

PROSPECTUS DATED 26 SEPTEMBER 2014



Accor

(a société anonyme incorporated in France)

**€150,000,000 2.625 per cent. Bonds due 2021
to be assimilated (*assimilables*) and form a single series with the
€750,000,000 2.625 per cent. Bonds due 2021
issued on 5 February 2014**

**Issue Price: 105.346 per cent. plus 237 days' accrued interest at a rate of
1.70445 per cent. of the principal amount of the Bonds for the period from, and including,
5 February 2014 to, but excluding, 30 September 2014.**

The €150,000,000 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* on 30 September 2014 (the "**Issue Date**") and will mature on 5 February 2021. The Bonds will be assimilated (*assimilées*) and form a single series with the €750,000,000 2.625 per cent. Bonds due 2021 issued on 5 February 2014 (the "**Existing Bonds**") as from the date of assimilation which is expected to be on or around 40 days after the Issue Date (the "**Assimilation Date**").

The issue price of the Bonds is 105.346 per cent. of their principal amount plus 237 days' accrued interest at a rate of 1.70445 per cent. of the principal amount of the Bonds for the period from, and including, 5 February 2014 to, but excluding, 30 September 2014. Interest on the Bonds will accrue at the rate of 2.625 per cent. per annum from 5 February 2014 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 30 September 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 have been 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.

Crédit Agricole CIB

Joint Lead Managers

Natixis

The Royal Bank of Scotland

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 and references to “**£**” are to the lawful currency of Great Britain.

In connection with the issue of the Bonds, Crédit Agricole Corporate and Investment Bank (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 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. The 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

Following tax audits covering the years 1998 to 2002 and the year 2003 of the French branch of Compagnie Internationale des Wagons Lits et du Tourisme (CIWLT), a Belgian company that is 99.78%-owned by Accor SA, the French tax authorities concluded that CIWLT’s seat of management was located in France not in Belgium.

The authorities therefore added CIWLT’s profit to the profit taxable in France. CIWLT contested this reassessment before the competent French courts.

The reassessment for the period 1998 to 2002 became final and the matter was closed in 2012.

Concerning the 2003 reassessment, the tax and related penalties totalling €17.5 million were paid in July 2011 and late interest of €2.7 million was paid in August 2011. Receivables for the same amounts were recorded in the consolidated statement of financial position at 31 December 2011 in full by provisions. The Versailles Administrative Court of Appeal found against CIWLT in a ruling handed down on 21 May 2013 and in August 2013 CIWLT filed a summary motion to institute proceedings before the French Supreme Court of Appeal (*Conseil d’Etat*). The motion was accepted and the appeal is currently being heard.

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.

In its ruling handed down on 10 December 2012, the French Supreme Court of Appeal considered that the dividend tax credit and *précompte* withholding tax systems had been shown to be incompatible. However, the Court also considered that the amount to be refunded was subject to strict rules which, to all intents and purposes, restricted Accor's right to a refund. Accordingly, the Court found that Accor was entitled to only approximately €6.3 million in principal already refunded.

In addition to the €149.7 million to be returned to the French State, Accor was also required to repay the late interest received in 2007, amounting to approximately €36.4 million, less the portion related to the retained refund of €6.3 million. In all, €184.7 million in principal and interest was repaid to the French State during 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 was 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. 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 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. In a ruling handed down on 27 May 2014, the Cergy Pontoise Court applied the restrictive principles governing the calculation of refunds described by the French Supreme Court of Appeal (*Conseil d'Etat*) in a decision dated 10 December 2012. In line with these principles, the Court found that Accor was entitled to a refund of €7.1 million in respect of the *précompte* dividend withholding tax for the years 2002, 2003 and 2004 together with interest of €3.3 million.

These amounts were recorded in the statement of financial position at 30 June 2014. They had no impact on the income statement as Accor appealed the decision before the Versailles Administrative Court of Appeal on 23 July 2014 and the ruling is therefore not final.

Tax dispute in Italy

In October 2011, the Italian tax authorities notified several Accor and Edenred subsidiaries of a €274 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.

Consequently, no provision was set aside in the consolidated financial statements for either 2011 or 2012. The matter was brought before the court of first instance which, in a ruling handed down on 11 March 2014 found in favour of Edenred and Accor and cancelled the total amount of the reassessments. The Italian tax authorities appealed this decision on 25 June 2014.

Tax audit at Accor SA

A tax audit is currently in progress at Accor SA. On 26 December 2013, the tax authorities notified the Company of proposed adjustments to its 2012 accounts. The proposal was timed to interrupt the statute of limitations that was due to expire for claims by the tax authorities on 31 December 2013. The tax authorities have not yet provided any indication of the financial consequences of the proposed adjustments for the tax group of which Accor SA is the filing entity, but the total risk including late interest is estimated at €26 million.

The tax authorities are challenging the independent valuation of the Accor Services brands that was used by Accor SA to calculate the taxable capital gain on the brands contributed at the time of the Group's demerger in 2010. They have also queried the alleged waiver by Accor SA of income due by its wholly-owned Brazilian subsidiary, Hotelaria Accor Brasil S.A., which they say had corporate income tax and withholding tax implications. This represents a relatively minor risk.

Accor SA wrote to the tax authorities in February 2014 contesting the proposed adjustments, but has nevertheless recorded a contingency provision of €11 million in its 2013 financial statements.

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 safeguard procedure (*procédure de sauvegarde accélérée*), 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 safeguard plan (*projet de plan de sauvegarde accélérée*), 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 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

Under Council Directive 2003/48/CE on the taxation of savings income (the "**Savings Directive**"), Member States are required to provide to the tax authorities of other Member States details of payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive 2014/48/EU amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government officially announced its intention to abolish the withholding system with effect from 1st January 2015 in favor of automatic information exchange under the Savings Directive.

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.

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.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016. The FTT, as initially implemented on this basis, may not apply to dealings in the Bonds.

