June 30, 2014.
The acquisition price has been allocated to the 86 hotels and other assets and liabilities based on their fair values determined by the rental yield capitalization method applied to each hotel separately.
They include 27 hotels that have been reclassified as "Assets held for sale".

B.2 ACQUISITION OF AN 11-HOTEL PORTFOLIO FROM AXA REAL ESTATE

Accor also announced on May 27, 2014 the acquisition by HotelInvest of a portfolio of 11 Swiss hotels (1,592 rooms) that had been operated by Accor since 2008 under variable leases under the ibis, ibis *budget*, Novotel and MGallery brands. The hotels were acquired at a total cost of €176 million (CHF 219 million), of which €108 million for the repayment of debt. The transaction was completed on June 27, 2014.
The acquisition price has been allocated to the 11 hotels and other assets and liabilities based on their fair values determined by the rental yield capitalization method applied to each hotel separately.
They include one hotel that has been reclassified as "Assets held for sale". (See Note 46)

B.3. ACQUISITION OF A 13-HOTEL PORTFOLIO FROM TRITAX

On August 21, 2014, Accor's HotelInvest division signed an agreement for the acquisition of 13 hotels (1,194 rooms) in the United Kingdom for €89 million (GBP 71 million). The hotels concerned had been operated by Accor since 2001 under variable leases under the ibis and ibis *budget* brands. The transaction was completed on December 22, 2014.
The acquisition price has been allocated to the 13 hotels and other assets and liabilities based on their fair values as determined by an independent expert.
They include eight hotels that the Group expects to sell in the first half of 2015, which has been reclassified as "Assets held for sale". The forecast loss on the sale, in the amount of €13 million, is covered by a provision recorded under "Gains and losses on the management of hotel properties".

B.4. Acquisition of an Interest in Mama Shelter

On November 13, 2014, Accor acquired a 36.6% stake in hotel company Mama Shelter, via the acquisition of a 20.2% direct interest and a 16.4% indirect interest, for a total of €29 million. The associate is accounted for via the equity method in the Group's accounts for the year ended December 31, 2014 and recorded at cost in accordance with paragraph 10 of IAS 28. The acquisition of an interest in Mama Shelter will enable Accor to expand its offering to include a modern "lifestyle" brand that has a particularly well-performing and attractive food services component. The objective is to open around 20 new Mama Shelter hotels over the next five years.
Accor has a call option on all outstanding Mama Shelter shares, exercisable in 2020. If Accor does not exercise this option, its partners will also have call options on all Mama Shelter shares, including those held by Accor. The options are not valued in Accor's financial statements.

B.5 Transfer to Orbis of the management of Accor's Central European operations

On October 21, 2014, Accor offered to transfer management of its Central European operations to Orbis.
Under the terms of the agreement signed on January 7, 2015, Orbis takes over all of Accor's operations in the region, including in Poland, Hungary, the Czech Republic, Slovakia, Romania, Bulgaria and Macedonia. Its task is to develop all of Accor's hotel banners in the region through a master franchise agreement for all of the Group's brands. Orbis acquired Accor's 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 currently in the pipeline.
Orbis is 52.7%-owned by Accor and is fully consolidated.

B.6 Accor's interest in Reef Casino in Australia

In February 2014, Accor announced the sale of its interest in Reef Casino in Australia for AU$ 85 million (€55.5 million). The corresponding investments in associates – including goodwill – had therefore been reclassified as "Assets held for sale" at June 30, 2014, for a total of €36 million. The transaction was subject to administrative approvals, which were not obtained. The corresponding investments in associates – as well as the goodwill allocated to those investments – were therefore no longer classified as "Assets held for sale" in the December 31, 2014 accounts.

B.7. Sale of Accor's stake in Onboard train services

In 2010 and 2012, Accor sold Compagnie des Wagons Lits' onboard rail catering businesses in France, Austria and Portugal and part of the Italian business. The Italian Onboard Day Train Services business remained classified under "Assets held for sale" at December 31, 2014 (see Note 33) in view of the ongoing liquidation of the company. The remaining amounts involved are not material.

B.8. Other real estate transactions

To meet its strategic goals, HotelInvest is rationalizing the hotel portfolio through restructuring and disposal programs.

The main real estate transactions carried out by the Group at December 31, 2014 are as follows:

2014	Number of transactions	Sale price	Debt impact	Adjusted debt impact
"Sale & Variable Leaseback" transactions	2	8	(3)	2
"Sale & Management-back" transactions	3	35	30	30
"Sale & Franchise-back" transactions and outright sales	43	83	82	105
TOTAL	48	126	109	137

"Sale & Variable Lease Back" transactions consisted of selling the hotel property while continuing to manage the business, under a variable-rent lease based on a percentage of revenue without any guaranteed minimum. Following adoption of the HotelInvest strategy (see Note 3 A), the practice of leasing hotels has been discontinued, with only the transactions in progress being finalized. In addition, negotiations are conducted with hotel owners to convert fixed-rent leases into variable rent leases.

At the end of December 2014, Accor paid €10 million to the consortium of French institutional investors in the OPCI property investment fund managed by ATREAM under the performance bond issued in connection with a 2009 “Sale & Variable Lease Back” transaction. This amount was provided for in full in the 2009 consolidated financial statements and the payment had no net impact on 2014 results.
Accor also received additional consideration on the sale of the Paris La Défense Pullman (profit impact: €7 million; net debt impact: €7 million).

“Sale and Management Back” transactions consist of selling the hotel properties while continuing to manage the business, retaining a minority interest depending on the circumstances.
At December 31, 2014, the main transactions concerned the sale of the Venice MGallery in Italy (profit impact: €7 million; net debt impact: €12 million), additional consideration received on the sale of the New York Novotel in the United States (profit impact: €6 million; net debt impact: €6 million) and the sale of the Edinburgh Centre St Andrew Square Ibis Styles in the United Kingdom (profit impact: €0; net debt impact: €16 million).

“Sale & Franchise Back” transactions and outright sales consist of selling hotels, through outright asset sales, lease terminations at or before the expiry date and sale & franchise-back transactions.
The main ‘’Sale and Franchise Back’’ transactions carried out in 2014 were as follows:

- Individual sales of five ibis hotels in China (profit impact: €3 million; net debt impact: €15 million).
- Individual sales of seven ibis hotels in France (profit impact: €7 million; net debt impact: €12 million).
- Sale of the interest in the New York Sofitel (profit impact within the share of profit of associates (See Note 12): €17 million; net debt impact: €17 million).
- Sale of the Montreal West Novotel (profit impact: €(1) million; net debt impact: €6 million).

The main real estate transactions carried out by the Group in 2014 were as follows:

- The separate acquisitions of 4 ibis hotels in the United Kingdom, Germany and France for a total of €58 million;
- The acquisition of a portfolio of 2 ibis and 1 Mercure hotels in France (Graff) for a total of €40 million.

C. Transactions carried out in prior periods

ACCOR SELLS ITS 19.4% STAKE IN TAHL IN 2013

In November 2013, Accor sold its 19.4% stake in the Tourism Asset Holdings Ltd. (TAHL), Australia’s largest hotel owning Company, to the Abu Dhabi Investment Authority (ADIA) for a value of AU$66 million (€46 million), and a repayment of AU$76 million (€53 million) loans.
At the end of December 2013, the impact of this transaction amounts to €2 million on net result and the transaction enabled Accor to reduce adjusted net debt by a cumulative €101 million.

TAHL owned 31 hotels in Australia (4,097 rooms), all of which are operated by Accor through lease or management contracts under the ibis, ibis *budget*, ibis Styles, Mercure, Novotel and Pullman brands.

OTHER REAL ESTATE TRANSACTIONS IN 2013

A total of 53 hotels were sold or restructured in 2013, leading to a €408 million reduction in adjusted net debt and a €331 million increase in cash.

2013	Number of transactions	Sale price	Debt impact	Adjusted debt impact
"Sale & Variable Leaseback" transactions	9	15	10	21
"Sale & Management-back" transactions	12	160	141	166
"Sale & Franchise-back" transactions and outright sales	32	152	180	221
TOTAL	53	327	331	408

D. Organic growth: Hotel portfolio and pipeline

The Group is pursuing its expansion plan in line with its strategy. During 2014, the Group added 208 hotels (29,556 rooms) to its portfolio through acquisitions and organic growth. In addition, 67 hotels (8,610 rooms) were closed during the period.

Hotel portfolio by segment and type of management at December 31, 2014

December 31, 2014	Managed		Franchised		HotelInvest (Owned and leased)		Total	
	Nb Hotels	Nb Rooms	Nb Hotels	Nb Rooms	Nb Hotels	Nb Rooms	Nb Hotels	Nb Rooms
Luxury and Upscale	204	49 964	78	9 305	59	11 812	**341**	**71 081**
Midscale	363	66 335	441	45 248	402	66 482	**1 206**	**178 065**
Economy	263	42 330	986	79 026	888	107 264	**2 137**	**228 620**
Other	27	3 542	1	78	5	910	**33**	**4 530**
Total	**857**	**162 171**	**1 506**	**133 657**	**1 354**	**186 468**	**3 717**	**482 296**
Total in %	*23,1%*	*33,6%*	*40,5%*	*27,7%*	*36,4%*	*38,7%*	*100,0%*	*100,0%*

Hotel portfolio by region and type of management at December 31, 2014

December 31, 2014	Managed		Franchised		HotelInvest (Owned and leased)		Total	
	Nb Hotels	Nb Rooms	Nb Hotels	Nb Rooms	Nb Hotels	Nb Rooms	Nb Hotels	Nb Rooms
France	104	12 923	948	70 162	510	57 833	**1 562**	**140 918**
Europe (Excluding France and Mediterranean)	104	14 685	265	29 317	533	80 415	**902**	**124 417**
Africa,Middle East,Mediterranean	120	23 921	85	8 964	147	20 097	**352**	**52 982**
Asia Pacific	403	89 205	150	18 247	68	10 556	**621**	**118 008**
Americas	126	21 437	58	6 967	96	17 567	**280**	**45 971**
Total	**857**	**162 171**	**1 506**	**133 657**	**1 354**	**186 468**	**3 717**	**482 296**
Total in %	*23,1%*	*33,6%*	*40,5%*	*27,7%*	*36,4%*	*38,7%*	*100,0%*	*100,0%*

Hotel portfolio by region and segment at December 31, 2014

In number of hotels	France	Europe (excl. France/ Mediterranean)	Mediterranean Middle East and Africa	Asia Pacific	Americas	Total
Luxury and Upscale	44	40	55	178	24	**341**
Midscale	387	390	130	193	106	**1 206**
Economy	1 130	466	164	228	149	**2 137**
Other	1	6	3	22	1	**33**
Total	**1 562**	**902**	**352**	**621**	**280**	**3 717**
Total in %	*42,0%*	*24,3%*	*9,5%*	*16,7%*	*7,5%*	*100,0%*

In number of rooms	France	Europe (excl. France/ Mediterranean)	Mediterranean Middle East and Africa	Asia Pacific	Americas	Total
Luxury and Upscale	6 635	9 017	11 768	38 007	5 654	**71 081**
Midscale	43 259	57 722	20 324	40 373	16 387	**178 065**
Economy	90 973	56 721	20 514	36 867	23 545	**228 620**
Other	51	957	376	2 761	385	**4 530**
Total	**140 918**	**124 417**	**52 982**	**118 008**	**45 971**	**482 296**
Total in %	*29,2%*	*25,8%*	*11,0%*	*24,5%*	*9,5%*	*100,0%*

Hotel pipeline at December 31, 2014

The number of new rooms in the pipeline represented by ownership at December 31, 2014 and scheduled to be completed in the next four years is as follows:

In number of rooms	Managed	Franchised	HotelInvest (Owned and leased)	Total
Total	**110 790**	**30 369**	**15 029**	**156 188**

E. Colony Capital / Eurazeo

Colony Capital acquired an initial stake in the Accor Group in March 2005 by investing €1 billion in Accor equity notes and convertible bonds that were redeemed for/converted into shares in 2007. In exchange for this investment, Colony was given two seats on the Accor Board of Directors. In May 2008, Colony Capital and investment group Eurazeo announced a five-year shareholders' agreement under which they would increase their combined stake in the Group's capital. The agreement was followed by an increase in Eurazeo's interest in Accor and led to Eurazeo being given a seat on the Accor Board of Directors. In 2009, the concert group represented by Colony Capital and Eurazeo purchased new Accor shares and Eurazeo was given an additional seat on the Accor Board of Directors, raising from three to four the number of directors representing Colony and Eurazeo.

Colony Capital and Eurazeo together held 48,673,442 shares at December 31, 2014, representing 20.99% of the capital and 30.75% of the voting rights. At that date, they no longer had any commitment to hold a minimum number of Accor shares.

F. Bond Issues

During the period, Accor placed the following bond issues:

- February 5, 2014: €750 million 2.625% 7-year bond issue due February 5, 2021, augmenting by €150 million 1.728% 7 year tap issue on September 30, 2014.
- June 27, 2014: CHF 150 million 1.75% 8-year bond issue due June 27, 2022.
- December 18, 2014: €60 million 1.679% 7-year and 2 month bond issue due February 18, 2022.

On February 4, 2014, €402.25 million worth of 7.50% five-year bonds matured and were redeemed. The bonds formed part of a €600 million issue carried out on February 4, 2009, of which €197.75 million was repaid early in 2010 and 2011.

Bond issues carried out and redeemed in first-half 2013 were as follows:

- March 21, 2013: €600 million 2.50% 6-year bond issue due March 21, 2019.
- May 5, 2013: redemption of €393.7 million worth of 6.50% four-year bonds. The bonds formed part of a €600 million issue carried out on May 5, 2009, of which €206.3 million was repaid early in 2010 and 2011.
- June 19, 2012: €600 million 2.875% 5-year bond issue due June 19, 2017, augmenting by €100 million 2.875% 5 year tap issue on September 28, 2012.
- August 24, 2009: €250 million 6.039% 8-year and 3 month bond issue due November 6, 2017

G. Perpetual subordinated notes issue

On June 30, 2014, Accor 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 Accor's option on June 30, 2020, June 30, 2025 and on each anniversary of the issue date thereafter. 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 potential interest would also be recorded in equity.

H. Signature of a syndicated line of credit

In June 2014, Accor signed a €1.8 billion syndicated line of credit that replaced the €1.5 billion syndicated credit facility signed in May 2011 and scheduled to expire in May 2016.
The five-year facility will lengthen the average maturity of Accor's financing.

I. Voluntary redundancy plans

In 2013, Accor launched two voluntary redundancy plans at the Group's Paris headquarters.

The first plan concerned 165 persons, leading to the recognition of a total expense of €47 million in the 2013 financial statements. Plan implementation was completed in 2014.

Besides, Following Accor's announcement of its new strategic roadmap on November 27, 2013, the Group stated at the end of 2013 that a new voluntary redundancy plan would be launched to address the human resources implications of the resulting organizational changes. A total expense of €22 million was recorded in the 2013 financial statements for this plan.
The plan is currently in progress, and the majority of separations took place during the second half of 2014; the residual provision at December 31, 2014 is €7 million.

In 2014, the net cost recognized in respect of these plans represented less than €(1) million.

Note 4. Consolidated Revenue by Strategic Business and by Region

In millions of euros	France	Europe (excl. France/ Mediterranean)	Mediterranean Middle East and Africa	Asia Pacific	Americas	Worldwide Structures (1)	2014	2013 Adjusted
HOTELSERVICES	**341**	**304**	**120**	**322**	**113**	**48**	**1 248**	**1 254**
HOTELINVEST	**1 607**	**2 107**	**408**	**272**	**400**	**-**	**4 794**	**4 798**
CORPORATE & INTERCOS	**(211)**	**(240)**	**(45)**	**(23)**	**(44)**	**(25)**	**(588)**	**(627)**
Total 2014	**1 737**	**2 171**	**483**	**571**	**469**	**23**	**5 454**	
Total 2013 Adjusted	**1 799**	**2 070**	**458**	**598**	**473**	**27**		**5 425**

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

Consolidated revenue at December, 31, 2014, totalled 5 454 million, compared with 5 425 million at December, 31, 2013.

