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PROSPECTUS DATED 3 FEBRUARY 2014

Accor

(a société anonyme *incorporated in France)*

€750,000,000

2.625 per cent. Bonds due 2021

Issue Price: 99.076 per cent.

The €750,000,000 2.625 per cent. Bonds due 2021 (the "**Bonds**") of Accor (the "**Issuer**") will be issued outside the Republic of France for the purpose of Article L.228-90 of the French *Code de commerce* and will mature on 5 February 2021.

Interest on the Bonds will accrue at the rate of 2.625 per cent. per annum from 5 February 2014 (the "**Issue Date**") and will be payable in Euro annually in arrear on 5 February in each year, commencing on 5 February 2015. 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 5 February 2021. 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 5 February 2014, 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 (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 (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 are expected to be rated BBB- by Standard & Poor's Ratings Services ("**S&P**") and a rating of BBB- by Fitch Ratings Ltd. ("**Fitch**"). The Issuer's long-term senior unsecured debt is rated BBB- by S&P. 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 S&P and Fitch 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

HSBC

Natixis

Société Générale Corporate & Investment Banking

UBS Investment Bank

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This Prospectus constitutes a prospectus for the purposes of Article 5.3 of the Prospectus Directive, and 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.

In connection with the issue of the Bonds, Société Générale (the "**Stabilising Manager**") (or any person acting on behalf of the Stabilising Manager) may over-allot Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the Bonds. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager (or any person acting on behalf of the Stabilising Manager) to the extent and in accordance with all applicable laws and regulations.

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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.

Claims and litigation risk

Accor is also subject to risks relating to claims and litigation proceedings.

CIWLT tax audit

A tax audit was carried out on the permanent branch in France of Compagnie Internationale des Wagons Lits et du Tourisme (CIWLT), a Belgian company that is 99.78 per cent.-owned by Accor. Following the audit for the years 1998 to 2002 and 2003, the French tax authorities concluded that CIWLT's seat of management was located in France not in Belgium.

Accordingly, the French tax authorities added back CIWLT's profits in Belgium for the purpose of calculating income tax payable in France. The resulting reassessments, for a total of €263 million including late interest, had been contested by CIWLT, on the basis of the notice received from the Belgian tax authorities confirming that its seat of management was in Belgium.

CIWLT subsequently asked the Cergy Pontoise Administrative Court to rule on the contested reassessments. On 12 December 2008 and 12 May 2011, the court found against CIWLT concerning the reassessments for the years 1998 to 2002 and the year 2003. For the years 1998 to 2002 and 2003, CIWLT decided to appeal this ruling before the Versailles Administrative Court of Appeal on 10 February 2009 and on 11 July 2011.

Under French law, collection of the tax deficiencies is not suspended while the appeal is being heard.

For the years 1998 to 2002, €242.5 million was paid at the end of February 2009. The tax deficiencies and penalties for 2003, in an amount of €17.5 million, were paid in July 2011, while the estimated €2.7 million in late interest was paid in August 2011. They were recognized as an asset in the balance sheet.

For the years 1998 to 2002, on 1 February 2011, the reporting judge read out his conclusions and stated that he did not support CIWLT's case.

In a ruling handed down on 15 March 2011, the Versailles Administrative Court of Appeal found against CIWLT for the period 1998 to 2002. To appeal the ruling, CIWLT filed a summary motion to institute proceedings with the French Supreme Court of Appeal (*Conseil d'Etat*) on 12 May 2011, followed by a supplementary brief on 10 August 2011. As regards 2003, the appeal has not yet been heard by the Versailles Administrative Court of Appeal.

In light of these unfavorable developments, the tax receivable recognized as an asset in the balance sheet at 31 December 2010 was written down by €242.5 million in 2010 and an additional provision of approximately €20.6 million was set aside, corresponding to the tax deficiency for 2003 and estimated late interest up to 31 December 2010. Following payment of the tax deficiency in July and August 2011, a tax receivable was recognised as an asset in the balance sheet in an amount of €20.2 million. The asset was immediately written down in full by transferring the same amount from the existing €20.6 million provision, of which the remainder, i.e. €0.4 million, was reversed.

Based on the reporting judge's conclusions, on 28 December 2012 the Supreme Court of Appeal issued a ruling rejecting CIWLT's application to appeal the Versailles Court's ruling.

This decision meant that the €242.5 million tax reassessment became final. However, this had no impact on CIWLT's income statement because the tax receivable was already written down in full. In CIWLT's 2012 financial statements, the €242.5 million tax receivable has been written off and the corresponding provision has been reversed. These accounting entries had no adverse effect on the company's cash position, as the tax had been paid in February 2009.

In a ruling handed down on 21 May 2013, the Versailles Administrative Court of Appeal also found against CIWLT for the year 2003. CIWLT appealed this ruling before the French Supreme Court of Appeal in August 2013. This appeal has been admitted and the French Supreme Court of Appeal will have to rule on the validity or not of the ruling of the Versailles Administrative Court of Appeal found against CIWLT.

*Dividend withholding tax (*précompte*)*

In 2002, Accor mounted a legal challenge to its obligation to pay withholding tax (*précompte*) on the redistribution of European source dividends.

Until 2004, French parent companies were entitled to a 50 per cent. tax credit on dividends received from French subsidiaries, which could be set off against the *précompte* withholding tax. However, no tax credit was attached to European source dividends. Accor contested this rule, on the grounds that it breached European Union rules.

In the dispute between Accor and the French State, on 21 December 2006 the Versailles Administrative Court ruled that Accor was entitled to a refund of the *précompte* dividend withholding tax paid in the period 1999 to 2001, in the amount of €156 million.

The amount of €156 million was refunded to Accor during the first-half of 2007, together with €36.4 million in late interest due by the French State.

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

As the French State had not yet exhausted all avenues of appeal, a liability was recognized for the amounts received and the financial impact of the rulings by the Versailles Administrative Court and Court of Appeal was not recognized in the financial statements.

On 3 July 2009, the French Supreme Court of Appeal announced that it would postpone ruling on the French State's appeal and on 4 August 2009, it applied to the Court of Justice of the European Communities ("**ECJ**") for a preliminary ruling on this issue.

After reviewing the matter, the ECJ's final ruling was handed down on 15 September 2011. In this ruling, the ECJ held that the French *précompte*/tax credit system restricts the freedom of establishment and free movement of capital.

During 2011 and 2012, Accor and the tax authorities submitted various briefs to the Supreme Court of Appeal and Accor produced documentary evidence of the EU source dividends and of the tax paid by its European subsidiaries on the distributed amount.

On 21 November 2012, the Supreme Court of Appeal met to review the reporting judge’s conclusions. In summary, the reporting judge considered that the dividend tax credit and *précompte* withholding tax systems had been shown to be incompatible.

However, he also considered that the amount to be refunded was subject to strict rules which, to all intents and purposes, restricted Accor’s right to a refund.

On 10 December 2012, the Supreme Court of Appeal handed down a ruling closely aligned with the reporting judge’s conclusions, according to which Accor was entitled to €6.3 million of the €156 million already refunded. In addition to the €149.7 million to be returned to the French State, Accor is also required to repay the late interest received in 2007, amounting to approximately €36.4 million, less the portion related to the retained refund of €6.3 million. In all, €184.7 million in principal and interest was repaid to the French State during the first-half 2013.

In the 2012 financial statements, the €6.3 million *précompte* dividend withholding tax refunded to Accor and not repayable to the French State has been credited to a reserve account (see Changes in Consolidated Shareholders’ Equity). The estimated €1.4 million in late interest received on this amount was considered as offsetting the early payment of tax, and was therefore recorded as a tax benefit in the income statement. The total amount repaid to the French State, representing approximately €184.7 million, led to an increase in net debt of the same amount.

Accor has noted the Supreme Court of Appeal’s decision and intends to continue to use the avenues available to it to defend its position in the dispute with the French tax authorities.

On 7 February 2007, Accor filed an application originating proceedings before the Cergy Pontoise Administrative Court on the same grounds, to obtain a refund of the €187 million in *précompte* dividend withholding tax paid in the period 2002 to 2004. There were no developments concerning this matter in 2012 and 2013.

Tax dispute in Italy

In October 2011, the Italian tax authorities notified several Accor and Edenred subsidiaries of a €27.4 million tax reassessment concerning registration duties. The reassessment is based on the requalification as the sale of a business subject to registration duty of a number of transactions carried out as part of the reorganisation of Accor’s Services division in Italy between 2006 and 2010.

The Accor and Edenred companies concerned wrote to the Italian authorities on 16 December 2011 contesting the reassessments.

The reassessment notices required settlement of the tax deficiencies within 60 days and the companies concerned therefore paid the amounts claimed on 16 December 2011. The cost was shared equally between Accor and Edenred pursuant to an agreement assigning the risk and any resulting costs to the two parties on a 50/50 basis.

