

PROSPECTUS DATED 26 SEPTEMBER 2012



Accor

(a société anonyme incorporated in France)

€100,000,000 2.875 per cent. Bonds due 2017

to be assimilated (*assimilables*) and form a single series with the €600,000,000 2.875 per cent. Bonds due 2017 issued on 19 June 2012

Issue Price: 102.064 per cent. plus an amount corresponding to accrued interest at a rate of 0.7955479 per cent. of the principal amount of the Bonds for the period from, and including, 19 June 2012 to, but excluding, 28 September 2012.

The €100,000,000 2.875 per cent. Bonds due 2017 (the “**Bonds**”) of Accor (the “**Issuer**”) will be issued outside the Republic of France on 28 September 2012 (the “**Issue Date**”) and will mature on 19 June 2017. The Bonds will be assimilated (*assimilées*) and form a single series with the €600,000,000 2.875 per cent. Bonds due 2017 issued on 19 June 2012 (the “**Existing Bonds**”) as from the date of assimilation which is expected to be on or around 40 days after the Issue Date (the “**Assimilation Date**”).

The issue price of the Bonds is 102.064 per cent. of their principal amount plus accrued interest at a rate of 0.7955479 per cent. of the principal amount of the Bonds for the period from, and including, 19 June 2012 to, but excluding, 28 September 2012. Interest on the Bonds will accrue at the rate of 2.875 per cent. per annum from 19 June 2012 and will be payable in Euro annually in arrear on 19 June in each year, commencing on 19 June 2013. Payments of principal and interest on the Bonds will be made without deduction for or on account of taxes of the Republic of France (See “Terms and Conditions of the Bonds— Taxation”).

Unless previously purchased and cancelled, the Bonds may not be redeemed prior to 19 June 2017. The Bonds may, and in certain circumstances shall, be redeemed, in whole but not in part, at their principal amount together with accrued interest in the event that certain French taxes are imposed (See “Terms and Conditions of the Bonds—Redemption and Purchase”) or at the option of the Issuer in accordance with Condition 4(c) (*Redemption at the option of the Issuer*) or at the option of Bondholders in accordance with Condition 4(d) (*Redemption at the option of Bondholders following a Change of Control*).

The Bonds will, upon issue on 28 September 2012, be inscribed (*inscription en compte*) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in “Terms and Conditions of the Bonds—Form, Denomination and Title”) including Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depositary bank for Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”).

The Bonds will be in dematerialised bearer form in the denomination of €100,000. The Bonds will at all times be represented in book entry form (*inscription en compte*) in the books of the Account Holders in compliance with Article L.211-3 of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities as amended by the Luxembourg Law dated 3 July 2012 (the “**Luxembourg Prospectus Act**”), for the approval of this Prospectus as a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC, as amended by Directive 2010/73/EC (the “**Prospectus Directive**”). Application has also been made to the Luxembourg Stock Exchange for the Bonds to be listed on the official list of the Luxembourg Stock Exchange (the “**Official List**”) and admitted to trading on the Luxembourg Stock Exchange’s regulated market. The Luxembourg Stock Exchange’s regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. Pursuant to Article 7(7) of the Luxembourg Prospectus Act, by approving this Prospectus, the CSSF gives no undertaking as to the economic and financial soundness of the Bonds to be issued hereunder and the quality or solvency of the Issuer.

The Bonds have been assigned a rating of BBB- by Standard & Poor’s Ratings Services and a rating of BBB- by Fitch Ratings Ltd.. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. Each of Standard & Poor’s Ratings Services, and Fitch Ratings is established in the European Union and is registered under Regulation (EC) No 1060/2009 as amended (the “**CRA Regulation**”) and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority (www.esma.europa.eu/page/List-registered-and-certified-CRAs).

Prospective investors should have regard to the factors described in the section headed “Risk Factors” in this Prospectus.

Global Coordinator

Société Générale Corporate & Investment Banking

Joint Lead Managers

Crédit Agricole CIB

Société Générale Corporate & Investment Banking

HSBC

**Natixis
UBS Investment Bank**

This Prospectus has been prepared for the purpose of giving information with regard to ACCOR (the “**Issuer**”), the Issuer and its subsidiaries and affiliates taken as a whole (the “**Group**”) and the Bonds which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position and profit and losses of the Issuer.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Joint Lead Managers (as defined in “Subscription and Sale” below) to subscribe or purchase, any of the Bonds. The distribution of this Prospectus and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”). Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”). For a description of certain restrictions on offers and sales of Bonds and on distribution of this Prospectus, see “Subscription and Sale”.

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Lead Managers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

To the extent permitted by law, each of the Joint Lead Managers accepts no responsibility whatsoever for the content of this Prospectus or for any other statement in connection with the Issuer.

The Joint Lead Managers have not separately verified the information contained in this Prospectus in connection with the Issuer. None of the Joint Lead Managers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus in connection with the Issuer. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer and the Joint Lead Managers that any recipient of this Prospectus or any other financial statements should purchase the Bonds. Each potential purchaser of Bonds should determine for itself the relevance of the information contained in this Prospectus and its purchase of Bonds should be based upon such investigation as it deems necessary. None of the Joint Lead Managers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Bonds of any information coming to the attention of any of the Joint Lead Managers.

In this Prospectus, unless otherwise specified, references to a “**Member State**” are references to a Member State of the European Economic Area, references to “**EUR**” or “**euro**” or “**€**” are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

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DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with the Prospectus and that have been filed with the *Commission de surveillance du secteur financier* in Luxembourg:

- (a) the English translation of the 2010 reference document (*document de référence*) of the Issuer (the “**2010 Registration Document**”), a French version of which was filed with the *Autorité des marchés financiers* under registration N° D.11-0198, dated 31 March 2011; except for (i) the fourth paragraph of the section "Person responsible for the Registration Document" on page 290 and (ii) the cross-reference table, the section on information incorporated by reference and the references to the free translations appearing on pages 104, 122 and 231;
- (b) the English translation of the 2011 reference document (*document de référence*) of the Issuer (the “**2011 Registration Document**”), a French version of which was filed with the *Autorité des marchés financiers* under registration N° D.12-0254, dated 30 March 2012; except for (i) the third paragraph of the section "Person responsible for the Registration Document" on page 318 and (ii) the cross-reference table, the section on information incorporated by reference and the references to the free translations appearing on pages 121, 140, 251, 309 and 313; and
- (c) the English translation of the 2012 interim consolidated financial statements (*comptes consolidés semestriels*) of the Issuer (the “**2012 Interim Consolidated Financial Statements**”) for the period ended 30 June 2012 which has been filed with the CSSF.

Such documents shall be incorporated in and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of the documents incorporated by reference in this Prospectus may be obtained without charge from the primary business office of the Issuer, the Issuer’s website (<http://www.accor.com/en/finance/financial-library.html>) and the website of the Luxembourg Stock Exchange (www.bourse.lu). The following table cross-references the pages of this Prospectus to the documents incorporated by reference with the main heading required under Annex IX of the Commission Regulation No. 809/2004 as amended by Commission Regulation No. 486/2012 implementing the Prospectus Directive.

Any information not listed in the following cross-reference list but included in the documents incorporated by reference in this Prospectus is given for information purposes only.

Annex IX	2010 Registration Document (page number)	2011 Registration Document (page number)	2012 Interim Consolidated Financial Statements (page number)
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Non-incorporated parts of the 2010 Registration Document, the 2011 Registration Document and of the 2012 Interim Consolidated Financial Statements are either not relevant for the investors or covered elsewhere in the Prospectus.

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

To the best knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information. The Issuer accepts responsibility accordingly.

ACCOR

Immeuble Odyssey
110, avenue de France
75210 Paris Cedex 13
France

Tel: +33.(0)1.45.38.18.52

RISK FACTORS

The following are certain risk factors of the offering of the Bonds of which prospective investors should be aware. Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this Prospectus, including in particular the following risk factors detailed below. This description is not intended to be exhaustive and prospective investors should make their own independent evaluations of all risk factors and should also read the detailed information set out elsewhere in this Prospectus.

The terms defined in “Terms and Conditions of the Bonds” shall have the same meaning where used below.

Risks related to the Issuer

See “Documents incorporated by reference” in this Prospectus.

Risks related to the Bonds

The Bonds may not be a suitable investment for all investors

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

The Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Bonds in the secondary market in which case the market or trading price and liquidity may be adversely affected or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the “**Investor's Currency**”) other than Euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Bonds, (ii) the Investor's Currency-equivalent value of the principal payable on the Bonds and (iii) the Investor's Currency-equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

The Bonds may be redeemed prior to maturity

In the event that the Issuer would be obliged to pay additional amounts payable in respect of any Bonds due to any withholding as provided in Condition 4(b), the Issuer may redeem all outstanding Bonds in accordance with such Terms and Conditions.