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

• Like-for-like growth	+209	m€	+3,8%
• Business expansion (owned and leased hotels only)	+44	m€	+0,8%
• Currency effects	(62)	m€	(1,1)%
• Disposals	(162)	m€	(3,0)%
Decrease in 2014 Revenue	**+29**	**m€**	**+0,5%**

Change in consolidated revenue by strategic business:

	Δ 2014 / 2013 Retraité	**A périmètre et change constants**	
	En millions d'euros	**En millions d'euros**	**%**
HOTELSERVICES	**(6)**	**+69**	**+5,5%**
HOTELINVEST	**(4)**	**+142**	**+3,0%**
HOLDING/ELIMINATIONS	**+39**	**(2)**	**(0,3)%**
Total Groupe	**+29**	**+209**	**+3,8%**

Change in consolidated revenue by region:

	Δ 2014 / 2013 Retraité	**A périmètre et change constants**	
	En millions d'euros	**En millions d'euros**	**%**
France	(62)	+7	+0,4%
Europe (hors France et Méditerranée)	+101	+98	+4,7%
Méditerranée, Moyen-Orient, Afrique	+25	+45	+9,8%
Asie Pacifique	(27)	+11	+1,9%
Amériques	(4)	+34	+7,2%
Structures mondiales	(4)	+14	+50,9%
Total Groupe	**+29**	**+209**	**+3,8%**

At December 31, 2014, HotelServices revenue breaks down as follows:

In millions of euros	Management fees	Franchise fees	HotelInvest fees	Other Revenues	Total
Total 2014	**356**	**164**	**552**	**176**	**1 248**
2013 Adjusted	**330**	**144**	**588**	**192**	**1 254**

Total fees for Managed and Franchised hotels only, excluding currency and acquisitions, increased by 9.7%

2013 revenue by strategic business and by region was as follows:

In millions of euros	France	Europe (excl. France/ Mediterranean)	Mediterranean Middle East and Africa	Asia Pacific	Americas	Worldwide Structures (1)	December 2013 Adjusted
HOTELSERVICES	**338**	**320**	**111**	**322**	**110**	**53**	**1 254**
HOTELINVEST	**1 678**	**2 019**	**395**	**303**	**403**	**-**	**4 798**
CORPORATE & INTERCOS	**(217)**	**(269)**	**(48)**	**(27)**	**(40)**	**(26)**	**(627)**
Total December 2013 Adjusted	**1 799**	**2 070**	**458**	**598**	**473**	**27**	**5 425**

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

Note 5. Operating Expense

In millions of euros		2013 Adjusted	2014
Cost of goods sold	(1)	(382)	(347)
Employee benefits expense	(2)	(1 963)	(1 940)
Energy, maintenance and repairs		(289)	(279)
Taxes, insurance and service charges (co-owned properties)		(193)	(194)
Other operating expense	(3)	(867)	(922)
TOTAL OPERATING EXPENSE		**(3 694)**	**(3 682)**

(1) The cost of goods sold includes food and beverage purchases, laundry costs and the cost of telephone calls billed to clients.

(2) The Ratio employee benefits expense / Full-time equivalent (FTE) is presented as follows:

Full-time equivalent	2013 Adjusted	2014
Full-time equivalent (*)	48 710	48 270
Ratio employee benefits expense / FTE (€k)	(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, 2014, employee benefits expense includes €9.7 million related to stock option plans and performance share plans (see Note 26).

(3) Other operating expense consists mainly of marketing, advertising, promotional, selling and information systems costs. The total also includes various fee payments.

Note 6. EBITDAR by Strategic Business and Region

In millions of euros	France	Europe (excl. France/ Mediterranean)	Mediterranean Middle East and Africa	Asia Pacific	Americas	Worldwide Structures (1)	2014	2013 Adjusted
HOTELSERVICES	127	116	39	76	35	42	435	434
HOTELINVEST	397	686	95	78	106	39	1 401	1 354
CORPORATE & INTERCOS	-	-	-	-	-	(64)	(64)	(57)
Total 2014	524	802	134	154	141	17	1 772	
Total 2013 Adjusted	537	743	104	157	152	38		1 731

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

Consolidated EBITDAR at December, 31, 2014, totalled €1 772 million compared with €1 731 million at December, 31, 2013.

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

• Like-for-like growth	+66	m€	+3,8%
• Business expansion (owned and leased hotels only)	+9	m€	+0,5%
• Currency effects	(13)	m€	(0,7)%
• Disposals	(21)	m€	(1,2)%
Increase in 2014 EBITDAR	**+41**	**m€**	**+2,4%**

Change in EBITDAR by Strategic Business:

	Δ 2014 / 2013 Adjusted	Like-for-like change	
	In millions of euros	In millions of euros	%
HOTELSERVICES	+1	+24	+5,7%
HOTELINVEST	+47	+49	+3,6%
CORPORATE & INTERCOS	(7)	(7)	(13,1)%
Group Total	+41	+66	+3,8%

Change in EBITDAR by region:

	Δ 2014 / 2013 Adjusted	Like-for-like change	
	In millions of euros	In millions of euros	%
France	(13)	(5)	(1,0)%
Europe (excl. France/Mediterranean)	+59	+50	+6,7%
Mediterranean, Middle-East, Africa	+30	+36	+34,8%
Asia Pacific	(3)	+3	+1,8%
Americas	(11)	(2)	(1,1)%
Worldwide Structures	(21)	(16)	(42,5)%
Group Total	**+41**	**+66**	**+3,8%**

2013 EBITDAR by strategic business and by region was as follows:

In millions of euros	France	Europe (excl. France/ Mediterranean)	Mediterranean Middle East and Africa	Asia Pacific	Americas	Worldwide Structures (1)	2013 Adjusted
HOTELSERVICES	**122**	**122**	**25**	**71**	**37**	**57**	**434**
HOTELINVEST	**415**	**621**	**79**	**86**	**115**	**38**	**1 354**
CORPORATE & INTERCOS	**-**	**-**	**-**	**-**	**-**	**(57)**	**(57)**
Total 2013 Adjusted	**537**	**743**	**104**	**157**	**152**	**38**	**1 731**

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

Note 7. Rental Expense

Rental expense amounted to €849 million at December, 31, 2014 compared €885 million at December, 31, 2013.

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. The amount of the liability at December, 31, 2014 is €72 million (see Note 30.1).

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 Accor against the absence of commercial property rights in certain countries.

None of the leases contains any clauses requiring advance payment of rentals in the case of a ratings downgrade or other adverse events affecting Accor, and there are no cross-default clauses or covenants.

The €849 million in rental expense corresponds to 961 leased hotels, 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. Rental expense by Strategic Business

Rental expense can be analyzed as follows by Strategic Business:

In millions of euros	2013 Adjusted	2014
HOTELSERVICES	(22)	(24)
HOTELINVEST	(868)	(828)
CORPORATE & INTERCOS	5	3
Total	(885)	(849)

B. Rental expense by type of contract

Rental expense breaks down as follows by type of contract:

In millions of euros		Number of hotels (1)	2014 rental	Fixed rental expense	Variable rental expense
Fixed rent with purchase option		9	(13)	(13)	-
Fixed rent without purchase option		247	(221)	(221)	-
Fixed rent with a variable portion	(2)	62	(74)	(63)	(11)
Land rent		-	(10)	(7)	(3)
Office rental expenses (Hotels business)		-	(42)	(32)	(10)
Fees on intragroup rent guarantees on Hotels business		-	(13)	(12)	(1)
Total hotel fixed rental expense		**318**	**(373)**	**(348)**	**(25)**
Variable rent with a minimum	(3)	92	(84)	(71)	(13)
Variable rent with a minimum and cap	(4)	15	(27)	(12)	(15)
Variable rent without a minimum	(5)	536	(333)	-	(333)
Rents of refinanced hotels	(6)	-	(35)	(7)	(28)
Total hotel variable rental expense		**643**	**(479)**	**(90)**	**(389)**
Total hotel rental expense		**961**	**(852)**	**(438)**	**(414)**
Rental expense not related to hotels		-	(10)	(22)	12
Internal lease guarantee fees		-	13	12	1
Total rental expense		**961**	**(849)**	**(448)**	**(401)**

(1) Leased hotels operated under the Adagio brand (11 units) and Adagio Access brand (4 units) are not included in the list because the related rental expense is included directly in the Group's share of the profits of associates. Rental expense by brand and type of contract at December 31, 2014 is presented as follows:

Leased hotels at December 31, 2014	Fixed rent with purchase option	Fixed rent without purchase option	Fixed rent with a variable portion	Variable rent with a minimum	Variable rent with a minimum and cap	Variable rent without a minimum	Total
Luxury and Upscale Hotels Hotels	2	12	4	7	1	8	**34**
Midscale Hotels	4	77	23	31	8	144	**287**
Economy Hotels	3	157	35	54	6	384	**639**
No brand	-	1	-	-	-	-	**1**
Total	**9**	**247**	**62**	**92**	**15**	**536**	**961**

(2) Fixed rent expense with a variable portion includes a fixed portion and a variable portion. The variable portion is generally a percentage of revenue or a percentage of EBITDAR.

(3) This rent expense depends on a percentage of revenue or a percentage of EBITDAR with a fixed contract guaranteed minimum.

(4) This rent expense depends on a percentage of revenue with a fixed contract guaranteed minimum which is also caped.

(5) Variable rents without a minimum are generally based on a percentage of revenue (502 hotels) or a percentage of EBITDAR (34 hotels). None of the leases contains any minimum rent clause. Variable rents based on a percentage of EBITDAR amounted to €(41) million at December, 31, 2014.

(6) Rents on the 110 hotels in the portfolios acquired from Moor Park, Axa Real Estate and Tritax in first-half 2014 (see Notes 3.B.1 to 3.B.3) are presented on the line "Variable rents without a minimum" in the above table.

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
2015	(393)
2016	(372)
2017	(344)
2018	(334)
2019	(324)
2020	(287)
2021	(239)
2022	(219)
2023	(200)

Years	In millions of euros
2024	(185)
2025	(163)
2026	(145)
2027	(100)
2028	(82)
2029	(67)
2030	(47)
> 2030	(315)
Total	**(3 816)**

At December 31, 2014, the present value of future minimum lease payments, considered as representing 7% of the minimum lease payments used to calculate the “Adjusted funds from ordinary activities/adjusted net debt” ratio, amounted to €(2,453) million.

Interest expense on adjusted net debt, estimated at 7%, amounted to €172 million. The difference between the annual minimum rent (€393 million) and interest expense (€172 million) amounted to €221 million. This corresponds to the implicit repayment of adjusted debt (“Standard & Poor’s method) and therefore constitutes an adjustment for the calculation of the adjusted funds from operations/adjusted net debt ratio (see Note 1.A.b).

Note 8. EBITDA by Strategic Business and Region

In millions of euros	France	Europe (excl. France/ Mediterranean)	Mediterranean Middle East and Africa	Asia Pacific	Americas	Worldwide Structures (1)	2014	2013 Adjusted
HOTELSERVICES	123	111	37	70	33	37	411	412
HOTELINVEST	144	307	21	22	38	41	573	486
CORPORATE & INTERCOS	-	-	-	-	-	(61)	(61)	(52)
Total 2014	267	418	58	92	71	17	923	
Total 2013 Adjusted	277	341	25	91	73	39		846

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

Consolidated EBITDA at December 31, 2014 totalled €923 million compared with €846 million at December 31, 2013.

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

• Like-for-like growth	+54	m€	+6,4%
• Business expansion (owned and leased hotels only)	+30	m€	+3,6%
• Currency effects	(5)	m€	(0,6)%
• Disposals	(2)	m€	(0,2)%
Increase in 2014 EBITDA	**+77**	**m€**	**+9,2%**

Change in EBITDA by Strategic business:

	Δ 2014 / 2013 Adjusted	Like-for-like change	
	In millions of euros	In millions of euros	%
HOTELSERVICES	**(1)**	**+22**	**+5,3%**
HOTELINVEST	**+87**	**+41**	**+8,5%**
CORPORATE & INTERCOS	**(9)**	**(9)**	**(17,6)%**
Group Total	**+77**	**+54**	**+6,4%**

Change in EBITDA by region:

	Δ 2014 / 2013 Adjusted	Like-for-like change	
	In millions of euros	In millions of euros	%
France	(10)	(5)	(1,9)%
Europe (excl. France/Mediterranean)	+77	+41	+12,0%
Mediterranean, Middle-East, Africa	+33	+35	+144,1%
Asia Pacific	+1	+4	+4,3%
Americas	(2)	(3)	(4,8)%
Worldwide Structures	(22)	(18)	(45,3)%
Group Total	**+77**	**+54**	**+6,4%**

First-half 2013 EBITDA by strategic business and by region was as follows:

In millions of euros	France	Europe (excl. France/ Mediterranean)	Mediterranean Middle East and Africa	Asia Pacific	Americas	Worldwide Structures (1)	2013 Adjusted
HOTELSERVICES	**118**	**118**	**23**	**65**	**36**	**52**	**412**
HOTELINVEST	**159**	**223**	**2**	**26**	**37**	**39**	**486**
CORPORATE & INTERCOS	**-**	**-**	**-**	**-**	**-**	**(52)**	**(52)**
Total 2013 Adjusted	**277**	**341**	**25**	**91**	**73**	**39**	**846**

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

Note 9. Depreciation, Amortization and Provision Expense

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

In millions of euros	2013 Adjusted	2014
Depreciation and amortization	(324)	(318)
Provision	(1)	(3)
Total	**(325)**	**(321)**

Note 10. EBIT by Strategic Business and Region

In millions of euros	France	Europe (excl. France/ Mediterranean)	Mediterranean Middle East and Africa	Asia Pacific	Americas	Worldwide Structures (1)	2014	2013 Adjusted
HOTELSERVICES	122	110	36	59	32	17	376	380
HOTELINVEST	64	169	(6)	6	19	40	292	197
CORPORATE & INTERCOS	-	-	-	-	-	(66)	(66)	(56)
Total 2014	186	279	30	65	51	(9)	602	
Total 2013 Adjusted	192	209	(5)	56	51	18		521

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

Consolidated EBIT at December 31, 2014 totalled €602 million compared with €521 million at December 31, 2013

The period on-period increase breaks down as follows:

• Like-for-like growth	+61	m€	+11,7%
• Business expansion (owned and leased hotels only)	+14	m€	+2,8%
• Currency effects	(2)	m€	(0,4)%
• Disposals	+8	m€	+1,5%
Increase in 2014 EBIT	**+81**	**m€**	**+15,6%**

Change in EBIT by Strategic Business:

	Δ 2014 / 2013 Adjusted	Like-for-like change	
	In millions of euros	In millions of euros	%
HOTELSERVICES	**(4)**	**+18**	**+4,7%**
HOTELINVEST	**+95**	**+53**	**+26,9%**
CORPORATE & INTERCOS	**(10)**	**(10)**	**(17,6)%**
Group Total	**+81**	**+61**	**+11,7%**

Change in EBIT by region:

	Δ 2014 / 2013 Adjusted	Like-for-like change	
	In millions of euros	In millions of euros	%
France	(6)	(6)	(2,9)%
Europe (excl. France/Mediterranean)	+70	+49	+23,2%
Mediterranean, Middle-East, Africa	+35	+35	+768,7%
Asia Pacific	+9	+7	+12,1%
Americas	+0	(2)	(3,6)%
Worldwide Structures	(27)	(22)	(121,6)%
Group Total	**+81**	**+61**	**+11,7%**

First-half 2013 EBIT by strategic business and by region was as follows:

In millions of euros	France	Europe (excl. France/ Mediterranean)	Mediterranean Middle East and Africa	Asia Pacific	Americas	Worldwide Structures (1)	2013 Adjusted
HOTELSERVICES	117	117	22	52	36	36	380
HOTELINVEST	75	92	(27)	4	15	38	197
CORPORATE & INTERCOS	-	-	-	-	-	(56)	(56)
Total 2013 Adjusted	192	209	(5)	56	51	18	521

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

Note 11. Net Financial Expense

In millions of euros		2013 Adjusted	2014
Finance costs	(1)	(83)	(58)
Other financial income and expenses	(2)	(7)	6
Net financial expense		**(90)**	**(52)**

(1) Finance costs can be analyzed as follows between cash and non-cash items:

In millions of euros	2013 Adjusted	2014
Finance costs, net - cash	(84)	(59)
Finance costs, net - non-cash	1	1
Total Finance costs	**(83)**	**(58)**

Finance costs net include interest received or paid on loans, receivables and debts measured at amortized cost.

The decrease in interest paid during the year mainly reflected:

- The repayment of 2009 bonds at maturity, in 2013 and 2014, representing an interest saving of €37 million, and
- €20 million in interest paid on the €750 million worth of bonds issued in 2014.

(2) Other financial income and expenses include the following items:

In millions of euros	2013 Adjusted	2014	
Dividend income from non-consolidated companies (Available-for-sale financial assets)	7	3	
Exchange gains and losses (excl. financial instruments at fair value)	(6)	5	(*)
Movements in provisions	(8)	(2)	
Total Other financial income and expenses	**(7)**	**6**	

(*) In 2014, the net positive impact on foreign exchange gains and losses is mainly due to the remeasurement at the year-end exchange rate of receivables denominated in Egyptian pounds and Brazilian reals.

Note 12. Share of Profit (Loss) of Associates after Tax

In millions of euros	2013 Adjusted	2014
Share of profit of associates before tax	17	33
Share of tax of associates	(6)	(5)
Share of profit of associates after tax	**11**	**28**

The main contributions are as follows:

In millions of euros		2013 Adjusted	2014
Asia Pacific Hotels		(3)	(0)
The Grand Real Estate (Sofitel The Grand, Hotels Netherlands)		(2)	(0)
Sofitel Hotels US (25%)	(1)	6	15
Société d'Exploitation des Résidences Hôtelières Rail		4	4
Other (including Risma and Mama Shelter)		1	3
Associates		**6**	**22**
Reef Casinos		3	3
Adagio		1	2
Société Immobilière d'Exploitation Hôtelière Algérienne		1	2
Other		-	(1)
Joint ventures		**5**	**6**
Share of profit of associates after tax		**11**	**28**

(1) In 2013, profits from the Sofitel US Hotels Strategic Axis was boosted by the €6 million gain on the sale of Minneapolis Sofitel. 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.

Note 13. Restructuring Costs

Restructuring costs can be analyzed as follows:

In millions of euros	2013 Adjusted	2014
Movements in restructuring provisions	(36)	63
Restructuring costs	(96)	(74)
Total Restructuring costs	**(132)**	**(11)**

Restructuring costs correspond mainly to the costs linked to the reorganization of the Group.

In 2013, they resulted for the most part from the various changes in strategy introduced during the period, the reorganization of the Executive Committee and the restructuring of the various European headquarters. These costs of €(69) million were incurred during the year for voluntary separation plans at the different headquarters units in Paris (see Note 3.I).

