

ACCOR

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RCS Evry 602 036 444

**CONTRIBUTION OF SHARES IN SOCIÉTÉ D'EXPLOITATION ET D'INVESTISSEMENTS
HÔTELIERS BY ITS SHAREHOLDERS TO ACCOR S.A.**

INDEPENDENT APPRAISERS' REPORT

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To the shareholders

In accordance with the terms of our appointment by the Presiding Magistrate of the Evry Commercial Court on November 27, 2009 as independent appraisers of the shares in Société d'Exploitation et d'Investissements Hôtelières to be contributed by its shareholders¹ to Accor SA¹, we have prepared this report as required by Article L.225-147 of the French Commercial Code (*Code de Commerce*).

The value attributed to the Contributed Assets is specified in the Asset Contribution Agreement signed by the parties on April 2, 2010. Our responsibility is to inform shareholders of our conclusions about whether this value is overstated or not. We performed our procedures in accordance with the professional guidelines applicable in France to this type of engagement. Those guidelines require that we perform procedures to assess the value of the contributed assets, and to obtain assurance that (i) said value is not overstated and (ii) it is at least equal to the par value of the shares to be issued by the contributee plus the related premium.

¹ Referred to hereafter as "the **Parties**".

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1. PRESENTATION OF THE TRANSACTION AND DESCRIPTION OF THE CONTRIBUTED ASSETS

1.1. Presentation of the participants in the transaction

1.1.1. Company whose shares are being contributed

Société d'Exploitation et d'Investissements Hôteliers ("SEIH") is a *société à responsabilité limitée* governed by the laws of France with share capital of €5,600,000 divided into 350,000 shares with a par value of €16 each, all fully paid up. It is registered in the Paris Trade and Companies Register under no. 334 270 279.

SEIH's corporate purpose is to *"engage in the following activities for its own account, on behalf of third parties, or jointly with third parties:*

- *Conduct all forms of direct or indirect hospitality businesses.*
- *Acquire interests in any and all hospitality companies.*
- *Provide any and all administrative, financial, advisory, technical and management services to any and all hospitality companies.*
- *Operate and manage any and all journals and reviews in printed, audio-visual or other formats, by any current or as yet unknown future means, and carry out any and all transactions that are dependent upon or related thereto.*

And generally, carry out any and all commercial or financial transactions related directly or indirectly to the above corporate purpose or any similar or related purpose."

1.1.2. Contributors:

❶ **Suzanne Pelisson.**

❷ **Gérard Pelisson.**

❸ **Paul Dubrule.**

❹ **Paddel**, a *société en commandite par actions* registered in the Paris Trade and Companies Register under no. 354 083 529.

1.1.3. Contributée

Accor SA (“**Accor**”) is a *société anonyme* governed by the laws of France with share capital of €676,453,095 divided into 225,484,365 shares with a par value of €3 each, all fully paid up. It is registered in the Evry Trade and Companies Register under no. 602 036 444.

Accor’s shares are listed on Eurolist by Euronext Paris under code FR0000120404.

Accor’s corporate purpose is to “*engage in the following activities, in France and other countries, for its own account, on behalf of third parties, or jointly with third parties:*

- *The ownership, financing and management, directly, indirectly, or under specified mandates, of hotels, restaurants and bars of any nature or category and, more generally, any establishment related to lodging, food, tourism, leisure, and services.*
- *The economic, financial, and technical review of projects and, generally, all services related to the development, organization and management of the above-mentioned establishments, including all actions related to their construction or the provision of any related consulting services.*
- *The review and provision of services intended to facilitate the supply of meals to employees in companies, institutions and other organizations.*
- *The creation of any new company and the acquisition of interests by any method in any company operating in any business.*
- *All civil, commercial, industrial and financial transactions, involving both securities and property, related to the purposes of the Company and all similar or related purposes.”*

1.1.4. Ties between the parties

SEIH holds 2,020,066 Accor shares representing 0.896% of Accor’s capital.