In addition, the Issuer has the option to redeem all (but not some only) of the Bonds as provided in Condition 4(c) of the Terms and Conditions of the Bonds. If the market interest rates decrease, the risk to Bondholders that the Issuer will exercise its right of early redemption increases. As a consequence, the yields received upon such early redemption may be lower than expected, and the redeemed face amount of the Bonds may be lower than the purchase price paid for such Bonds by the Bondholder where the purchase price was above par. As a consequence, part of the capital invested by the Bondholder may be lost, so that the Bondholder in such case would not receive the total amount of the capital invested. However, the redeemed face amount of the Bonds may not be below par. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than such redeemed Bonds.

Exercise of put option in respect of certain Bonds may affect the liquidity of the Bonds in respect of which such put option is not exercised

Depending on the number of Bonds in respect of which the put option provided in Condition 4(d) is exercised, any trading market in respect of those Bonds in respect of which such put option is not exercised may become illiquid.

Market value of the Bonds

The value of the Bonds depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Bonds are traded. The price at which a holder of Bonds will be able to sell the Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

Credit Rating may not reflect all risks

The ratings assigned by the Rating Agency to the Bonds may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the Rating Agency at any time.

Change of law

The Terms and Conditions of the Bonds are based on the laws of France in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of France or administrative practice after the date of this Prospectus. Furthermore, the Issuer operates in a heavily regulated environment and has to comply with extensive regulations in France and elsewhere. No assurance can be given as to the impact of any possible judicial decision or change to laws or administrative practices after the date of this Prospectus.

French insolvency law

Under French insolvency law as amended by ordinance n°2008-1345 dated 18 December 2008 which came into force on 15 February 2009, holders of debt securities are automatically grouped into a single assembly of holders (the “**Assembly**”) during a safeguard procedure (*procédure de sauvegarde*), an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) of the Issuer, in order to defend their common interests. The Assembly comprises holders of all debt securities issued by the Issuer (including the Bonds), whether or not under a debt issuance programme (EMTN) and regardless of their governing law. The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde*), proposed

accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Bondholders) by rescheduling and/or writing-off debts;
- establish an unequal treatment between holders of debt securities (including the Bondholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Bonds) into shares.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required on convocation of the Assembly. For the avoidance of doubt, the provisions relating to the *Masse* described in this Prospectus will not be applicable in these circumstances.

Taxation

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Bonds. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

EU Savings Directive

On 3 June 2003, the European Council of Economic and Finance Ministers adopted a directive 2003/48/CE regarding the taxation of savings income in the form of interest payments (the "**Directive**"). The Directive requires Member States, subject to a number of conditions being met, to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State, except that, for a transitional period, Luxembourg and Austria will instead withhold an amount on interest payments unless the relevant beneficial owner of such payment elects otherwise.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Bond as a result of the imposition of such withholding tax.

TERMS AND CONDITIONS OF THE BONDS

The terms and conditions of the Bonds will be as follows:

The issue outside the Republic of France of €100,000,000 2.875 per cent. Bonds due 19 June 2017 (the “**Bonds**”) of Accor (the “**Issuer**”) to be assimilated (*assimilables*) and form a single series with the €600,000,000 2.875 per cent. Bonds due 19 June 2017 issued on 19 June 2012 (the “**Existing Bonds**”) was authorised by resolution of the Board of Directors (*Conseil d’administration*) of the Issuer dated 21 February 2012 and a decision of Denis HENNEQUIN, Chairman and CEO of the Issuer dated 24 September 2012. The Bonds will be assimilated (*assimilées*) and form a single series with the Existing Bonds as from the date of assimilation which is expected to be on or around 40 days after the Issue Date (as defined below). The Issuer has entered into an agency agreement (the “**Principal Agency Agreement**”) dated 19 June 2012 and a supplemental agency agreement dated 28 September 2012 (the “**Supplemental Agency Agreement**”, and together with the Principal Agency Agreement, the “**Agency Agreement**”) with Société Générale, as fiscal agent, principal paying agent and calculation agent. The fiscal agent, the principal paying agent, the paying agents and the calculation agent for the time being are referred to in these Conditions as the “**Fiscal Agent**”, the “**Principal Paying Agent**”, the “**Paying Agents**” (which expression shall include the Principal Paying Agent) and the “**Calculation Agent**”, each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Agency Agreement, and are collectively referred to as the “**Agents**”. References below to “**Conditions**” are, unless the context otherwise requires, to the numbered paragraphs below.

1 Form, Denomination and Title

The Bonds are issued on 28 September 2012 (the “**Issue Date**”) in dematerialised bearer form in the denomination of €100,000. Title to the Bonds will be evidenced in accordance with Article L.211-3 of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds.

The Bonds will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders. For the purpose of these Conditions, “**Account Holders**” shall mean any authorised intermediary institution entitled to hold accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depositary bank for Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”).

Title to the Bonds shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Bonds may only be effected through, registration of the transfer in such books.

2 Status and Negative Pledge

(a) Status of the Bonds

The obligations of the Issuer in respect of the Bonds constitute direct, unconditional, (subject as provided below) unsecured and unsubordinated obligations and rank and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

(b) Negative Pledge

So long as any of the Bonds remains outstanding (as defined below), the Issuer will not create or permit to subsist any mortgage, charge, lien, pledge or other security interest (*sûreté réelle*) upon the whole or any part of its present or future assets or revenues for the benefit of any holders of any Relevant Debt (as defined below) to secure (1) payment of any sum due in respect of any such Relevant Debt or (2) any payment under any guarantee of or indemnity or other like obligation relating to any Relevant Debt, unless the Issuer’s obligations under the Bonds are equally and rateably secured (A) by such mortgage, charge, lien, pledge or security interest or (B) by such other security as shall be approved by the *Masse* (as defined in Condition 9) pursuant to Condition 9.

“**Relevant Debt**” means any present or future indebtedness for borrowed money which is in the form of, or represented by, bonds or notes (*obligations*) which are at the relevant time listed on any stock exchange.

“**outstanding**” means, in relation to the Bonds, all the Bonds issued other than: (a) those which have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest accrued on such Bonds to the date for such redemption and any interest payable under Condition 3 after such date) have been duly paid to the Fiscal Agent and (c) those which have been purchased and cancelled as provided in Condition 4.

3 Interest

The Bonds bear interest from and including 19 June 2012 (the “**Interest Commencement Date**”) at the Rate of Interest payable annually in arrear on 19 June in each year (each an “**Interest Payment Date**”), commencing on 19 June 2013. The period commencing on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period commencing on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an “**Interest Period**”.

Bonds will cease to bear interest from the date provided for their redemption, unless the Issuer defaults in making due provision for their redemption on said date. In such event, interest will continue to accrue on the principal amount of such Bonds at the Rate of Interest (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Bonds up to that day are received by or on behalf of the relevant holder and (ii) the day after the Fiscal Agent has notified the Bondholders in accordance with Condition 10 of receipt of all sums due in respect of all the Bonds up to that day.

Interest will be calculated on an Actual/Actual (ICMA) basis. If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of a day count fraction which will be calculated by taking the actual number of days in the relevant period, from (and including) the date from which interest begins to accrue to (but excluding) the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

In these Conditions:

“**Initial Rate of Interest**” means 2.875 per cent. per annum.

“**Investment Grade Rating**” means a rating of the Issuer of BBB- solicited by the Issuer from S&P (as defined at Condition 4(d)) or its equivalent for the time being solicited by the Issuer from another rating agency in the place of S&P, or better;

“**Non-Investment Grade Rating**” means a rating of the Issuer of BB+ solicited by the Issuer from S&P or its equivalent for the time being solicited by the Issuer from another rating agency in the place of S&P, or worse; and

“**Rate of Interest**” means the interest rate per annum applicable to the Bonds in respect to any Interest Period or any other period, as follows:

- (i) if, on the first day of any Interest Period, the Issuer has an Investment Grade Rating, the Rate of Interest with respect to such Interest Period shall be the Initial Rate of Interest; and
- (ii) if, on the first day of any Interest Period, the Issuer has a Non-Investment Grade Rating or has no rating, the Rate of Interest with respect to such Interest Period shall be the Initial Rate of Interest plus 1.25 per cent. per annum.

4 Redemption and Purchase

The Bonds may not be redeemed otherwise than in accordance with this Condition 4.

(a) *Final Redemption*

Unless previously redeemed or purchased and cancelled as provided below, the Bonds will be redeemed by the Issuer at their principal amount on the Interest Payment Date falling on 19 June 2017 (the “**Maturity Date**”).

(b) *Redemption for Taxation Reasons*

- (i) If, by reason of a change in French law or regulator, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the Bonds, not be able to make such payment without having to pay additional amounts as specified in Condition 6 below, the Issuer may on any Interest Payment Date, subject to having given not more than 45 nor less than 30 days’ prior notice to the Bondholders (which notice shall be irrevocable), in accordance with Condition 10, redeem all, but not some only, of the outstanding Bonds at their principal amount provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal and interest without withholding for French taxes.
- (ii) If the Issuer would on the occasion of the next payment in respect of the Bonds be prevented by French law from making payment to the Bondholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 6 below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days’ (7) prior notice to the Bondholders in accordance with Condition 10 redeem all, but not some only, of the Bonds then outstanding at their principal amount plus any accrued interest on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Bonds without withholding for French taxes, or, if such date is past, as soon as practicable thereafter.