In 2014, voluntary redundancy plans represented an actual expense of €63 million, which was fully covered by the provisions set aside in 2013.

Note 14. Impairment Losses

Impairment losses recognized in 2013 and 2014 can be analyzed as follows:

In millions of euros	2013 Adjusted	2014
Goodwill	(7)	(3)
Intangible assets	(1)	(0)
Property, plant and equipment	(81)	(52)
Financial assets	-	-
Impairment Losses	**(89)**	**(55)**

Note 14.1 Impairment of goodwill

Goodwill included in the carrying amount of CGUs tested for impairment at December 31, 2014 and 2013 is presented in Note 19.

HotelInvest: valuation assumptions and sensitivity analyses

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 in Note 2.E.6.

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.

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.
At December 31, 2013, impairment losses were recognized following a review of the recoverable amounts of hotels in France for €1 million, in Germany for €5 million and in the Netherlands for €1 million.

HotelServices: valuation assumptions and sensitivity analyses

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 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%

December 2013	Germany	France	Asia	Australia	Americas
Growth rate	2,00%	N/A	2,00%	2,60%	N/A
Discount rate	8,80%	N/A	10,40%	8,20%	N/A

In 2013 and in 2014, 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, 2014 showed that:

- In Germany, the CGU's carrying amount would exceed its recoverable amount if the discount rate increased by 2,727 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 Asia, the CGU's carrying amount would exceed its recoverable amount if the discount rate increased by 5,052 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 810 basis points or the growth rate to perpetuity was reduced by 1,530 basis points.
- In America, the CGU's carrying amount would exceed its recoverable amount if the discount rate increased by 7,267 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 29,058-bps 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 14.2 Impairment of intangible assets

At December 31, 2014, impairment losses of €(0) million were recorded on intangible assets.
At December 31, 2013, impairment losses of €(1) million were recorded on intangible assets.

Note 14.3 Impairment of property, plant and equipment

In millions of euros	France	Europe (excl. France/ Mediterranean)	Mediterranean Middle East and Africa	Asia Pacific	Americas	Worldwide Structures	2014	2013 Adjusted
HOTELSERVICES	-	-	-	-	-	-	-	-
HOTELINVEST	(8)	(22)	(11)	(11)	(0)	-	(52)	(81)
CORPORATE/INTERCOS	-	-	-	-	-	-	-	-
Total 2014	(8)	(22)	(11)	(11)	(0)	-	(52)	
Total 2013 Adjusted	(17)	(20)	(32)	(6)	(6)	-		(81)

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 Dev Zone hotels, based on the prices offered by potential buyers (level 2 valuation technique under IFRS 13: see Note 2.R).

At December 31, 2013, impairment losses on property, plant and equipment concerned 136 hotels for €80 million. No impairment losses were reversed.
Impairment losses were recognized on the Novotel Mississauga in Canada (€1 million), the Mercure Rosmalen Hertogenbosch in the Netherlands (€2 million), non-operating assets in Portugal (€0.2 million) and three ibis hotels in China – Dongguan Dongcheng, Dongguan Qingxi et Guangzhou Huangshi – (€4 million), based on the prices offered by potential buyers (level 2 valuation technique under IFRS 13: see Note 2.R).

Note 15. Gains and Losses on Management of Hotel Properties

In millions of euros	2013 Adjusted	2014
Disposal gains and losses	78	(14)
Provisions for losses on hotel properties	(10)	3
Total	**68**	**(11)**

In 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, 2013, the total mainly included a net gain of €56 million on the “Sale & Management Back” of Sofitel Paris Le Faubourg.

Note 16. Gains and Losses on Management of Other Assets

In millions of euros	2013 Adjusted	2014
Disposal gains and losses	-	(26)
Provision movements	(6)	36
Gains and losses on non-recurring transactions	(27)	(92)
Total	**(33)**	**(82)**

In 2014, the total mainly included €(41) million in costs mostly related to a non-recurring transaction indemnity and miscellaneous fees for €(11) million.

In 2013, the total mainly included €(15) million in costs related to the ibis Megabrand project.

Note 17. Income Tax Expense

Note 17.1. Income tax expense for the period

In millions of euros	2013 Adjusted	2014
Current tax	(136)	(163)
Sub-total, current tax	**(136)**	**(163)**
Deferred taxes (expense) income on new temporary differences and reversals of temporary differences arising in prior periods	14	(13)
Deferred taxes arising from changes in tax rates or tax laws	2	1
Sub-total, deferred tax	**16**	**(12)**
Income tax expense (excluding tax on the profits of associates and discontinued operations)	**(120)**	**(175)**
Tax on profits of associates	(6)	(5)
Tax on profits of discontinued operations	(0)	(0)
Tax of the period	**(126)**	**(180)**

Note 17.2. Effective tax rate

In millions of euros		2013 Adjusted	2014
Operating profit before tax	**(a)**	**256**	**419**
Non deductible impairment losses		44	34
Elimination of intercompany capital gains		-	-
Tax on share of profit (loss) of associates		6	5
Other		1	13
Total permanent differences (non-deductible expenses)	**(b)**	**51**	**52**
Untaxed profit and profit taxed at a reduced rate	**(c)**	**12**	**1**
Profit taxed at standard rate	**(d) = (a) + (b) + (c)**	**319**	**472**
Standard tax rate in France (*)	**(e)**	**38,00%**	**38,00%**
Tax at standard French tax rate	**(f) = (d) x (e)**	**(121)**	**(180)**
Effects on tax at standard French tax rate of:			
. Differences in foreign tax rates		26	44
. Unrecognized tax losses for the period		(36)	(13)
. Utilization of tax loss carryforwards		11	21
. Share of profit (loss) of associates		6	5
. Net charges to/reversals of provisions for tax risks		(4)	(12)
. Effect of CET business tax in France (see Note 2.L)		(22)	(20)
. Other items		20	(20)
Total effects on tax at standard French tax rate	**(g)**	**1**	**5**
Tax at standard rate	**(h) = (f) + (g)**	**(120)**	**(175)**
Tax at reduced rate	**(i)**	**-**	**-**
Income tax expense	**(j) = (h) + (i)**	**(120)**	**(175)**

Profit taxed at standard rate	319	472
Income tax expense	(95)	(134)
Group effective tax rate (**)	**29,9%**	**28,5%**

(*) At December 31, 2013, and at December 31, 2014, 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, 2014, the effective tax rate (income tax expense / operating profit before tax and non-recurring items) amounts to 30.2%. It amounted to 27,1% at December 31, 2013.

Note 17.3. Details of deferred tax (Statement of financial position)

En € millions	Décembre 2013 Retraité	Décembre 2014
Timing differences between company profit and taxable profit	57	54
Timing differences between consolidated profit and company profit	(64)	(62)
Recognized tax losees	38	35
Total, deferred tax assets, net (liabilities)	**31**	**27**
Deferred tax assets	**149**	**68**
Deferred tax liabilities	**118**	**41**

Note 17.4. Unrecognized deferred tax assets

Unrecognized deferred tax assets at December 31, 2014 amounted to €757 million. Unrecognized deferred tax assets at December 31, 2013 amounted to €721 million.

Unrecognized deferred tax assets at December 31, 2014 will expire in the following periods if not utilized:

In millions of euros	Deductible temporary differences	Tax loss carryforwards	Tax credits	Total (*)
Y+1	-	8	-	**8**
Y+2	-	4	0	**4**
Y+3	-	5	0	**5**
Y+4	-	5	0	**5**
Y+5 and beyond	1	498	3	**502**
Evergreen	36	197	-	**233**
Deferred tax, net	**37**	**717**	**3**	**757**

(*) In line with IFRS 5, unrecognized deferred tax assets of the Onboard Train Services business are not presented in this note

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 18. 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 (see Note 3.B.7).

The consolidated income statements of discontinued operations classified in profit or loss from discontinued operations in Accor’s consolidated financial statements are presented below:

In millions of euros	2013	2014
CONSOLIDATED REVENUE	**69**	**0**
Operating expense	(65)	(4)
EBITDAR	**4**	**(4)**
Rental expense	(1)	(0)
EBITDA	**3**	**(4)**
Depreciation, amortization and provision expense	(0)	(0)
EBIT	**3**	**(4)**
Net financial expense	1	1
Share of profit of associates after tax	-	-
OPERATING PROFIT BEFORE TAX AND NON RECURRING ITEMS	**4**	**(3)**
Restructuring costs	(0)	-
Impairment losses	(1)	-
Gains and losses on management of hotel properties	-	-
Gains and losses on management of other assets	(2)	(1)
OPERATING PROFIT BEFORE TAX	**1**	**(4)**
Income tax expense	(0)	(0)
NET LOSS FROM DISCONTINUED OPERATIONS	**1**	**(4)**

Note 19. Goodwill

In millions of euros	2013 Adjusted	2014
Goodwill (gross value)	785	795
Less impairment losses	(94)	(94)
Goodwill, net	**691**	**701**

In millions of euros	Notes	2013 Adjusted	2014
Australia		123	128
France		111	111
Germany		84	84
Americas		60	60
Asia		38	43
Other		9	9
HOTELSERVICES		**425**	**435**
Germany	14.1	81	79
Switzerland		11	11
France	14.1	60	63
Americas		40	40
Egypt		19	20
Australia		23	23
The Netherlands		8	6
Ivory Coast		6	7
Other		18	17
HOTELINVEST		**266**	**266**
Goodwill, net		**691**	**701**

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

In millions of euros	Notes	2013 Adjusted	2014
Carrying amount at beginning of period		**823**	**691**
Goodwill recognized on acquisitions for the period and other increases		**1**	**2**
. Hotels, Asia Pacific	(a)	1	-
. Hotels, Europe	(b)	-	2
Disposals	(c)	**(30)**	**(2)**
Impairment losses	**Note 14**	**(7)**	**(3)**
Translation adjustment	(d)	**(38)**	**12**
Reclassifications to Property, Plant and Equipment	(e)	**(60)**	**-**
Reclassifications to Assets held for sale	**Note 33**	**3**	**(1)**
Other reclassifications and movements		**(1)**	**2**
Carrying amount at end of period		**691**	**701**

(a) In 2012, Accor bought Mirvac, generating goodwill of €19.7 million. An additional €1.5 million in goodwill was recorded in 2013, after Accor took over the Sea Temple management contract.

(b) In 2014, Accor acquired the remaining shares in the ibis Suresnes operating company, which was previously 24%-owned and accounted for by the equity method.

(c) In 2013, disposals include the Group's interest in TAHL, Australia (see Note 3.C), leading to the write-off of net goodwill in the amount of (€24.1 million).

(d) At December 31, 2014, this amount is due to the rise of the Australian and American dollars. In 2013, this amount is due to the fall in the Australian dollar.

(c) In 2012, the difference between the cost of Grupo Posadas' hotel network in South America and the book value of the net assets acquired amounted to €160 million. In 2013, part of the difference (€50 million) was allocated to the assets and liabilities acquired and (€10 million) in price adjustment were obtained.

Note 20. Intangible Assets

In millions of euros		HotelServices	HotelInvest	Corporate/ Intercos	Dec. 2014	Dec. 2013 Adjusted
Gross value						
Brands and rights	(1)	28	24	12	64	59
Licenses, software		88	44	59	191	173
Other intangible assets	(2)	173	106	4	283	276
Total intangible assets at cost		**289**	**174**	**75**	**538**	**508**
Accumulated amortization and impairment losses						
Brands and rights	(1)	(23)	(2)	(11)	(36)	(36)
Licenses, software		(60)	(35)	(52)	(147)	(132)
Other intangible assets	(2)	(56)	(16)	-	(72)	(59)
Total accumulated amortization and impairment		**(139)**	**(53)**	**(63)**	**(255)**	**(227)**
Intangible assets, net		**150**	**121**	**12**	**283**	**281**

(1) The carrying amount of other brands and rights was €28 million at December 31, 2014 including, for HotelInvest:

a) €8 million related to ibis and €4 million related to Mercure in France (Graff portfolio – cf. Note 2.B.8)
b) €7 million related to Pullman in Brazil (concession fees),
c) €3 million related to ibis in China, and

For HotelServices, €5 million for the Sebel brand in Australia.

(2) At December 31, 2014 , the net book value of other intangible assets amounted to €211 million, including:

a. €91 million in lease premiums, of which €79 million corresponding to the value attributed to Orbis's land use rights in Poland;
b. €38 million corresponding to the value attributed to management contracts for HotelServices of which:
   i. €21 million for Mirvac's Australian management contracts.
   ii. €17 million for Grupo Posadas' network of hotels in Brazil, Argentina and Chile ;
c. €49 million in key money for HotelInvest of which:
   i. €18 million for 24 management contracts and 26 franchise contracts in the United Kingdom;
   ii. €9 million for management contracts in Australia.

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

In millions of euros		HotelServices	HotelInvest	Corporate/ Intercos	Dec. 2014	Dec. 2013 Adjusted
Carrying amount at beginning of period		134	140	7	281	263
Acquisitions		12	1	-	13	24
Internally-generated assets	(1)	19	3	5	27	32
Intangible assets acquired	(2)	2	12	-	14	23
Amortization for the period		(22)	(8)	(3)	(33)	(32)
Impairment losses for the period		-	-	-	-	(2)
Disposals of the period		(2)	(3)	-	(5)	(8)
Translation adjustment		3	-	-	3	(18)
Reclassifications of Assets held for sale (See Note 33)		-	(16)	-	(16)	(3)
Other reclassifications		4	(8)	3	(1)	2
Carrying amount at end of period		150	121	12	283	281

(1) In 2014 and 2013, mainly acquisitions of licenses and software.

(2) In 2014, intangible assets acquired consisted of hotel entrance fees of €12 million recognized during the year (Graff portfolio). In 2013, intangible assets acquired corresponded to assets recognized following the 2012 acquisition of Grupo Posadas' hotel network in South America.

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

In millions of euros	HotelServices	HotelInvest	Corporate/ Intercos	Dec. 2014	Dec. 2013 Adjusted
Sebel brand (Australia)	5	-	-	5	4
Other brands and rights with indefinite useful life	-	-	1	1	1
Carrying amount at end of period	5	-	1	6	5

Note 21. Property, Plant and Equipment

Note 21.1. Property, plant and equipment by nature

In millions of euros	HotelServices	HotelInvest	Corporate/ Intercos	Dec. 2014	Dec. 2013 Adjusted
Land	5	281	-	286	177
Buildings	42	2 254	-	2 296	1 589
Fixtures	43	1 551	10	1 604	1 545
Equipment and furniture	47	1 331	15	1 393	1 423
Constructions in progress	15	255	4	274	243
Property, plant and equipment, at cost	**152**	**5 672**	**29**	**5 853**	**4 977**

In millions of euros	HotelServices	HotelInvest	Corporate/ Intercos	Dec. 2014	Dec. 2013 Adjusted
Buildings	(9)	(567)	-	(576)	(527)
Fixtures	(28)	(862)	(5)	(895)	(833)
Equipment and furniture	(36)	(949)	(7)	(992)	(985)
Constructions in progress	-	(4)	-	(4)	(3)
Total of depreciation	**(73)**	**(2 382)**	**(12)**	**(2 467)**	**(2 348)**
Land	(1)	(10)	-	(11)	(10)
Buildings	-	(117)	-	(117)	(116)
Fixtures	-	(59)	-	(59)	(62)
Equipment and furniture	-	(32)	-	(32)	(36)
Constructions in progress	-	(10)	-	(10)	(9)
Total of impairment losses	**(1)**	**(228)**	**-**	**(229)**	**(233)**
Accumulated depreciation and impairment losses	**(74)**	**(2 610)**	**(12)**	**(2 696)**	**(2 581)**

In millions of euros	HotelServices	HotelInvest	Corporate/ Intercos	Dec. 2014	Dec. 2013 Adjusted
Land	4	271	-	275	167
Buildings	33	1 570	-	1 603	946
Fixtures	15	630	5	650	650
Equipment and furniture	11	350	8	369	402
Constructions in progress	15	241	4	260	231
Property, plant and equipment, net	**78**	**3 062**	**17**	**3 157**	**2 396**

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

In millions of euros		HotelServices	HotelInvest	Corporate/ Intercos	Dec. 2014	Dec. 2013 Adjusted
Net carrying amount at beginning of period		64	2 317	15	2 396	2 542
Property, plant and equipment acquired	(1)	-	1 000	-	1 000	54
Capital expenditure	(2)	24	378	4	406	366
Depreciation for the period		(12)	(270)	(2)	(284)	(293)
Impairment losses for the period recognized in impairment losses or in net loss from discontinued operations (see Note 14.2 and Note 18)		-	(52)	-	(52)	(80)
Translation adjustment		3	12	-	15	(89)
Disposals for the period		(1)	(86)	-	(87)	(118)
Reclassification of assets held for sale (see Note 33)		-	(294)	-	(294)	13
Other reclassifications	(3)	-	57	-	57	1
Net carrying amount at end of period		78	3 062	17	3 157	2 396

(1) At December 31, 2014, property, plant and equipment acquired correspond mainly to Moor Park portfolio for €704 million, Axa Real Estate portfolio for €180 million and Tritax portfolio for €89 million (see Note 3.B.1 to 3.B.3).

In 2013, the €54 million in property, plant and equipment acquired corresponded to the allocation of the purchase price of Grupo Posadas.

(2) At December 31, 2014, capital expenditure 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.

Capital expenditure in 2013 included refurbishment work for €232 million, for the most part in France, Germany and the United Kingdom, as well as new buildings for €134 million including the acquisition of a €28 million plot of land in the Canary Wharf district of London, United Kingdom, for the construction of a Novotel unit.