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 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 "Statement of the 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);
- (b) the English translation of the 2013 reference document (*document de référence*) of the Issuer (the “**2013 Registration Document**”), a French version of which was filed with the *Autorité des marchés financiers* under registration N° D.14-235, dated 28 March 2014; except for (i) the third paragraph of the section "Statement of the person responsible for the Registration Document" on page 332 and (ii) the cross-reference table, the section on information incorporated by reference and the references to the free translations appearing on pages 178, 280 and 281, (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 2014 (the “**2014 Interim Financial Report**”) including the free English translation of the statutory auditors' report (the “**2014 Auditors' Report on the Interim Financial Information**”); except for the reference to a free translation appearing on page 144 of the 2014 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	2012 Registration Document (page number)	2013 Registration Document (page number)	2014 Interim Financial Report (page number)
2. STATUTORY AUDITORS	-	332	144-145
3. RISK FACTORS RELATED TO THE ISSUER	-	132-138	-
4. INFORMATION ABOUT THE ISSUER	-		
4.1. <u>History and development of the issuer:</u>			
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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 €150,000,000 2.625 per cent. Bonds due 2021 (the “**Bonds**”) of Accor (the “**Issuer**”) to be assimilated (*assimilables*) and form a single series with the €750,000,000 2.625 per cent. Bonds due 2021 issued on 5 February 2014 (the “**Existing 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 24 September 2014. The Bonds will be assimilated (*assimilées*) and form a single series with the Existing Bonds as from the date of assimilation which is expected to be on or around 40 days after the Issue Date (as defined below). The Issuer has entered into an agency agreement (the “**Principal Agency Agreement**”) dated 3 February 2014 and a supplemental agency agreement dated 26 September 2014 (the “**Supplemental Agency Agreement**”, and together with the Principal Agency Agreement, the “**Agency Agreement**”) with Société Générale, as fiscal agent, principal paying agent and calculation agent. The fiscal agent, the principal paying agent, the paying agents and the calculation agent for the time being are referred to in these Conditions as the “**Fiscal Agent**”, the “**Principal Paying Agent**”, the “**Paying Agents**” (which expression shall include the Principal Paying Agent) and the “**Calculation Agent**”, each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Agency Agreement, and are collectively referred to as the “**Agents**”. References below to “**Conditions**” are, unless the context otherwise requires, to the numbered paragraphs below.

1 Form, Denomination and Title

The Bonds are issued on 30 September 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 depository 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 €160,013,178.08 will be used for the general corporate purposes of the Issuer.

RECENT DEVELOPMENTS

- **The acquisition by Accor of 13 properties in the UK in line with HotelInvest strategy**

In a press release dated 26 August 2014, Accor announced that HotelInvest, the Group's hotel owner and investor business, has purchased a portfolio of 13 hotels from **Tritax** for a total consideration of **€89 million** (£71 million) in line with its stated strategy to consolidate the owned hotel base whilst strengthening its economy and midscale segments.

The portfolio, which includes 12 ibis and 1 ibis *budget*, represents **1,194 rooms** located across the UK in key regional locations: Coventry, Coventry South, Birmingham Holloway Circus, Birmingham Bordesley, Leicester City, Plymouth, Sheffield City Shude, Liverpool, Manchester Princess Street, as well as London Stratford, London Thurrock and London Barking.

As a result of the purchase 3 Accor owned F1 hotels adjacent to the properties in Liverpool, London Barking and London Thurrock will be restructured as extensions of the newly acquired ibis *budget* and ibis hotels to aid rationalisation of the HotelInvest asset portfolio.

The properties have been operated under variable-rent leases by Accor since 2001, and since 2005 for Tritax, a real estate investor, on behalf of individual and private owners.

The acquisition will be financed at 100% through debt. It will be immediately accretive to Accor's EBIT and will also reduce off balance sheet debt by c.€39m (£33m) attached to minimum lease commitments. It will also increase the contribution of owned hotels to HotelInvest's Net Operating Income* by around 0.5 point, in line with the target of raising this figure from 54% in 2013 to more than 75% over the medium term.

This acquisition for HotelInvest, follows an active period for the team in the UK who have also sold and franchised back two properties, Novotel Stevenage and Novotel Nottingham, to Fairview Hotels. Fairview, a key partner in the UK since 2008 now own and operate five Accor brand hotels in the country, Mercure London Bloomsbury, Mercure Letchworth Hall, ibis Stevenage and now Novotel Nottingham & Stevenage Novotel Stevenage. Fairview will be investing significantly in both the properties to ensure the consistency and quality of the Novotel Brand is maintained.

John Ozinga, COO of HotelInvest said: *“These transactions demonstrate Accor's ability to act swiftly in implementing the strategy announced nine months ago. It's an important step forward in the significant restructuring that we are leading in HotelInvest, fully aligned with our objectives which include creating value by optimising return on capital employed, while strengthening our position as the largest owner of economy and midscale hotels in key European markets.”*

- **Interim financial information for the first-half 2014**

In a press release dated 26 August 2014, Accor announced the interim results for the first six months of 2014, a **solid first-half 2014 reflecting strong momentum in international markets and the early effects of the Group's transformation.**

- **Revenue up 2.8% like-for-like¹ to €2,593 million**
- **A significant improvement in EBIT, up 17.6% like-for-like to €219 million**
- **Operating profit before tax and non-recurring items up 38.6% like-for-like to €192 million**
- **Net profit of €60 million**
- **Full year EBIT target of €575-595 million**

Sébastien Bazin, Chairman and Chief Executive Officer, said:

“In the first-half of 2014, our planned reorganisation ensured the Group's transformation is now well underway. The strong results for the period, with an increase in margins, reflect good momentum and the work of highly committed teams to deploy our new strategy. Each business now has the means to respond effectively to its specific challenges. We have significantly increased resources and completed major acquisitions/restructuring for HotelInvest in the first half, followed by the agreement signed with Tritax in the United Kingdom. In the second half we will focus in particular on deploying the HotelServices strategy built around innovation, digital solutions and brands.”

First-half 2014 highlights: The transformation is underway

- **The reorganisation of Accor** around its HotelServices and HotelInvest business lines is now effective. The **Group's financial reporting system** is now fully aligned with this new structure.
- **Accor's financial position** was strengthened through debt issues at record low interest rates, including €900 million worth of perpetual subordinated notes issued in June, and a new €1.8 billion syndicated credit line.
- €900 million worth of **acquisitions** were completed (97 hotels in Germany, the Netherlands and Switzerland).
- The **improvement of the Group's digital eco-system** for our guests was introduced by the launch of the Welcome project and the implementation of new advantages for our 16 million Le Club Accorhotels members.
- The first valuation of the gross asset value of HotelInvest's portfolio came up to an indicative range of between €5.0 and 5.5 billion.

