

Letter to Shareholders



Special Issue for the June 29, 2010 Shareholders' Meeting

May 2010
No. 35



Demerging Accor's two businesses to create two world leaders: Accor and New Services

Dear Shareholders,

The Accor Annual Shareholders' Meeting scheduled for June 29 will be a Combined Ordinary and Extraordinary Meeting. The Ordinary part will involve the usual year-end resolutions, while the Extraordinary part will offer you the opportunity to vote on our major project: the demerger of Accor's two businesses, Hotels and Services. If approved, this project will lead to the stock market listing of the Services business in the form of a new company currently known as New Services Holding (hereafter New Services). The company's new name will be disclosed in June.

“The demerger will enable the Hotels and Services businesses – each a market leader – to step up their expansion.”

The project, which has been approved by the Board of Directors, is a consequence of the transformation of our two businesses, which have achieved global critical mass and can now grow independently. The demerger will enable the Hotels and Services businesses – each a market leader – to step up their expansion. The two companies will no longer have any capital ties between them.

You will thus have the opportunity to become a **shareholder of two independent, fast-growing global leaders:**

- **Accor** (Hotels and other businesses), the world's leading hotel operator, which aims to become Europe's largest hotel franchisor and one of the world's top three hotel groups.
- **New Services** (the Services business), the world leader in Employee and Public Benefits and one of the leading providers of prepaid services to help improve the performance of organizations.

These strategic initiatives, combined with the deployment of two ambitious corporate mission projects, will enable these two leaders to pursue and accelerate the growth that creates shareholder value.

In the pages below, you will find answers to the main questions you may have about the transaction.

Jacques Stern, future Chairman and Chief Executive Officer of New Services, and I would be proud if you choose to support us in this endeavor.

I would like to thank you for your confidence and loyalty, and look forward to seeing you at our Shareholders' Meeting on June 29.

Gilles C. Pélisson
Chairman and Chief Executive Officer

In compliance with regulations, the following documents are available to shareholders:

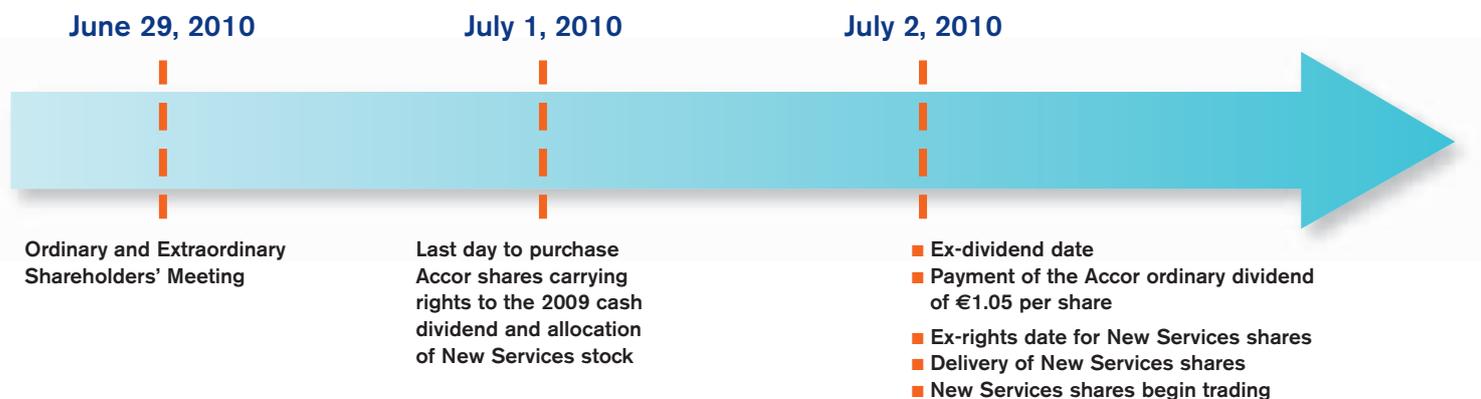
- The 2009 Accor Registration Document
- The update to the 2009 Accor Registration Document (D. 10-0201-A01)
- The prospectus (no. 10-128) to list New Services shares on the NYSE-Euronext™ stock exchange
- Notice of meeting for the Ordinary and Extraordinary Shareholders' Meeting on June 29, 2010

Timetable

Demerger, stock market listing of New Services, and payment of the Accor dividend

- | | |
|----------------------|--|
| June 29, 2010 | Combined Ordinary and Extraordinary Shareholders' Meeting |
| July 2, 2010 | Ex-dividend date and cash payment of the 2009 Accor SA dividend of €1.05 per share |
| July 2, 2010 | Ex-rights date and delivery of New Services shares |
| July 2, 2010 | New Services shares begin trading on the NYSE Euronext™ Paris stock exchange |

Key dates



Benefits for Accor shareholders

On July 2, 2010, Accor shareholders will become shareholders of two companies: Accor and New Services. Separate listings will help to increase each company's market value and give them both the independence to drive faster growth.

Support from investors

In a joint statement released on December 15, 2009: "Colony Capital and Eurazeo welcome the decision of Accor's Board of Directors to approve the plan to separate the Group's two businesses, Hotels and Prepaid Services, into two independent listed entities, each with its own strategy and benefiting from the resources necessary for its own development.

Eurazeo and Colony Capital reaffirm their willingness to provide lasting support for the two companies that will result from this separation. In this context, they have decided, provided that the separation of the two Accor businesses is completed, (i) to extend the provisions of the May 2008 shareholders' agreement between them to the shares of the two companies, until May 4, 2013, and (ii) to extend under such shareholders' agreement the lock-up undertaking on their shares in Accor and in the Prepaid Services entity, until January 1st, 2012."