(3) Other reclassifications at December 31, 2014 mainly concern the reclassification of the deposit paid in 2011 for the exercise of Accor's 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 Accor was the rightful owner of the property.

At December 31, 2014, contracts totaling €54 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, 2013, contracts totalized €83 million.

Note 21.2. Finance leases

In millions of euros	Dec. 2013 Adjusted	Dec. 2014
Land	6	9
Buildings	51	62
Fixtures	26	35
Equipment and furniture	4	4
Property, plant and equipment, at cost	**87**	**110**
Buildings	(27)	(28)
Fixtures	(17)	(17)
Equipment and furniture	(3)	(4)
Cumulated depreciation and impairment losses	**(47)**	**(49)**
Property, plant and equipment, net	**40**	**61**

In 2014, Accor acquired a portfolio of three hotels in France under finance leases for €25 million.

Finance lease liabilities can be analysed as follows by maturity:

	Debt in millions of euros Non Discounted
2014	72
2015	62
2016	60
2017	58
2018	57
2019	50
2020	49
2021	47
2022	46
2023	44
2024	42
2025	41
2026	36
2027	36
2028	35
2029	25

Note 22. Long-Term Loans

In millions of euros	HotelServices	HotelInvest	Corporate/ Intercos	Dec. 2014	Dec. 2013 Adjusted
Gross value	68	139	(67)	140	112
Accumulated impairment losses	(2)	(4)	(1)	(7)	(14)
Long-term loans, net	**66**	**135**	**(68)**	**133**	**98**

In millions of euros		HotelServices	HotelInvest	Corporate/ Intercos	Dec. 2014	Dec. 2013 Adjusted
Hotels, Asia-Pacific	(1)	34	18	-	52	39
Other	(2)	32	117	(68)	81	59
Total		**66**	**135**	**(68)**	**133**	**98**

(1) At December 31, 2014, 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 €21 million at December 31, 2014 (€19 million at December 31, 2013), 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, in exchange for being awarded the hotel management contract.
- For HotelInvest, a loan to Shree Naman Hotels Private to finance the development of the Mumbai Sofitel in India. The total loan amounts to €18 million at December 31, 2014 (at December 31, 2013: €16 million).

(2) At December 31, 2014, loans to hotels excluding Asia-Pacific region manly consist of the guaranteed minimum rent of €17 million for the Paris Tour Eiffel Pullman under a management contract, a €12 million loan to the owner company (SHTE) to finance the development of the Paris Tour Eiffel Pullman and a variable-price put option granted by Risma valued at €19 million.

At December 31, 2014, loans to hotels include €67 million of internal loans between HotelInvest entities in the USA and Accor Holding.

Note 23. Investment in Associates

This caption includes investments in joint ventures, which have been accounted for by the equity method effective from January 1, 2014. Details of investments in associates and joint ventures are as follows:

In millions of euros		2013 Adjusted	2014
Asia Pacific Hotels (*)	(1) (2) (3) (4)	129	143
Mama Shelter	(5)	-	29
The Grand Real Estate (Sofitel The Grand)	(6)	14	14
Société Hôtelière Paris Les Halles	(7)	12	12
Investment fund Egypt		6	6
Sofitel London St James (Hotel UK)		6	7
Hotels Sofitel US (25%)		6	3
Société d'exploitation des Résidences Hôtelières Rail		5	5
Other (Including Risma)		57	60
Associates		**235**	**279**
Société Immobilière d'Exploitation Hôtelière Algérienne	(8)	19	21
Reef Casinos	(9)	18	18
Adagio		2	4
Other		2	2
Joint Ventures		**41**	**45**
Total		**276**	**324**

(*) The Asia-Pacific investments primarily include Interglobe Hotels Entreprises Limited (the development company for ibis hotel in India) for €50 million, Caddie Hotels (the development company for a Novotel and a Pullman in New Delhi) for €22 million, a joint-venture for development partnerships under ibis and Novotel brands in India (Triguna) for €16 million and Ambassador Inc., Ambasstel and Ambatel Inc (South Korea) for €29 million. Beijing Peace Hotel Ltd (Novotel Beijing) previously owned was sold in 2013.

Note 23.1 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 Accor under management contracts. Key figures for Interglobe Hotels as follows:

Interglobe Hotels (Hotels ibis India) Development ibis India (In millions of euros)	March 2013 (*)	March 2014 (*)
Revenue	12	13
Net profit (loss)	(3)	(3)
Total current Assets	6	6
Total non-current Assets	145	157
Equity (including currency translation reserve)	95	100
Total current Liabilities	8	10
Total non-current Liabilities	49	53
Net cash/(Net debt)	(21)	(47)
Market capitalization	N/A	N/A
Dividends paid by the compagny to Accor during the period	-	-
% interest held	40,00%	40,00%

(*) As Interglobe Hotels has a March 31 year-end and Accor is only minority shareholder, the Group is not authorized to disclose details of the Interglobe accounts included in its consolidated financial statements. 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 Accor under management contract. Key figures for Ambassador Inc are as follows:

Hotels Korea Ambassador (Novotel Seoul Ambassador Gangnam) (In millions of euros)	**Dec. 2013**	**Dec. 2014**
Revenue	24	24
Net profit (loss)	3	2
Total current Assets	5	5
Total non-current Assets	64	73
Equity (including currency translation reserve)	51	57
Total current Liabilities	9	11
Total non-current Liabilities	10	9
Net cash/(Net debt)	(7)	(10)
Market capitalization	N/A	N/A
Dividends paid by the compagny to Accor during the period	1	-
% interest held	30,19%	30,19%

(3) Ambasstel which owns and operates Ibis Séoul Myeong Dong, Ibis Séoul and ibis Seoul Ambassador Insadong that are run by Accor under management contract. Key figures Ambasstel are as follows:

Hotels Korea Ambasstel (ibis in Seoul) (In millions of euros)	**Dec. 2013**	**Dec. 2014**
Revenue	23	29
Net profit (loss)	3	4
Total current Assets	12	17
Total non-current Assets	25	27
Equity (including currency translation reserve)	33	39
Total current Liabilities	3	4
Total non-current Liabilities	1	1
Net cash/(Net debt)	2	15
Market capitalization	N/A	N/A
Dividends paid by the compagny to Accor during the period	0	-
% interest held	20,00%	20,00%

(4) Ambatel which owns and operates Novotel Seoul Ambassador Doksan that is run by Accor under management contract. Key figures for Ambatel Inc are as follows:

Hotels Korea Ambatel (Novotel Seoul Ambassador Doksan) (In millions of euros)	**Dec. 2013**	**Dec. 2014**
Revenue	10	9
Net profit (loss)	1	1
Total current Assets	2	2
Total non-current Assets	49	54
Equity (including currency translation reserve)	37	41
Total current Liabilities	5	5
Total non-current Liabilities	9	10
Net cash/(Net debt)	(7)	(7)
Market capitalization	N/A	N/A
Dividends paid by the compagny to Accor during the period	-	-
% interest held	21,83%	21,83%

(5) Mama Shelter is developing an eponymous hotel network. La société est implantée en France, à Istanbul et se développe aux Etats-Unis :It currently has hotels in France and in Istanbul, and is expanding into the United States:

Mama Shelter (In millions of euros)	**Dec. 2013**	**Dec. 2014**
Revenue	N/A	7
Net profit (loss)	N/A	(0)
Total current Assets	N/A	12
Total non-current Assets	N/A	71
Equity (including currency translation reserve)	N/A	44
Total current Liabilities	N/A	14
Total non-current Liabilities	N/A	26
Net cash/(Net debt)	N/A	(26)
Market capitalization	N/A	N/A
Dividends paid by the compagny to Accor during the period	N/A	-
% interest held	0,00%	36,60%

This financial information includes a non-allocated goodwill at December 31, 2014.

(6) The Grand Real Estate Bv in the Netherlands, which owns and operates Sofitel Amsterdam The Grand that is run by Accor under management contract. Key figures for The Grand Real estate Bv are as follows:

The Grand Real Estate (Hotels, Netherlands) Sofitel The Grand (In millions of euros)	**Dec. 2013**	**Dec. 2014**	
Revenue	24	24	
Net profit (loss)	(4)	(0)	
Total current Assets	2	6	
Total non-current Assets	35	76	
Equity (including currency translation reserve)	28	28	
Total current Liabilities	9	7	
Total non-current Liabilities	-	47	
Net cash/(Net debt)	(1)	(44)	
Market capitalization	N/A	N/A	
Dividends paid by the compagny to Accor during the period	-	-	
% interest held	58,71%	58,71%	(*)

(*) The percentage of control is 40 %

(7) Société Hôtelière Paris les Halles, which owns and operates the Novotel Paris Les Halles and also holds interests in various other hotel companies such as The Grand Real Estate BV and Saint James Ltd, owner and operator of the Sofitel Saint James and the ibis Styles St Andrew Square in the United Kingdom. Key figures for Société Hôtellière Paris Les Halles are as follows:

Société Hôtelière Paris Les Halles (In millions of euros)	Dec. 2013	Dec. 2014
Revenue	90	126
Net profit (loss)	2	2
Total current Assets	29	30
Total non-current Assets	134	179
Equity (including currency translation reserve)	40	41
Total current Liabilities	14	16
Total non-current Liabilities	109	153
Net cash/(Net debt)	(86)	(128)
Market capitalization	N/A	N/A
Dividends paid by the compagny to Accor during the period	0	1
% interest held	31,19%	31,19%

Note 23.2 Information about material joint ventures

The following joint ventures have a material impact on the consolidated financial statements:

(8) 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. 2013	Dec. 2014
Revenue	24	24
Net profit (loss)	3	4
Total current Assets	38	45
Total non-current Assets	68	73
Equity (including currency translation reserve)	38	42
Total current Liabilities	27	32
Total non-current Liabilities	41	44
Net cash/(Net debt)	(26)	(28)
Market capitalization	N/A	N/A
Dividends paid by the company to Accor during the period	-	-
% interest held	50,00%	50,00%

(9) Reef Casinos is a resort in Australia comprising a hotel and a casino.

Reef Casinos in Australia (In millions of euros)	Dec. 2013	Dec. 2014
Revenue	28	23
Net profit (loss)	3	6
Total current Assets	21	14
Total non-current Assets	25	88
Equity (including currency translation reserve)	40	85
Total current Liabilities	4	11
Total non-current Liabilities	2	7
Net cash/(Net debt)	2	7
Market capitalization	N/A	N/A
Dividends paid by the compagny to Accor during the period	-	3
% interest held	50,00%	50,00%

Note 23.3. 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 Accor 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 Accor that relate to associates and joint ventures are described in the note on off-balance sheet commitments (see Note 41.2).

Note 24. Other Financial Investments

In millions of euros	2013 Adjusted	2014
Investments in non-consolidated companies (Available for sale financial assets)	118	93
Deposits (Loans and Receivables)	120	70
Other financial investments, at cost	**238**	**163**
Accumulated impairment losses	(64)	(34)
Other financial investments, net	**174**	**129**

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

Other financial investments break down as follows:

In millions of euros	Note	2013 Adjusted	2014
Pullman Tour Eiffel receivable		20	21
A-HTrust (Singapore investment fund)		19	20
Deposit paid following the claim under the loan guarantee issued to the owner of the Los Angeles Sofitel		19	19
Stone (French property company)		11	11
Deposit for hotels in France sold in 2008		10	10
Deposit for the purchase of the Sofitel Rio de Janeiro	(1)	47	-
Other investments and deposits		48	48
Other financial investments, net		**174**	**129**

(1) The decrease between December 31, 2013 and December 31, 2014 is due to the reclassification to property, plant and equipment of the deposit paid in 2011 in preparation for Accor's exercise of its pre-emptive right to purchase the building occupied by the Sofitel Rio de Janeiro Copacabana following the court decision of May 2014 that gives ownership of the hotel to Accor.

At December 31, 2014, the fair value reserve for assets classified as available-for-sale amounts to €(5) million (see Note 27), and amounted to €(4)million at December 31, 2013.

Note 25. Receivables and Payables

Note 25.1. Trade receivables and related provision

In millions of euros	2013 Adjusted	2014
Gross value	413	455
Provisions	(34)	(38)
Net	**379**	**417**

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 25.2. Details of other receivables and accruals

In millions of euros	2013 Adjusted	2014
Recoverable VAT	140	130
Prepaid wages and salaries and payroll taxes	7	3
Other prepaid and recoverable taxes	57	67
Other receivables	253	240
Other prepaid expenses	61	71
Other receivables and accruals, at cost	**518**	**511**
Provisions	**(45)**	**(50)**
Other receivables and accruals, net	**473**	**461**

Note 25.3. Details of other payables

In millions of euros	2013 Adjusted	2014
VAT payable	81	84
Wages and salaries and payroll taxes payable	335	336
Other taxes payable	76	82
Other payables	388	389
Deferred income	66	75
Other payables	**946**	**966**

Note 25.4. Analysis of other receivables / payables' periods

In millions of euros	< 1 year	1 to 5 years	> 5 years	2014	2013 Adjusted
Inventories	28	-	-	28	41
Trade receivables	416	1	-	417	379
Recoverable VAT	119	10	1	130	140
Prepaid payroll taxes	3	-	-	3	7
Other prepaid and recoverable taxes	67	-	-	67	57
Other receivables	190	0	-	190	208
CURRENT ASSETS	**823**	**11**	**1**	**835**	**832**
Trade payables	690	0	-	690	599
VAT payable	84	0	-	84	81
Wages and salaries and payroll taxes payable	335	1	-	336	335
Other taxes payable	82	0	-	82	76
Other payables	386	3	-	389	388
CURRENT LIABILITIES	**1 577**	**4**	**-**	**1 581**	**1 479**

Note 26. Potential Ordinary Shares

Following the demerger on July 2, 2010, the exercise price of outstanding stock options and performance shares was adjusted along with the number of shares to be received by grantees (see Note 3.4.1 in the update to the 2009 Registration Document filed with the Autorité des Marchés Financiers on May 18, 2010 under number D.10-0201-A01). The figures presented in this note for plans dating back prior to July 2010 are therefore adjusted figures.

Note 26.1. Number of potential shares

At December 31, 2014, the Company's share capital was made up of 231 836 399 ordinary shares. The average number of ordinary shares outstanding during the period was 230 231 848. **The number of outstanding shares at December 31, 2014 was 231 836 399.**

In addition, employee stock options exercisable for 4 521 862 ordinary shares, representing 1,95 % of the capital, were outstanding at December 31, 2014 (see Note 26.3).

Lastly, 817 503 performance shares have been granted but have not yet vested.

Conversion of all of the potential shares presented above would have the effect of increasing the number of shares outstanding to 237 175 764.

Note 26.2. Diluted earnings per share

Based on the above number of potential shares and the average Accor share price for the last 12 months of €36,02, the diluted weighted average number of shares outstanding at December 31, 2014 was 231 815 702. Diluted earnings per share were therefore calculated as follows:

In millions of euros	2013 Adjusted	2014
Net profit, Group share (continuing operations and discontinued operations)	**126**	**223**
Weighted average number of ordinary shares (in thousands)	227 613	230 232
Number of shares resulting from the exercise of stock options (in thousands)	549	1 209
Number of shares resulting from performance shares grants (in thousands)	417	375
Fully diluted weighted average number of shares (in thousands)	228 579	231 816
Diluted earnings per share (in euros)	**0,55**	**0,96**

All of these instruments are included in the calculation of diluted earnings per share as all of the plans were dilutive in 2014 (see Note 26.3).

Note 26.3. Share-based payments

STOCK OPTION PLANS

Description of the main plans

The following table summarizes the characteristics of stock options outstanding at December 31, 2014, 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 14	March 22, 2007	7 years	2 183 901	from 03/23/11 until 03/22/14	958	45,52 €	Equity
Plan 15	May 14, 2007	7 years	129 694	from 05/15/11 until 05/14/14	11	47,56 €	Equity
Plan 16 (*)	September 13, 2007	8 years	2 139	from 09/13/10 until 09/13/15	40	40,08 €	Equity
Plan 17	March 28, 2008	7 years	2 080 442	from 03/29/12 until 03/28/15	1 022	30,81 €	Equity
Plan 18	September 30, 2008	7 years	110 052	from 10/01/12 until 09/30/15	6	28,32 €	Equity
Plan 19	March 31, 2009	8 years	1 429 456	from 04/01/13 until 03/31/17	1 138	18,20 €	Equity
Plan 20	April 2, 2010	8 years	2 618 770	from 04/03/14 until 04/02/18	1 020	26,66 €	Equity
Plan 21	April 2, 2010	8 years	153 478	from 04/03/14 until 04/02/18	10	26,66 €	Equity
Plan 22	November 22, 2010	8 years	92 448	from 11/23/14 until 11/22/18	5	30,49 €	Equity
Plan 23	April 4, 2011	8 years	621 754	from 04/05/15 until 04/04/19	783	31,72 €	Equity
Plan 24	April 4, 2011	8 years	53 125	from 04/05/15 until 04/04/19	8	31,72 €	Equity
Plan 25	March 27, 2012	8 years	527 515	from 03/28/16 until 03/27/20	390	26,41 €	Equity
Plan 26	March 27, 2012	8 years	47 375	from 03/28/16 until 03/27/20	8	26,41 €	Equity
Plan 27	September 26, 2013	8 years	40 000	from 09/27/17 until 09/26/21	1	30,13 €	Equity

(*) Plan 16 is stock savings warrants

Stock options granted under Plan 15 are performance options. The stock options vest in four equal tranches in each of the years 2007 to 2010 based on the attainment of performance targets expressed in terms of growth in the Accor Group's return on capital employed (ROCE) and profit after tax and before non-recurring items.
If the performance targets are met at the end of each year, grantees will receive one quarter of the stock options included in the initial grant. If only one of the two targets is met, they will receive one eighth of the options.
For all of the stock options to vest, ROCE and profit after tax and before non-recurring items will have to increase by around 10% or more per year. If ROCE and profit after tax and before non-recurring items increase by less than 10% (but more than 0%), the number of vested options will be reduced based on the ratio between the actual increase and 10%.
The performance criteria were met in 2007. The performance criteria were only partially met in 2008, 2009 and 2010 leading to the cancellation of 44,615 options.