(c) *Redemption at the option of the Issuer*

The Issuer may, subject to compliance with all relevant laws, regulations and directives and to having given not more than 30 nor less than 15 days’ notice to the Bondholders (which notice shall be irrevocable and shall specify the date fixed for redemption) in accordance with Condition 10 (*Notices*), redeem all (but not some only) of the Bonds at any time prior to their Maturity Date (the “**Make-whole Redemption Date**”) at an amount per Bond calculated by the Calculation Agent (as defined below) and equal to the greater of:

- (a) 100 per cent. of the principal amount of the Bonds; or
- (b) the sum of the then current values of the remaining scheduled payments of principal and interest (not including any interest accrued on the Bonds to, but excluding, the Make-whole Redemption Date) discounted to the Make-whole Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at the Reference Rate (as defined below) plus 0.40 per cent.,
- plus, in each case (a) or (b) above, any interest accrued on the Bonds to, but excluding, the Make-whole Redemption Date.

The Reference Rate will be published by the Issuer in accordance with Condition 10.

The Reference Rate is the average of the four quotations given by the Relevant Dealers of the mid-market annual yield of the Reference Bund on the fourth Business Day (as defined in Condition 5(b) preceding the Make-whole Redemption Date at 11.00 a.m. (Central European Time (“**CET**”))).

If the Reference Bund is no longer outstanding, a Similar Security will be chosen by the Calculation Agent at 11.00 a.m. (CET) on the third Business Day in London preceding the Make-whole Redemption Date, quoted in writing by the Calculation Agent in accordance with Condition 15.

Where:

“**Reference Bund**” means the Federal Government Bund of Bundesrepublik Deutschland due April 2017, with ISIN DE0001141638;

“**Reference Dealers**” means each of the four banks selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues;

“**Similar Security**” means a reference bond or reference bonds issued by the German Federal Government having an actual or interpolated maturity comparable with the remaining term of the Bonds that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Bonds.

The Issuer will procure that, so long as any Bond is outstanding, there shall at all times be a Calculation Agent for the purposes of the Bonds. If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent or if the Calculation Agent fails duly to establish the amount due in relation to this Condition 4(c), the Issuer shall appoint some other leading bank engaged in the Euro interbank market (acting through its principal Euro-zone office) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4(c) by the Calculation Agent shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer and the Bondholders and (in the absence as aforesaid) no liability to the Issuer or the Bondholders shall attach to the Calculation Agent in connection with the exercise or non-exercise of its powers, duties and discretions.

(d) *Redemption at the option of Bondholders following a Change of Control*

(i) If at any time while any Bond remains outstanding, there occurs (i) a Change of Control (as defined below) and (ii) within the Change of Control Period, a Rating Downgrade (as defined below) occurs or has occurred as a result of such Change of Control or as the result of a Potential Change of Control (in either case a “**Put Event**”), the holder of each Bond will have the option (the “**Put Option**”) (unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives notice to redeem the Bonds under Condition 4(b) (*Redemption for Taxation Reasons*) and 4(c) (*Redemption at the option of the Issuer*)) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of that Bond, on the Optional Redemption Date (as defined below) at its principal amount outstanding of such Bonds together with (or where purchased, together with an amount equal to) interest accrued to, but excluding, the Optional Redemption Date.

A “**Change of Control**” shall be deemed to have occurred at each time that any person or persons acting in concert come(s) to legally or beneficially own or acquire(s) directly or indirectly such number of shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights exercisable at a general meeting of the Issuer.

“**Change of Control Period**” means the period commencing on the date that is the earlier of (1) the first public announcement of the result (*avis de résultat*) by the *Autorité des marchés financiers* (“**AMF**”) or by the Issuer of the relevant Change of Control and (2) the date of the Potential Change of Control and ending on the date which is 90 days after the date of the first public announcement of the result.

A “**Potential Change of Control**” means any public announcement or statement by the Issuer, or by any actual or potential bidder(s) relating to any potential Change of Control of the Issuer.

A “**Rating Downgrade**” shall be deemed to have occurred in respect of a Change of Control or of a Potential Change of Control if within the Change of Control Period, the rating previously assigned to the Bonds by any Rating Agency (as defined below) solicited by the Issuer is (x) withdrawn or (y) changed from an investment grade rating (BBB-, or its equivalent for the time being, or better) to a non-investment grade rating (BB+, or its equivalent for the time being, or worse) or (z) if the rating previously assigned to the Bonds by any Rating Agency solicited by the Issuer was below an investment grade rating (as described above), lowered by at least one full rating notch (for example, from BB+ to BB; or their respective equivalents), provided that (i) a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control or Potential Change of Control, as the case may be, if the Rating Agency does not publicly announce or publicly confirm that the reduction was the result, in whole

or in part, of the Change of Control or the Potential Change of Control, as the case may be, and (ii) any Rating Downgrade must have been confirmed in a letter or other form of written communication sent to the Issuer and publicly disclosed. If the Bonds are rated by more than one Rating Agency and such rating has been solicited by the Issuer, the rating to be taken into account to determine whether a Rating Downgrade has occurred shall be the lower rating assigned by any such Rating Agency.

If the Bonds cease at any time to have a rating assigned to them by at least one Rating Agency, the Issuer shall use its best endeavours to obtain a rating of the Bonds from a Rating Agency as soon as practicable.

“**Rating Agency**” means Standard & Poor's Ratings Services (“**S&P**”), Fitch Ratings Ltd., Moody's Investor Services or any other rating agency of equivalent international standing specified from time to time by the Issuer and, in each case, their respective successors or affiliates.

- (i) Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a “**Put Event Notice**”) to the Bondholders in accordance with Condition 10 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the Put Option contained in this Condition 4(d).
- (ii) To exercise the Put Option to require redemption or, as the case may be, purchase of the Bonds under this Condition 4(d), a Bondholder must transfer or cause to be transferred its Bonds to be so redeemed or purchased to the account of the Fiscal Agent specified in the Put Option Notice (as defined below) for the account of the Issuer within the period (the “**Put Period**”) of 45 days after a Put Event Notice is given together with a duly signed and completed notice of exercise in the then current form obtainable from the specified office of any Paying Agent (a “**Put Option Notice**”) and in which the holder may specify a bank account to which payment is to be made under this Condition 4(d).

A Put Option Notice once given shall be irrevocable. The Issuer shall redeem or, at the option of the Issuer procure the purchase of, the Bonds in respect of which the Put Option has been validly exercised as provided above, and subject to the transfer of such Bonds to the account of the Fiscal Agent for the account of the Issuer as described above on the date which is the fifth Business Day following the end of the Put Period (the “**Optional Redemption Date**”). Payment in respect of such Bonds will be made on the Optional Redemption Date by transfer to the bank account specified in the Put Option Notice and otherwise subject to the provisions of Condition 5.

- (iii) For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which the Bondholder may incur as a result of or in connection with such Bondholder's exercise or purported exercise of, or otherwise in connection with, any Put Option (whether as a result of any purchase or redemption arising there from or otherwise).

(e) *Purchases*

The Issuer may at any time purchase Bonds together with rights to interest relating thereto in the open market or otherwise at any price, subject to the applicable laws and/or regulations.

All Bonds so purchased by the Issuer may be held and resold in accordance with Article L.213-1-A of the French *Code monétaire et financier*, for the purpose of enhancing the liquidity of Bonds, provided that the Issuer will not be entitled to hold the Bonds for a period exceeding one year from their purchase date, in accordance with Article D.213-1-A of the French *Code monétaire et financier*.

(f) *Cancellation*

All Bonds which are redeemed or purchased pursuant to paragraphs (b)(i), (b)(ii), (c), (d) or (e) of this Condition will forthwith be cancelled and accordingly may not be reissued or sold.

5 Payments

(a) *Method of Payment*

Payments of principal and interest in respect of the Bonds will be made in Euro by credit or transfer to a Euro-denominated account (or any other account to which Euro may be credited or transferred) specified by the payee in a city in which banks have access to the TARGET System.

“**TARGET System**” means the Trans European Automated Real Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto.

Such payments shall be made for the benefit of the Bondholders to the Account Holders and all payments validly made to such Account Holders in favour of the Bondholders will be an effective discharge of the Issuer and the Paying Agents, as the case may be, in respect of such payments.

Payments of principal and interest on the Bonds will, in all cases, be subject to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 6.

(b) *Payments on Business Days*

If any due date for payment of principal or interest in respect of any Bond is not a Business Day (as defined below), then the holder thereof shall not be entitled to payment of the amount due until the next following day which is a Business Day and the holder shall not be entitled to any interest or other sums in respect of such postponed payment.

In this Condition “**Business Day**” means a day (other than a Saturday or a Sunday or any public holiday in France) on which Euroclear France is open for general business and which is a TARGET Business Day.

No commission or expenses shall be charged to the Bondholders in respect of such payments.