***Note:** With the application of **IFRS II** since January 2014, joint ventures may no longer be consolidated using the proportional method, but instead must be accounted for by the equity method in the same way as associates. First-half 2013 results figures in this press release have been adjusted accordingly.*

¹ At comparable scope of consolidation and constant exchange rates.

First-half 2014 results

<i>(in millions of euros)</i>	H1 2013 restated <small>(1)</small>	H1 2014	% change (restated (1))	% change (like-for-like(2))
Revenue	2,640	2,593	-1.8%	+2.8%
EBITDAR⁽³⁾	804	807	+0.4%	+3.8%
<i>EBITDAR margin</i>	<i>30.4%</i>	<i>31.1%</i>	<i>+0.7 pt</i>	<i>+0.3 pt</i>
EBIT	191	219	+14.5%	+17.6%
Operating profit before tax and non-recurring items	146	192	+31.4%	+38.6%
Net profit before profit/(loss) from discontinued operations	33	62	-	-
Profit/(loss) from discontinued operations	1	(2)	-	-
Net profit, Group share	34	60	-	-

(1) Figures restated from the IFRS 11 impacts

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

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

Consolidated **revenue** for the six months ended 30 June 2014 totaled €2,593 million, up 2.8% like-for-like from first-half of 2013 (down 1.8% on a reported basis), thanks to robust demand in the majority of the Group's key markets (with Mediterranean, Middle East, Africa (MMEA) up 8.4%, Americas up 7.6%, Northern, Central and Eastern Europe (NCEE) up 3.2% and Asia Pacific up 2.0%). In France, revenue dipped by 0.9% due to the increase in the VAT rate that came into effect on 1 January 2014, sluggish demand and an unfavorable calendar effect in May and June.

Ninety-two hotels (12,284 rooms) were opened during the period, of which:

- 90%¹ under management contracts and franchise agreements.
- 69% outside Europe.

Solid improvement in EBIT

Consolidated **EBITDAR** amounted to €807 million in the first-half of 2014 up 3.8% like-for-like, in the prior year and 0.4% as reported. **EBITDAR margin** was up 0.3 point on a like-for-like basis, at 31.1%.

EBIT rose by 17.6% like-for-like to €219 million from €91 million in the first-half of 2013, lifted by strong demand in all regions except France, and by the positive effects of the cost savings plan.

Operating profit before tax and non-recurring items amounted to €192 million in first-half 2014, versus €146 million in the prior year, a 38.6% like-for-like increase. **Net profit, Group share** was significantly higher at €60 million.

¹ In number of rooms

Funds from operations rose to €296 million from €288 million in the first-half 2013. Recurring development expenditure amounted to €84 million. Maintenance and renovation expenditure totaled €61 million versus €80 million at the first-half 2013. The gap is linked to a lag observed in CAPEX expenditures which will be offset in the second-half of 2014.

In the first-half of 2014, **recurring cash flow** was solid at €151 million.

Net debt increased by €33 million in the first-half 2014 to €259 million at 30 June 2014. This slight increase is linked to the acquisitions of the Moor Park and Axa Real Estate hotel portfolios for €900 million, offset by the €900 million proceeds from the June 2014 perpetual subordinated notes issue, the total amount of which is treated as equity under IFRS.

There was a clear improvement in consolidated **return on capital employed (ROCE)**, 14.4% in the first-half of 2014 compared with 13.6% in the first-half of 2013.

As of 30 June 2014, Accor had an unused €1.8 billion confirmed long-term line of credit.

The Group optimised its borrowing costs by issuing €750 million in 2.625% bonds and CHF 150 million in 1.75% bonds, and redeeming 7.5% bonds in an amount of €402 million. These operations **reduced the cost of debt** from 4.28% at the December-end 2013 to 3.17% as of 30 June 2014.

HotelServices & HotelInvest results – first-half 2014

In line with its new organisation, Accor now reports the main financial indicators for its two strategic businesses, HotelServices and HotelInvest, to provide more clarity and improve strategic management.

2014 Interim results

<i>(in millions of euros)</i>	HotelServices	HotelInvest	Corporate & Intercos	Accor
Revenue	582	2,286	(275)	2,593
EBITDAR	200	643	(36)	807
<i>EBITDAR margin</i>	34.3%	28.1%	<i>n.a.</i>	31.1%
EBITDA	188	222	(34)	376
<i>EBITDA margin</i>	32.3%	9.7%	<i>n.a.</i>	14.5%
EBIT	172	83	(36)	219
<i>EBIT margin</i>	29.6%	3.6%	<i>n.a.</i>	8.4%
H1 2013 EBIT (restated)⁽¹⁾	161	60	(30)	191
<i>H1 2013 EBIT margin (restated)⁽¹⁾</i>	26.8%	2.6%	<i>n.a.</i>	7.2%

(1) Figures restated from the IFRS 11 impacts

Both **HotelServices** and **HotelInvest** performed well in the first-half of 2014, delivering **significant improvements in their operating margins, which rose by 2.8 points and 1.0 point respectively.**

EBIT by region and by business line

<i>(in millions of euros)</i>								
	HotelServices		HotelInvest		Accor			
In M€	H1 2013 restated ⁽¹⁾	H1 2014	H1 2013 restated ⁽¹⁾	H1 2014	H1 2013 restated ⁽¹⁾	H1 2014	change (like- for-like)	
France	50	59	30	18	80	77	-3.6%	
NCEE	53	46	26	48	79	94	+17.2%	
MMEA	15	20	(16)	(7)	(1)	13	N/A	
Asia-Pacific	17	21	(2)	(2)	15	19	+23.3%	
Americas	18	15	3	7	21	22	+21.5%	
Worldwide Structures	8	11	19	19	(3)	(6)	-25.2%	
Total	161	172	60	83	191	219	+17.6%	

(1) Figures restated from the IFRS 11 impacts

Accor delivered highly satisfactory gains in its markets, with the exception of France. All other regions enjoyed double-digit EBIT growth, led by a strong operating dynamic.