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 Accor 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 Accor's 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.

Changes in outstanding stock options during 2013 and 2014 are as follows:

	December 31, 2013		December 31, 2014	
	Number of options	Weighted average	Number of options	Weighted average
Options outstanding at beginning of period	**11 587 420**	**31,07 €**	**8 300 398**	**31,77 €**
Options granted during the period	40 000	30,13 €	-	- €
Options cancelled or expired during the period	(2 754 880)	31,08 €	(2 093 547)	44,92 €
Options exercised during the period	(572 142)	20,90 €	(1 684 989)	27,46 €
Options outstanding at end of period	**8 300 398**	**31,77 €**	**4 521 862**	**27,29 €**
Options exercisable at end of period	**4 704 861**	**34,91 €**	**3 314 855**	**26,57 €**

Outstanding options at December 31, 2014 are as follows:

	Exercise price	Number of outstanding options	Remaining life of the options
Plan 16	40,08 €	2 139	8 months
Plan 17	30,81 €	967 560	3 months
Plan 18	28,32 €	31 320	9 months
Plan 19	18,20 €	559 862	2 years and 3 months
Plan 20	26,66 €	1 584 335	3 year and 3 months
Plan 21	26,66 €	77 191	3 year and 3 months
Plan 22	30,49 €	92 448	3 year and 11 months
Plan 23	31,72 €	582 864	4 years and 3 months
Plan 24	31,72 €	33 203	4 years and 3 months
Plan 25	26,41 €	503 565	5 years and 3 months
Plan 26	26,41 €	47 375	5 years and 3 months
Plan 27	30,13 €	40 000	6 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 14 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 14	Plan 15	Plan 16	Plan 17	Plan 18	Plan 19	Plan 20
Accor share price at the option grant date	70,95 €	70,45 €	62,35 €	47,10 €	37,12 €	25,49 €	41,47 €
Option exercise price	68,65 €	71,72 €	60,44 €	46,46 €	42,70 €	27,45 €	40,20 €
Expected volatility (1)	31,73%	31,60%	27,57%	27,87%	26,72%	31,91%	33,96%
Contractual life of the options	7 years	7 years	8 years	7 years	7 years	8 years	8 years
Expected share yield (2)	3,94%	4,25%	4,15%	3,84%	4,03%	2,63%	2,29%
Dividend rate (3)	2,29%	2,29%	2,29%	2,53%	2,53%	2,53%	3,24%
Fair value of options (4)	20,38 €	19,36 €	16,66 €	11,55 €	7,00 €	5,78 €	10,28 €

	Plan 21	Plan 22	Plan 23	Plan 24	Plan 25	Plan 26	Plan 27
Accor share price at the option grant date	41,47 €	32,19 €	31,96 €	31,96 €	26,55 €	26,55 €	30,88 €
Option exercise price	40,20 €	30,49 €	31,72 €	31,72 €	26,41 €	26,41 €	30,13 €
Expected volatility (1)	33,96%	34,99%	35,74%	35,74%	39,71%	39,71%	37,16%
Contractual life of the options	8 years	8 years	8 years	8 years	8 years	8 years	8 years
Expected share yield (2)	2,29%	1,98%	2,90%	2,60%	1,67%	1,67%	1,20%
Dividend rate (3)	3,24%	2,22%	2,19%	2,19%	2,42%	2,42%	3,04%
Fair value of options (4)	9,44 €	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 12, 13, 14, 15, 17 and 18
- 5% of options exercised after 8 years

Maturities stock options correspond to the options' expected lives.

Share price volatility

The Group has chosen to apply a volatility rate calculated by reference to historical data for the eight years preceding the grant date. Different volatility rates have been applied, calculated from granted date, to each maturity as presented above.

PERFORMANCE SHARE PLANS

2011 Plan

On April 4, 2011, Accor granted 249,107 performance shares to senior executives and certain employees. Of these:

- 20,450 have a three-year vesting period followed by a two-year lock-up period.
- 190,331 have a two-year vesting period followed by a two-year lock-up period.
- 38,326 have a four-year vesting period with no subsequent lock-up period.

The performance shares are subject to vesting conditions based on business revenue, EBIT and operating cash flow for each of the years 2011 and 2012. Targets have been set for annual growth in relation to the budget over the next two years, with interim milestones, and a certain percentage of the shares vest each year as each milestone is met.

The cost of the performance share plan – corresponding to the fair value of the share grants – amounted to €7.6 million at April 4, 2011 and was being recognized on a straight-line basis over the vesting period under "Employee benefits expense" with a corresponding adjustment to equity. The fair value of the share grants was measured as the average of the Accor share prices for the twenty trading days preceding the grant date multiplied by the number of shares granted under the plan.

In 2011, the performance criteria were met. Plan costs recognized in 2011 amounted to €2.5 million.
In 2012, the performance criteria were almost met. Plan costs recognized in 2012 amounted to €3.3 million.
At December 31, 2013, plan costs recognized amounted to €1 million.
In 2014, plan costs recognized amounted to €0.2 million.

2012 Plan

On March 27, 2012, Accor granted 284,976 performance shares to senior executives and certain employees. Of these:

- 170,332 have a two-year vesting period followed by a two-year lock-up period and are subject to two vesting conditions.
- 67,269 have a four-year vesting period with no subsequent lock-up period, and are subject to two vesting conditions.
- 47,375 have a two-year vesting period followed by a two-year lock-up period and are subject to three vesting conditions.

The performance shares are subject to vesting conditions based on EBIT margin, operating cash flow and disposals' plan for each of the years 2012 and 2013. Targets have been set for annual growth in relation to the budget over the next two years, with interim milestones, and a certain percentage of the shares vest each year as each milestone is met.

The cost of the performance share plan – corresponding to the fair value of the share grants – amounted to €7.1 million at March 27, 2012 and was being recognized on a straight-line basis over the vesting period under "Employee benefits expense" with a corresponding adjustment to equity. The fair value of the share grants was measured as the Accor opening share price on the grant date less the present value of dividends unpaid multiplied by the number of shares granted under the plan.

In 2012, the performance criteria were almost met. Plan costs recognized in 2012 amounted to €2.4 million.
In 2013, the performance criteria were met. Plan costs recognized in 2013 amounted to €2.6 million.
In 2014, plan costs recognized amounted to €0.7 million.

2013 Plan

On April 15, 2013, Accor granted 290,550 performance shares to senior executives and certain employees. Of these:

- 169,605 have a two-year vesting period followed by a two-year lock-up period and are subject to two vesting conditions.
- 48,445 have a four-year vesting period with no subsequent lock-up period, and are subject to two vesting conditions.
- 72,500 have a two-year vesting period followed by a two-year lock-up period and are subject to four vesting conditions.

The performance shares are subject to vesting conditions based on EBIT margin, operating cash flow from operating activities, disposals' plan and an external vesting condition for each of the years 2013 and 2014. Targets have been set for annual growth in relation to the budget over the next two years, with interim milestones, and a certain percentage of the shares vest each year as each milestone is met.

The cost of the performance share plan – corresponding to the fair value of the share grants – amounted to €6.6 million at April 15, 2013 and was being recognized on a straight-line basis over the vesting period under "Employee benefits expense" with a corresponding adjustment to equity. The fair value of the share grants was measured as the Accor opening share price on the grant date less the present value of dividends unpaid multiplied by the number of shares granted under the plan.

In 2013, the performance criteria were almost met. Plan costs recognized in 2013 amounted to €2.6 million.
In 2014, plan costs recognized amounted to €2.4 million.

2014 Plan

On June 18, 2014, Accor granted 484,400 performance shares to senior executives and certain employees. Of these:

- 176,500 have a two-year vesting period followed by a two-year lock-up period and are subject to four vesting conditions.
- 22,000 have a four-year vesting period with no subsequent lock-up period and are subject to four vesting conditions.
- 206,050 have a two-year vesting period followed by a two-year lock-up period and are subject to two vesting conditions.
- 79,850 have a four-year vesting period with no subsequent lock-up period and are subject to two vesting conditions.

The performance shares are subject to vesting conditions based on EBIT margin, operating cash flow from operating activities, completion of planned asset disposals and an external vesting condition for each of the years 2014 and 2015. Targets have been set for annual growth in relation to the budget over the next two years, with interim milestones, and a certain percentage of the shares vest each year as each milestone is met.

The cost of the performance share plan – corresponding to the fair value of the share grants – amounted to €16.6 million at June 18, 2014 and is being recognized on a straight-line basis over the vesting period under "Employee benefits expense" with a corresponding adjustment to equity. The fair value of the share grants was measured as the Accor opening share price on the grant date less the present value of unpaid dividends multiplied by the number of shares granted under the plan.

At December 31, 2014, the 2014 performance criteria had substantially been met. The cost of this plan recorded in 2014 amounted to €4.0 million.

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 €10.0 million at December 31, 2014 when it amounted to €13.5 million at December 31, 2013 of which €2.7 million due to changes in the Executive Management.

Note 27. Fair value adjustments on Financial Instruments reserve

Fair value adjustments on financial instruments reserve breal down as follows:

In millions of euros	2013 Adjusted	2014
Interest rate and currency swaps	(0)	(0)
Fair value adjustments to non-consolidated investments	(4)	(5)
Total Fair Value Adjustments on Financial Instruments Reserve	**(4)**	**(5)**

Changes in this reserve break down as follows:

In millions of euros	2013 Adjusted	2014
Cash flow hedges	**4**	**0**
Gains (losses) recognized in Equity during the period	4	0
Gains (losses) reclassified to profit or loss	-	-
Available for sale Financial Assets	**(4)**	**(2)**
Gains (losses) recognized in Equity during the period	(4)	(2)
Gains (losses) reclassified to profit or loss	-	-
Changes in Fair Value Adjustments on Financial Instruments Reserves	**0**	**(2)**

Note 28. Minority interests

Note 28.1. Changes in Minority Interests

Changes in minority interests break down as follows:

In millions of euros	
At December 31, 2012 Adjusted	**228**
Minority interests in net profit for the period	11
Dividends paid to minority interests	(14)
Increase in capital	1
Translation adjustment	(6)
Changes in scope of consolidation	(6)
At December 31, 2013 Adjusted	**214**
Minority interests in net profit for the period	17
Dividends paid to minority interests	(13)
Capital increase	(1)
Translation adjustment	(4)
Changes in scope of consolidation	(0)
At December 31, 2014	**213**

There are no significant changes in scope of consolidation, corresponding to changes in Accor's percent interest without any loss of control.

Note 28.2 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 Accor to minority interests during the period
December 31, 2013 Adjusted	47,31%	47,31%	8	173	7
December 31, 2014	47,31%	47,31%	9	168	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, 2013 Adjusted	59	431	29	461	163	12
December 31, 2014	56	401	11	446	168	18

This financial information includes adjustments recorded by Accor 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 Accor's ability to use and dispose of its subsidiaries' assets or use and settle their liabilities.

Note 29. Comprehensive Income

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

In millions of euros	2013 Adjusted			2014		
	Before tax	Income tax expense	Net of tax	Before tax	Income tax expense	Net of tax
Currency translation adjustment	(208)	-	(208)	83	-	83
Change in fair value resulting from "Available-for-sale financial assets"	(4)	-	(4)	(2)	-	(2)
Effective portion of gains and losses on hedging instruments in a cash flow hedge	4	-	4	0	-	0
Actuarial gains and losses on defined benefits plans	1	(0)	1	(17)	5	(11)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	-	-	-	-	-	-
Total Other Comprehensive income	**(207)**	**(0)**	**(207)**	**64**	**5**	**69**

Note: the amounts in the table are in millions of euros. The sum of these amounts may be slightly different from the totals shown due to rounding differences.

Note 30. Debt by Currency and Maturity

Note 30.1. Long and short-term debt

Long and short-term debt at December 31, 2014 breaks down as follows by currency and interest rate after hedging transactions:

In millions of euros	Dec. 2013 Adjusted	Effective rate Dec. 2013 Adjsuted %	Dec. 2014	Effective rate Dec. 2014 %
EUR	1 906	4,24	2 382	3,11
CHF	16	1,47	197	1,74
JPY	30	0,14	29	0,11
CNY	30	6,32	21	3,42
MUR	23	7,94	26	7,68
COP	16	9,06	15	9,63
Other currencies	57	4,82	61	5,25
Long and short-term borrowings	**2 078**	**4,28**	**2 731**	**3,11**
Long and short-term finance lease liabilities	49		72	
Purchase commitments	9		11	
Liability derivatives	-		-	
Other short-term financial liabilities and bank overdrafts	74		52	
Long and short-term debt	**2 210**		**2 866**	

In millions of euros	2013 Adjusted	2014
Long-term debt	1 699	2 784
Short-term debt	511	82
Total long and short-term debt	**2 210**	**2 866**

Note 30.2. Maturities of debt

At December 31, 2014, maturities of debt were as follows:

In millions of euros	2013 Adjusted	2014
Year Y+1	511	82
Year Y+2	29	20
Year Y+3	21	965
Year Y+4	959	31
Year Y+5	12	614
Year Y+6	612	12
Beyond	66	1 142
Total long and short-term debt	**2 210**	**2 866**

This analysis of debt by maturity over the long-term is considered as providing the most meaningful liquidity indicator. In the above presentation, all derivatives are classified as short-term. Borrowings and short-term investments denominated in foreign currencies have been translated into euros at the rate on the closure date. Interest rate and currency hedging instruments are analysed by maturity in Note 30.5 « Financial Instruments ».

On December 31, 2014, unused long-term committed line is amounting to €1,800 million, expiring in June 2019.

December 2014 financial costs amounted to €58 million. Future financial costs are estimated at €275 million for the period from January 2015 to January 2018 and €71 million thereafter.

2013 financial costs amounted to €83 million. Future financial costs were estimated at €294 million for the period from January 2014 to December 2017 and €90 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 30.3. Long and short-term debt before and after hedging

At December 31, 2014, long and short-term debt breaks down as follows before hedging transactions:

In millions of euros	Total debt		
	Amount	Rate	% of total debt
EUR	2 510	2,98%	92%
CHF	138	1,73%	5%
JPY	-	0,00%	0%
CNY	3	5,59%	0%
MUR	26	7,68%	1%
COP	15	9,63%	1%
Autres devises	39	7,45%	1%
Total long and short-term debt	**2 731**	**3,06%**	**100%**

Long and short-term debt after currency and interest rate hedging breaks down as follows:

In millions of euros	Total debt		
	Amount	Rate	% of total debt
EUR	2 382	3,11%	87%
CHF	197	1,74%	7%
JPY	29	0,11%	1%
CNY	21	3,42%	1%
MUR	26	7,68%	1%
COP	15	9,63%	1%
Autres devises	61	5,25%	2%
Total long and short-term debt	**2 731**	**3,11%**	**100%**

Note 30.4. Long and short-term debt by interest rate after hedging

In millions of euros	Total debt	
	Amount	Rate
December 2014	2 731	3,11%
December 2013	2 078	4,28%

At December 31, 2014, 98% of long and short-term debt was fixed rate, with an average rate of 3.01%, and 2% was variable rate, with an average rate of 7.26%.

At December 31, 2014, fixed rate debt was denominated primarily in EUR (89%), while variable rate debt was denominated mainly in COP (24%), in MUR (21%) and in EUR (8%).

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 €2,731 million, a total of €2,625 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 Accor's 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 Accor 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 30.5. 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, 2014:

Forward sales and currency swaps In millions of euros	Maturity 2015	December 31, 2014 Nominal amount	December 31,2014 Fair value
JPY	30	30	-
CZK	11	11	-
HUF	7	7	-
CNY	17	17	-
Other	4	4	-
Forward sales	**69**	**69**	**-**

Forward purchases and currency swaps In millions of euros	Maturity 2015	December 31, 2014 Nominal amount	December 31,2014 Fair value
GBP	38	38	1
HKD	91	91	1
AUD	53	53	-
USD	23	23	-
PLN	9	9	-
Other	8	8	-
Forward purchases	**222**	**222**	**2**
TOTAL CURRENCY HEDGING	**291**	**291**	**2**

For each currency, the nominal amount corresponds to the amount of currency sold or purchased forward. Fair value corresponds to the difference between the amount of the currency sold (purchased) and the amount of the currency purchased (sold), converted in both cases at the period-end forward exchange rate.

All the currency instruments listed above are used for hedging purposes. Most are designated and documented fair value hedges of intra-group loans and borrowings that qualify for hedge accounting.

At December 31, 2014, the total fair value of currency derivatives was a positive €2 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, 2014:

In millions of euros	2014	2015	2016	Beyond	December 31, 2014 Nominal amount	December 31, 2014, Fair value
EUR: Fixed-rate borrower swaps and caps	-	-	-	59	59	-
Interest rate hedges	**-**	**-**	**-**	**59**	**59**	**-**

The "notional amount" corresponds to the amount covered by the interest rate hedge. "Fair value" corresponds to the amount that would be payable or receivable if the positions were unwound on the market.