The companies believe that the tax reassessment is without merit and, after consulting with their legal and tax advisors, consider that their challenges have a reasonable chance of success. No related impact was recorded in Accor’s 2011 consolidated income statements. There were no developments concerning this matter in the first-half of 2013.

Other claims and litigation

In the normal course of its business, the Group is exposed to claims, litigations and proceedings that may be in progress, pending or threatened. Accor believes that these claims, litigations and proceedings have not and will not give rise to any material costs at Group level and have not and will not have a material adverse effect on the Group's financial position, business and/or results of operations.

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 overview 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 or a "residual entity" (as defined in Article 4.2 of the Directive) established 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.

On 10 April 2013, Luxembourg officially announced its intention to no longer apply the withholding system as from 1st January 2015 and to provide details of payment of interest (or similar income) as from this date.

Financial Transaction Tax

On 14 February 2013, the European Commission adopted a proposal for a Council Directive (the "**Draft Directive**") on a common financial transaction tax ("**FTT**"). According to the Draft Directive, the FTT shall be implemented and enter into effect in eleven EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia; the "**Participating Member States**").

Pursuant to the Draft Directive, the FTT shall be payable on financial transactions provided at least one party to the financial transaction is established or deemed established in a Participating Member State and there is a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction. The FTT shall, however, not apply to (*inter alia*) primary market transactions referred to in Article 5 (c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue.

The rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives shall amount to at least 0.1 per cent. of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer. The FTT shall be payable by each financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

Prospective holders should therefore note, in particular, that any sale, purchase or exchange of the Bonds will be subject to the FTT at a minimum rate of 0.1 per cent. provided the abovementioned prerequisites are met. The holder may be liable to itself pay this charge or reimburse a financial institution for the charge, and/or the charge may affect the value of the Bonds. However, the issuance of Bonds should not be subject to the FTT.

The Draft Directive is still subject to negotiation between the Participating Member States and therefore may be changed at any time. Moreover, once the Draft Directive has been adopted (the "**Directive**"), it will need to be implemented into the respective domestic laws of the Participating Member States and the domestic provisions implementing the Directive might deviate from the Directive itself. Prospective holders of the Bonds should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Bonds.

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 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 (such excluded parts are not relevant for investors); and

(b) the English translation of the 2012 reference document (*document de référence*) of the Issuer (the "**2012 Registration Document**"), a French version of which was filed with the *Autorité des marchés financiers* under registration N° D.13-0241, dated 28 March 2013; except for (i) the third paragraph of the section "Person responsible for the Registration Document" on page 324 and (ii) the cross-reference table, the section on information incorporated by reference and the references to the free translations appearing on pages 112, 137, 158, 270, and 271, (such excluded parts are not relevant for investors); and

(c) the interim financial report of the Issuer in the English language for the period ended 30 June 2013 (the "**2013 Interim Financial Report**") including the free English translation of the statutory auditors' report (the "**2013 Auditors' Report on the Interim Financial Information**"); except for the reference to a free translation appearing on page 146 of the 2013 Interim Financial Report (such excluded parts are not relevant for investors).

Such documents shall be incorporated in and form part of this Prospectus, save that:

(i) the information incorporated by reference that is not included in the cross-reference list and that is not expressly excluded under paragraphs (a) to (c) above is considered as additional information and is not required by the relevant schedules of the Commission Regulation No. 809/2004 as amended or is covered elsewhere in the Prospectus; and

(ii) 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/fr/finance.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 implementing the Prospectus Directive.

Annex IX	2011 Registration Document (page number)	2012 Registration Document (page number)	2013 Interim Financial Report (page number)
2. STATUTORY AUDITORS	318-319	324	146-147
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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 or incorporated by reference in this Prospectus (including in the English language translation of the information incorporated by reference) is in accordance with the facts and contains no omission likely to affect the import of such information. The Issuer accepts responsibility accordingly.

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TERMS AND CONDITIONS OF THE BONDS

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

The issue outside the Republic of France for the purpose of Article L.228-90 of the French *Code de commerce* of €750,000,000 2.625 per cent. Bonds due 2021 (the "**Bonds**") of Accor (the "**Issuer**") was authorised by resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 29 January 2014 and a decision of Sébastien Bazin, Chairman and CEO of the Issuer dated 3 February 2014. The Issuer has entered into an agency agreement (the "**Agency Agreement**") dated 3 February 2014 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 5 February 2014 (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 5 February 2014 (the "**Interest Commencement Date**") at the Rate of Interest payable annually in arrear on 5 February in each year (each an "**Interest Payment Date**"), commencing on 5 February 2015. 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 2.625 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 5 February 2021 (the "**Maturity Date**").

(b) *Redemption for Taxation Reasons*

(i) If, by reason of a change in French law or regulation, or any change in the official application or interpretation of such law or regulation, 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 or regulation 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 0.25 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 January 2021, with ISIN DE0001135424;

"**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) (subject to the terms as set out in such paragraph (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 initial Representative of the *Masse*:

MASSQUOTE S.A.S.U.
RCS 529 065 880 Nanterre
7 bis, rue de Neuilly
92110 Clichy
France
Mailing address :
33, rue Anna Jacquin
92100 Boulogne Billancourt
France
Represented by its Chairman

The following person is designated as alternate Representative of the *Masse* (the "**Alternate Representative**")

Gilbert Labachotte
8, Boulevard Jourdan
75014 Paris
France

In the event of incompatibility, resignation or revocation of the initial Representative, the Alternate Representative shall replace the initial Representative. In the event of incompatibility, resignation or revocation of the Alternate Representative, a replacement representative will be elected by a the General Assembly of the Bondholders.

The Issuer shall pay to the Representative an amount of €450 (value added tax excluded) per year. Should the Alternate Representative replace the initial Representative, he will receive a remuneration of €450 (value added tax excluded) per year, which will only be due starting from the first day of his acting as such capacity.

All interested parties will at all times have the right to obtain the name and address of the initial Representative and Alternate 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 specify, 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:

(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 €740,257,500 will be used for the general corporate purposes of the Issuer.

RECENT DEVELOPMENTS

- **Appointment of Sébastien Bazin as Chairman and CEO**

In a press release dated 27 August 2013, Accor announced that Sébastien Bazin has been appointed as Chairman and CEO of the company.

The Board of Directors of Accor that convened on 27 August 2013, chaired by Philippe Citerne, decided to appoint Sébastien Bazin as Chairman and CEO of Accor.

To take on this new role, Sébastien Bazin has ended all his duties at Colony Capital, which he had been heading since 1997.

Philippe Citerne has been appointed as Vice-Chairman of Accor's Board of Directors.

Philippe Citerne declared: *"following the selection procedure, the Board has considered Sébastien as the best choice for Accor, among all high quality candidates that have been examined. His perfect understanding of the Group, his experience in the hotel sector and his strong international culture are all assets to successfully lead the ongoing transformation of the Group, to ensure its development and assert itself as a world leader in the industry ".*

Gerard Pélisson and Paul Dubrule, co-founders of Accor said: *"We have expressed our support to this appointment during the meeting of the Board. We have known Sébastien for over 10 years. We have always had frank and direct relationship with him. He has proven his commitment to this group that we founded more than 40 years ago, and to its values. We are convinced that he will be able to give the fresh impetus Accor needs to continue to develop over time".*

Sébastien Bazin declared: *"I take on this new role with great ambition for the Group, to which I am deeply committed, and acute awareness of the challenges it currently faces. I want it to find the boldness, dynamism and desire which it has always been led by. And I wish us to work all together, employees, franchisees and partners, directors and shareholders, and that we will work confidently towards a common goal: to develop the Group to the very highest level with commitment and stringency".*

Yann Caillère, CEO of Accor, is to leave the Group. The board warmly thanked him for his action in the service of Accor for 7 years. The Board also expressed its gratitude for his commitment over the past few months during which he fully assumed the responsibilities that were his.

About Sébastien Bazin

Aged 51, Sébastien Bazin began his career in the finance sector in 1985 in the United States. Back in France in 1990, he was appointed as Director of the investment bank Hottinger Rivaud Finances and then, in 1992, chose to devote himself to the hotel sector by becoming CEO of Immobilière Hôtelière company, specialized in high-end hotel developments.

In 1997, he joined Colony Capital with an entrepreneurial roadmap: to install and develop from Paris the European branch of the private investment firm founded in 1991 in Los Angeles by Tom Barrack. Within 15 years, he successfully established Colony Capital among the European leaders of the industry, with more than €7 billion under management on behalf of French and international renowned investors.