(c) *Fiscal Agent and Paying Agents*

The names of the initial Agents and their specified offices are set out below.

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or Paying Agent and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be a Fiscal Agent and a Principal Paying Agent having a specified office in a European city. Any termination or appointment shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not more than 45 nor less than 30 calendar days’ notice thereof shall have been given to the Bondholders by the Issuer in accordance with Condition 10.

6 Taxation

(a) *Withholding Tax Exemption*

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes or duties of whatever nature imposed, levied or collected by or on behalf of France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

(b) *Additional Amounts*

If, pursuant to French laws or regulations, payments of principal or interest in respect of any Bond become subject to deduction or withholding in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed by or on behalf of France or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the holder of each Bond, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such withholding; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Bond:

- (i) to, or to a third party on behalf of a Bondholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with France other than the mere holding of such Bond;
- (ii) more than 30 days after the Relevant Date (as defined below), except to the extent that the holder thereof would have been entitled to such additional amounts on the last day of such period of 30 days; or
- (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings or any law implementing or complying with, or introduced in order to conform to, such Directive.

For this purpose, the “**Relevant Date**” in relation to any Bond means whichever is the later of (A) the date on which the payment in respect of such Bond first becomes due and payable, and (B) if the full amount of the moneys payable on such date in respect of such Bond has not been received by the Fiscal Agent on or prior to such date, the date on which notice is given to Bondholders that such moneys have been so received, notice to that effect shall have been duly published in accordance with Condition 10.

Any references to these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition 6.

7 Events of Default

If any of the following events (each an “**Event of Default**”) shall have occurred and be continuing:

- (i) default in any payment when due of interest on any of the Bonds, if such default shall not have been remedied within 5 Business Days (as defined in Condition 5(b)) thereafter; or
- (ii) default in the performance of, or compliance with, any other obligation of the Issuer under the Bonds other than as referred to in Condition 7(i) above, if such default shall not have been remedied within 30 calendar days after receipt by the Fiscal Agent of written notice of such default given by the Representative (as defined in Condition 9); or
- (iii) the Issuer makes any proposal for a general moratorium in relation to its debts or enters into a conciliation procedure (*procédure de conciliation*) with its creditors or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) or for a judicial transfer of the whole of its business (*cession totale de l'entreprise*); or, to the extent permitted by applicable law, if it is subject to any other insolvency or bankruptcy proceedings; or if the Issuer makes any conveyance, assignment or other arrangement for the benefit of, or enters into a composition with, all or a substantial number of its creditors with a view to a restructuring or rescheduling of its indebtedness; or if the Issuer is wound up or dissolved except with the prior approval of the *Masse* for the purposes of an amalgamation, reorganisation, consolidation or merger which is implemented; or
- (iv) any other present or future indebtedness of the Issuer for or in respect of borrowed money becomes due and payable (*exigible*) prior to its stated maturity by reason of the occurrence of a default, event of default or other similar condition or event (however described) with equivalent effect (together, “**default**”), provided that the aggregate amount of the relevant indebtedness equals or exceeds € 100,000,000 or its equivalent unless such default is contested in good faith by the Issuer before a competent court or by other appropriate proceedings provided that the claim alleging the occurrence of such default is withdrawn, dismissed or stayed within 90 calendar days from the date on which the relevant indebtedness was first alleged to have become due and payable; or
- (v) all or any substantial part of the property, assets or revenues of the Issuer shall be attached or shall become subject at any time to any order of court or the enforcement of any security interests (*sûretés réelles*) and such attachment or order shall remain in effect and not be discharged for, or the steps taken to enforce any such security interests shall not be withdrawn or stayed within 30 calendar days,

then the Representative (as defined below) may, by notice in writing to the Issuer and the Fiscal Agent given on behalf of the Bondholders before all continuing Events of Default shall have been remedied, cause the Bonds to become immediately due and payable whereupon they shall become immediately due and payable without further formality at the principal amount of the Bonds together with any accrued interest thereon.

8 Issuer Authorisations

If at any time an authorisation becomes necessary to permit the Issuer to pay the principal of, or interest on, the Bonds as a result of any change in the official application of, or any amendment to, the laws or regulations of France, the Issuer shall immediately apply for the necessary authorisations and forthwith provide copies of such application to the Fiscal Agent. The Issuer shall provide copies of such authorisations to the Fiscal Agent within a reasonable period after they are obtained.

9 Representation of the Bondholders

The Bondholders will be grouped automatically for the defence of their respective common interests in a *masse* (hereinafter referred to as the “*Masse*”).

The *Masse* will be governed by the provisions of the French *Code de commerce* with the exception of Articles L.228-48, L.228-59, L.228-65 II, L.228-71, L.228-72, R.228-67, R.228-69, R.228-72 and R.228-79, thereof, and by the conditions set out below, provided that notices calling a general meeting of the Bondholders (a “**General Meeting**”) and the resolutions passed at any General Meeting and any other decision to be published pursuant to French legal and regulatory provisions will be published only as provided under Condition 10 below:

(a) *Legal Personality*

The *Masse* will be a separate legal entity, by virtue of Article L.228-46 of the French *Code de commerce* acting in part through a representative (the “**Representative**”) and in part through a General Meeting.

The *Masse* alone, to the exclusion of all individual Bondholders, shall exercise the common rights, actions and benefits which now or in the future may accrue with respect to the Bonds.

(b) *Representative*

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representative:

- (i) the Issuer, the members of its Board of Directors (*conseil d'administration*), its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their ascendants, descendants and spouse; or
- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors (*conseil d'administration*), Executive Board (*directoire*) or Supervisory Board (*conseil de surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouse; or
- (iii) companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The following person is designated as Representative of the *Masse*:

Association de représentation des masses de titulaires de valeurs mobilières
Centre Jacques Ferronnière
32 rue du Champ de Tir - B.P. 81236
44312 Nantes Cedex 3

In the event of incompatibility, resignation or revocation of the Representative, a replacement representative will be elected by a meeting of the general assembly of the Bondholders.

Bondholders' attention is drawn to the fact that the members of the *Association de représentation de la masse de titulaires de valeurs mobilières* are also employees of Société Générale.

The Issuer shall pay to the Representative an amount of €613 per year payable on 19 June so long as any of the Bonds is outstanding .

All interested parties will at all times have the right to obtain the name and address of the Representative at the primary business office of the Issuer and at the offices of any of the Paying Agents.

(c) *Powers of the Representative*

The Representative shall, in the absence of any decision to the contrary of the General Meeting of Bondholders, have the power to take all acts of management to defend the common interests of the Bondholders.

All legal proceedings against the Bondholders or initiated by them must be brought against the Representative or by it, and any legal proceedings which shall not be brought in accordance with this provision shall not be legally valid.

The Representative may not interfere in the management of the affairs of the Issuer.

(d) *General Meetings*

General Meetings may be held at any time, on convocation either by the Issuer or the Representative. One or more Bondholders, holding together at least one-thirtieth of outstanding Bonds may address to the Issuer and the Representative a demand for convocation of the General Meeting; if such General Meeting has not been convened within two months from such demand, such Bondholders may commission one of themselves to petition the competent court in Paris to appoint an agent (*mandataire*) who will call the meeting.

Notice of the date, hour, place, agenda and quorum requirements of any General Meeting will be published as provided in Condition 10 not less than 15 days prior to the date of the General Meeting.

Each Bondholder has the right to participate in General Meetings in person, by proxy, correspondence, or, if the *statuts* of the Issuer so specify¹, videoconference or any other means of telecommunications allowing the identification of the participating Bondholders. Each Bond carries the right to one vote.

(e) *Powers of General Meetings*

A General Meeting is empowered to deliberate on the fixing of the remuneration of the Representative and on its dismissal and replacement, and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Bonds, including authorising the Representative to act at law as plaintiff or defendant.

A General Meeting may further deliberate on any proposal relating to the modification of these Conditions, including:

¹ At the date of this Prospectus, the *statuts* of the Issuer do not contemplate the right for a Bondholder to participate in a General Meeting by videoconference or any other means of telecommunication allowing the identification of the participating Bondholders.

- (i) any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions; and
- (ii) any proposal relating to the issue of securities carrying a right of preference compared to the rights of Bondholders),

it being specified, however, that a General Meeting may not increase amounts payable by the Bondholders, nor establish any unequal treatment between the Bondholders, nor decide to convert the Bonds into shares of the Issuer or any other entity.

General Meetings may deliberate validly on first convocation only if Bondholders present or represented hold at least a fifth of the Bonds then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by the Bondholders attending such meeting or represented thereat.

In accordance with Article R.228-71 of the French *Code de commerce*, the right of each Bondholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Bondholder as of 0:00, Paris time, on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting.

(f) Information to the Bondholders

Each Bondholder or representative thereof will have the right, during the 15 day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the meeting, which will be available for inspection at the principal office of the Issuer, at the offices of the Paying Agents and at any other place specified in the notice of meeting.