Demerger Process

Subject to approval at the Ordinary and Extraordinary Shareholders' Meeting on June 29, 2010, Accor will transfer all of its Services assets to New Services.

On July 2, **each Accor shareholder will be allocated one New Services share for each Accor share held.**

The new shares will be allocated **automatically** by your bank or broker. The New Services shares will begin trading the same day on the NYSE Euronext™ Paris stock exchange.

Allocation ratio

Each Accor shareholder will receive one New Services share for each Accor share held. This will be a simple transaction, which will not involve any allocation rights or fractional shares.



Delivery of the New Services shares

If you own Accor bearer shares in a regular securities account

The New Services shares will be automatically registered in your account by your bank or broker.

If your Accor shares are registered in the Company share registry

The New Services shares will be registered in your name with Société Générale Securities Services.

If you own your Accor shares in a French PEA personal equity plan

The New Services shares will be automatically registered in your PEA by your bank or broker.

Taxation

Please note that the following information is a summary presentation of current tax legislation generally applicable to tax residents of France. Your individual situation may vary and should be discussed with your tax advisor. This is particularly the case for shareholders who are tax residents of other countries.

The transaction is governed by standard French tax rules.

Tax treatment of New Services shares allocated to individuals who are tax residents of France and who do not hold their Accor shares in a PEA personal equity plan

The allocation of New Services shares will be **taxed as a dividend, based only on the value of €0.94 per share**, with the balance deemed to be a **tax-exempt** repayment of contributed assets.

Please note: special conditions may apply. Please refer to the updated 2009 Registration Document, available at www.accor.com and consult your tax advisor. This is particularly the case for shareholders who are not tax residents of France.

The 2009 ordinary Accor dividend (€1.05 per share), to be paid in cash on the same day as the New Services shares are allocated, is intended to cover the dividend taxes and “prélèvements sociaux” withholding taxes due on the ordinary dividend and taxable portion of the allocated New Services shares (€0.94).

For example, if you own one Accor share:

On July 1, 2010 at close of trading, you own

1 Accor share

On July 2, 2010 at start of trading, you will own

€1.05
in the Accor
dividend

+

1 New
Services share*

+

1 Accor
share**

Tax residents of France will be taxed on the basis of **€0.94 for the New Services share and €1.05 for the 2009 Accor dividend**, in both cases according to French tax rules applicable to dividend income.

* The opening price of the New Services share on July 2, 2010 will depend on the buy and sell orders placed on that date prior to start of trading.

** The opening price of the Accor share on July 2, 2010 will automatically be impacted when the share goes ex-rights to the New Services share and the ordinary Accor dividend is paid. It will also depend on the buy and sell orders placed on that date prior to start of trading.

Tax treatment of Accor shares held in a PEA personal equity plan

The New Services shares will be automatically registered in your personal equity plan and will therefore be taxed accordingly.

Capital gains on the sale of New Services shares

If you sell your New Services shares, the resulting capital gain will be calculated on a **tax cost equal to the actual value of the New Services share** on July 2. This gain will be taxable according to the applicable tax regime and your personal situation in the year the shares are sold.

Impact on the cost of your Accor shares

The historical tax cost of your Accor shares held before July 2, 2010 will **be reduced** by an amount equal to the difference between the actual value of the New Services share on July 2 and €0.94. This will **avoid any double taxation** on the taxable portion of the distribution, because the €0.94 will not reduce your cost base for tax purposes.

Example

Actual value of the
New Services share on July 2
= €Y

Historical tax cost of
your Accor shares
prior to July 2
= €Z per share

Portion of the distribution
taxed upon allocation
= €0.94
per Accor share held

Tax cost of your New Services
shares allocated on July 2
= €Y per share

New tax cost of your Accor shares
held prior to July 2
= €Z - (€Y - €0.94) per share

➔ Taxation: general principles

This section summarizes French tax rules applicable to dividend income and capital gains for individuals who are tax residents of France and who do not own their shares through a tax-advantaged PEA personal equity plan. Shareholders who are tax residents of other countries should consult with their bank, broker or tax advisor.

Dividends

- Dividends are subject either:
 - To income tax, at the normal income tax scale rate,*
 - Or, if you so elect, to a flat-rate withholding tax, at the current rate of 18%.
- Whichever tax treatment you choose, the gross dividend will be subject to CSG and the other "prélèvements sociaux" withholding taxes, at the aggregate rate of 12.1%.

Capital gains

Since January 1, 2010, all capital gains regardless of amount are subject to CSG and the other "prélèvements sociaux" withholding taxes, at the aggregate rate of 12.1%. In addition, if aggregate disposals exceed €25,830 during 2010, any capital gains will be subject to income tax at the fixed rate of 18%, for a total tax burden of 30.1%.

* In this case, dividend income is eligible for i) a 40% general deduction; ii) a flat annual allowance of €1,525 for single filers and €3,050 for couples filing jointly; and iii) the use of a 50% personal tax credit of up to €115 for single filers and €230 for couples filing jointly.

Shareholder contacts

■ **E-mail:**
comfi@accor.com

■ **Postal address:**
Accor
Investor Relations and Financial Communications
Shareholder Relations Department
Immeuble Odyssey - 110, avenue de France
75210 - Paris Cedex 13 - FRANCE

■ **Website:**
www.accor.com