1.2. Purpose of the Contribution

The Asset Contribution Agreement states that the purpose of the Contribution is as follows:

- ◆ On October 29, 1999, SEIH – which is owned directly and indirectly by Gérard Pelisson and Paul Dubrule, Accor’s founders and former co-Chairmen of its Supervisory Board – contributed its hospitality business to Accor in exchange for 1,506,360 Accor shares. The contribution, which was carried out for corporate governance reasons, enabled Accor to extend its hotel network in the Paris region.
- ◆ In subsequent years, SEIH built up its stake in Accor’s capital and Gérard Pelisson and Paul Dubrule used SEIH to provide the Accor Group with a united and stable founder-shareholder base throughout their terms as co-Chairmen of the Accor Supervisory Board.
- ◆ As of the date of the Asset Contribution Agreement, the Contributors together hold 350,000 SEIH shares with a par value of €16 each, all fully paid up and all registered. SEIH no longer conducts any business operations and its only asset is a portfolio of 2,020,066 Accor shares.
- ◆ Accor has since changed its governance structure and Gérard Pelisson and Paul Dubrule are no longer co-Chairmen of its Supervisory Board. As a result, Accor plans to enable its founder shareholders to dispose of their Accor shares and thus to recover the freedom to manage their personal assets as they think fit, which they had given up while they were co-Chairmen of Accor. For their part, the Contributors have decided to (i) terminate their partnership within SEIH, and (ii) contribute their SEIH shares to Accor. The Contribution will enable Accor to streamline and stabilize its ownership structure on terms that are fair to both the Contributors and Accor shareholders. Assuming that SEIH is merged or dissolved without liquidating its assets and liabilities once the Contribution has been completed, overall the transaction will not result in any dilution for Accor shareholders.

- ♦ The Contributors have agreed to:
 - Give an undertaking to keep the Accor shares received in exchange for the contributed SEIH shares for a period of one year.
 - Set the value of the SEIH shares by reference to the fair value of the Accor shares constituting SEIH's only assets, less a 1.8% discount.

1.3. Description of the Contributed Assets

The planned transaction consists of the contribution, by the Contributors to Accor, of all of the 350,000 shares making up the issued capital of SEIH.

1.4. Value attributed to the Contributed Assets

The parties have agreed to attribute a value of €213.88 to each contributed SEIH share, representing a total contribution value of €74,858,038.36.

1.5. Consideration for the Contributed Assets

The consideration payable for the Contributed Assets was determined based on the ratio between the actual value of SEIH and the actual value of Accor.

The resulting exchange ratio between SEIH shares and Accor shares is 5.672655723.

In light of the above exchange ratio, Accor will issue to the Contributors a total of 1,985,428 shares with a par value of €3 as consideration for the Contributed Assets.

The new shares will rank *pari passu* with all existing Accor shares and will be subject to all the relevant stipulations in the Accor bylaws. The new shares will be eligible for any and all dividends approved or paid after the Contribution Date.

The contribution premium, corresponding to the difference between:

– the value of the Contributed Assets, i.e.	€74,858,038.36
– the amount of the capital increase by Accor, through the issuance of 1,985,428 shares with a par value of €3, i.e.	€5,956,284.00
will amount to	€68,901,754.36

All new and existing Accor shareholders will have rights to this premium.

1.6. Legal and tax issues

- ◆ The Contributed Assets will be contributed by the Contributors to Accor and accepted by the latter in accordance with the customary legal and other conditions.

- ◆ Title to the Contributed Assets will be transferred to Accor on the date on which Accor's Board of Directors approves the Contribution and decides to increase the capital by issuing new Accor shares as consideration for the Contributed Assets (the "Contribution Date") in line with the authorization given by Accor shareholders at the Annual Meeting of May 13, 2009 (28th resolution) and with the provisions of Article L.225-147 of the French Commercial Code.

- ◆ The Contribution will subject to the fixed €500 registration duty provided for in Article 810-I of the General Tax Code.

1.7. Conditions precedent

The Contribution is subject to the following conditions precedent:

- Approval of the Contribution by Accor's Board of Directors, pursuant to the authorization granted by shareholders at the Annual Meeting on May 13, 2009.
- Decision by Accor's Board of Directors to issue new Accor shares as consideration for the Contributed Assets and placing on record of the resulting capital increase.
- Approval by the French securities regulator (Autorité des Marchés Financiers) of the news release to be published by Accor in compliance with Article 12 of AMF instruction 2005-11 of December 13, 2005, as amended.

1.8. Seller's warranty

The Contributors will be severally liable, on the basis defined in the Asset Contribution Agreement, for indemnifying Accor for any loss, damage or costs (including any reasonable legal fees and expenses, or any late interest or penalties incurred by Accor and SEIH) ("Loss") incurred by Accor or SEIH as a result of:

- Any liability not recognized or not adequately covered by a provision in SEIH's balance sheet at December 31, 2009 originating from or caused by facts, circumstances or events dating back prior to the Contribution Date.
- Any loss or any impairment in the value of any assets carried in SEIH's balance sheet at December 31, 2009 originating from or caused by facts, circumstances or events

dating back prior to the Contribution Date (with the exception of any Loss arising from any decline in the price of the Accor shares held by SEIH).