At Colony Capital, he managed and participated in a number of investments in the hotel sector, including the buyout of the luxury hotel chains Fairmont and Raffles, acquisition and management of hotel assets from La Générale des Eaux, Club Méditerranée and Accor, acquisition of a stake in Lucien Barrière Group, and investment in Accor.

Along with the management of these hotel assets, he made the choice to position Colony Capital as a reference investor, active within listed companies including Carrefour, Accor, Edenred and Dia. He also developed an innovative investment strategy in sectors where Colony Capital was a pioneer such as the catering sector with Buffalo Grill, vineyards with Château Lascombes, sports facilities with Stadia Consulting, PSG and the Molitor swimming pool and finally, data centers among which Colony is now one of the leaders in Europe.

Sébastien Bazin is the Vice-Chairman of the supervisory board of the Gustave Roussy Foundation.

- **Interim financial information for the first-half 2013 and the implementation of a new strategy**

In a press release dated 28 August 2013, Accor announced the interim results for the first six months of 2013 and changes to be implemented in order to drive the Group's transformation and performance.

For the first six months of 2013, Accor experienced:

➢ **The implementation of transformation measures to consolidate the Group's performance, with:**

- Strategic initiatives in distribution and loyalty programs, in line with the Group's digital plan
- The launch of the €100 million 2013-2014 cost-savings plan, whose effects in 2013 will mainly be tangible in the second half
- The creation of the new Asset & Investments Department
- The introduction of a new organization by brand in Europe

➢ **Solid business performance**

- Good revenue growth in every segment and in key markets, shaped by the sharp 15.9% rise in revenue from management and franchise fees
- Stable operating performance in a complex environment
- Funds from operations of €212 million
- The opening of 9,940 new rooms, 80% of which under asset-light structures
- The issue in March of a €600-million in six-year, 2.5% bond

Interim results

(in € millions)	**H1 2012**	**H1 2013**	**% change reported**	**% change like-for-like[1]**
Revenue	2,717	2,694	-0.9%	+1.8%
EBITDAR[2]	**835**	**817**	**-2.2%**	**-0.4%**
EBITDAR margin	*30.7%*	*30.3%*	*-0.4 pt*	*-0.6 pt*
EBIT	**212**	**198**	**-6.6%**	**-6.4%**
Operating profit before tax and non-recurring items	190	148	-22.0%	-14.7%
Net profit before loss from discontinued operations	**80**	**33**	**N/A**	**N/A**
Loss from discontinued operations	(612)	(1)	N/A	N/A
Net profit/(loss), Group share	**(532)**	**34**	**N/A**	**N/A**

(1) At constant scope of consolidation and exchange rates

(2) Earnings before interest, taxes, depreciation, amortization and rental expense

Consolidated **revenue** for the six months ended 30 June 2013 totaled €2,694 million, down 0.9% year-on-year on a reported basis and up 1.8% like-for-like. In particular, the period saw a robust 15.9% growth in revenue from management and franchise fees.

Supported by a favorable second-quarter calendar of events, revenue in the first-half was led by resilient business levels in Europe, both in large cities and provinces, and by robust business in emerging markets.

In the first six months **9,940** new rooms (77 hotels) were opened, including:

- 80%[1] under management contracts and franchise agreements.
- 51% in Europe and 27% in the Asia-Pacific region.

❖ **Performance in Upscale & Midscale Hotels dampened by distribution costs**

Revenue in the Upscale & Midscale Hotels segment **declined by 1.7%** as reported in the first half, but **rose by 2.3%** like-for-like, with RevPAR lifted by occupancy rates.

The segment's EBITDAR margin stood at **4.3%**, down 1.1 points as reported and 1.5 points like-for-like. Results were particularly good in Africa-Middle East, the United Kingdom and Germany, while the cost-cutting measures undertaken in Southern Europe are beginning to produce effects. Conversely, Poland and Australia were impacted by high prior-year comparatives. Moreover, additional outlays were allocated to distribution during the period, as part of the Group's digital transition.

❖ **Satisfactory performance in Economy Hotels**

Revenue from Economy Hotels held firm over the first half, **declining 0.5%** year-on-year as reported and **increasing 0.5%** like-for-like.

EBITDAR margin came to **12.1%**, down a slight 0.6 point as reported and 0.5 point like-for-like. The segment demonstrated further satisfactory resilience in a mixed environment in continental Europe and given the sharply lower demand in Australia's mining regions. Also, despite the decline in occupancy rates during the period, room rates continued to rise, offering some margin protection.

Net profit of €34 million

In a complex environment, consolidated **EBITDAR**[2] was stable at **€817 million**, **down 2.2%** as reported and **0.4%** like-for-like. **EBITDAR margin** came to **30.3%**, compared with 30.7% a year earlier.

EBIT amounted to **€198 million** for the period, versus €212 million in first-half 2012. The Group's transformation is keeping rents, depreciation and amortization and provisions under control.

Operating profit before tax and non-recurring items totaled **€148 million**, versus €190 million in first-half 2012, representing a like-for-like decrease of 14.7%. Two new bond issues launched in June 2012 and March 2013, at historically low interest rates, temporarily weighed on the financial result (€48 million at 30 June 2013 versus €29 million in the prior-year period). A total of €396 million was redeemed in May 2013, thereby reducing the average cost of debt by one point to 4.5%.

In all, **net profit** for the period was **€34 million**, versus a net loss of €532 million in first-half 2012, which was impacted by the disposal of Motel 6.

Adjusted funds from operations ended the period at €293 million. **Recurring expansion capex** amounted to €97 million while **renovation and maintenance capex** totaled €81 million.

Funds from operations stood at €212 million and **recurring free cash flow**, after recurring expansion capex, came to **€115 million**.

[1] In number of rooms.

[2] Earnings before interest, taxes, depreciation, amortization and rental expense.

Net debt amounted to **€581 million** at 30 June 2013, up €160 million from a year earlier, with a **€155 million** positive impact from **asset disposals** and the €185 million negative impact of refunding the "*précompte*" distribution tax.

Consolidated **return on capital employed** (ROCE) came to **13.6**% at 30 June 2013, reflecting the temporary increase in capital employed attributable to the Mirvac and Posadas acquisitions and the deployment of the ibis megabrand project. For the same reason, ROCE stood at **10.8%** in the Upscale & Midscale segment and **18.3%** in the Economy segment.

As of 30 June 2013, Accor had **€1.5 billion in unused, confirmed long-term lines of credit**.

The 2013-2016 strategic plan

- **Asset management**

A total of **24 hotels** were restructured in first-half 2013, including **13** leased hotels and **11** owned hotels. These transactions had the effect of reducing adjusted net debt by **€184 million**.

As of 28 August 2013, the transactions already secured for the year will reduce adjusted net debt by **€248 million**, thanks to the ongoing deployment of the asset management program.

- **Expansion**

The 2013-2016 expansion plan is well on track, with **117,700 rooms** in the **pipeline** as of 30 June 2013, of which 84% under management and franchise contracts, 50% in the Asia-Pacific region and 47% in the "ibis family".

Outlook for 2013

- **Summer business trends**

In July, RevPAR[1] net of tax rose by **2.8%** like-for-like in the Upscale & Midscale Hotels segment and by **2.1%** like-for-like in Economy Hotels. This was in line with the first-half performance, in particular in the Upscale & Midscale segment.

Business levels have remained robust during the summer, in a trend that is expected to continue over the second half of the year.

- **2013-2014 cost-savings plan**

The **€100-million cost-savings plan** announced last February was launched during the first half. It is built on four pillars:

- A voluntary departures plan for the Paris head offices.
- Streamlining of European head offices.
- Prioritization and strategic review of projects.
- Hotel operating costs reduction.

Most of the plan's impact in 2013 will be effective in the second half.

- **Full year EBIT target**

Following the first-half launch of the cost-savings plan and the distribution investment plan, Accor is ready to pursue its transformation and drive faster growth.

[1] Owned or leased hotels only

Based on these factors, the EBIT target for the year stands at between **€510 million and €530 million**, compared with the €526 million reported in 2012.

- **Third-quarter 2013 financial information**

In a press release dated 17 October 2013, Accor announced the financial quarterly information for the first nine months of 2013.

Revenue breakdown:

(in € millions)	Q3 2012	Q3 2013	Change	Change L/L(1)	Sept-end YTD 2012	Sept-end YTD 2013	Change	Change L/L(1)
Upscale & Midscale	914	879	-3.9%	+3.6%	2,624	2,559	-2.5%	+2.8%
Economy	524	531	+1.4%	+4.2%	1,476	1,479	+0.1%	+1.8%
Hotels	**1,438**	**1,410**	**-2.0%**	**+3.8%**	**4,100**	**4,038**	**-1.5%**	**+2.4%**
Other activities	47	30	-36.3%	+2.0%	102	95	-6.2%	+4.2%
Total Group	**1,485**	**1,440**	**-3.1%**	**+3.8%**	**4,202**	**4,133**	**-1.6%**	**+2.5%**

[1] At comparable scope of consolidation and exchange rates.