(g) Expenses

The Issuer will pay all reasonable expenses incurred in the operation of the *Masse*, including expenses relating to the calling and holding of meetings and the expenses which arise by virtue of the remuneration of the Representative, and more generally all administrative expenses resolved upon by a General Meeting of the Bondholders, it being expressly stipulated that no expenses may be imputed against interest payable on the Bonds.

(h) Notice of Decisions

Decisions of the meetings shall be published in accordance with the provisions set out in Condition 10 not more than 90 days from the date thereof.

10 Notices

Any notice to the Bondholders will be valid if delivered to the Bondholders through Euroclear France, Euroclear or Clearstream, Luxembourg, for so long as the Bonds are cleared through such clearing systems and so long as the Bonds are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any such notice shall be deemed to have been given on the date of such delivery or, if delivered more than once or on different dates, on the first date on which such delivery is made.

11 Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Bonds shall become prescribed 10 years (in the case of principal) and five years (in the case of interest) from the due date for payment thereof.

12 Further Issues

The Issuer may, from time to time without the consent of the Bondholders, issue further Bonds to be assimilated (*assimilables*) with the Bonds as regards their financial service, provided that such further Bonds and the Bonds shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further Bonds shall provide for such assimilation. In the event of such assimilation, the

Bondholders and the holders of any assimilated Bonds will, for the defence of their common interests, be grouped in a single *Masse* having legal personality.

13 Governing Law and Jurisdiction

The Bonds are governed by the laws of France.

For the benefit of the Bondholders, the Issuer submits to jurisdiction of the competent courts in Paris. This submission shall not limit the right of any Bondholder to take proceedings in any other court of competent jurisdiction.

USE OF PROCEEDS

The net proceeds from the issue of the Bonds, which will be €102,484,547.90 will be used for the general corporate purposes of the Issuer.

RECENT DEVELOPMENTS

- **Sale of Motel 6 for 1.9 billion dollars**

Accor announced in a press release dated 22 May 2012 that it had signed an agreement on the same date to sell its United States Economy Hotels Division to an affiliate of Blackstone Real Estate Partners VII, for a total value of \$1.9bn. The network includes Motel 6, the iconic North American brand, and Studio 6, an extended-stay economy chain, and comprises 1,102 hotels (107,347 rooms) in the USA and in Canada.

This transaction strengthens the Group's economic model and follows Accor's decision to reduce capital employed in Motel 6 and Studio 6, as announced in September 2011.

As a result of the transaction, Accor will reduce its net debt by approximately €330m and its fixed-lease commitments by c. €525m. The Group will register an exceptional non-cash loss of c.€600m, linked to the early buyout of fixed-lease hotels.

The transaction is scheduled to be completed in October 2012, subject to the unwinding of leases and customary closing conditions.

- **Acquisition of the South American portfolio of Grupo Posadas**

In a press release dated 16 July 2012, Accor announced that it had consolidated its leadership in Latin America with the acquisition of the South American portfolio of Grupo Posadas. The acquisition of this hotel portfolio of Grupo Posadas, a Mexican hotel company, is fully in line with Accor's ambitious development strategy launched last September, which includes notably Accor's ability to reinforce its leadership in emerging markets, through selective acquisitions. That follows the Mirvac acquisition in Australia and New Zealand, closed on May 22nd.

The total amount paid by Accor for this acquisition is \$275 million. The transaction includes 15 hotels, of which 4 owned hotels, 4 variable leased hotels and 7 hotels under Management contract. These hotels are located in key cities as São Paulo and Rio de Janeiro in Brazil, Buenos Aires in Argentina and Santiago in Chile. 11 of these 15 hotels are located in Brazil, main regional economic force. The acquisition of this portfolio will reinforce the brands operated in the region: Sofitel, Pullman, Novotel and Mercure. The transaction also includes a secured pipeline of 14 hotels under Management contract and the acquisition of two brands operated by Grupo Posadas in South America: Ceasar Park and Ceasar Business.

With this transaction, the Group's network in Brazil will reach 164 hotels and 26,200 rooms, covering the spectrum of hotel segments and resulting in a reinforced presence in the Up & Midscale segment, just before two major sports' events: the World Football Cup in 2014 and the Summer Olympic Games in 2016. In total, Accor's portfolio in South America will consist of more than 200 hotels and about 34,000 rooms and will so strengthen its leadership on the continent.

Completion of the deal should occur by the end of 2012. The real estate component of this hotel portfolio will be managed according to Accor's asset management policy.

- The following is an extract from a press release published by the Issuer on 17 July 2012 relating to the first-half 2012 revenue announcement:

**A Solid First-Half 2012:
Revenue Up 3.6% like-for-like
Sustained Growth in the Second Quarter
Despite Negative Calendar Effect**

- **First-half revenue up 3.6%** like-for-like and **down 0.1%** as reported, of which a **3.1%** like-for-like in the second quarter
- Good performance **across all segments**, led by **steadily rising prices**
- **20.1% increase in management and franchise fees** over the semester
- **Record expansion in the first-half**, with the opening of **20,700 rooms** (141 hotels), **85% of which under management and franchise contracts**
- **Motel 6** accounted for in Assets Held For Sale following its announced sale to Blackstone.

Revenue for the six months ended June 30, 2012 totaled €2,717 million, **up 3.6%** like-for-like and **down 0.1%** as reported.

<i>(in € millions)</i>	H1 2011 (restated)¹	H1 2012 (reported)	% change (restated)	% change (like-for-like)²
Upscale & Midscale	1,698	1,710	+0.7%	+3.5%
Economy	911	952	+4.5%	+4.0%
Hotels	2,609	2,662	+2.0%	+3.7%
Other businesses ³	111	55	-50.4%	+2.2%
Total	2,720	2,717	-0.1%	+3.6%

First-half 2012 revenue up 3.6% like-for-like to €2,717 million

Consolidated revenue for the six months ended June 30, 2012 amounted to €2,717 million, **down 0.1% on a reported basis**. It reflected the following factors:

¹ Following signature of the agreement to sell Motel 6 to Blackstone, consolidated revenue for the two periods presented has been adjusted for the reclassification of Motel 6 revenue in revenue from assets held for sale.

NB: Consolidated first-quarter revenue adjusted for Motel 6 and Motel 6 key figures may be found in the appendix, on pages 5 and 10 below.

² At constant scope of consolidation and exchange rates.

³ Impact of the Lenôtre disposal.

- An improvement in RevPAR led by the growth in prices across every segment and the sharp increase in Management and Franchise fees.
- Expansion, which increased revenue by €37 million, adding 1.4% to reported growth. The expansion set a new record during the period, with the opening of 20,700 rooms¹ (141 hotels), 85% of which under management and franchise contracts.
- Changes in the scope of consolidation, which reduced reported growth by 5.9% and revenue by €160 million, including notably the asset disposal strategy and €56 million from the sale of Lenôtre.
- The currency effect, which at a positive €21 million added 0.8% to reported growth, primarily due to the gains in the Australian dollar and British pound against the euro.

Second-quarter 2012 revenue up 3.1% like-for-like to €1,475 million

Consolidated revenue for the second quarter of 2012 stood at €1,475 million, **down 0.8% on a reported basis** due to the combined impact of the following factors:

- Growth in RevPAR, with prices rising in every segment.
- Expansion, which added €26 million to revenue and 1.8% to reported growth. It was led both by the faster pace of room opening during the quarter, with a record 8,700 new rooms (56 hotels) on organic basis, plus the 5,400 rooms (43 hotels) added through the Mirvac acquisition.
- Changes in the scope of consolidation, which reduced reported growth by 6.4% and revenue by €95 million, of which €31 million from the sale of Lenôtre.
- The currency effect, which at a positive €11 million added 0.7% to reported growth, primarily due to the gains in the British pound and the Australian dollar against the euro.

Upscale and Midscale Hotels: second-quarter revenue up 3.5% like-for-like to €929 million

Revenue from the Upscale & Midscale segment rose **0.1% as reported** and **3.5% like-for-like** over the quarter. This solid performance was notably driven by the **19.7%** increase in management and franchise fees. **Emerging markets** continued to deliver a very good performance, with growth of **7.9% in the Asia-Pacific region** and **9.5% in Latin America**. In Europe, demand remains strong, especially in key gateways even though the situation in Spain, Italy and Portugal still weighed on the regional performance. Sofitel reported the segment's best performance for the quarter.

Economy Hotels: second-quarter revenue up 2.8% like-for-like to €516 million

In the second quarter, revenue from Economy Hotels rose by **3.3% as reported** and **2.8% like-for-like**, lifted by generally rising prices and the **13.1%** increase in management and franchise fees. **Emerging markets** remained extremely dynamic, with gains of **6.8% in the Asia-Pacific region** and **14.6% in Latin America**. The key European gateways turned in a good performance for the period.

Management and franchise fees

Thanks to the dynamic expansion strategy, management and franchise fee revenue rose by 20.1% to **€233 million** in the first half, with growth of 20.5% in the Upscale & Midscale segment and of 18.9% in Economy Hotels.