- The execution of the Contribution or the merger of SEIH into Accor or the dissolution of SEIH without liquidating its assets and liabilities (within the meaning of Article 1844-5 of the French Civil Code) after the Contribution Date.
- Any inaccuracy or any failure to honor any of the representations and warranties presented in the appendix to the Asset Contribution Agreement.

2. PROCEDURES AND APPRAISAL OF THE CONTRIBUTED ASSETS

2.1. Procedures

In accordance with the terms of our appointment, we performed the procedures that we considered necessary under the professional guidelines applicable in France to this type of engagement, in order to:

- Verify the existence of the Contributed Assets and assess the possible impact of any factors that could affect title thereto.
- Assess the appropriateness of the methods used to determine the value of the Contributed Assets.
- Obtain assurance that the value of the Contributed Assets is not overstated and that it at least corresponds to the par value of the shares to be issued by the Contributor plus the related premium.

In particular:

① We made enquiries of the persons in charge of the Contribution and their external advisors, to understand the proposed transaction and the economic and legal environment in which it is being carried out.

② We examined the Asset Contribution Agreement signed by the parties on April 2, 2010.

③ We reviewed the financial statements of SEIH for the year ended December 31, 2009, on which the Statutory Auditors expressed an unqualified opinion.

④ We reviewed the tax and legal due diligence reports concerning SEIH prepared by independent experts.

⑤ We asked SEIH's management to confirm that the information given to us concerning the Contribution was complete and that no events had occurred that would be likely to affect the value of the Contributed Assets.

2.2. Appraisal of the Contributed Assets

2.2.1. Valuation method used by the parties

The valuation method used by the parties to determine the value of the Accor shares was based solely on information in the public domain, primarily the volume-weighted average closing share price for the three trading months ended two days before the Asset Contribution Agreement was signed.

Considering that SEIH's only material asset is a portfolio of Accor shares representing 0.896% of Accor's capital, the parties determined the value of the SEIH shares based on the value of the Accor shares.

① As explained above, Accor is a listed company. It is included in the CAC 40 index of the forty most actively traded stocks on the French market and, as of May 13, 2009 its free-float² represented 58.61%.

On this basis, we consider that the stock market price is the most appropriate method of valuing Accor shares.

② Based on SEIH's financial statements for the year ended December 31, 2009³, the company's net assets are as follows:

- 2,020,066 Accor shares for	€27,804,181.12
- Other assets and liabilities for	<u>€65,027.24</u>
	€27,869,208.36

SEIH's net assets therefore consist almost entirely of 2,020,066 Accor shares, as the company's other assets and liabilities are not material.

As a result, there is a direct correlation between the value of the SEIH shares and that of the Accor shares.

◆ Under these circumstances, considering that SEIH's only purpose is to hold a portfolio of Accor shares, it would not be possible to value SEIH on any basis other than by reference to the value of this portfolio.

² Number of shares of a listed company available for purchase by the public.

³ Adjusted for sale of 9,640 Accor shares in early March 2010

- ◆ Nevertheless, as SEIH is a pure holding company, the parties decided to apply a 1.8% discount despite the fact that SEIH does not hold any assets other than the portfolio of Accor shares.

- ◆ The absence of a premium is justified by the fact that, in the case of a change of control, under French securities laws any such premium would also have to be paid to all other Accor shareholders.

We therefore consider that it was appropriate for the parties to determine the value of the SEIH shares by reference to the value of the Accor shares, less a small discount, after taking into account the company's other assets and liabilities.

2.2.2. Alternative valuation method applied by the Appraisers

To give effect to the current turbulent economic conditions, we also applied the median value between the latest **target prices published by the financial analysts** as obtained from the Bloomberg database.

This method of valuing Accor shares looks beyond the short-term fluctuations in share price observed in the current extremely volatile market to take into account the Company's medium-term potential.

Our valuation on this basis does not affect our opinion that the value attributed by the parties to the Contributed Assets is not overstated.

2.2.3. Alternative valuation method rejected by the Appraisers

The **discounted cash flow method** takes into account a company's business outlook and is generally the preferred method of valuing a controlling interest.

However, as the Contributed Assets represent a minority interest in Accor this method is not appropriate.

Based on our procedures, we have no observations concerning the overall value attributed to the Contributed Assets.

3. CONCLUSION

Based on our procedures, in our opinion the value of €74,858,038.36 attributed to the Contributed Assets is not overstated and, consequently, is at least equal to the amount of the capital increase by the Contributtee plus the related premium.

Signed in Paris and Corbeil Essonnes on April 7, 2010

Jean-Jacques Dedouit

Patrice Cousin