Thanks notably to HotelServices, particularly strong performances were recorded in emerging markets. The biggest improvements were seen in the Asia-Pacific region (up 23.3% like-for-like), and the Americas (up 21.5%) which benefited from the favourable effects of the Football World Cup in Brazil throughout the first half.

The Northern, Central and Eastern Europe region also delivered a very good performance (up 17.5% like-for-like), driven by solid demand in the UK and Benelux.

➤ **HotelServices, hotel operator and brand franchiser:**

HotelServices reported €5.7 billion in **business volume**¹, an increase of 5.0% at constant exchange rates, led by the development of emerging markets.

Revenue rose by 5.7% like-for-like to €582 million, with strong gains in the Americas (up 10.8%), the Mediterranean-Africa- Middle East (MMEA, up 10.1%) and Northern, Central and Eastern Europe (NCEE, up 5.0%), and to a lesser extent in Asia-Pacific (ASPAC, +3.7%) and France (+0.5%).

These favourable trends positively impacted **EBITDA**, which increased 14.8% like-for-like to €188 million, lifting the **EBITDA margin** to a high 32.3%.

¹ Business volume corresponds to revenue from owned, leased and managed hotels and to room revenue from franchised hotels. Change is as reported.

HotelServices detailed results – first-half 2014

<i>(in millions of euros)</i>	H1 2013 restated ⁽¹⁾	H1 2014
Business volume	5,600	5,700
Revenue	603	582
EBITDA	178	188
<i>EBITDA margin</i>	<i>29.5%</i>	<i>32.3%</i>
<i>Margin excluding Sales & Marketing Fund and loyalty program</i>	<i>44.6%</i>	<i>47.1%</i>
EBIT	161	172
<i>EBIT margin</i>	<i>26.8%</i>	<i>29.6%</i>

(1) Figures restated from the IFRS 11 impacts

HotelServices recorded **EBIT** of €172 million, an increase of 16.5% like-for-like that boosted EBIT margin by 2.8 points. This improvement was mainly due to robust hotel demand in all regions except France.

➤ **HotelInvest, hotel owner and investor:**

On a like-for-like basis, HotelInvest's **revenue** rose 1.6% to €2,286 million. Revenue increased in all regions apart from France (down 1.8% like-for-like), which was adversely affected by a three-point increase in the VAT rate. The Northern, Central and Eastern Europe region was lifted by robust demand in the UK and Benelux, while the Mediterranean-Middle East-Africa region clearly benefited from the confirmed recovery in Southern Europe.

Revenue growth was reflected in **EBITDAR**, which advanced 1.2% like-for-like to €643 million.

HotelInvest detailed results - first-half 2014

<i>(in millions of euros)</i>	H1 2013 restated ⁽¹⁾	H1 2014
Revenue	2,336	2,286
EBITDAR	645	643
<i>EBITDAR margin</i>	<i>27.6%</i>	<i>28.1%</i>
EBITDA	212	222
<i>EBITDA margin</i>	<i>9.1%</i>	<i>9.7%</i>
EBIT	60	83
<i>EBIT margin</i>	<i>2.6%</i>	<i>3.6%</i>

(1) Figures restated from the IFRS 11 impacts

HotelInvest's **EBIT** climbed 21% like-for-like to €83 million. **EBIT margin** improved by 1 point to 3.6%, reflecting sustained hotel demand in the first-half.

The gross value of HotelInvest's assets, which was assessed by three independent experts who each valued a part of the portfolio in the first-half, came up to an indicative range of between **€5.0 and 5.5 billion**. This indicative valuation includes the assets acquired from Moor Park and Axa Real Estate, as these operations were closed by the end of June 2014.

HotelInvest's EBITDA over a 12 rolling-month period at the end of June, was restated from the rents attached to those acquisitions, amounting to €557 million. This restated EBITDA, reported to the mid-range valuation of the experts leads to a **return on investment (ROI)** ratio of **10.6%** for HotelInvest's assets.

Asset Management Program

A total of **25 hotels** were restructured in first-half 2014, including **18 leased** hotels and **7 owned** properties. These transactions had the effect of reducing adjusted net by **€52 million**. At the same time, HotelInvest acquired two portfolios of hotels that were previously operated by the Group under variable leases. These portfolios (Moor Park and Axa Real Estate) representing **97 hotels** (over 12,000 rooms), were acquired for €900 million.

Acquisition of Tritax in the United Kingdom

On 26 August 2014, Accor announced the acquisition of a portfolio of 13 ibis hotels in United-Kingdom for €89 million (£71 million).

Priorities for second-half 2014

With a dedicated organisation and adequate funding capacity to restructure and develop its business, **HotelInvest** will continue to optimise its real estate portfolio in accordance with its strategy.

The strategic roadmap of **HotelServices**, covering digital services, distribution and brands, is currently being finalised and will be presented at a Digital Day to be held in London on 30 October 2014.

The €100 million cost saving plan launched in first-half 2013 continues to be rolled out. This plan includes several pillars: the optimisation and pooling of some European headquarters, the prioritisation and strategic review of projects, and reduction in hotel operating costs.

Summer trends

Business trends remained stable during the summer season, particularly in July, with RevPAR increasing across all geographies (NCEE up 5.4%, MMEA up 6.4%, ASPAC up 6.1%, Americas up 12.4%) except France (down 1.7%).

Initial indicators for August are encouraging. At this stage, there has not been any sign of a change in the business trends observed since the beginning of the year.

Full year EBIT target

In view of these factors, the Group expects to report full-year EBIT of **€575 to €595 million** compared with adjusted 2013 EBIT of €521 million.

Events since 1 January 2014

- On 27 January **Vivek Badrinath** was appointed Deputy Chief Executive Officer in charge of marketing, digital media, distribution and IT systems. Vivek Badrinath has been a member of the Group's Executive Committee since 1 March 2014.
- On 31 January 2014, Accor issued €750 million in seven-year 2.625% bonds.