Rise in gross revenue

Owing to expansion under asset-light structures and favorable business, the Group's **gross revenue** rose by **4.2%** for the first nine months of 2013 to €**8.6 billion**, despite the negative currency effect in the third quarter.

Nine-month 2013 revenue: €4,133 million, up 2.5% like-for-like

At comparable scope of consolidation and exchange rates, nine-month revenue was up **2.5%**, thanks in particular to the sharp 16.7% rise in revenue generated by management and franchise fees.

Reported revenue reflected the following factors:

- Expansion, which added €121 million to revenue and 2.9% to growth, with the opening of 14,100 rooms (113 hotels), of which 82% under management and franchise agreements and 52% in emerging markets.
- Changes in the scope of consolidation due to asset disposals, which reduced revenue by €205 million and growth by 4.9%.
- The negative €88 million currency effect, which reduced growth by 2.1%, with an overall decline in exchange rates, mainly for the Australian dollar, Brazilian real and British pound.

Reported nine-month revenue totaled €4,133 million, **down 1.6%**.

Third-quarter 2013 revenue: €1,440 million, up 3.8% like-for-like

At comparable scope of consolidation and exchange rates, third-quarter revenue was up **3.8%,** thanks to very robust demand in all the Group's key markets. Revenue was also lifted by 18.2% growth in revenue from management and franchise fees, linked to openings under asset-light structures.

Reported revenue reflected the following factors:

- Expansion, which added €31 million to revenue and 2.1% to growth, with the opening of 4,160 rooms (36 hotels), of which 89% under management and franchise agreements.
- Changes in the scope of consolidation, which reduced third-quarter revenue by €78 million or 5.2%.
- The highly negative €54 million currency effect, which reduced reported growth by 3.7%, mainly due to a decline in the Australian dollar, Brazilian real and British pound against the euro.

As reported, third-quarter revenue stood at €1,440 million, **down 3.1%**.

- **Upscale & Midscale Hotels: revenue up 3.6% like-for-like**

Revenue in the Upscale and Midscale segment rose by **3.6%** like-for-like and declined by **3.9%** as reported in the **third quarter**.

Thanks to solid demand from leisure customers during the summer and from business customers in September, the segment saw robust growth in all its key markets, especially in France and northern Europe. Strong performances were also evident in Asia-Pacific and the Middle East. The period also saw the benefit from a number of renovated flagships, such as the Pullman London St Pancras, Pullman Paris La Défense and Pullman Paris Montparnasse hotels, which sustained the performance of the Upscale segment.

- **Economy hotels: revenue up 4.2% like-for-like**

Revenue from Economy hotels increased by **4.2%** like-for-like and **1.4%** as reported in the **third quarter**.

Under the same brand, the economic hotels benefited from the highly positive impact of the innovative distribution and marketing policy introduced since the beginning of the year. Mastered and opportunistic management of distribution channels combined with summer advertising campaigns for the ibis hotel family had a direct impact on volumes. All markets contributed to the segment's sharp revenue growth, with an especially good performance in northern Europe. At the same time, revenue from management and franchise fees rose by a very high 32%, led by expansion.

Outlook for 2013: full-year EBIT target confirmed

Accor posted strong revenue growth in the third quarter of the year, led by a very satisfying summer season and a month of September that saw solid demand in key markets. The Group's solid performance was also driven by the increase in fees from managed and franchised hotels, which reflects in particular the expansion under asset-light structures.

Accor is pursuing its growth and remains confident for the last part of the year, thanks to solid demand in Europe and the growth dynamic in emerging markets. The mixed environments observed since the beginning of the year in southern Europe, Australia and China stabilized in the third quarter but remain fragile. The Group expects business trends to be similar in the fourth quarter.

In that context and despite unfavorable currency effects, Accor confirms its **full-year EBIT target** of **€510-530 million**.

Quarterly Information

- **Expansion**

A total of 14,100 new rooms were opened in the first nine months of 2013, of which 82% under asset-light structures and 52% in emerging markets.

- **Asset management**

The restructuring of 43 hotels and a €251 million reduction in adjusted net debt for 2013 have been secured as of 17 October 2013.

Revenue

in € millions	Quarter 1		Quarter 2		First-Half		Quarter 3		September-end YTD	
	2012 Restated[1]	2013 Reported	2012	2013	2012	2013	2012	2013	2012	2013
Upscale & Midscale	781	768	929	912	1,710	1,680	914	879	2,624	2,559
Economy	437	425	516	523	952	948	524	531	1,476	1,479
Hotels	**1,218**	**1,193**	**1,445**	**1,435**	**2,662**	**2,628**	**1,438**	**1,410**	**4,100**	**4,038**
Other Activities	**25**	**34**	**30**	**32**	**55**	**66**	**47**	**30**	**102**	**95**
Total Group	**1,242**	**1,227**	**1,475**	**1,467**	**2,717**	**2,694**	**1,485**	**1,440**	**4,202**	**4,133**

in %	Quarter 1		Quarter 2		First-Half		Quarter 3		September-end YTD	
	Change reported	Change L/L[2]	Change reported	Change L/L[2]	Change reported	Change L/L[2]	Change reported	Change L/L[2]	Change reported	Change L/L[2]
Upscale & Midscale	-1.6%	+0.7%	-1.8%	+3.7%	-1.7%	+2.3%	-3.9%	+3.6%	-2.5%	+2.8%
Economy	-2.7%	-1.8%	+1.4%	+2.4%	-0.5%	+0.5%	+1.4%	+4.2%	+0.1%	+1.8%
Hotels	**-2.0%**	**-0.2%**	**-0.7%**	**+3.3%**	**-1.3%**	**+1.7%**	**-2.0%**	**+3.8%**	**-1.5%**	**+2.4%**
Other Activities	**+36.7%**	**+4.6%**	**+5.7%**	**+7.3%**	**+19.6%**	**+6.1%**	**-36.3%**	**+2.0%**	**-6.2%**	**+4.2%**
Total Group	**-1.2%**	**-0.1%**	**-0.5%**	**+3.3%**	**-0.9%**	**+1.8%**	**-3.1%**	**+3.8%**	**-1.6%**	**+2.5%**

(1) Following the sale of Motel 6 to Blackstone, consolidated revenue for Q1 2012 has been adjusted

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

RevPAR (*Revenue per available room)* excluding tax Worldwide by segment (September-end)

	Owned & leased (O&L)									O&L and Managed
	Occupancy Rate			Average room rate			RevPAR			
	(in %)	(chg in pts reported)	(chg in pts L/L (1))		(chg in % reported)	(chg in % L/L (1))		(chg in % reported)	(like-for-like(1))	(reported)
Upscale and Midscale (in €)	**67.9%**	**+2.0**	**+1.6**	**98**	**-1.7%**	**-0.3%**	**67**	**+1.2%**	**+2.1%**	**+1.5%**
Economy (in €)	**70.5%**	**+0.6**	**+0.6**	**55**	**-1.3%**	**+0.3%**	**39**	**-0.5%**	**+1.1%**	**+0.2%**

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

RevPAR (*Revenue per available room)* excluding tax Worldwide by segment (3rd quarter)

	Owned & leased (O&L)									O&L and Managed
	Occupancy Rate			Average room rate			RevPAR			
	(in %)	(chg in pts reported)	(chg in pts L/L (1))		(chg in % reported)	(chg in % L/L (1))		(chg in % reported)	(like-for-like(1))	(reported)
Upscale and Midscale (in €)	**74.0%**	**+2.3**	**+2.2**	**95**	**-3.5%**	**-0.3%**	**70**	**-0.4%**	**+2.7%**	**-2.4%**
Economy (in €)	**75.9%**	**+2.1**	**+2.2**	**54**	**-2.9%**	**+0.1%**	**41**	**-0.2%**	**+3.0%**	**-0.1%**

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

RevPAR (*Revenue per available room)* excluding tax by country (September-end)