Revenue by key market

In **France**, the unfavorable impact of bank holidays in May and the lack of major events in June (such as the Paris Airshow and Vinexpo in Bordeaux) weighed heavily on quarterly performance. As a result, like-for-like revenue ended the period **up 0.3%** in the **Upscale & Midscale** segment and **down 0.8%** in **Economy Hotels**. Paris enjoyed a good

¹ Including 5,400 rooms added by the Mirvac acquisition, which was completed last May 22.

performance and growth in RevPAR in every segment. Gains in the Upscale & Midscale segment were boosted in particular by the sharp increase in fee revenue from management and franchise.

In **Germany**, business was supported by a robust macroeconomic environment and stable demand, with like-for-like revenue growth standing at **4.5%** in the **Upscale & Midscale** segment and **4.7%** in the **Economy** segment. Prices improved substantially thanks to the favorable second-quarter trade fair calendar. In addition, successful application of the revenue management strategy in the Upscale & Midscale and of the dynamic pricing policy in Economy Hotels contributed to the global increase in RevPAR over the period.

Demand in the **United Kingdom** remains very strong. However, preparations for the London Olympic Games had a negative impact on the revenue of the **Upscale & Midscale** segment that was down 3.9% like-for-like with the renovation of some London hotels and the anticipated closure of the Excel Congress Center as well as the O2 Arena. On the other hand, revenue from **Economy Hotels** rose by **4.3%** like-for-like, led by the combined impact of firm demand and sustained application of the dynamic pricing policy, which helped to optimize RevPAR. At the same time, the UK operations benefited from the growth in fee revenue thanks to their dynamic expansion strategy.

A solid first-half 2012

Despite very unfavorable comparatives in the second quarter, Accor delivered a solid **performance in the first half of 2012**, with revenue increasing **3.6% like-for-like** over the period.

Growth was linked to business levels that remained very robust in **emerging markets** (the Asia-Pacific region, Latin America and Africa/Middle East). It was generally stable in Europe, with solid conditions in the key markets (excellent performance in the capitals) but still very challenging in the Southern countries. In addition, the growing part of **management and franchise fees** at revenue level is having a very positive impact, resulting from a continuous dynamic expansion plan.

Despite low visibility and the uncertain economic environment in some regions, the Group anticipates these ongoing trends to carry on through the summer season.

Quarterly Information – Significant Events of the Period

Expansion

Accor turned in another record performance in room openings in first-half 2012, bringing on stream a total of 20,700 rooms in 141 hotels, of which:

- 85% were under management contracts or franchise agreements.
- 57% were in the Asia-Pacific region, 25% in Europe, 13% in Africa and the Middle East and 5% in Latin America.

The Group is pursuing its asset-light expansion strategy and the transformation of its business model.

Motel 6 disposal

On May 22, Accor announced the sale of Motel 6 to Blackstone for \$1.9 billion. The transaction should be completed in the third quarter.

Bond issue

On June 11, Accor took advantage of favorable conditions in the credit markets to successfully issue €600 million in five-year, 2.875% bonds.

Transaction carried out since June 30, 2012

Acquisition in Latin America

On July 16, Accor announced the acquisition of the South American activities of Grupo Posadas. It includes a portfolio of 15 hotels (2,600 rooms) and a secured pipeline of 14 hotels (2,000 rooms) under management contracts. This operation consolidates Accor's leadership over this area, especially in Brazil.

Revenue

In € thousands

	Quarter 1		Quarter 2		First-Half	
	2011 Restated ⁽¹⁾	2012 Reported	2011 Restated ⁽¹⁾	2012 Reported	2011 Restated ⁽¹⁾	2012 Reported
Upscale & Midscale	769,857	780,820	928,165	928,978	1698,022	1709,798
Economy	411,764	436,733	499,506	515,756	911,271	952,489
Hotels	1,181,622	1,217,553	1,427,671	1,444,734	2,609,293	2,662,287
Other Activities⁽³⁾	51,580	24,528	58,973	30,352	110,552	54,880
Total	1,233,201	1,242,080	1,486,644	1,475,086	2,719,845	2,717,166

	Quarter 1		Quarter 2		First-Half	
	% change reported	% change L/L ⁽²⁾	% change reported	% change L/L ⁽²⁾	% change reported	% change L/L ⁽²⁾
Upscale & Midscale	+1.4%	+3.6%	+0.1%	+3.5%	+0.7%	+3.5%
Economy	+6.1%	+5.4%	+3.3%	+2.8%	+4.5%	+4.0%
Hotels	+3.0%	+4.2%	+1.2%	+3.3%	+2.0%	+3.7%
Other Activities⁽³⁾	-52.4%	+5.9%	-48.5%	-1.0%	-50.4%	+2.2%
Total	+0.7%	+4.3%	-0.8%	+3.1%	-0.1%	+3.6%

⁽¹⁾ Following signature of the agreement to sell Motel 6 to Blackstone, consolidated revenue for the two periods presented has been adjusted for the reclassification of Motel 6 in Assets Held For Sale.

NB: Consolidated first-quarter revenue adjusted for Motel 6 and Motel 6 key figures may be found in the appendix, on pages 5 and 10 below.

⁽²⁾ At comparable scope of consolidation and exchange rates.

⁽³⁾ Impact of the Lenôtre disposal

RevPAR excl. VAT by segment (first-half) – Worldwide

HOTELS: RevPAR by segment

H1

	Occupancy Rate			Average Room Rate		
	(in %)	(chg in pts reported)	(chg in pts L/L (1))		(chg in % reported)	(chg in % L/L (1))
Upscale and Midscale (in €)	63.0%	-0.4	-0.5	101	+3.6%	+3.0%
Economy (in €)	67.9%	-0.9	-1.0	56	+5.8%	+4.3%

(1) at comparable scope of consolidations and exchange rates.

RevPAR excl. VAT by segment (2nd quarter) – Worldwide

HOTELS: RevPAR by segment

Q2

	Occupancy Rate			Average Room Rate		
	(in %)	(chg in pts reported)	(chg in pts L/L (1))		(chg in % reported)	(chg in % L/L (1))
Upscale and Midscale (in €)	69.6%	-0.3	-0.4	102	+4.1%	+3.8%
Economy (in €)	72.8%	-1.8	-1.7	57	+6.5%	+4.9%

(1) at comparable scope of consolidations and exchange rates.

RevPAR excl. VAT by country (first half)

UPSCALE AND MIDSCALE HOTELS	Nb of rooms	Occupancy Rate			Average Room Rate		
		Subsidiaries			Subsidiaries		
		(in %)	(chg in pts reported)	(chg in pts L/L (1))	(chg in % reported)	(chg in % L/L (1))	
(in local currency)							
France	26,098	62.4%	-2.7	-2.4	120	+2.6%	+2.5%
Germany	18,205	65.0%	+0.4	+0.6	89	+4.5%	+3.8%
Netherlands	3,536	67.0%	-0.9	-0.9	92	+0.3%	+0.3%
Belgium	1,676	69.8%	+1.6	+1.4	103	-2.3%	-2.2%
Spain	2,584	54.9%	-0.6	-1.7	74	-2.3%	-2.7%
Italy	3,772	56.1%	-2.9	-3.0	90	+1.1%	+0.9%
UK (in £)	5,541	76.4%	-0.8	-0.8	81	-0.1%	-0.1%

(1) at comparable scope of consolidations and exchange rates.

ECONOMY HOTELS	Nb of rooms	Occupancy Rate			Average Room Rate		
		Subsidiaries			Subsidiaries		
		(in %)	(chg in pts reported)	(chg in pts L/L (1))	(chg in % reported)	(chg in % L/L (1))	
(in local currency)							
France	36,643	69.1%	-2.2	-2.9	55	+3.6%	+2.9%
Germany	15,449	68.2%	-0.3	-0.2	57	+3.3%	+3.8%
Netherlands	2,289	71.6%	-1.5	-2.3	75	+3.5%	+2.0%
Belgium	2,744	72.6%	+2.8	+2.8	65	-2.5%	-2.3%
Spain	4,935	51.0%	-3.9	-4.6	49	+1.1%	+0.1%
Italy	1,740	66.3%	-4.9	-2.2	58	+0.4%	+2.1%
UK (in £)	9,358	76.1%	+1.8	+1.8	46	+0.9%	+0.7%

(1) at comparable scope of consolidations and exchange rates.

RevPAR excl. VAT by country (2nd quarter)

UPSCALE AND MIDSCALE HOTELS (in local currency)	Nb of rooms	Occupancy Rate			Average Room Rate		
		Subsidiaries			Subsidiaries		
		(in %)	(chg in pts reported)	(chg in pts L/L (1))	(chg in % reported)	(chg in % L/L (1))	
France	26,098	70.2%	-3.2	-3.0	123	+2.8%	+2.7%
Germany	18,205	68.2%	-0.2	+0.1	90	+7.6%	+6.8%
Netherlands	3,536	77.0%	-1.6	-1.6	95	+1.3%	+1.3%
Belgium	1,676	79.4%	+4.9	+4.9	101	-2.5%	-2.5%
Spain	2,584	62.5%	-0.2	-1.4	74	-2.5%	-3.2%
Italy	3,772	62.4%	-5.7	-6.0	94	+1.8%	+1.4%
UK (in £)	5,541	79.9%	-0.9	-0.9	83	-0.5%	-0.5%

(1) at comparable scope of consolidations and exchange rates.