All the interest rate instruments listed above are used for hedging purposes.

At December 31, 2014, the total fair value of rates derivatives was €0 million, recorded in assets.

3. Fair value

3.1 Fair value of financial instruments

The carrying amount and fair value of financial instruments at December 31, 2014 are as follows:

In millions of euros		December 31, 2014 Carrying amount	December 31,2014 Fair value
FINANCIAL LIABILITIES		**2 866**	**3 049**
Bonds	(1)	2 625	2 808
Bank borrowings		92	92
Finance lease liabilities		72	72
Other financial liabilities		77	77
FINANCIAL ASSETS		**(2 707)**	**(2 707)**
Money market securities		(2 549)	(2 549)
Cash		(126)	(126)
Other		(30)	(30)
Currency derivatives (Fair Value Hedge)	(2)	(2)	(2)
NET DEBT		**159**	**342**

(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: see Note 2.R).

(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: see Note 2.R).

3.2 Fair value of money market securities

The carrying amount and fair value of money market securities at December 31, 2014 are as follows:

In millions of euros		December 31, 2014 Carrying amount	December 31, 2014 Fair value
Other negotiable debt securities	(a)	(1 701)	(1 701)
Mutual fund units convertible into cash in less than three months (*)	(b)	(831)	(831)
Other (accrued interest)		(17)	(17)
Total Money market securities		**(2 549)**	**(2 549)**

(*) The fair value of mutual fund units corresponds to their net asset value (level 1 valuation technique: see Note 2.R).

(a) Held to maturity investments

(b) Loans and receivables issued by the Group

Note 30.6. Credit rating

At December 31, 2014, Accor's credit ratings are as follows:

Rating Agency	Long-term debt	Short-term Debt	Last update of the rating	Outlook	Last update of the outlook
Standard & Poor's	BBB-	A-3	February 24, 2010	Stable	March 9, 2012
Fitch Ratings	BBB-	F-3	July 2, 2009	Stable	May 25, 2011

Standard & Poor's reaffirmed Accor's ratings on June 17, 2014 whereas Fitch reaffirmed Accor's ratings and outlooks on October 27, 2014.

Note 31. Net Debt and Net Cash

Net debt breaks down as follows:

In millions of euros	2013 Adjusted	2014
Other long-term financial debt (1)	1 651	2 722
Long-term finance lease liabilities	48	62
Short-term borrowings	494	82
Bank overdrafts	17	0
Total debt	**2 210**	**2 866**
Short-term loans	(30)	(16)
Money market securities (2)	(1 791)	(2 549)
Cash	(122)	(126)
Asset derivatives	-	(2)
Short-term receivables on disposals of assets	(41)	(14)
Financial Assets	**(1 984)**	**(2 707)**
Net debt	**226**	**159**

(1) see Note 32.
(2) see Note 30.5.

In millions of euros	2013 Adjusted	2014
Net debt at beginning of period	**416**	**226**
Change in long-term debt	167	1 084
Change in short-term financial liabilities	(316)	(428)
Cash and cash equivalents change	(53)	(743)
Changes in other current financial assets	12	20
Changes for the period	**(190)**	**(67)**
Net debt at end of period	**226**	**159**

The following table reconciles cash and cash equivalents in the statement of financial position to cash and cash equivalents in the cash flow statement:

In millions of euros	2013 Adjusted	2014
Balance sheet cash and cash equivalents	**1 913**	**2 677**
Bank overdrafts	(17)	(0)
Derivatives included in liabilities	-	(0)
Cash flow Statement cash and cash equivalents	**1 896**	**2 677**

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

At December 31, 2014, and December 31, 2013, financial assets and liabilities broke down as follows by category:

In millions of euros	Category in the balance-sheet						Fair value for financial instruments recognized at fair value			
	Cash and cash equivalents	Loans	Receivables on disposals of assets	Other financial investments	Trade receivables	**Carrying amount**	Level 1*	Level 2*	Level 3*	**Fair value of the class**
Bonds and other negotiable debt securities										
Held to maturity financial assets										
Short-term loans		16				**16**				
Long-term loans		133				**133**				
Receivables on disposals of assets			14			**14**				
Deposits				70		**70**				
Trade receivables					417	**417**				
Money market securities	1 701					**1 701**				
Other	17					**17**				
Loans and receivables	**1 718**	**149**	**14**	**70**	**417**	**2 368**				
Investments in non-consolidated companies				59		**59**			59	**59**
Mutual fund units convertible into cash	831					**831**	831			**831**
Other										
Available for sale financial assets	**831**			**59**		**890**	**831**		**59**	**890**
Interest rate derivatives										
Currency derivatives	2					**2**		2		**2**
Financial assets at fair value	**2**					**2**		**2**		**2**
Cash at bank	**126**					**126**				
Financial assets at December 31, 2014	**2 677**	**149**	**14**	**129**	**417**	**3 386**	**831**	**2**	**59**	**892**

In millions of euros	Category in the balance-sheet						Fair value for financial instruments recognized at fair value			
	Cash and cash equivalents	Loans	Receivables on disposals of assets	Other financial investments	Trade receivables	**Carrying amount**	Level 1*	Level 2*	Level 3*	**Fair value of the class**
Bonds and other negotiable debt securities										
Held to maturity financial assets										
Short-term loans		30				**30**				
Long-term loans		98				**98**				
Receivables on disposals of assets			41			**41**				
Deposits				119		**119**				
Trade receivables					379	**379**				
Money market securities	1 753					**1 753**				
Other										
Loans and receivables	**1 753**	**128**	**41**	**119**	**379**	**2 420**				
Investments in non-consolidated companies				55		**55**			55	**55**
Mutual fund units convertible into cash	38					**38**	38			**38**
Other										
Available for sale financial assets	**38**			**55**		**93**	**38**		**55**	**93**
Interest rate derivatives										
Currency derivatives	0					**0**				
Financial assets at fair value	**0**					**0**				
Cash at bank	**122**					**122**				
Financial assets at December 31, 2013	**1 913**	**128**	**41**	**174**	**379**	**2 635**	**38**	**-**	**55**	**93**

En millions of euros	Category in the balance-sheet						Fair value for financial instruments recognized at fair value			
	Bank overdrafts	Other long-term financial debt	Short-term debt	Long-term finance lease liabilities	Trade payables	**Carrying amount**	Level 1*	Level 2*	Level 3*	**Fair value of the class**
Currency derivatives Interest rate derivatives	-					-				-
Financial liabilities at fair value through profit or loss										
Convertible bonds/Equity Notes										
Other bonds		2 625				**2 625**				
Bank Borrowings		82	10			**92**				
Finance lease liabilities			10	62		**72**				
Other debts		15	62			**77**				
Trade payables					690	**690**				
Financial liabilities at amortised cost		2 722	82	62	690	**3 556**				
Cash at bank	**0**									
Financial liabilities at December 31, 2014	**0**	**2 722**	**82**	**62**	**690**	**3 556**	**-**		**-**	

En millions of euros	Category in the balance-sheet						Fair value for financial instruments recognized at fair value			
	Bank overdrafts	Other long-term financial debt	Short-term debt	Long-term finance lease liabilities	Trade payables	**Carrying amount**	Level 1*	Level 2*	Level 3*	**Fair value of the class**
Currency derivatives Interest rate derivatives	-					-				-
Financial liabilities at fair value through profit or loss										
Convertible bonds/Equity Notes										
Other bonds		1 542	402			**1 944**				
Bank Borrowings		97	28			**125**				
Finance lease liabilities			1	48		**49**				
Other debts		12	63			**75**				
Trade payables					599	**599**				
Financial liabilities at amortised cost		1 651	494	48	599	**2 792**				
Cash at bank	**17**					**17**				
Financial liabilities at December 31, 2013	**17**	**1 651**	**494**	**48**	**599**	**2 809**	**-**		**-**	

* 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 30. The method used to measure the fair value of investments in non-consolidated companies is described in Note 2.N.1.

No assets were transferred between fair value measurements levels during the periods presented.

Note 33. Assets and Liabilities Held for Sale

Assets and liabilities held for sale break down as follows:

In million of euros	2013 Adjusted	2014
Onboard Train Services business	24	14
Disposal groups classified as held for sale	21	49
Non-current assets classified as held for sale	16	284
Total Assets classified as Assets held for sale	**61**	**347**
Onboard Train Services business	(16)	(9)
Liabilities related to Disposal groups classified as held for sale	(10)	(11)
Total Liabilities classified as Liabilities associated with assets classified as held for sale	**(26)**	**(20)**

A. Onboard Train Services

In 2010 and 2012, Accor sold Onboard rail catering businesses in France, Austria and Portugal and part of the Italian business to Newrest.

Following the end of the contract with the grantor of the concession which took place in October 2013 and 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 31,2014

B. Other assets held for sale

In million of euros		2013 Adjusted	2014
Disposal group to be sold in China	(a)	21	49
Total Disposal groups classified as held for sale		**21**	**49**
Hotels to be sold in Canada	(b)	9	10
Hotels to be sold in the United Kingdom	(c)	-	29
Land to be sold in Poland		1	2
Hotels to be sold in the Netherlands	(d)	2	81
Hotels to be sold in France		3	1
Hotels to be sold in China		-	7
Hotels to be sold in Germany	(d)	-	125
Hotels to be sold in Swiss	(e)	-	25
Other		1	4
Non-current assets classified as held for sale		**16**	**284**

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.

(a) At December 31, 2014, 15 hotels had been reclassified as "Assets held for sale" for an aggregate carrying amount of €49 million, including 12 hotels held in partnership with Huazhu (see Note 3.A.2).

(b) In 2012, the Group agreed to sell the Mississauga Novotel in Canada. This hotel is classified in "Assets held for sale" for a carrying amount of €10 million at December 31, 2014 (€9 million at December 31, 2013).

(c) At December 31, 2014, eight hotels included in the Tritax portfolio were reclassified as "Assets held for sale" for an aggregate carrying amount of €29 million.

(d) At December 31, 2014, 29 hotels included in the Moor Park portfolio were reclassified as "Assets held for sale". They included hotels in the Netherlands and Germany for aggregate carrying amounts of €81 million and €125 million respectively.

(e) At December 31, 2014, one hotel included in the Axa Real Estate portfolio was reclassified as "Assets held for sale" for a carrying amount of €25 million.

Note 34. Provisions

Movements in long-term provisions between December 31, 2013 and December 31, 2014 can be analysed as follows:

In millions of euros	2013 Adjusted	Equity impact	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope	2014
- Provisions for pensions (*)	19	6	2	(1)	(1)	0	(1)	24
- Provisions for loyalty bonuses (*)	1	-	-	(0)	(0)	(0)	1	2
- Provisions for claims and litigation and others contingencies	0	-	-	-	-	(0)	0	0
HotelServices	**20**	**6**	**2**	**(1)**	**(1)**	**0**	**0**	**26**
- Provisions for pensions (*)	36	8	5	(3)	(1)	0	(0)	45
- Provisions for loyalty bonuses (*)	18	-	2	(2)	(0)	(0)	(0)	18
- Provisions for claims and litigation and others contingencies	5	-	7	-	-	(0)	(2)	10
HotelInvest	**59**	**8**	**14**	**(5)**	**(1)**	**(0)**	**(2)**	**73**
Corporate/Intercos	**29**	**3**	**3**	**-**	**(2)**	**-**	**1**	**34**
TOTAL LONG-TERM PROVISIONS	**108**	**17**	**19**	**(6)**	**(4)**	**0**	**(1)**	**133**

(*) see Note 34.C

Movements in short-term provisions between December 31, 2013 and December 31, 2014 can be analysed as follows:

In millions of euros	2013 Adjusted	Increases	Utilizations	Reversals of unused provisions	Translation adjustment	Reclassifications and changes in scope	2014
-Tax provisions	0	1	(1)	(0)	0	3	3
-Restructuring provisions	32	3	(35)	(4)	0	12	8
-Provisions for claims and litigation and others contingencies	16	7	(3)	(3)	1	(1)	17
HotelServices	**48**	**11**	**(39)**	**(7)**	**1**	**14**	**28**
-Tax provisions	11	2	(1)	(0)	(0)	(3)	9
-Restructuring provisions	11	3	(7)	(3)	0	(0)	4
-Provisions for claims and litigation and others contingencies	91	23	(29)	(10)	1	12	88
HotelInvest	**113**	**28**	**(37)**	**(13)**	**1**	**9**	**101**
Corporate/Intercos	**83**	**7**	**(20)**	**(5)**	**-**	**(22)**	**43**
TOTAL SHORT-TERM PROVISIONS	**244**	**46**	**(96)**	**(25)**	**2**	**1**	**172**

At December 31, 2014, ordinary provisions for claims and litigation and others include:

- €38 million provisions for various claims;
- €5 million in provisions for various litigations;
- €8 million provision for employee-related claims.

At December 31, 2013, ordinary provisions for claims and litigation and others included:

- €36 million in provisions for various claims;
- €10 million in provisions for various litigations;
- €10 million in provisions for performance bonds issued in connection with real estate transactions;
- €9 million in provisions for employee-related claims.

Restructuring provisions at December 31, 2013 included €42 million in provisions for voluntary separation plans within the Group (see Note 3 I). The residual provision related to these plans amounted to € 7 million at December 2014.

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	HotelServices	HotelInvest	Corporate/ Intercos	2014
EBIT	(6)	2	2	**(2)**
Finance cost, net	1	2	1	**4**
Provision for losses on hotel properties	-	(10)	-	**(10)**
Provision on other assets and restructuring provisions	(30)	(9)	(21)	**(60)**
Provision for tax	-	1	1	**2**
TOTAL	**(35)**	**(14)**	**(17)**	**(66)**

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 defined benefit obligation (DBO) is determined by the projected unit credit method, based on actuarial assumptions concerning future salary levels, retirement age, mortality rates, staff turnover rates and the discount rate. These assumptions take into account the macro-economic situation and other specific circumstances in each host country and region.
Actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized immediately in equity, in accordance with Group accounting policy.

At Accor, the main post-employment defined benefit plans concern:

- Length-of-service awards in France:
  These are lump-sum payments made to employees on retirement. They are determined by reference to the employee's years of service and end-of-career salary. The calculation is based on parameters defined by Corporate Finance and Human Resources 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 (51% of the obligation), in the Netherlands (22% of the obligation), in Belgium (8% 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 Accor 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

In 2013, the implementation of voluntary separation plans and the departure of certain Executive Committee members led to the recognition of a curtailment gain.

B. Actuarial assumptions

Actuarial valuations are based on a certain number of long-term parameters supplied by the Group, which are reviewed each year.

2014	France	Europe excluding France						Worldwide Structures	Other countries
		Netherlands	Germany	Belgium	Poland	Switzerland	Italy		
Rate of future salary increases	3,0%	3,0%	1,5%	3,0%	3,0%	1,5%	2,0%	3,0%	2%-10%
Discount rate	2,0%	2,0%	2,0%	2,0%	3,3%	1,5%	2,0%	2,0%	4% - 8,7%

2013	France	Europe excluding France						Worldwide Structures	Other countries
		Netherlands	Germany	Belgium	Poland	Switzerland	Italy		
Rate of future salary increases	3,0%	3,0%	1,5%	3,0%	3,0%	1,0%	N/A	4,0%	2%-10%
Discount rate	3,0%	3,0%	3,0%	3,0%	4,5%	2,0%	3,0%	3,0%	4% - 8,7%

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.

The Accor 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. Since January 1st, 2013, in line with IAS 19 (revised), the expected long-term return on plan assets had been matched to the discount rate (see Note 2).