	Owned & leased (O&L)										O&L and Managed
UPSCALE AND MIDSCALE HOTELS	Nb of rooms	Occupancy Rate			Average room rate			RevPAR			
(in local currency)		(in %)	(chg in pts reported)	(chg in pts L/L (1))		(chg in % reported)	(chg in % L/L (1))		(chg in % reported)	(like-for-like(1))	(reported)
France	24,341	67.4%	+2.3	+2.0	117	-1.9%	+0.0%	79	+1.5%	+3.0%	+3.1%
Germany	16,441	69.1%	+2.5	+1.0	91	+2.5%	+0.4%	63	+6.3%	+1.9%	+6.4%
Netherlands	3,314	69.3%	+0.9	+1.0	87	-0.6%	-2.1%	61	+0.6%	-0.7%	+1.6%
Belgium	1,599	76.7%	+4.0	+4.1	98	+1.2%	-0.0%	75	+6.8%	+5.7%	+3.2%
Spain	2,283	59.6%	+0.4	-0.8	70	-2.9%	-3.4%	42	-2.3%	-4.7%	+2.3%
Italy	3,565	62.5%	+2.1	+0.9	92	-0.4%	-0.9%	58	+3.1%	+0.7%	+1.8%
UK (in £)	5,850	80.7%	+2.0	+2.5	85	+2.4%	+0.7%	69	+5.1%	+3.9%	+5.6%

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

ECONOMY HOTELS	Nb of rooms	Occupancy Rate			Average room rate			RevPAR			
(in local currency)		(in %)	(chg in pts reported)	(chg in pts L/L (1))		(chg in % reported)	(chg in % L/L (1))		(chg in % reported)	(like-for-like(1))	(reported)
France	35,796	71.0%	+0.3	-0.1	55	+0.7%	+0.3%	39	+1.1%	+0.1%	+1.9%
Germany	15,708	70.5%	-0.3	-0.2	57	+0.9%	+1.2%	40	+0.5%	+0.8%	+0.7%
Netherlands	2,289	77.1%	+3.8	+3.8	72	-2.5%	-2.5%	56	+2.5%	+2.5%	+2.5%
Belgium	2,821	77.5%	+2.7	+2.8	63	+0.4%	+0.0%	49	+4.1%	+3.8%	+5.2%
Spain	4,973	54.5%	+1.7	+1.3	46	-5.1%	-6.3%	25	-1.9%	-4.2%	-1.8%
Italy	1,740	71.0%	+2.3	+2.3	55	-1.4%	-1.4%	39	+1.8%	+1.8%	-1.1%
UK (in £)	10,076	80.1%	+1.9	+1.5	51	+6.0%	+1.6%	40	+8.6%	+3.6%	+7.5%

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

RevPAR (*Revenue per available room)* excluding tax by country (3rd quarter)

	Owned & leased (O&L)										O&L and Managed
UPSCALE AND MIDSCALE HOTELS	Nb of rooms	Occupancy Rate			Average room rate			RevPAR			
(in local currency)		(in %)	(chg in pts reported)	(chg in pts L/L (1))		(chg in % reported)	(chg in % L/L (1))		(chg in % reported)	(like-for-like(1))	(reported)
France	24,341	73.8%	+3.2	+3.1	114	-3.6%	-1.1%	84	+0.8%	+3.1%	+3.6%
Germany	16,441	73.4%	+3.7	+2.4	89	+0.0%	-2.4%	65	+5.4%	+1.0%	+5.5%
Netherlands	3,314	74.2%	+3.0	+3.0	84	+3.6%	+2.5%	63	+8.1%	+6.8%	+8.6%
Belgium	1,599	82.2%	+3.7	+3.3	90	+5.1%	+4.1%	74	+10.0%	+8.5%	+3.3%
Spain	2,283	68.1%	+0.5	+0.1	69	-0.7%	-1.2%	47	+0.1%	-1.1%	+6.4%
Italy	3,565	70.0%	+1.4	+0.1	98	+1.1%	+0.6%	69	+3.1%	+0.8%	+1.8%
UK (in £)	5,850	86.7%	+3.3	+3.9	87	-0.0%	-1.8%	75	+4.0%	+2.7%	+4.1%

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

ECONOMY HOTELS	Nb of rooms	Occupancy Rate			Average room rate			RevPAR			
(in local currency)		(in %)	(chg in pts reported)	(chg in pts L/L (1))		(chg in % reported)	(chg in % L/L (1))		(chg in % reported)	(like-for-like(1))	(reported)
France	35,796	76.2%	+2.1	+1.7	53	+0.7%	+0.3%	41	+3.6%	+2.7%	+3.8%
Germany	15,708	76.1%	-0.3	+0.1	57	+0.1%	+0.1%	43	-0.3%	+0.3%	-0.1%
Netherlands	2,289	84.9%	+8.0	+8.0	73	+1.6%	+1.6%	62	+12.2%	+12.2%	+12.2%
Belgium	2,821	82.1%	+3.2	+3.5	61	+4.6%	+4.3%	50	+8.9%	+8.9%	+9.8%
Spain	4,973	64.1%	+7.8	+7.2	46	-5.2%	-6.4%	30	+8.0%	+5.5%	+7.5%
Italy	1,740	74.9%	+1.3	+1.3	55	+2.7%	+2.7%	41	+4.4%	+4.4%	+1.9%
UK (in £)	10,076	86.1%	+3.9	+3.5	53	+4.7%	-0.0%	46	+9.6%	+4.2%	+7.8%

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

- **The sale of Accor's 19.4% stake in TAHL**

In a press release dated 4 November 2013, Accor announced, as part of its asset management strategy, the sale of its 19.4% stake in the **Tourism Asset Holdings Ltd. (TAHL)**, Australia's largest hotel owning Company, to **the Abu Dhabi Investment Authority (ADIA)** for a value of **AU$66m (€46m)**, and a repayment of **AU$76m (€53m)** loans.

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

- **The new strategy to enhance growth and sustained value creation**

In a press release dated 27 November 2013, Accor announced its new strategy.

Sébastien Bazin, Chairman and CEO of Accor, commented:

"Accor is a strong and unique group poised to derive benefit from rich opportunities. However, it deserves a much higher ambition to create sustained value. It requires the in-depth, rapid transformation of both its business model and its organization, as well as a clear and long term vision, and to stay the course. With this new strategy, our aim is to unlock Accor's full potential through its two core activities and maximize value creation for shareholders."

A new model, recognizing two mutually reinforcing core competencies

With this new organization, Accor re-emphasizes the group's two core competencies, i.e. **asset management** and **services to owners**, by separating their functions, their missions and their targets in order to build a better performing business model.

All 1,400 hotels of **HotelInvest** will be operated by **HotelServices** through management contracts. Each business unit will have its own reporting, with separate P&L, Cash-Flow statement and balance sheet. They will report to single Executive Committee. The Group will retain key central functions including Finance, HR, Legal and Communication.

HotelServices: hotel operator & brand franchisor

HotelServices is pure fee-oriented hotel operator & brand franchisor, that boasts with strong brands, a winning path in distribution, and robust development. It will comprise the Management & Franchise, Sales & Marketing, distribution and IT departments.

It will operate nearly 3,600 hotels and 460,000 rooms worldwide under 14 brands worldwide across all segments. Its room portfolio will consist of 46% in the economy segment (ibis, ibis Styles, ibis *budget*, Adagio Access, hotelF1), 40% in the midscale segment (Novotel, Mercure, Adagio), and 14% on the Luxury/upscale segment (Sofitel, Pullman, MGallery, Grand Mercure, The Sebel).

This high margin and cash generative business will be driven by three business priorities:

- **Maximize fee generation,** by adjusting our service offer to better meet partners expectations, focusing on fee generation rather than contract wins, and managing costs to optimize results for both our partners and Accor.
- **Accelerate in CRM, Loyalty and digital services.** Resources will be allocated in priority to program & system development, to increase Le Club Accorhotels loyalty members' contribution to hotel revenues and to foster Revenue Management agility, in order to maximize the top-line, with a better use of OTAs as additional revenue growth partners.
- **Implement a segmented strategy to strengthen brands**
  - Luxury / Upscale: a service excellence and flagship strategy in key gateways to increase brand equity
  - Midscale: a focus on innovation to enhance brand offer & differentiation
  - Economy / Budget: capitalize on ibis megabrand success to secure leadership & scale

HotelServices will communicate on selected KPIs to reflect its 100% asset-light profile: system growth, RevPAR and Gross revenue, GOP and drop-through, Net Promoter Score (guest satisfaction), Fee revenue, EBITDA and EBIT margins, as well as Free Cash Flow.

Based on 2012 pro forma figures, **HotelServices'** revenue stands at €1,119m and EBITDA at €387m.

HotelInvest: a hotel owner and investor

HotelInvest will be a hotel owner and investor, and will comprise the Owned & Leased and shared service activities. It will start with a portfolio of c.1,400 hotels of which nearly 300 are in full ownership. More than 85% of this portfolio is located in Europe and more than 95% is in the economy/budget and midscale segments. Owned hotels account for about 50% of the Net Operating Income at inception, and the objective is to increase this share to over 75%.