ECONOMY HOTELS (in local currency)	Nb of rooms	Occupancy Rate			Average Room Rate		
		Subsidiaries			Subsidiaries		
		(in %)	(chg in pts reported)	(chg in pts L/L (1))	(chg in % reported)	(chg in % L/L (1))	
France	36,643	74.4%	-2.9	-3.5	55	+3.5%	+2.8%
Germany	15,449	71.9%	-0.7	-0.7	57	+5.0%	+5.5%
Netherlands	2,289	84.0%	-3.0	-3.8	81	+4.8%	+3.0%
Belgium	2,744	81.0%	+2.2	+3.1	66	-1.0%	-1.8%
Spain	4,935	55.8%	-6.3	-6.7	50	+2.5%	+1.2%
Italy	1,740	73.7%	-6.9	-4.4	57	-0.6%	+1.2%
UK (in £)	9,358	80.2%	+0.8	+0.7	48	+2.2%	+1.9%

(1) at comparable scope of consolidations and exchange rates.

2012 Management & Franchise Fees by segment

<i>Revenue</i> <i>(in €k)</i>		H1 2011			H1 2012		
		Managed	Franchised	Total	Managed	Franchised	Total
Up Midscale	&	118,587	32,253	150,840	145,399	39,122	184,522
Economy		14,776	25,641	40,416	19,913	28,829	48,742
TOTAL		133,363	57,894	191,257	165,312	67,952	233,264

<i>Revenue</i> <i>(in €k)</i>		Q2 2011			Q2 2012		
		Managed	Franchised	Total	Managed	Franchised	Total
Up Midscale	&	63,425	18,250	81,675	78,626	21,577	100,203

<i>Revenue</i> <i>(in €k)</i>	Q2 2011			Q2 2012		
	Managed	Franchised	Total	Managed	Franchised	Total
Economy	7,760	14,849	22,608	10,263	15,682	25,945
TOTAL	71,185	33,099	104,284	88,889	37,260	126,149

2011 Management & Franchise Fees by segment

<i>Revenue</i> <i>(in €k)</i>	Q1 2011			Q2 2011		
	Managed	Franchised	Total	Managed	Franchised	Total
Up & Midscale	55,162	14,003	69,165	63,425	18,250	81,675
Economy	7,016	10,792	17,808	7,760	14,849	22,608

<i>Revenue</i> <i>(in €k)</i>	Q1 2011			Q2 2011		
	Managed	Franchised	Total	Managed	Franchised	Total
Economy US	-	3,750	3,750	-	4,509	4,509
TOTAL	62,178	28,545	90,722	71,185	37,608	108,793

<i>Revenue</i> <i>(in €k)</i>	Q3 2011			Q4 2011		
	Managed	Franchised	Total	Managed	Franchised	Total
Up & Midscale	61,196	18,627	79,822	78,033	20,674	98,707
Economy	7,352	16,091	23,443	8,985	13,633	22,618
Economy US	-	5,248	5,248	-	4,721	4,721
TOTAL	68,548	39,966	108,514	87,018	39,028	126,046

Economy US

Revenue

<i>In € million</i>	Quarter 1		Quarter 2		First
	2011	2012	2011	2012	2011
Economy US	120,572	128,442	132,903	147,706	253,475
	Quarter 1		Quarter 2		First
	% change reported	% change L/L ⁽¹⁾	% change reported	% change L/L ⁽¹⁾	% change reported
Economy US	+6.5%	+6.8%	+11.1%	+6.4%	+8.9%

⁽¹⁾ At comparable scope of consolidation and exchange rates.

RevPAR

ECONOMY US HOTELS

<i>(in local currency)</i>	Nb of rooms	Occupancy Rate Subsidiaries			Average Room Rate Subsidiaries		
		(in %)	(chg in pts reported)	(chg in pts L/L ⁽¹⁾)	(chg in % reported)	(chg in % L/L ⁽¹⁾)	(chg in % reported)
Q1 2012	67,988	59.8%	+1.6	+1.2	42	+4.3%	+4.3%
Q2 2012	65,384	65.0%	+0.3	-0.1	45	+6.2%	+6.2%
H1 2012	65,384	62.4%	+0.9	+0.6	44	+5.2%	+5.2%

(1) at comparable scope of consolidation and exchange rates.

Franchise Fees

<i>In € million</i>	Quarter 1		Quarter 2		First
	2011	2012	2011	2012	2011
Economy US	3,750	4,602	4,509	6,786	8,259

- **Sale of Accor's stake in Mirvac Wholesale Fund and the Novotel/ibis Sanyuan in Beijing to A-HTRUST for a total amount of €110m**

Accor announced in a press release dated 30 July 2012 the sale to A-HTRUST of two separate entities:

- The 21.9% stake in Ascendas Australia Hospitality Fund, formerly known as Mirvac Wholesale Fund, that holds 7 properties, out of which 6 are operated by Accor in Australia and New-Zealand, **sold for €56m**. The purpose of sale had been announced with the Mirvac acquisition.
- The Novotel (305 rooms) and ibis (401 rooms) in Beijing Sanyuan, sold under a sale and management back contract⁽¹⁾ **for a total amount of €54m**.

Besides, in the frame of the creation of A-HTRUST, one of the largest publicly listed Hotel Investment Trusts in the Asia-Pacific region, **Accor takes a 6.9% stake in the new entity for an investment of €32m**. As agreed with Ascendas, who will hold up to 35% of A-HTRUST, Accor will be granted a right of first offer to manage future acquisitions when the hotels are not operated under a pre-existing management contract. In return, A-HTRUST will benefit from a right of first offer to purchase hotel properties put on sale by Accor in the Asia-Pacific region (excluding Australia and India).

- **Sale of two MGallery hotels in Germany and the Netherlands under a €44m Sale & Variable lease-back agreement**

As part of its asset management strategy, Accor announced in a press release dated 27 August 2012 a sale and lease back agreement concerning the **MGallery Mondial Am Dom in Cologne** (207 rooms) for €20.5m and the **MGallery Convent Hotel in Amsterdam** (148 rooms) for €23.5m. The transaction includes a renovation program of €12.4m, €7.3m of which will be invested by the buyer.

Both hotels will remain operated by Accor through a **15 year** commercial lease agreement that will be renewable at Accor's option. **The turnover rent averages 21.5% of the annual revenue of the hotels**. Based on 2011 revenue, the net variable rent would have reached €3m last year. Insurance costs, real estate taxes and structural capital expenditures will now be paid by the new owner.

The buyer is the hotel real estate investment fund of **Internos Real Investors**, a major player in the real estate and hotel sector in Europe.

This new transaction confirms the Group's ability to continue to **actively manage its assets**, in line with its asset-management strategy of reducing adjusted net debt by €2.2 billion by 2015

TAXATION

The following is a general description of certain EU, Luxembourg and French tax considerations relating to the Bonds. It does not purport to be a complete analysis of all tax considerations relating to the Bonds, whether in those countries or elsewhere. Prospective purchasers of Bonds should consult their own tax advisers as to the consequences, under the tax laws of the country of which they are resident for tax purposes and the tax laws of Luxembourg and the Republic of France, of acquiring, holding and disposing of the Bonds and receiving payments of interest, principal and/or other amounts under the Bonds. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “**Directive**”), each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person located within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State. However, for a transitional period, Austria and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Bond as a result of the imposition of such withholding tax. If a withholding tax is imposed on a payment made by a Paying Agent, the Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisors.

Luxembourg Taxation

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to individual Bondholders or Bondholders that are Residual Entities (as defined below), there is no withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of interest paid to individual Bondholders or Bondholders that are Residual Entities (as defined below), upon repayment of the principal in case of reimbursement, redemption, repurchase or exchange of the Bonds.

Luxembourg non-resident individuals

Under the Luxembourg laws dated 21 June 2005 implementing the Directive and several agreements concluded between Luxembourg and certain dependent territories of the European Union (“EU”), a Luxembourg-based paying agent (within the meaning of the Directive) is required, since 1 July 2005, to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or certain Residual Entities (as defined below) resident or established in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for the exchange of information or, in case of an individual beneficiary, the tax certificate procedure. Residual Entities, in the sense of Article 4.2. of the Directive, are entities who are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not

considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation and that are not and have not opted to be considered as UCITS recognized in accordance with Council Directive 85/611/EEC as replaced by the Council Directive 2009/65/EC or similar collective investment funds located in Guernsey, Jersey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat and the British Virgin Islands.

The applicable withholding tax rate is 35%. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain other countries.