- On 4 February 2014, the 7.5% bond issue was redeemed for an amount of €402.3 million.
- On 24 February 2014, Accor's stake in Reef Casino in Australia was sold for €55.5 million.
- On 15 April 2014, Accor announced the appointment of **John Ozinga** as Chief Operating Officer of HotelInvest. John Ozinga has been a member of the Group Executive Committee since 18 June 2014.
- On 27 May 2014, Accor deployed HotelInvest's strategy with the purchase of 97 hotels in Europe for €900 million (86 in Germany and the Netherlands and 11 in Switzerland).
- On 12 June 2014, Accor announced that it had closed a new five-year €1.8 billion syndicated line of credit that replaces the previous €1.5 billion undrawn syndicated credit facility.
- On 17 June 2014, Accor successfully placed its issue of eight-year, 1.75% bonds in an amount of CHF150 million.
- On 23 June 2014, Accor successfully placed a €900 million perpetual subordinated notes issue. The notes will pay interest at 4.125% until 30 June 2020.

- **First-Half 2014 revenue**

In a press release dated 17 July 2014, Accor announced a solid growth in **First-Half 2014 revenue: +2.8% like-for-like led by a good momentum in the second quarter - Business remains low in France.**

Business remained favorable in most of the Group's markets in the first half, with revenue totaling €2,593 million, representing a **2.8%** increase (pro forma) on a like-for-like basis and a **1.8%** decline as reported.

➤ **HotelInvest, the Group's hotel owner and investor unit:**

- **Like-for-like revenue up 1.6% to €2,286 million**
- **Good revenue growth** in every region except France (down 1.8%), where demand was particularly impacted by the increase by 3 points in VAT rate on 1 January.

➤ **HotelServices, the Group's hotel operator and franchiser unit:**

- **Business volume¹ up 5.0%**, excluding the currency impact, to **€5.7 billion** led by expansion in emerging markets.
- **A 5.7% like-for-like increase in revenue to €582 million**, with sharp improvements in the Americas (up 10.8%), the Mediterranean-Middle East-Africa region (up 10.1%), Northern, Central and Eastern Europe (up 5.0%).

- **Opening of 12,284 new rooms (92 hotels) in the first half, of which 90% are under management and franchise agreements.**

Sébastien Bazin, Chairman and Chief Executive Officer, said:

“Accor’s saw good momentum in the first half despite a French market that continued to be unfavorably impacted by changes in tax legislation. HotelServices pursued its expansion in fast-growing regions and HotelInvest strengthened its position as Europe’s leading hotel investor with the recently completed acquisition of 97 hotels in Germany, Switzerland and the Netherlands.”

Note: With the application of IFRS II since January 2014, joint ventures may no longer be consolidated using the proportional method, but instead must be accounted for by the equity method in the same way as associates. First-half 2013 revenue figures in this press release have been adjusted accordingly, with a negative €54 million pro forma impact (details by segment may be found in the appendix).

First-half 2014 revenue: up 2.8% like-for-like and down 1.8% as reported

<i>In € million</i>	Proforma H1 2013 (1)	H1 2014	Change reported	L/L Change
HotelServices	603	582	-3,4%	5,7%
HotelInvest	2,336	2,286	-2,1%	1,6%
Holding & Intercos	-299	-275	7,8%	0,3%
Total	2,640	2,593	-1,8%	2,8%

(1) Revenue figures restated from the IFRS 11 impacts

¹ Business volume corresponds to revenue from owned, leased and managed hotels and to room revenue from franchised hotels. Change is as reported.

At constant scope of consolidation and exchange rates (like-for-like), first-half revenue rose by **2.8%**, due to **favorable demand in the majority of the Group's key markets**.

Despite improvement in the second quarter, revenue in **France** was down 0.9%, **adversely affected** by the increase in the VAT rate effective from 1 January 2014, slower demand levels and unfavorable calendar effects in May and June.

Reported revenue for the half reflected the following factors:

- Development, which added €19.4 million to revenue and 0.7% to growth, with the opening of 12,284 rooms (92 hotels), of which 90% under management and franchise agreements.
- Changes in the scope of consolidation, which reduced revenue by €65 million and growth by 2.5%.
- A negative impact of €75.1 million currency, which lowered reported growth by 2.8%. This was mainly due to the declines in Australian dollar and Brazilian real against the euro, which reduced revenue by €29.6 million and €29.4 million respectively.

In all, first-half revenue stood at €2,593 million, **down 1.8% as reported**.

First-half 2014 revenue by business and region

<i>In € million</i>	HotellInvest			HotelServices		
	Revenue (M€)		L/L %	Revenue (M€)		comp. %
	Proforma H1 2013 (1)	H1 2014	Var.	Proforma H1 2013 (1)	H1 2014	Var.
France	821	786	-1,8%	159	159	0,5%
NCEE	965	986	2,7%	151	140	5,0%
MMEA	192	195	6,7%	57	60	10,1%
Asie Pacifique	152	127	-0,5%	156	147	3,7%
Amériques	206	192	7,3%	54	52	10,8%
Worldwide Structures	-	-	-	26	24	32,8%
Total*	2,336	2,286	1,6%	603	582	5,7%

(1) Revenue figures restated from the IFRS 11 impacts

* Of which €275 million in intra-Group revenue

Second-quarter 2014 revenue: up 3.3% like-for-like and 1.3% as reported

<i>In € million</i>	Proforma Q2 2013 (1)	Q2 2014	Change reported	L/L Change
HotelServices	326	320	-1,8%	6,5%
HotellInvest	1,285	1,294	0,8%	2,0%
Holding & Intercos	-172	-156	8,9%	0,5%
Total	1,439	1,458	1,3%	3,3%

(1) Revenue figures restated from the IFRS 11 impacts

At constant scope of consolidation and exchange rates (like-for-like), second-quarter revenue **rose by 3.3%**.

Reported revenue for the quarter reflected the following factors:

- Development, which added €11.9 million to revenue and 0.8% to growth, with the opening of 7,835 rooms (60 hotels).
- Changes in the scope of consolidation, which reduced revenue by €10.3 million and growth by 0.7%.
- A negative €30.7 million currency effect, which lowered reported growth by 2.1%. This was mainly due to declines in the Brazilian real and the Australian dollar against the euro, which reduced revenue by €12.8 million and €10.8 million respectively.