HotelInvest's strategy will be value-oriented and based on four pillars:

- **Build the first hotel investor in the economy & midscale segments** in Europe with strategic positions in emerging countries, and **consolidate the owned hotel base**. Hence **no further disposals of owned hotels unless they are structurally underperforming assets.**
- **Focus on delivering cash-flow and reducing volatility**, notably via the reduction of non-performing leases based on three criteria (GOP margin before fees, Net Operating Income and Location) and with the ability to terminate leases.
- **Manage & rationalize the asset portfolio** with an active approach towards to creating value through strategic capex allocation.
- Support Accor Group development strategy through **selective and profitable ownership, and stop the development through lease**, with no new contracts signed from now on (except those already committed).

The above-mentioned strategy will be deployed on a hotel-by-hotel basis depending on the ownership structure of each hotel.

HotelInvest will communicate on its own selected KPIs to reflect its long-term ownership profile: Portfolio arbitrage, Capex allocation, Net Operating Income, Development Capex, Net Asset Value, ROCE and IRR for new projects and debt ratios.

Based on 2012 pro forma figures, **HotelInvest** revenue stands at €5,122m and EBITDA at €531m.

Towards a leaner & more efficient organization

The group will move from the current hybrid set-up to a geography-based organization with consistent accountability in all the regions. This organization structure will enable decision-making that is closer to the frontline at lower running costs. The brands will be clustered in three segments, “Luxury/Upscale”, “Midscale” and “Economy/Budget” with synergies in support functions across the brands.

In addition, Sofitel will now be able to contribute its expertise to the “Luxury/Upscale” segment which marketing functions will be relocated in Asia.

Accor will be managed by a new 10-member Executive Committee that will include the five regional heads of operations, and Sven Boinet, who joins as Group Managing Director, Chief Transformation Officer, Human Resources and Legal Affairs. The new management team will impulse a new operating mode within the group, to enhance clarity, agility and accountability in the decision process.

In a nutshell, Accor will now rely on:

- A clear & long-term vision supported by a more simple & agile organization
- Specific and dedicated KPIs to follow and monitor the execution of the strategy
- One team, two complementary missions with clearly identified skills

- A structure built to maximize operating performance and create value for shareholders and all stakeholders

- **Good revenue growth in 2013**

In a press release dated 16 January 2014, Accor announced the fourth-quarter 2013 revenue.

Revenue breakdown:

(in € millions)	Q4 2012	Q4 2013	Change	Change L/L(1)	FY 2012	FY 2013	Change	Change L/L(1)
Upscale & Midscale	912	879	-3.6%	+3.3%	3,536	3,438	-2.7%	+2.9%
Economy	484	491	+1.3%	+4.1%	1,961	1,970	+0.4%	+2.4%
Hotels	**1,396**	**1,370**	**-1.9%**	**+3.6%**	**5,497**	**5,408**	**-1.6%**	**+2.7%**
Other activities	51	32	-35.9%	-0.1%	152	128	-16.0%	+2.7%
Total Group	**1,447**	**1,402**	**-3.1%**	**+3.4%**	**5,649**	**5,536**	**-2.0%**	**+2.7%**

[1] At comparable scope of consolidation and exchange rates.

Sébastien Bazin, Chairman and CEO of Accor, said: *"In 2013, Accor delivered a solid improvement in its business. This performance reflects the Group's strengths, including its recognized brands covering every segment of the hospitality market, a global footprint with leadership positions in the most promising growth regions and enthusiastic teams dedicated to driving the Group's development.*

Accor's ambitious new vision is leveraging these strengths. It clearly redefines our business model around two core competencies: HotelServices, a hotel operator and brand franchisor, and HotelInvest, a hotel owner and investor supported by a more agile, locally focused organization. This roadmap is designed to quickly enhance our clarity and effectiveness, in a commitment to making Accor the world's best performing and most highly valued hotel company."

Rise in gross revenue

Owing to a robust demand in 2013 and expansion of managed and franchised hotels, the group's **gross revenue** rose by **2.8%** to **€11.5 billion,** despite the negative currency effect particularly in the second half.

2013 revenue: €5,536 million, up 2.7% like-for-like

At comparable scope of consolidation and exchange rates, revenue for the year was **up 2.7%**, thanks in particular to the sharp 14.7% rise in revenue from management and franchise fees.

Reported revenue reflected the following factors:

- Expansion, which added €130 million to revenue and 2.3% to growth, with the opening of 22,637 rooms (170 hotels), of which 85% under management and franchise agreements and 59% in emerging markets.
- Changes in the scope of consolidation due to asset disposals, which reduced revenue by €258 million and growth by 4.6%.
- The €138 million negative currency effect, which reduced growth by 2.4%, with an overall decline in exchange rates, notably for the Australian dollar, Brazilian real and British pound.

Reported 2013 revenue totaled €5,536 million, **down 2.0%.**

Fourth-quarter 2013 revenue: €1,402 million, up 3.4% like-for-like

At comparable scope of consolidation and exchange rates, fourth-quarter revenue was up **3.4%,** thanks to very robust demand in all the Group's key markets, particularly in Europe. Among the emerging markets, demand remained very strong in Latin America and the Africa-Middle East region. Performance in the Asia-Pacific region was satisfactory overall, despite lower business in China, as well as in Australia where the Economy hotels segment remains under pressure.

Revenue from management and franchise fees was up by 10% compared with fourth-quarter 2012.

Reported revenue for the quarter reflected the following factors:

- Expansion, which added €8 million to revenue and 0.6% to growth, with the opening of 8,537 rooms (57 hotels), of which 91% under management and franchise agreements.
- Changes in the scope of consolidation, which reduced fourth-quarter revenue by €53 million or 3.7%.
- The highly negative €50-million currency effect, which reduced reported growth by 3.5%, mainly due to a decline in the Australian dollar and Brazilian real against the euro.

In all, fourth-quarter revenue stood at €1,402 million, **down 3.1% as reported.**

- ❖ **Upscale & Midscale hotels: revenue up 3.3% like-for-like**

Revenue in the Upscale and Midscale segment rose by **3.3%** like-for-like and declined by **3.6%** as reported in the **fourth quarter**.

Thanks to a balanced spread of business between capital cities and provinces, combined with sustained demand from leisure travelers at the end of the year, the segment saw robust growth in all its key markets. Growth was particularly strong in the United Kingdom and Germany, with revenues up by 8.9% and 4.0% respectively, like-for-like. Upscale & Midscale hotels in France also delivered a very satisfactory performance, considering that fewer trade fairs took place in October 2013 than in the year-earlier period. Ramp-up of the MGallery brand and the re-opening of newly renovated Pullman flagships helped to drive particularly strong growth in the Upscale segment.

- ❖ **Economy hotels: revenue up 4.1% like-for-like**

Revenue from Economy hotels increased by **4.1%** like-for-like and **1.3%** as reported in the **fourth quarter**.

All European countries contributed to the segment's performance. Growth was in the double digits in the United Kingdom, while the situation in Southern Europe continued to improve, with like-for-like increases of 5.4% in Spain and 5.5% in Italy. The opportunistic and mastered management of distribution channels implemented in the second half of the year had direct impact on both volumes and prices and therefore played a key role in driving the segment's revenue up. At the same time, revenue from management and franchise rose by 13.2% like-for-like during the fourth quarter.

On-going expansion in all markets

A total of **22,637 rooms (170 hotels) were opened in 2013,** of which 85% under management and franchise agreements, 41% in Europe, 37% in the Asia-Pacific region, 13% in Latin America and 9% in the Africa-Middle East region.

By year-end, the Group's portfolio stood at 461,719 rooms, 59% of which were operated under management and franchise agreements.

2013 EBIT target revised upwards

Accor enjoyed solid business trends in all its key markets in 2013 and fourth quarter was very satisfactory, led by solid performances in Europe. The Group continued to see sustained growth both in its traditional and emerging markets.

In light of this environment and of the cost-saving policy effects which were particularly significant in the fourth quarter, Accor has revised its EBIT target upwards, to **around €530 million** versus the €510-530 million target announced previously.

Quarterly Information

On 27 November 2013, Accor announced that it was implementing a new strategy to clarify the Group's business model and introduce a new organization based on its two core competencies with specific objectives for each one, in order to strengthen its leadership and enhance its performance.

Today, the business model is organized around two core competencies:

- **HotelServices**, a hotel operator and brand franchisor, and

- **HotelInvest**, a hotel owner and investor.

The new organization, led by a restructured Executive Committee, is currently being deployed. The 2014 half-year results presentation will reflect the implementation of this strategy since 1 January 2014.