C. Funded status of post-employment defined benefit plans and long-term employee benefits

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

At December 31, 2014

In millions of euros	Pensions	Other post-employment benefits (*)	Total
Present value of funded obligation	171	-	**171**
Fair value of plan assets	(114)	-	**(114)**
Excess of benefit obligation/(plan assets)	**57**	**-**	**57**
Present value of unfunded obligation	-	66	**66**
Liability recognized in the balance sheet	**57**	**66**	**123**

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

At December 31, 2013

In millions of euros	Pensions	Other post-employment benefits (*)	Total
Present value of funded obligation	143	-	**143**
Fair value of plan assets	(102)	-	**(102)**
Excess of benefit obligation/(plan assets)	**41**	**-**	**41**
Present value of unfunded obligation	-	63	**63**
Liability recognized in the balance sheet	**41**	**63**	**104**

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

Change in the funded status of post-employment defined benefit plans and long-term employee benefits by geographical area

In millions of euros	France	Europe excluding France Nether-lands	Germany	Belgium	Poland	Switzerland	Italy	Worldwide structures	Other	Total	Other benefits	Total Dec. 2014	Total Dec. 2013 Adjusted
Projected benefit obligation at the beginning of the period	25	44	12	17	1	14	4	62	7	185	19	206	216
	-	-	-	-	-	-	-	-	-	-	-		
Current service cost	1	0	0	1	0	1	-	2	1	6	2	8	12
Interest Cost	1	1	0	1	0	0	0	2	0	6	1	6	6
Employee contributions for the period	-	0	-	0	-	1	-	-	-	1	-	1	1
(Gains) losses on curtailments/settlements	(0)	-	-	-	0	-	-	(2)	(0)	(3)	(0)	(3)	(19)
Taxes and administrative expenses	-	-	-	(0)	-	(1)	-	(0)	-	(1)	-	(1)	(1)
Effect of changes in scope of consolidation	0	-	-	-	-	-	-	-	-	0	-	0	0
Benefits paid during the period	(0)	(1)	(1)	(0)	(0)	(1)	(1)	(2)	(0)	(7)	(2)	(9)	(9)
Actuarial (gains)/losses recognised during the period	4	9	2	7	0	2	-	5	0	29	0	29	(1)
Exchange differences	-	-	-	-	(0)	0	-	-	0	0	(0)	0	(1)
Transfers at beginning of period	-	-	-	-	-	-	-	(0)	-	(0)	(0)	(0)	1
Other	0	-	-	-	-	-	(0)	-	-	(0)	-	(0)	(0)
	-	-	-	-	-	-	-	-	-	-	-	-	-
Projected benefit obligation at the end of the period	30	53	13	25	1	17	3	67	8	217	20	238	206

In millions of euros	France	Europe excluding France Nether-lands	Germany	Belgium	Poland	Switzerland	Italy	Worldwide structures	Other	Total	Other benefits	Total Dec. 2014	Total Dec. 2013 Adjusted
Fair value of plan assets at the beginning of the period	-	44	5	13	-	11	-	29	-	102	-	102	101
	-	-	-	-	-	-	-	-	-	-	-	-	-
Return on plan assets, excluding interest income	-	9	-	0	-	1	-	2	-	12	-	12	0
Interest income	-	1	0	0	-	0	-	1	-	3	-	3	3
Employer contributions for the period	-	0	0	1	-	1	-	-	-	2	-	2	2
Employee contributions for the period	-	0	-	0	-	1	-	-	-	1	-	1	1
Benefits paid during the period	-	(1)	(0)	(0)	-	(1)	-	(2)	-	(5)	-	(5)	(5)
(Gains) losses on curtailments/settlements	-	-	-	-	-	-	-	-	-	-	-	-	(1)
Taxes and administrative expenses	-	(0)	-	(0)	-	(1)	-	-	-	(1)	-	(1)	(1)
Exchange differences	-	-	-	-	-	0	-	-	-	0	-	0	(0)
	-	-	-	-	-	-	-	-	-	-	,	-	-
Fair value of plan assets at the end of the period	-	53	5	14	-	13	-	30	0	115	-	115	102
Unfunded obligation at the beginning of the period	25	0	7	4	1	3	4	33	7	84	19	104	115
Current service cost	1	0	0	1	0	1	-	2	1	6	2	8	12
Interest cost	1	0	0	0	0	0	0	1	0	3	1	3	3
(Gains) losses on curtailments/settlements	(0)	-	-	-	0	-	-	(2)	(0)	(3)	(0)	(3)	(19)
Expense for the period	(0)	0	(0)	-	(0)	-	(1)	-	(0)	(2)	(2)	(4)	(4)
Employer contributions for the period	-	(0)	(0)	(1)	-	(1)	-	-	-	(2)	-	(2)	(2)
Employee contributions for the period	-	-	-	-	-	0	-	-	-	0	-	0	0
Taxes and administrative expenses	-	0	-	0	-	0	-	(0)	-	(0)	-	(0)	0
Effect of changes in scope of consolidation	0	-	-	-	-	-	-	-	-	0	-	0	0
Exchange differences	-	-	-	-	(0)	0	-	-	0	0	(0)	(0)	(1)
Actuarial (gains)/losses recognised during the period	4	(0)	2	6	0	1	-	3	0	17	0	17	(1)
Transfers at beginning of period	-	-	-	-	-	-	-	(0)	-	(0)	(0)	(0)	1
Other	0	-	-	-	-	-	(0)	-	-	(0)	-	(0)	(0)
Unfunded obligation at the end of the period	30	0	8	11	1	4	3	37	8	103	20	123	104
Reclassification of Onboard Train Services in "Assets held for sale"	-	-	-	-	-	-	(0)	-	-	(0)	-	(0)	(0)
Provision at the end of the period	30	0	8	11	1	4	3	37	8	103	20	123	104
Current service cost	1	0	0	1	0	1	-	2	1	6	2	8	12
Interest cost	1	0	0	0	0	0	0	1	0	3	-	3	3
(Gains) losses on curtailments/settlements	(0)	-	-	-	0	-	-	(2)	(0)	(3)	(0)	(3)	(19)
Others	-	0	-	0	-	0	-	(0)	-	(0)	-	(0)	0
Expense for the period	2	0	0	1	0	1	0	1	1	6	2	9	(4)
Actuarial (gains) losses recognized in equity	4	(0)	2	6	0	1	-	3	0	17	-	17	(1)

Reconciliation of provisions for pensions between January 1, 2013 and December 31, 2014

In millions of euros	Amount
Provision at January 1, 2013 Adjusted	**115**
Expense for the period	(4)
Benefits paid	(6)
Actuarial gains and losses recognized in equity	(1)
Changes in exchange rates	(0)
Other	0
Provision at December 31, 2013 Adjusted	**104**
Expense for the period	9
Benefits paid	(6)
Actuarial gains and losses recognized in equity	17
Changes in scope of consolidation	(0)
Changes in exchange rates	(0)
Other	0
Provision at December 31, 2014	**123**

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

In millions of euros	2013 Adjusted	2014
Actuarial debt		
Actuarial gains and losses related to experience adjustment	(1)	(6)
Actuarial gains and losses related to changes in demographic assumptions	0	0
Actuarial gains and losses related to changes in financial assumptions	(0)	23

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 (except for the Netherlands for which no information is available):

Detail of plan assets	Netherlands	Germany	Belgium	Switzerland	Worldwide Structures
Bonds	-	5	12	5	25
Real Estate	-	-	1	3	2
Shares	-	-	1	3	3
Liquidity	-	-	0	1	-
Other	53	-	0	1	-
	-	-	-	-	-
Total value of plan assets	**53**	**5**	**14**	**13**	**30**

Sensitivity analysis

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.

At December 31, 2013, 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 €9.8 million reduction in the projected benefit obligation, a 0.5 point decrease in the discount rate would lead to a €10.7 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	Poland	Switzerland	Italy	Worldwide Structures	TOTAL
Expected benefits payment in 2015	1	1	1	1	0	2	0	2	**9**
Expected benefits payment in 2016	0	1	1	1	0	1	0	2	**7**
Expected benefits payment from 2017 to 2023	9	14	5	7	4	6	2	14	**60**
Expected contributions in 2015	-	0	0	1	-	1	-	-	**3**

Note 35. Reconciliation of Funds from Operations

In millions of euros	2013 Adjusted	2014
Net Profit, Group share	125	227
Minority interests	11	17
Depreciation, amortization and provision expense	329	319
Share of profit of associates, net of dividends received	1	(15)
Deferred tax	(16)	12
Change in financial provisions and provisions for losses on asset disposals	81	(76)
Impairment losses	89	55
Funds from operations from discontinued operations	2	(2)
FUNDS FROM OPERATIONS INCLUDING NON-RECURRING TRANSACTIONS	**622**	**537**
(Gains) losses on disposals of assets, net	(78)	40
(Gains) losses on non-recurring transactions (included restructuring costs and exceptional taxes)	161	190
Non-recurring items from discontinued activities	2	0
FUNDS FROM OPERATIONS EXCLUDING NON-RECURRING TRANSACTIONS	**707**	**767**

Note 36. Change in Working Capital

The change in working capital can be analyzed as follows:

In millions of euros	Dec. 2013 Adjusted	Dec. 2014	Change
Inventories	41	27	(14)
Trade receivables	379	417	38
Other receivables and accruals	473	461	(12)
WORKING CAPITAL ITEMS - ASSETS	**893**	**905**	**12**
Trade payables	599	690	91
Other payables	946	966	20
WORKING CAPITAL ITEMS - LIABILITIES	**1 545**	**1 656**	**111**
WORKING CAPITAL	**652**	**751**	**99**

December 31, 2013 Adjusted WORKING CAPITAL	**652**
Change in operating working capital	103
Change in operating working capital of discontinued operations	6
Working capital items included in development expenditure	(7)
Working capital items included in assets disposals and assets reclassified as held for sale	(20)
Translation adjustment	11
Change in provisions	(1)
Reclassifications	7
NET CHANGE IN WORKING CAPITAL	**99**
December 31, 2014 WORKING CAPITAL	**751**

Note 37. Renovation and Maintenance Expenditure

The amounts reported under “Renovation and maintenance expenditure” correspond to capitalized costs for maintaining or improving the quality of assets held by the Group at the beginning of each period (January 1) as a condition of their continuing operation. This caption does not include development expenditure corresponding to the property, plant and equipment and working capital of newly consolidated companies and the purchase or construction of new assets.

Renovation and maintenance expenditure breaks down as follows:

In millions of euros	2013 Adjusted	2014
HOTELSERVICES	36	44
HOTELINVEST	224	209
CORPORATE & INTERCOS	4	9
RENOVATION AND MAINTENANCE EXPENDITURE	264	262

Note 38. Development Expenditure

Development expenditure corresponds to the property, plant and equipment, and working capital of newly consolidated companies (in accordance with IAS 7 "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:

Development expenditure excluding discontinued operations

In millions of euros		France	Europe (excl. France/ Mediterranean)	Mediterranean Middle East and Africa	Asia Pacific	Americas	Worldwide Structures (*)	2014	2013 Adjusted
HOTELSERVICES	(1)	8	4	7	15	2	3	39	39
HOTELINVEST	(2)	80	1 125	11	13	61	19	1 309	175
CORPORATE & INTERCOS	(3)	(0)	(3)	(1)	-	(37)	6	(35)	(24)
Total 2014		88	1 126	17	28	26	28	1 313	
Total 2013 Adjusted		24	110	12	19	24	1		190

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

(1) Including €8 million related to the guaranteed minimum rent on the Paris Tour Eiffel Pullman and €9 million corresponding to a loan made to the owner of the future Sydney Darling Harbour Sofitel in exchange for being awarded the hotel management contract;

(2) Including :
  a. €715 million related to the acquisition of an 86-hotel portfolio from Moor Park in Germany and in the Netherlands (see Note 3.B.1)
  b. €176 million related to the acquisition of an 11-hotel portfolio from Axa Real Estate in Switzerland (see Note 3.B.2)
  c. €89 million related to the purchase of a portfolio of 13 Tritax hotels in the United Kingdom (see Note 3.B.3)
  d. €29 million related to the acquisition of a stake in Mama Shelter (see Note 3.B.4)
  e. €37 million of internal loans between HotelInvest entities in the USA and Accor Holding

(3) Including €37 million of internal loans between Accor Holding and HotelInvest entities in the USA

Note 39. Segment Information

A. Chief operating decision maker

Accor's 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

At the end of 2013, Accor announced a plan to redefine the Group's business model 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.

To support the new business model, each strategic business has been reorganized by region, as follows:

- France
- Europe (excluding France/Mediterranean)
- Mediterranean, Middle East and Africa
- Asia-Pacific
- Americas, comprising Latin America, the Caribbean and North America.

The reorganization has led to a change in the Group's internal reporting presentation which is now based on the Strategic business/Region matrix. The Executive Committee now assesses the performance of each Strategic business/Region and makes resource allocation decisions based on their respective results.

As a result, the segment information presented in the consolidated financial statements concerns redefined operating segments that correspond to the segments whose operating results are regularly reviewed by the chief operating decision maker for resource allocation purposes. Prior period segment information has been restated on the same basis.

HotelServices

HotelServices corresponds to Accor's 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 Accor 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) and Orbis Transport.
HotelInvest hotels are classified in three sub-segments:

- Owned hotels
- Fixed-lease hotels, i.e. leased hotels for which the rent corresponds to a fixed amount
- Variable-lease hotels, i.e. leased hotels 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 (see Note 4)
- EBITDAR (see Note 6)
- EBITDA (see Note 8)
- EBIT (see Note 10)

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.

Revenue and earnings indicators by segment are as follows:

At December 31, 2014 In millions of euros	HotelServices	HotelInvest	Corporate/ Intercos	Total
Revenue	1 248	4 794	(588)	5 454
EBITDAR	435	1 401	(64)	1 772
EBITDAR Margin	*34,8%*	*29,2%*	*N/A*	*32,5%*
EBITDA	411	573	(61)	923
EBITDA Margin	*32,9%*	*11,9%*	*N/A*	*16,9%*
EBIT	376	292	(66)	602
EBIT Margin	*30,1%*	*6,1%*	*N/A*	*11,0%*

At December 31, 2013 Adjusted In millions of euros	HotelServices	HotelInvest	Corporate/ Intercos	Total
Revenue	1 254	4 798	(627)	5 425
EBITDAR	434	1 354	(57)	1 731
EBITDAR Margin	*34,6%*	*28,2%*	*N/A*	*31,9%*
EBITDA	412	486	(52)	846
EBITDA Margin	*32,8%*	*10,1%*	*N/A*	*15,6%*
EBIT	380	197	(56)	521
EBIT Margin	*30,3%*	*4,1%*	*N/A*	*9,6%*

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%*	*73,9%*	*32,5%*
EBITDA	267	418	58	92	71	17	923
EBITDA Margin	*15,4%*	*19,2%*	*12,1%*	*16,2%*	*15,1%*	*72,5%*	*16,9%*
EBIT	186	279	30	65	51	(9)	602
EBIT Margin	*10,7%*	*12,9%*	*6,3%*	*11,3%*	*10,8%*	*-38,3%*	*11,0%*

At December 31, 2013 Adjusted In millions of euros	France	Europe (excl. France/ Mediterranean)	Mediterranean Middle East and Africa	Asia Pacific	Americas	Worldwide Structures	Total
Revenue	1 799	2 070	458	598	473	27	5 425
EBITDAR	537	743	104	157	152	38	1 731
EBITDAR Margin	*29,8%*	*35,9%*	*22,6%*	*26,3%*	*32,1%*	*139,1%*	*31,9%*
EBITDA	277	341	25	91	73	39	846
EBITDA Margin	*15,4%*	*16,5%*	*5,3%*	*15,1%*	*15,5%*	*142,3%*	*15,6%*
EBIT	192	209	(5)	56	51	18	521
EBIT Margin	*10,7%*	*10,1%*	*(1,0)%*	*9,3%*	*10,7%*	*67,1%*	*9,6%*

For information, revenue in Germany amounts to €820 million at December 31, 2014 and to €813 million at December 2013.

Total assets and liabilities by strategic business break down as follows:

At December 31, 2014 **In millions of euros**	**HotelServices**	**HotelInvest**	**Corporate & Intercos**	**Total**
Goodwill	435	266	-	701
Intangible assets	150	121	12	283
Property, plant and equipment	78	3 062	17	3 157
Non-current financial assets	95	553	(62)	586
Total non-current assets excl. Deferred tax assets	*758*	*4 002*	*(33)*	*4 727*
Deferred tax assets	17	27	24	68
Total non-current assets	*775*	*4 029*	*(9)*	*4 795*
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
TOTAL ASSETS				**8 755**
Shareholders' Equity & Minority Interests				3 867
Long-term debt				2 784
Deferred tax liabilities	5	33	3	41
Other non-current liabilities	25	73	35	133
Short-term debt				82
Other current liabilities	1 184	1 836	(1 192)	1 828
Liabilities associated to assets classified as held for sale	-	17	3	20
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY				**8 755**

At December 31, 2013 Adjusted **In millions of euros**	**HotelServices**	**HotelInvest**	**Corporate & Intercos**	**Total**
Goodwill	425	266	-	691
Intangible assets	134	140	7	281
Property, plant and equipment	64	2 317	16	2 396
Non-current financial assets	77	494	(24)	548
Total non-current assets excl. Deferred tax assets	700	3 218	(1)	3 916
Deferred tax assets	13	57	79	149
Total non-current assets	*713*	*3 275*	*78*	*4 065*
Cash, short-term debt and receivables on disposals of assets				1 984
Other current assets	773	708	(588)	893
Assets held for sale	-	61	-	61
TOTAL ASSETS				**7 003**
Shareholders' Equity & Minority Interests				2 752
Long-term debt				1 699
Deferred tax liabilities	3	69	46	118
Other non-current liabilities	20	59	29	108
Short-term debt				511
Other current liabilities	795	1 533	(539)	1 789
Liabilities associated to assets classified as held for sale	-	23	3	26
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY				**7 003**

Total assets by region break down as follows:

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
Total non-current assets excl. Deferred tax assets	*909*	*2 128*	*958*	*633*	*512*	*(413)*	*4 727*
Deferred tax assets	(19)	29	4	10	14	30	68
Total non-current assets	*890*	*2 157*	*962*	*643*	*526*	*(383)*	*4 795*
Total current assets	*1 600*	*787*	*196*	*452*	*165*	*413*	*3 613*
Actifs destinés à être cédés	1	266	13	57	10	-	347
Other Assets	*1 601*	*1 053*	*210*	*509*	*175*	*413*	*3 960*
TOTAL ASSETS	**2 491**	**3 209**	**1 171**	**1 153**	**700**	**31**	**8 755**

At December 31, 2013 Adjusted In millions of euros	France	Europe (excl. France/ Mediterranean)	Mediterranean Middle East and Africa	Asia Pacific	Americas	Worldwide Structures	Total
Goodwill	172	202	27	189	100	-	691
Intangible assets	2	118	7	65	32	57	281
Property, plant and equipment	608	1 016	319	181	236	35	2 396
Non-current financial assets	76	53	77	213	128	1	548
Total non-current assets excl. Deferred tax assets	*858*	*1 390*	*431*	*647*	*497*	*93*	*3 916*
Deferred tax assets	32	44	3	9	22	40	149
Total non-current assets	*890*	*1 434*	*435*	*656*	*519*	*133*	*4 065*
Total current assets	*749*	*988*	*186*	*483*	*134*	*339*	*2 877*
Actifs destinés à être cédés	4	3	24	21	9	0	61
Other Assets	*753*	*991*	*210*	*504*	*143*	*339*	*2 938*
TOTAL ASSETS	**1 642**	**2 424**	**644**	**1 159**	**662**	**471**	**7 003**

For information, total non-current assets (excluding deferred tax assets) in Germany amount to €671 million at December 31, 2014 and to €359 million at December 31, 2013.