Revenue for the three months ended 30 June 2014 amounted to €1,458 million, **up 1.3% on a reported basis**.

Second-quarter 2014 revenue by business and region

<i>(en million d'euros)</i>	HotelInvest			HotelServices		
	Revenues (€m)		L/L %	Revenues (€m)		comp. %
	Proforma Q2 2013 (1)	Q2 2014	Var.	Proforma Q2 2013 (1)	Q2 2014	Var.
France	461	457	-0,2%	89	92	3,7%
NCEE	543	553	1,7%	90	80	3,8%
MMEA	110	114	8,3%	29	32	12,6%
Asie Pacifique	63	66	-2,3%	79	73	-0,5%
Amériques	108	104	8,9%	29	29	10,2%
Structures centrales	-	-	-	10	14	80,6%
Total*	1,285	1,294	2,0%	326	320	6,5%

(1) Revenue figures restated from the IFRS 11 impacts

* Of which €156 million in intra-Group revenue

HotelInvest revenue: up 2.0% like-for-like to €1,294 million

At the end of June, HotelInvest's portfolio is 1,369 hotels, of which 77% are in Europe, and 96% in Economy and Midscale segments.

Performance stabilized in France over the second quarter, with revenue down 0.2% versus a decline of 3.9% in the first three months of the year.

Operations in Northern, Central and Eastern Europe (**NCEE**), which account for 43% of HotelInvest's revenue, continued to improve (up 1.7% like-for-like) mainly due to good trading in the United Kingdom and Benelux.

Revenue in the **Americas** (up 8.9%) and the Mediterranean, Middle East and Africa (**MMEA**) region (up 8.3% like-for-like) was also on a better trend, with, in particular, a confirmed recovery in the Southern Europe segment of MMEA, where RevPAR was up for three straight quarters.

Business levels in the **Asia-Pacific** region were constrained by operations in China and Australia, with an aggregate 2.3% like-for-like decrease in revenue.

HotelServices revenue: up 6.5% comparable¹ to €320 million

HotelServices reported €3.2 billion in **business volume** in the second quarter of 2014, an **increase of 6.2%** at constant exchange rates, led by the combined impact of development and growth in RevPAR.

¹ Comparable revenue growth – includes fees linked to expansion, at constant exchange rates

Over the second quarter, Accor opened 60 hotels (7,835 rooms), 93% of which through franchise and management contracts. At the end of June 2014, HotelServices' system comprises 3,645 hotels (470,878 rooms), of which 27% under franchise, and 73% under management contracts including the HotelInvest portfolio.

On a comparable basis, **revenue rose by 6.5%** year-on-year, with strong gains in every geography except the **Asia-Pacific region**, which saw revenue edge back by 0.5%, affected by China and Australia.

Fees paid by HotelInvest to HotelServices amounted to **€147 million** in the second quarter, or 46% of HotelServices revenue for the period.

Second-quarter key market review

In **France**, the negative impact of the increase in the VAT rate from 7% to 10% effective from January 2014, as well as slower demand levels and unfavorable calendar effects, weighed negatively on second-quarter performance. RevPAR was stable for the second quarter, following a 2.2% decline in the first quarter. RevPAR rose by 1.9% in Paris but declined by 1.2% in other French cities, which are structurally less vibrant than the capital.

In this mixed trading environment, HotelServices achieved a 3.7% increase in revenue, thanks primarily to development, which continued in the second quarter (with the addition of 11 hotels/681 rooms). Reversely, HotelInvest revenue declined by 0.2% over the period.

In **Germany**, business slowed slightly in the second quarter mainly because of the absence of the Bauma equipment show in Munich. This particularly impacted revenues from Food & Beverage and MICE. RevPAR continued to increase in the second quarter in the Midscale segment (up 1.3%) and for Economy hotels (up 1.7%), thanks primarily to prices for the former and a higher occupancy rate for the latter.

Revenue was down 0.9% for HotelInvest and 1.4% for HotelServices. However, the macroeconomic environment remains favorable, with good demand levels across regions. The trade show calendar is expected to be favorable in the second half.

In the **United Kingdom**, business again improved strongly in the second quarter. This performance, led by the Midscale and Economy segments, was due mainly to solid demand and successful openings. London generally held up well, with second-quarter RevPAR up 3.9%, while other cities, in particular Bristol, Cardiff and Manchester, also delivered a very strong performance, with RevPAR outside London rising by 8.3% over the period.

Like-for-like revenue growth was 5.0% for HotelInvest and 3.6% for HotelServices. This momentum was also reflected in the opening of 4 hotels (530 rooms) in the second quarter.

The Group's outlook remains favorable

Overall, the trends seen in the second quarter remain solid. RevPAR growth is sound, through both occupancy and prices.

Revenue continues to improve in the Mediterranean, Middle East and Africa (MMEA) and Northern, Central and Eastern Europe (NCEE), enhanced by good business levels in the United Kingdom and Benelux. The recovery trend in Southern Europe is confirmed, with double digit growth in Q2.

Despite the situation in the French market, which continues to be impacted by the effects of a difficult economic and tax environment, and to a lesser extent the situation in the Asia-Pacific region, **the Group should continue to benefit from positive momentum in the coming months** in all other geographies.

Quarterly Information: Material transactions and events in the second quarter

(i) Development

A total of **7,835 rooms (60 hotels)** were opened in the second quarter of 2014. Significant openings include Sofitel Dubai Downtown in the United Arab Emirates, MGallery Molitor in Paris, Pullman Weifang Wanda in China, Novotel London Wembley in the United Kingdom, Mercure Rio de Janeiro Praia da Barra in Brazil, and ibis Surabaya City Center in Indonesia.

(ii) HotelInvest: property asset management

The Group gained a total of 97 hotels with the Axa REIM (Switzerland) and Moor Park portfolio acquisitions (Germany and the Netherlands), which completed on 27 June and 30 June, respectively. At the same time, HotelInvest restructured four hotels during the second quarter of 2014, of which two were previously leased properties and two were owned hotels.