Revenue

in € millions	Quarter 1		Quarter 2		Quarter 3		Quarter 4		December-end YTD	
	2012 Restated(1)	2013 Reported	2012	2013	2012	2013	2012	2013	2012	2013
Upscale & Midscale	781	768	929	912	914	879	912	879	3,536	3,438
Economy	437	425	516	523	524	531	484	491	1,961	1,970
Hotels	**1,218**	**1,193**	**1,445**	**1,435**	**1,438**	**1,410**	**1,396**	**1,370**	**5,497**	**5,408**
Other Activities	**25**	**34**	**30**	**32**	**47**	**30**	**51**	**32**	**152**	**128**
Total Group	**1,242**	**1,227**	**1,475**	**1,467**	**1,485**	**1,440**	**1,447**	**1,402**	**5,649**	**5,536**

in %	Quarter 1		Quarter 2		Quarter 3		Quarter 4		December-end YTD	
	Change reported	Change L/L (2)	Change reported	Change L/L (2)	Change reported	Change L/L (2)	Change reported	Change L/L (2)	Change reported	Change L/L (2)
Upscale & Midscale	-1.6%	+0.7%	-1.8%	+3.7%	-3.9%	+3.6%	-3.6%	+3.3%	-2.7%	+2.9%
Economy	-2.8%	-1.8%	+1.4%	+2.4%	+1.4%	+4.2%	+1.3%	+4.1%	+0.4%	+2.4%
Hotels	**-2.0%**	**-0.2%**	**-0.7%**	**+3.3%**	**-2.0%**	**+3.8%**	**-1.9%**	**+3.6%**	**-1.6%**	**+2.7%**
Other Activities	**+36.7%**	**+4.6%**	**+5.7%**	**+7.3%**	**-36.3%**	**+2.0%**	**-35.9%**	**-0.1%**	**-16.0%**	**+2.7%**
Total Group	**-1.2%**	**-0.1%**	**-0.5%**	**+3.3%**	**-3.1%**	**+3.8%**	**-3.1%**	**+3.4%**	**-2.0%**	**+2.7%**

(1) Following the sale of Motel 6 to Blackstone, consolidated revenue for Q1 2012 has been adjusted

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

RevPAR (*Revenue per available room)* excluding tax Worldwide by segment (December-end YTD)

	Owned & leased (O&L)									O&L and Managed
	Occupancy Rate			Average room rate			RevPAR			
	(in %)	(chg in pts reported)	(chg in pts L/L (1))		(chg in % reported)	(chg in % L/L (1))		(chg in % reported)	(like-for-like(1))	(reported)
Upscale and Midscale (in €)	**67.5%**	**+1.9**	**+1.6**	**98**	**-1.9%**	**+0.1%**	**66**	**+1.0%**	**+2.5%**	**+0.5%**
Economy (in €)	**70.1%**	**+0.8**	**+0.8**	**55**	**-1.3%**	**+0.6%**	**39**	**-0.1%**	**+1.9%**	**+0.5%**

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

RevPAR (*Revenue per available room)* excluding tax Worldwide by segment (4th quarter)

	Owned & leased (O&L)									O&L and Managed
	Occupancy Rate			Average room rate			RevPAR			
	(in %)	(chg in pts reported)	(chg in pts L/L (1))		(chg in % reported)	(chg in % L/L (1))		(chg in % reported)	(like-for-like(1))	(reported)
Upscale and Midscale (in €)	**66.2%**	**+1.8**	**+1.6**	**99**	**-2.4%**	**+1.2%**	**65**	**+0.3%**	**+3.7%**	**-2.2%**
Economy (in €)	**69.1%**	**+1.5**	**+1.6**	**56**	**-1.2%**	**+1.8%**	**38**	**+1.0%**	**+4.2%**	**+1.3%**

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

RevPAR (*Revenue per available room)* excluding tax by country (December-end YTD)

	Owned & leased (O&L)										O&L and Managed
UPSCALE AND MIDSCALE HOTELS	Nb of rooms	Occupancy Rate			Average room rate			RevPAR			
(in local currency)		(in %)	(chg in pts reported)	(chg in pts L/L (1))		(chg in % reported)	(chg in % L/L (1))		(chg in % reported)	(like-for-like(1))	(reported)
France	23,218	66.7%	+2.2	+1.9	117	-2.2%	-0.5%	78	+1.2%	+2.4%	+2.2%
Germany	16,441	69.5%	+2.7	+1.3	92	+3.4%	+1.3%	64	+7.6%	+3.3%	+7.5%
Netherlands	3,314	68.4%	+0.5	+0.6	88	-0.9%	-2.4%	60	-0.2%	-1.5%	+1.2%
Belgium	1,430	76.9%	+3.4	+3.3	99	+1.2%	+0.5%	76	+5.9%	+5.1%	+2.7%
Spain	2,283	58.8%	+1.1	+0.1	69	-3.7%	-4.3%	41	-2.0%	-4.1%	+2.3%
Italy	3,309	62.0%	+2.0	+0.9	90	-0.4%	-0.7%	56	+3.0%	+0.8%	+1.6%
UK (in £)	5,850	80.8%	+2.4	+2.8	86	+3.3%	+2.1%	70	+6.4%	+5.9%	+6.6%

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

ECONOMY HOTELS	Nb of rooms	Occupancy Rate			Average room rate			RevPAR			
(in local currency)		(in %)	(chg in pts reported)	(chg in pts L/L (1))		(chg in % reported)	(chg in % L/L (1))		(chg in % reported)	(like-for-like(1))	(reported)
France	35,787	70.2%	+0.5	+0.1	55	+0.5%	+0.1%	39	+1.2%	+0.3%	+1.8%
Germany	15,708	70.3%	-0.2	-0.0	58	+1.7%	+1.9%	41	+1.4%	+1.9%	+1.7%
Netherlands	2,382	76.3%	+3.5	+3.6	71	-2.8%	-2.4%	54	+1.9%	+2.3%	+1.9%
Belgium	2,821	77.8%	+2.3	+2.3	64	+1.3%	+0.9%	50	+4.3%	+4.0%	+5.3%
Spain	4,973	54.8%	+3.1	+2.5	46	-5.0%	-6.2%	25	+0.6%	-1.8%	+0.8%
Italy	1,740	69.6%	+2.0	+2.0	55	-0.6%	-0.6%	38	+2.4%	+2.4%	+0.0%
UK (in £)	10,219	80.2%	+2.6	+2.4	51	+6.3%	+3.2%	41	+9.8%	+6.4%	+8.8%

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

RevPAR (*Revenue per available room)* excluding tax by country (4th quarter)

	Owned & leased (O&L)										O&L and Managed
UPSCALE AND MIDSCALE HOTELS	Nb of rooms	Occupancy Rate			Average room rate			RevPAR			
(in local currency)		(in %)	(chg in pts reported)	(chg in pts L/L (1))		(chg in % reported)	(chg in % L/L (1))		(chg in % reported)	(like-for-like(1))	(reported)
France	23,218	64.6%	+2.3	+1.6	117	-3.3%	-2.1%	76	+0.2%	+0.5%	-0.5%
Germany	16,441	70.9%	+3.3	+2.2	95	+6.1%	+3.8%	67	+11.2%	+7.3%	+10.8%
Netherlands	3,314	65.7%	-0.6	-0.4	89	-2.1%	-3.6%	58	-3.0%	-4.1%	-0.1%
Belgium	1,430	77.5%	+1.6	+1.0	102	+1.3%	+2.0%	79	+3.5%	+3.3%	+1.1%
Spain	2,283	56.3%	+3.3	+2.8	66	-6.1%	-6.9%	37	-0.2%	-2.0%	+3.1%
Italy	3,309	60.1%	+1.6	+0.7	83	-0.8%	-0.1%	50	+2.0%	+1.1%	+0.1%
UK (in £)	5,850	81.0%	+3.4	+3.9	89	+5.8%	+6.2%	72	+10.5%	+11.5%	+9.5%

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

ECONOMY HOTELS	Nb of rooms	Occupancy Rate			Average room rate			RevPAR			
(in local currency)		(in %)	(chg in pts reported)	(chg in pts L/L (1))		(chg in % reported)	(chg in % L/L (1))		(chg in % reported)	(like-for-like(1))	(reported)
France	35,787	67.7%	+1.0	+0.7	56	-0.1%	-0.4%	38	+1.4%	+0.7%	+1.4%
Germany	15,708	69.6%	+0.3	+0.6	59	+4.0%	+4.3%	41	+4.4%	+5.2%	+4.8%
Netherlands	2,382	73.9%	+2.7	+2.8	68	-3.6%	-2.2%	50	+0.1%	+1.7%	+0.1%
Belgium	2,821	78.9%	+0.8	+1.1	67	+3.7%	+3.3%	53	+4.8%	+4.7%	+5.7%
Spain	4,973	55.7%	+7.1	+6.0	44	-4.5%	-5.6%	24	+9.6%	+6.2%	+10.1%
Italy	1,740	65.2%	+1.3	+1.3	54	+2.1%	+2.1%	35	+4.2%	+4.2%	+3.9%
UK (in £)	10,219	80.3%	+4.3	+4.8	52	+7.1%	+7.3%	42	+13.2%	+14.1%	+12.6%

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

- **Ibis family reaches over 1,700 hotels and pursues its pioneering revolution – Celebration of ibis 1000th hotel**

The following is an extract from a press release dated 20 January 2014.