Note 40. Claims and litigation

Note 40.1. 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'Etat). The motion was accepted and the appeal is currently being heard.

Note 40.2. Dividend withholding tax (précompte)

In 2002, Accor 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 contested this rule, on the grounds that it breached European Union rules.

In the dispute between Accor and the French State, on December 21, 2006 the Versailles Administrative Court ruled that Accor was entitled to a refund of the "précompte" dividend withholding tax paid in the period 1999 to 2001, in the amount of €156 million. The amount of €156 million was refunded to Accor during the first half of 2007, together with €36.4 million in late interest due by the French State.

However, on March 8, 2007, the French State appealed the ruling before the Versailles Administrative Court of Appeal. The French State's appeal was rejected on May 20, 2008. The French State's appeal was rejected on May 20, 2008, thereby confirming Accor'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'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 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 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.

Accor 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 filed an application originating proceedings before the Cergy Pontoise Court on the same grounds, to obtain a refund of the €187 million in ''precompte'' 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'Etat) in a decision dated December 10, 2012. In line with these principles, the Court found that Accor 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 were recorded in the statement of financial position at December 31, 2014. They had no impact on the income statement as Accor appealed the decision before the Versailles Administrative Court of Appeal on July 23, 2014 and the ruling is therefore not final.

Note 40.3. 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 are 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.

Note 40.4. 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 41. Off-Balance Sheet Commitments at December 31, 2014

Off-balance sheet commitments have been restated for the effect of applying IFRS 11 by excluding commitments given to and received by joint ventures. However, commitments given by Accor on behalf of joint ventures are included, in accordance with IFRS 12.

Note 41.1. Off-balance sheet commitments given

Off-balance sheet commitments (not discounted) given at December 31, 2014 break down as follows:

In millions of euros		Less than 1 year	1 to 5 years	Beyond 5 years	Dec. 31, 2014	Dec. 31, 2013 Adjusted
Security interests given on assets	(1)	**1**	**10**	**63**	**74**	**84**
Purchase commitments	(2)	**18**	**51**	**-**	**69**	**40**
. Renovation commitment in Germany	(3)	17	-	0	17	29
. Renovation commitment in the United Kingdom		3	-	-	3	-
. Renovation commitment in Ivory Coast		3	-	-	3	-
. Renovation commitment in Switzerland		2	-	-	2	8
. Renovation commitment in the Netherlands		2	-	-	2	12
. Other renovation commitments	(4)	9	14	5	28	34
Capex Commitments		**36**	**14**	**5**	**54**	**83**
Loan guarantees given		**5**	**32**	**26**	**63**	**65**
Commitments given in the normal course of		**25**	**152**	**25**	**202**	**122**
Contingent liabilities		**1**	**3**	**0**	**4**	**4**
Total December 31, 2014 (*)		**86**	**262**	**119**	**466**	
Total December 31, 2013 Adjusted (*)		**107**	**187**	**104**		**398**

(*) In line with IFRS 5, off-balance sheet commitments given by the Onboard Train Services business are not presented in this note. Off-balance sheet commitments given by the Onboard Train Services business amounted to €6 million at December 31, 2013 and €6 million at December 31, 2014.

(1) Security interests given on assets correspond to pledges and mortgages valued at the net book value of the underlying assets.

a. Collateral for loans obtained from Banque Cantonale de Genève and UBS in Switzerland, consisting of pledges on all the assets of the Novotel Bern, ibis Bern and ibis *budget* Bern. The pledged assets had a total net book value of €17 million at December 31, 2014.

b. A repayment guarantee for the mortgage loan from Zürcher Kantonalbank for the purchase of the ibis Basel Bahnhof hotel in Switzerland. The mortgage covers the hotel's net book value, in the amount of €11 million at December 31, 2014.

c. Bancolombia loan guarantees. These guarantees, in the amount of €25 million, consist of mortgages on the land, buildings, operations and goodwill of the Bogotá Museo Ibis, the Medellín Ibis and on Cartagena Ibis construction work

(2) In connection with property development projects:

a. €40 million commitment related to a leaseholder and property development contract for the construction of the Canning Town Ibis.

b. The Group is committed to carrying out €12 million worth of renovation work under the Moorfield contract concerning the management and rebranding of 24 Mercure units in the United Kingdom.

c. €7 million guarantee covering the payment of termination penalties on laundry and uniform-cleaning contracts in Germany.

(3) In connection with development plans in Germany, commitments to carry out work mainly concerned development plans of the ibis and Novotel Arnulfstrasse (€12 million).

(4) Other commitments mainly include €20 million in committed capital expenditure on Australian hotels.

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 41.2. Off-balance sheet commitments received

Off-balance sheet commitments (not discounted) received at December 31, 2014 break down as follows:

In millions of euros		Less than 1 year	1 to 5 years	Beyond 5 years	June 30, 2014	Dec. 31, 2013 Adjusted
Irrevocable commitments received for the purchase of intangible assets and property, plant and equipment		1	-	-	**1**	**11**
Irrevocable commitments received for the purchase of financial assets	(1)	-	-	19	**19**	**20**
Purchase commitments received		**1**	**-**	**19**	**20**	**31**
Sellers' warranties received		1	-	-	**1**	**1**
Other guarantees received in the normal course of business	(2)	15	12	35	**62**	**63**
Other commitments and guarantees received		**16**	**12**	**35**	**63**	**64**
Total December 31, 2014 (*)		**17**	**12**	**54**	**83**	
Total December 31, 2013 Adjusted (*)		**32**	**15**	**48**		**95**

(*) In line with IFRS 5, off-balance sheet commitments received by the Onboard Train Services business are not presented in this note. Off-balance sheet commitments received by the Onboard Train Services business amounted to €0 million at December 31,2014 and €1 million at December 31, 2013.

(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), Accor has an option to sell its 40% interest in this hotel to SHPH for €14 million at December 31, 2014 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 Accor’s stake in Orféa (held through its Soparfi 1 subsidiary), in which case Accor 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 Accor if the Formule 1 hotels meet their business plan objectives in 2019.
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. In connection with two properties transactions between Accor and Foncière des Murs in 2005 and 2006, Foncière des Murs, in an addendum signed in 2010, agreed to finance an additional €39 million work program over the period to end-2014. At the end of December 2011, a new addendum has been signed, raising the total work program to €49 million. As of December 2014, the remaining work amounted to €6 million.

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

Note 42. Main Consolidated Companies at December 31, 2014

The main subsidiaries and associates represent 98% of consolidated revenue, 97% of EBITDAR and 90% of EBIT. The many other subsidiaries and associates represent individually less than 0.07% of consolidated revenue, EBITDAR and EBIT.

To the best of the Group's knowledge, there are no material restrictions on the use and sale by Accor of the assets of subsidiaries controlled by the Group.

IG : fully consolidated
MEE : accounted for by the equity method
The percentages correspond to the Group's percentage interest

ACCOR SA

HOTELLERIE

France			
ACADEMIE FRANCE	France	IG	100,00%
ACCOR REDEVANCES FRANCE	France	IG	100,00%
COMPAGNIE ETAP HOTEL ROISSY	France	IG	96,00%
ECOTEL	France	IG	99,45%
EXHOTEL	France	IG	100,00%
GESTAL	France	IG	96,00%
GOLFE D'AJACCIO	France	IG	100,00%
IBIS BUDGET	France	IG	96,00%
IBIS STYLES HOTELS	France	IG	100,00%
MER &MONTAGNE	France	IG	100,00%
MONTREUILLOISE	France	IG	100,00%
PARIS CLICHY	France	IG	100,00%
PARIS PORTE DE SAINT CLOUD	France	IG	100,00%
PRADOTEL	France	IG	100,00%
SH DEFENSE GRANDE ARCHE	France	IG	100,00%
SHNM	France	IG	100,00%
SHORET	France	IG	100,00%
SIGEST 1	France	IG	100,00%
SNC EXPLOITATION HOTELS SUITEHOTEL	France	IG	100,00%
SNC NMP FRANCE	France	IG	100,00%
SOCIETE COMMERCIALE DES HOTELS ECONOMIQUES (SCHE)	France	IG	99,96%
SOCIETE DE MANAGEMENT INTERMARQUES	France	IG	100,00%
SOCIETE D'ETUDE ET DE PROMOTION HOTELIERE INTERNATIONAL (SEPHI)	France	IG	100,00%
SOCIETE HOTELIERE DE MONTPARNASSE (SHDM)	France	IG	100,00%
SOCIETE HOTELIERE D'EXPLOITATION ECONOMIQUE (HOTEXCO)	France	IG	100,00%
SOCIETE HOTELIERE DU FORUM	France	IG	100,00%
SOCIETE HOTELIERE TOULOUSE CENTRE	France	IG	51,44%
SOFITEL LUXURY HOTELS FRANCE	France	IG	100,00%
SOGECA	France	IG	100,00%
SPARHE	France	IG	100,00%
STE DU DOMAINE DE MARLIOZ ET EXTENSIONS	France	IG	100,00%
STE EXPLOITATION HOTEL MONEGASQUE (SEHM)	Monaco	IG	100,00%
STE HOT EXPLOITATION MARSEILLE	France	IG	100,00%
STE HOTELIERE 61 QUAI DE GRENELLE	France	IG	100,00%
STE HOTELIERE PARIS EIFFEL SUFFREN	France	IG	75,00%
STE PORTE MONTREUIL	France	IG	99,96%
THALAMER	France	IG	100,00%
VAROISE SHTCV	France	IG	100,00%
Société Hôtelière Paris Les Halles	France	MEE	31,19%

NCEE			
ACCOR - PANNONIA HOTELS ZRT	Hongrie	IG	99,94%
ACCOR GESTION HOTELIERE & SERVICES SA	Suisse	IG	100,00%
ACCOR HOSPITALITY GERMANY GMBH	Allemagne	IG	100,00%
ACCOR HOSPITALITY NEDERLAND N.V.	Pays-Bas	IG	100,00%
ACCOR HOTELBETRIEBS GMBH	Autriche	IG	100,00%
ACCOR HOTELS BELGIUM	Belgique	IG	100,00%
ACCOR HOTELS LUXEMBOURG	Luxembourg	IG	100,00%
ACCOR HOTELS ROMANIA	Roumanie	IG	99,97%
ACCOR PANNONIA SLOVAKIA S.R.O	Slovaquie	IG	99,94%
ACCOR UK BUSINESS & LEISURE	Royaume Uni	IG	100,00%
ACCOR UK ECONOMY HOTELS LTD	Royaume Uni	IG	100,00%
BERNE MESSE	Suisse	IG	60,00%
HEKON-HOTELE EKONOMICZNE	Pologne	IG	52,69%
HOTEK POLSKA	Pologne	IG	100,00%
HOTEL MURANOWSKA	Pologne	IG	100,00%
KATERINSKA HOTEL JUR	Rep Tcheque	IG	100,00%
ORBIS	Pologne	IG	52,69%
PANNONIA HOTELBETRIEBS	Autriche	IG	99,94%
RUSSIAN MANAGEMENT HOTEL COMPANY LLC	Russie	IG	100,00%
SOCIETE D'EXPLOITATION HOTELIERE	Suisse	IG	99,79%
THE GRAND REAL ESTATE	Pays-Bas	MEE	58,71%**

(**) For these entities, the percentage shown corresponds to Accor's direct interest plus the interest held indirectly through Paris les Halles which owns 60% of The Grand Real Estate and 70% of Saint James Hotel.

OTHER SERVICES

Mama Shelter	France	MEE	36,60%
Compagnie Internationale des Wagons Lits & du Tourisme (*) - Belgium			
Treno (*)	Italie	Activité destinée à être cédée	99,78%

(*) Ces entités ne sont pas détenues directement par Accor SA à l'exception de la Compagnie Internationale des Wagons Lits & du Tourisme

MMEA			
ACCOR AFRIQUE SUPPORT HS	Maroc	IG	100,00%
ACCOR GESTION MAROC	Maroc	IG	77,99%
RISMA	Maroc	MEE	33,34%
ACCOR HOSPITALITY ITALIA SRL	Italie	IG	100,00%
ACCOR HOTEL SAE	Egypte	IG	99,78%
ACCOR HOTELES ESPAÑA S.A.	Espagne	IG	100,00%
CIE HOTELIERE PLATEAU ABIDJAN	Cote d'Ivoire	IG	90,85%
EL GEZIRAH HOTELS TOURISM CY	Egypte	IG	65,01%
HOTEL UNION PULLMAN	Senegal	IG	100,00%
PIERRE LOTI S.A	Cameroun	IG	100,00%
PORTIS	Portugal	IG	100,00%
SAUDI FRENCH COMPANY HOTEL MGT	Arabie Saoudite	IG	99,98%
SOCIETE ABIDJANAISE D'HOTELLERIE	Cote d'Ivoire	IG	99,99%
SOCIETE HOTELIERE BARACHOIS	Senegal	IG	90,58%
STE HOTELIERE ATHENE CENTRE	Grece	IG	100,00%
STE HOTELIERE LA LAGUNE	Cote d'Ivoire	IG	100,00%
STE TOGOLAISE D'INVESTISSEMENT ET D'EXPLOITATION HOTELIERE	Togo	IG	100,00%
TAMARIS TURIZM TRY	Turquie	IG	100,00%
UPSITE INVESTIMENTOS HOTELEIROS	Portugal	IG	100,00%
SOCIETE IMMOBILIERE d'EXPLOITATION HOTELLIERE ALGERIENNE	Algérie	MEE	50,00%

ASPAC			
AAPC INDIA HOTEL MANAGEMENT PRIVATE HS	Inde	IG	70,42%
AAPC PROPERTIES PTY LTD	Australie	IG	100,00%
ACCOR ASIA PACIFIC CORP.	Australie	IG	100,00%
MARARA	Polynesie française	IG	100,00%
SAFARI CLUB	Polynesie française	IG	100,00%
PULLMAN REEF CASINO	Australie	MEE	50,00%

AMERIQUES			
ACCOR BUSINESS AND LEISURE NORTH AMERICA	Etats-Unis	IG	100,00%
ACCOR CANADA INC	Canada	IG	100,00%
ACCOR CHILE	Chili	IG	100,00%
ACCOR HOSPITALITY ARG SA	Argentine	IG	100,00%
CAESAR PARK ARGENTINA	Argentine	IG	100,00%
COLOMBIA IBIS	Colombie	IG	71,43%
HOTELARIA ACCOR BRASIL SA	Bresil	IG	100,00%
POSADAS DO BRASIL	Bresil	IG	100,00%
SI HOTELERA DE MEXICO JUR	Mexique	IG	100,00%
SOCIEDAD DE DESARROLLO DE HOTELES PERUANOS S.A (SDHP)	Perou	IG	100,00%
SOCIEDAD INMOBILIARIA Y DE HOTELES LARCOMAR (SIHLSA)	Perou	IG	100,00%
SOFITEL SUPPORT USA HI	Etats-Unis	IG	100,00%
SOGEDETU	Dominicaine- Republique	IG	100,00%

Note 43. 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 Accor;
- Fully or proportionately consolidated companies by a company that exercise significant influence over Accor.

✓ **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 41. 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 2013 and 2014.

✓ **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 44. 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 Section III of the 2014 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 Accor**

Colony Capital and Eurazeo, acting in concert, together exercise significant influence over Accor through their shareholders' pact (see Note 3.E). Transactions between the parent company and Eurazeo and Colony Capital were not material in 2013 and 2014.
An agreement with a Colony Group company is discussed in the Statutory Auditors' special report on related-party agreements and commitments.

Note 44. Corporate Officers' Compensation

In millions of euros		2013		2014	
		Charges	Montant au bilan	Expenses	Balance sheet amount
Short-term benefits received		8	4	13	8
Post-employment benefits	(1)	(10)	3	1	2
Other long-term benefits		-	-	-	-
Compensation for loss of office	(1)	13	3	-	-
Share-based payments		4	-	2	-
Total compensation		**15**	**10**	**16**	**10**

(1) At December 31, 2013, the amounts presented mainly arose from the departure of certain Executive Committee members during the period, leading notably to the reversal of provisions for post-employment benefits (pension benefits).

Corporate officers are defined as members of the Executive Committee which had eleven members at the end of December 31, 2014 (eight members at the end of December 2013) 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 2013 amounted to €549,184.

Note 45. Fees Paid to the Auditors

The table below shows the total fees billed by the Auditors recognized in the income statements in 2014 and prior year.

In millions of euros	2013	2014
Statutory and contractual audit fees	(8)	(9)
Fees for audit-related services	(0)	(1)
Total fees billed by the Auditors	**(8)**	**(10)**

Note 46 . Subsequent Events

Sale & Management Back of the Zurich MGallery

On February 18, 2014, Accor announced the signature of an agreement relating to the sale and management-back of the Zurich MGallery to a private investor, already an Accor 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.

The hotel will continue to be operated by Accor under a long-term management contract. The hotel property was bought back by Accor as part of a portfolio of properties previously owned by Axa (see Note 3.B.2).