(iii) Bonds

On 12 June 2014, Accor announced that it had a closed a new five-year €1.8 billion syndicated line of credit that replaces the previous €1.5 billion undrawn syndicated credit facility.

On 17 June 2014, Accor successfully placed its first issue of eight-year, 1.75% bonds of CHF150 million.

On 23 June 2014, Accor successfully placed an issue of €900m perpetual hybrid bonds. The securities will pay a coupon of 4.125% until 30 June 2020.

RevPAR excluding tax by segment and market (Q2 2014) (1/2)

Q2 2014	Managed						HotelInvest (Owned & Leased)						Total					
	OR		ARR		RevPAR		OR		ARR		RevPAR		OR		ARR		RevPAR	
	%	chg pts L/L	€	chg % L/L	€	chg % L/L	%	chg pts L/L	€	chg % L/L	€	chg % L/L	%	chg pts L/L	€	chg % L/L	€	chg % L/L
Luxury & Upscale	74.9	+4.8	268	+0.8	201	+7.7	74.6	+4.1	166	-1.6	124	+4.2	74.7	+4.3	198	-0.7	148	+5.4
Midscale	74.1	+1.3	114	-2.1	85	-0.5	73.9	+0.6	115	-1.0	85	-0.2	73.9	+0.8	115	-1.3	85	-0.2
Economy	78.0	+2.2	61	-0.9	48	+2.0	74.1	-0.7	56	+0.0	42	-0.9	74.7	-0.3	57	-0.1	43	-0.5
France	75.8	+2.2	108	-0.6	82	+2.3	74.1	+0.0	82	+0.0	61	+0.1	74.4	+0.4	88	-0.0	65	+0.5
Luxury & Upscale	66.6	+4.9	169	-3.5	112	+4.1	75.2	+1.1	129	-0.2	97	+1.3	71.9	+2.2	143	-0.9	103	+2.3
Midscale	69.8	+0.0	98	+2.1	68	+2.1	75.6	+1.4	84	+1.4	64	+3.4	74.5	+1.2	87	+1.5	65	+3.2
Economy	75.4	-0.1	73	+0.7	55	+0.5	78.4	+1.0	63	+2.2	49	+3.6	78.1	+0.9	64	+2.0	50	+3.2
NCEE	70.9	+0.7	103	+1.2	73	+2.2	76.6	+1.1	75	+1.7	58	+3.2	75.7	+1.1	79	+1.6	60	+3.0
Luxury & Upscale	67.6	+1.4	141	+8.1	96	+10.5	70.2	+4.9	127	+0.2	89	+7.6	68.1	+2.1	139	+6.6	95	+9.9
Midscale	65.7	-4.2	76	+5.1	50	-0.9	73.7	+5.0	74	+3.3	54	+11.0	69.8	+1.1	75	+3.9	52	+5.7
Economy	72.0	+1.0	55	+4.2	40	+5.6	72.3	+5.4	51	-0.6	37	+7.5	72.2	+3.8	53	+1.2	38	+6.8
MMEA	68.0	-0.3	94	+6.8	64	+6.5	72.6	+5.2	66	+1.1	48	+8.9	70.2	+2.5	80	+3.7	56	+7.6

NCEE: Northern, Central and Eastern Europe (does not include France nor Southern Europe)

MMEA: Mediterranean, Middle-East and Africa (includes Southern Europe)

RevPAR excluding tax by segment and market (Q2 2014) (2/2)

Q2 2014	Managed						HotelInvest (Owned & Leased)						Total					
	OR		ARR		RevPAR		OR		ARR		RevPAR		OR		ARR		RevPAR	
	%	pts	€	%	€	%	%	pts	€	%	€	%	%	pts	€	%	€	%
Luxury & Upscale	63.2	+2.6	89	+0.4	56	+4.7	69.7	-0.8	164	-8.7	114	-7.6	63.3	+2.6	90	+0.6	57	+4.9
Midscale	69.7	-1.2	70	+1.1	49	-0.7	77.6	-1.6	112	-0.5	87	-2.6	70.4	-1.3	74	+0.9	52	-0.9
Economy	71.6	+3.3	48	-3.4	34	+1.4	66.8	+0.5	45	-5.2	30	-4.4	70.0	+2.1	47	-4.0	33	-0.8
AsPac	67.5	+0.9	73	+0.6	49	+2.0	69.6	+0.0	69	-2.4	48	-2.6	67.7	+0.8	72	+0.2	49	+1.5
Luxury & Upscale	76.7	+3.3	182	+7.2	139	+12.1	69.1	+2.0	238	+13.5	165	+16.9	75.3	+3.0	191	+8.7	144	+13.4
Midscale	69.0	-0.5	113	+4.3	78	+3.5	62.6	-0.9	88	+9.0	55	+7.5	67.3	-0.6	107	+5.3	72	+4.3
Economy	68.5	+0.6	65	-9.0	44	-8.2	73.3	+1.9	53	+4.4	39	+7.2	71.9	+1.6	56	+0.4	40	+2.6
Americas	70.0	+0.1	116	+3.8	81	+3.9	70.2	+1.0	71	+7.7	50	+9.2	70.1	+0.5	94	+5.0	66	+5.7
Luxury & Upscale	65.7	+2.6	119	+2.7	78	+7.0	73.5	+2.6	150	+1.3	110	+5.0	67.1	+2.7	125	+2.4	84	+6.6
Midscale	69.6	-1.0	85	+2.2	59	+0.7	74.3	+1.4	93	+0.7	69	+2.6	72.0	+0.3	90	+1.4	64	+1.8
Economy	72.8	+1.9	57	-1.7	41	+0.9	74.9	+1.0	57	+1.0	43	+2.4	74.3	+1.2	57	+0.3	42	+2.0
Total	69.0	+0.8	88	+2.0	61	+3.2	74.4	+1.1	76	+1.3	56	+2.9	72.0	+1.0	81	+1.5	58	+3.0

AsPac: Asia Pacific Region

Americas: Northern, Central and South America

RevPAR excluding tax by segment and market (H1 2014) (1/2)