"Accor, the world’s leading hotel operator in the economy and budget segment with over 1,700 hotels is celebrating today its 1000th ibis hotel around the world. Two years after starting reviewing economy hotel codes in depth and modernizing the ibis, ibis Styles and ibis budget brands, the Group is getting tangible results from the unprecedented ibis family project and stepping onwards, unveiling the new ibis room and ibis kitchen, its renewed restaurant concept.

The Group started its revolution in 2011 with the **overhaul of its three economic brands** within one single ibis family. From this renewal project stems a coherent and attractive portfolio with the same simplicity, modernity and well-being spearheaded by ibis, and a better identified and stronger positioning of each brand. It results into significant benefits for the **1000 ibis, 233 ibis Styles and 506 ibis budget**.

Sébastien Bazin, Accor Chairman and CEO states: “*Through its ibis family of 1,700 hotels, Accor is the leading international player on the 4 continents, Europe, Latin America, Asia Pacific and Africa Middle East. Accor’s new strategy redefined around its two core competencies – HotelServices and HotelInvest – will enable ibis, ibis Styles and ibis budget to strengthen both their innovation capacities and their leadership: in Europe, including through an acceleration of investments in owned properties; and by capturing new opportunities mainly through management and franchise in emerging countries*”.

A sustained development boosted by the modernization of the brands

Over 2 years, Accor has opened a total of over 200 ibis family hotels, hence an average of one opening every 3 days. Boosted by the project of revitalization, the ibis family is experiencing a sustained development. In 2013, 52% of the Group’s openings were made under the ibis family umbrella versus 39% in 2012.

Moreover, within 4 years, Accor’s economic brands will have substantially strengthened their leadership position worldwide, with the ibis family representing close to **half of the Group’s global pipeline**, over 62,000 rooms in the pipeline of which 38% in Asia Pacific, 30% in Latin America and 27% in Europe.

Strong growth of all key indicators: guests’ satisfaction, brand awareness, perception & performance"

- **Appointment of Vivek Badrinath as Deputy Chief Executive Officer**

In a press release dated 27 January 2014, Accor announced that Vivek Badrinath will join Accor as Deputy Chief Executive Officer.

He will be responsible for marketing, digital solutions, distribution and information systems. Vivek Badrinath will be a member of the Group's Executive Committee. This appointment will be effective as of 1st March 2014.

Reacting to this appointment, Sébastien Bazin, Chairman and CEO of Accor, declared: "*I am very happy Vivek has agreed to join Accor. He will be responsible for areas that are key to the Group's success and the development of its brands. I am convinced that his perfect knowledge of digital issues and his international experience will give new impulse to Accor's teams and be sources of innovation and creativity. He brings 20 years of experience in an industry that has been through several technological revolutions and this will enable us to handle the major challenges facing the hotel sector and be ahead of the curve*."

Vivek Badrinath was born in 1969. He is a graduate of École Polytechnique and École Nationale Supérieure des Télécommunications (ENST).

Vivek Badrinath started his career in 1992 at the French Ministry of Industry. In 1996, he joined Orange, working in various technical positions with the Long Distance Networks Department before moving to be CEO of Thomson India in 2000. He returned to Orange in 2004 as Technical Director in charge of mobile activities and then joined the group's Executive Committee in 2009, heading up the Networks and Operations Division. He was then named Executive Director of Orange Business Services from April 2010 to April 2012 before being appointed Deputy Chief Executive Officer in charge of Innovation, Marketing and Technologies on 1st May 2013.

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 overview 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 in the form of interest payments (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 or a "residual entity" (as defined in Article 4.2 of the Directive) established 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).

On 10 April 2013, Luxembourg officially announced its intention to no longer apply the withholding system as from 1st January 2015 and to provide details of payments of interest (or similar income) as from this date.

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

Luxembourg non-resident Bondholders

Under Luxembourg general tax laws currently in force and subject to the Luxembourg laws dated 21 June 2005 , as amended (the "**Laws**") implementing the Directive and several agreements concluded between Luxembourg and certain dependent or associated territories (hereafter the "**Territories**") of the European Union ("**EU**"), there is no withholding tax on payments of principal, premium or interest made to non-resident Bondholders, nor on accrued but unpaid interest in respect of the Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Bonds held by non-resident Bondholders, which are not profit sharing. Under the Laws, payments of interest or other similar income made or ascribed by a Luxembourg-based paying agent (within the meaning of the Directive) to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by Article 4(2) of the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the

Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent.

Payments of interest under the Bonds coming within the scope of the Laws would at present be subject to withholding tax of 35% (unless the beneficiary has opted for the disclosure of information described above). 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.

The Luxembourg government announced its intention to no longer apply the withholding tax system as from 1 January 2015 and to provide details of payments of interest (or similar income) as from this date.

Luxembourg resident Bondholders

Under Luxembourg general tax laws currently in force and subject to the Luxembourg law dated 23 December 2005, as amended (the "**Law**"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident Bondholders, nor on accrued but unpaid interest in respect of Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Bonds held by Luxembourg resident Bondholders. Under the 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 will be subject to a withholding tax of 10%. 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. Payments of interest under the Bonds coming within the scope of the Law would be subject to withholding tax of 10%.

In addition, pursuant to the Law as amended by the law of 17 July 2008, Luxembourg resident individuals who are the beneficial owners of savings income paid by a paying agent within the meaning of the EU Savings Directive established outside Luxembourg, in a Member State of either the European Union or the European Economic Area, or in a jurisdiction having concluded an agreement with Luxembourg in connection with the EU Savings Directive, can opt to self declare and pay a 10% tax on these savings income. This 10% tax is final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

French Taxation

The following is only intended as an overview of certain withholding tax consequences that may be relevant to holders of Bonds who do not concurrently hold shares of the Issuer.

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 75 % 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 75 %, subject to the more favourable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, neither the 75 % 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 French tax administrative guidelines (BOI-ANNX-000364-20120912 and BOI-ANNX-000366-20120912) dated 12 September 2012, 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, in particular, admitted, at the time of their issue, to the clearing operations of a central depositary 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 depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

Since the Bonds will be 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*. In addition, they will be subject neither to the non-deductibility set out under Article 238 A of the French *Code général des impôts* nor to the withholding tax set out under Article 119 *bis* 2 of the same *Code* solely on account of their being paid to a bank account opened in a financial institution located in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Pursuant to Article 9 of 2013 Finance Law (*loi n°2012-1509 du 29 décembre 2012 de finances pour 2013*) subject to certain exceptions, interest and other similar revenues received from 1 January 2013 by individuals who are fiscally domiciled in France are subject to a 24% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5% on interest and other similar revenues paid to individuals who are fiscally domiciled in France.

SUBSCRIPTION AND SALE

Subscription Agreement

Crédit Agricole Corporate & Investment Bank, HSBC Bank plc, Natixis, Société Générale and UBS Limited (the "**Joint Lead Managers**") have, pursuant to a Subscription Agreement dated 3 February 2014 (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 99.076 per cent. of the principal amount of the Bonds, 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 (*personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers*), 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 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 does not 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 International Securities Identification Number (ISIN) for the Bonds is FR0011731876. The Common Code number for the Bonds is 103080754.

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.

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 29 January 2014 and a decision of Sébastien Bazin, Chairman and CEO of the Issuer dated 3 February 2014.

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 2011 and 2012 and the interim financial information of the Issuer for the period ended 30 June 2013; and

   (v) the documents incorporated by reference, including:

      (a) 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;

      (b) the English translation of the 2012 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.13-0241, dated 28 March 2013; and

      (c) the interim financial report of the Issuer in the English language for the period ended 30 June 2013 and the free English translation of the statutory auditors' report,

   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 2013 Interim Financial Report at page 135 there has been no significant change in the financial or trading position of the Issuer or of the Group since 30 June 2013 and save as disclosed in the 2012 Registration Document at pages 154, 155 and 301 there has been no material adverse change in the prospects of the Issuer or of the Group since 31 December 2012.

6. Save as disclosed in the 2012 Registration Document at pages 115 and 263, 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 2011 and 31 December 2012 and have conducted a limited review for the period ended 30 June 2013. 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. Where information in this Prospectus or incorporated by reference herein has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

12. The estimated costs for the admission to trading are EUR 4,590.

13. The yield in respect of the Bonds is 2.772 per cent. per annum and is calculated at the Issue Date on the basis of the issue price of the Bonds. It is not an indication of future yield.

14. The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, 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.

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