Luxembourg resident individuals

As from 1 January 2006, a 10% withholding tax has been introduced by the Luxembourg law dated 23 December 2005 (amended by the law of 17 July 2008). Under such law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is resident of Luxembourg or to certain Residual Entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC as replaced by the Council Directive 2009/65/EC or for the exchange of information regime) will be subject to a withholding tax of 10%. Only interest accrued after 1 July 2005 falls within the scope of this withholding tax. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his or her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

French Taxation

Following the introduction of the French "*loi de finances rectificative pour 2009 n° 3*" (no. 2009-1674 dated 30 December 2009) (the "**Law**"), payments of interest and other revenues made by the Issuer with respect to the Bonds will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"). If such payments under the Bonds are made in a Non-Cooperative State, a 50 % withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, in application of Article 238 A of the French *Code général des impôts*, interest and other revenues on such Bonds are not deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State or paid on a bank account opened in a financial institution located in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of 30 % or 55 %, subject to the more favourable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, the Law provides that neither the 50 % withholding tax nor the non-deductibility will apply in respect of the issue of the Bonds if the Issuer can prove that the principal purpose and effect of such issue of Bonds was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the ruling (*rescrit*) no. 2010/11 (FP and FE) of the French tax authorities (*Direction générale des finances publiques*) dated 22 February 2010, an

issue of bonds will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Bonds if such bonds are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an “equivalent offer” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Since the Bonds will be admitted to trading on the Luxembourg Stock Exchange and admitted, at the time of their issue, to the operations of Euroclear France, the Bonds will benefit from the Exception and are therefore exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

SUBSCRIPTION AND SALE

Subscription Agreement

Crédit Agricole Corporate and Investment Bank, HSBC Bank plc, Natixis, Société Générale and UBS Limited (the “**Joint Lead Managers**”) have, pursuant to a Subscription Agreement dated 26 September 2012 (the “**Subscription Agreement**”), jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the Bonds at an issue price equal to 102.064 per cent. of the principal amount of the Bonds plus an amount corresponding to accrued interest at a rate of 0.7955479 per cent. of such principal amount for the period from, and including, 19 June 2012 to, but excluding the Issue Date, less any applicable commission. In addition, the Issuer will pay certain costs incurred by it and the Joint Lead Managers in connection with the issue of the Bonds.

The Joint Lead Managers are entitled to terminate the Subscription Agreement in certain limited circumstances prior to the issue of the Bonds. The Issuer has agreed to indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Bonds.

General Restrictions

Each Joint Lead Manager has agreed to observe all applicable laws and regulations in each jurisdiction in or from which it may acquire, offer, sell or deliver Bonds or have in its possession or distribute this Prospectus or any other offering material relating to the Bonds. No action has been, or will be, taken in any country or jurisdiction that would permit a public offering of the Bonds, or the possession or distribution of this Prospectus or any other offering material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, prospectus, form of application, advertisement or other offering material relating to the Bonds may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Bonds by it will be made on the same terms.

France

Each of the Joint Lead Managers has represented and agreed that (i) it has not offered or sold and will not offer or sell, directly or indirectly, any Bonds to the public in France and (ii) it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Bonds and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received by it in connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA would not, if the Issuer were not an authorised person, apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

United States

The Bonds have not been and will not be registered under the Securities Act or the securities law of any U.S. state, and may not be offered or sold, directly or indirectly, in the United States of America or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws. The Bonds are being offered and sold only outside of the United States to non-U.S. persons in reliance upon an exemption from registration under the Securities Act pursuant to Regulation S.

Each Joint Lead Manager has represented and agreed that:

- (i) it has not offered or sold, and will not offer or sell, the Bonds (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the issue date of the Bonds, within the United States or to, or for the account or benefit of, U.S. persons; and
- (ii) it will have sent to each distributor or dealer to which it sells Bonds during such 40-day period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

Terms used in this paragraph and not otherwise defined in this Prospectus have the meanings given to them in Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

GENERAL INFORMATION

1. The Bonds have been accepted for clearance through Euroclear France, Clearstream, Luxembourg and Euroclear. The temporary International Securities Identification Number (ISIN) for the Bonds is FR0011334630 prior to the Assimilation Date and thereafter FR0011274026. The temporary Common Code number for the Bonds is 083533757 prior to the Assimilation Date and thereafter 079429058.
2. Application has been made to the Luxembourg Stock Exchange for the Bonds to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List. The Existing Bonds are already admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List.
3. The Issuer has obtained all necessary consents, approvals and authorisations in France in connection with the issue and performance of its obligations under the Bonds. The issue of the Bonds was authorised by resolution of the Board of Directors (*conseil d'administration*) of the Issuer dated 21 February 2012 and a decision of Denis HENNEQUIN, Chairman and CEO of the Issuer dated 24 September 2012.
4. Copies of:
 - (i) the *statuts* of the Issuer;
 - (ii) the Agency Agreement;
 - (iii) this Prospectus together with any Supplement to this Prospectus; and
 - (iv) the historical financial information of the Issuer for the years ended 31 December 2010 and 2011 and interim consolidated financial statements of the Issuer for the period ended 30 June 2012; and
 - (v) the documents incorporated by reference, including:
 - (a) the English translation of the 2010 reference document (*document de référence*) of the Issuer, a French version of which was filed with the *Autorité des marchés financiers* under registration N° D.11-0198, dated 31 March 2011;
 - (b) the English translation of the 2011 reference document (*document de référence*) of the Issuer, a French version of which was filed with the *Autorité des marchés financiers* under registration N° D.12-0254, dated 30 March 2012; and
 - (c) the English translation of the 2012 interim consolidated financial statements (*comptes consolidés semestriels*) of the Issuer for the period ended 30 June 2012 which has been filed with the CSSF,

will be available for inspection during the usual business hours on any week day (except Saturdays and public holidays) at the primary business office of the Issuer.

The Prospectus and the documents incorporated by reference in the Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

5. Save as disclosed in the section headed "Recent Developments" on pages 23 to 35 in this Prospectus, there has been no significant change in the financial or trading position of the Issuer or of the Group since 30 June 2012 and no material adverse change in the financial position or prospects of the Issuer or of the Group since 31 December 2011.
6. Save as disclosed in the section entitled "Documents Incorporated by Reference" on pages 4 to 6 in this Prospectus, neither the Issuer nor any of its consolidated subsidiaries is involved in any

governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer or the Group's financial position or profitability.

7. The Issuer has not entered into contracts outside the ordinary course of its business, which could result in the Issuer or any of its consolidated subsidiaries being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to holders of Bonds in respect of the Bonds being issued.
8. The business address of the members of the administrative and management bodies of the Issuer is located at Immeuble Odyssey, 110 avenue de France, 75210 Paris Cedex 13, France.
9. Ernst & Young et Autres and Deloitte & Associés are the statutory auditors of the Issuer. Ernst & Young et Autres and Deloitte & Associés have audited, and rendered unqualified reports on, the consolidated financial statements of the Issuer as at, and for the two years ended, 31 December 2010 and 31 December 2011. Ernst & Young et Autres and Deloitte & Associés are registered as *Commissaires aux Comptes* (members of the *Compagnie Nationale des Commissaires aux Comptes*) and regulated by the *Haut Conseil du Commissariat aux Comptes*.
10. As far as the Issuer is aware, no person involved in the issue of the Bonds has an interest material to the issue.
11. The estimated costs for the admission to trading are EUR 600.
12. The yield in respect of the Bonds is 2.406 per annum and is calculated on the basis of the Bonds. It is not an indication of future yield.
13. The address of Euroclear France is 115, rue Réaumur, 75081 Paris Cedex 02, France. The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream, Luxembourg is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

REGISTERED OFFICE OF ACCOR

Immeuble Odyssey
110, avenue de France
75210 Paris Cedex 13
France

GLOBAL COORDINATOR

Société Générale

29, boulevard Haussmann
75009 Paris
France

JOINT LEAD MANAGERS

**Crédit Agricole Corporate and
Investment Bank**

9, quai du Président Paul
Doumer
92920 La Défense Cedex
France

HSBC Bank plc

8 Canada Square
London E14 5HQ
United Kingdom

Natixis

30, avenue Pierre Mendès-
France
75013 Paris
France

Société Générale

29, boulevard Haussmann
75009 Paris
France

UBS Limited

1 Finsbury Avenue
London EC2M 2PP
United Kingdom

STATUTORY AUDITORS OF THE ISSUER

Ernst & Young et Autres

1/2, place des Saisons
92400 Courbevoie
Paris – La Défense 1
France

Deloitte & Associés

185, avenue Charles de Gaulle
BP 136
92203 Neuilly-sur-Seine
France

LEGAL ADVISORS

To the Issuer

Clifford Chance Europe LLP

9 Place Vendôme
CS 50018
75038 Paris Cedex 01

To the Joint Lead Managers

Linklaters LLP

25, rue de Marignan
75008 Paris
France

FISCAL AGENT, PRINCIPAL PAYING AGENT AND CALCULATION AGENT

Société Générale
32, rue du Champs de Tir
44312 Nantes Cedex 13
France

LUXEMBOURG LISTING AGENT

Société Générale Bank & Trust
11, avenue Emile Reuter
L-2420 Luxembourg
Grand-Duchy of Luxembourg