H1 2014	Managed						HotelInvest (Owned & Leased)						Total					
	OR		ARR		RevPAR		OR		ARR		RevPAR		OR		ARR		RevPAR	
	%	chg pts L/L	€	chg % L/L	€	chg % L/L	%	chg pts L/L	€	chg % L/L	€	chg % L/L	%	chg pts L/L	€	chg % L/L	€	chg % L/L
Luxury & Upscale	66.1	+4.3	249	+0.9	165	+7.9	64.0	+2.7	158	-1.8	101	+2.5	64.7	+3.2	187	-0.6	121	+4.5
Midscale	65.5	+0.4	109	-1.7	71	-1.1	64.9	-0.7	112	-1.0	73	-2.1	65.1	-0.5	111	-1.1	72	-1.9
Economy	70.1	+1.5	60	-0.7	42	+1.5	68.2	-0.4	55	-0.7	37	-1.3	68.4	-0.2	56	-0.7	38	-0.9
France	67.6	+1.4	103	-0.3	69	+1.7	66.8	-0.3	79	-0.7	53	-1.2	67.0	+0.0	84	-0.5	56	-0.6
Luxury & Upscale	60.0	+4.1	165	-1.2	99	+5.9	69.5	+1.8	124	+0.8	86	+3.5	65.9	+2.4	138	+0.5	91	+4.3
Midscale	65.4	+1.1	97	+4.3	63	+6.0	67.8	+1.9	83	+1.3	56	+4.2	67.4	+1.8	86	+1.8	58	+4.6
Economy	69.2	+1.3	71	+0.0	49	+1.9	72.0	+1.7	61	+2.3	44	+4.9	71.7	+1.7	62	+2.1	44	+4.5
NCEE	65.6	+1.7	101	+2.4	66	+5.0	69.7	+1.7	74	+1.8	51	+4.4	69.0	+1.7	78	+1.9	54	+4.5
Luxury & Upscale	66.2	+2.4	145	+5.7	96	+9.6	64.8	+2.9	122	-0.4	79	+4.3	66.0	+2.5	142	+4.7	94	+8.8
Midscale	67.1	-0.9	82	+4.9	55	+3.8	63.9	+3.7	71	+1.7	45	+8.1	65.4	+1.8	76	+3.0	50	+6.1
Economy	73.6	+3.3	60	+6.3	44	+11.1	64.2	+4.8	51	-0.6	33	+7.5	67.7	+4.3	54	+2.2	37	+9.1
MMEA	68.3	+1.7	99	+5.6	67	+8.4	64.1	+4.2	64	+0.1	41	+7.2	66.3	+3.0	83	+3.0	55	+7.9

NCEE: Northern, Central and Eastern Europe (does not include France nor Southern Europe)

MMEA: Mediterranean, Middle-East and Africa (includes Southern Europe)

RevPAR excluding tax by segment and market (H1 2014) (2/2)

H1 2014	Managed						HotelInvest (Owned & Leased)						Total					
	OR		ARR		RevPAR		OR		ARR		RevPAR		OR		ARR		RevPAR	
	%	pts	€	%	€	%	%	pts	€	%	€	%	%	pts	€	%	€	%
Luxury & Upscale	62.6	+2.6	92	+1.0	58	+5.1	67.5	-0.3	163	+5.6	110	+5.2	62.7	+2.5	93	+1.0	59	+5.1
Midscale	70.7	+0.0	71	+1.9	50	+1.9	78.3	+0.2	111	+0.1	87	+0.4	71.3	+0.0	75	+1.7	53	+1.7
Economy	70.6	+4.2	49	-3.5	34	+2.5	63.1	+0.0	46	-3.3	29	-3.3	68.0	+2.5	48	-3.4	33	+0.4
AsPac	67.5	+1.5	75	+1.0	51	+3.3	67.0	+0.1	69	-0.9	46	-0.8	67.4	+1.3	74	+0.8	50	+2.8
Luxury & Upscale	72.6	+1.8	172	+5.3	125	+8.1	70.2	+1.3	222	+9.6	156	+11.7	72.2	+1.7	181	+6.3	130	+9.0
Midscale	66.3	+0.8	102	+4.4	67	+5.7	59.7	+0.3	84	+7.4	50	+7.9	64.5	+0.7	97	+5.0	63	+6.1
Economy	71.5	+2.5	61	-3.6	43	-0.2	70.6	+1.9	51	+2.7	36	+5.4	70.8	+2.0	53	+1.0	38	+3.9
Americas	68.8	+1.3	106	+3.5	73	+5.4	67.9	+1.4	68	+6.0	46	+8.2	68.4	+1.3	88	+4.3	60	+6.4
Luxury & Upscale	64.1	+2.6	119	+2.5	76	+6.7	67.0	+2.1	143	+1.1	96	+4.5	64.6	+2.5	124	+2.2	80	+6.2
Midscale	68.4	+0.2	84	+2.7	57	+3.0	66.5	+1.2	91	+0.4	61	+2.3	67.4	+0.7	88	+1.5	59	+2.6
Economy	71.0	+3.0	57	-0.7	40	+3.5	69.1	+1.2	56	+0.8	38	+2.6	69.6	+1.6	56	+0.4	39	+2.8
Total	67.6	+1.5	87	+2.1	59	+4.4	67.9	+1.2	74	+0.9	50	+2.7	67.7	+1.3	80	+1.5	54	+3.5

AsPac: Asia Pacific Region

Americas: Northern, Central and South America

Q2 2013 Group Proforma Revenue – IFRS 11 impact

<i>In € million</i>	Q2 2013 Reported	IFRS 11	New org. & Realloc	Q2 2013 Proforma
Upscale & Midscale	912	-10	-38	864
Economy	523	-2	-1	520
Other brands	-	-	39	39
Hotels	1,435	-12	-	1,423
Other activities	32	-16	-	16
Total Group	1,467	-28	-	1,439

2013 Group Proforma Revenue – IFRS 11 impact

<i>In € million</i>	Q1 2013 Reported	Q1 2013 Proforma	Q2 2013 Reported	Q2 2013 Proforma	H1 2013 Reported	H1 2013 Proforma	Q3 2013 Reported	Q3 2013 Proforma	Q4 2013 Reported	Q4 2013 Proforma	2013 Reported	2013 Proforma
Upscale & Midscale	768	716	912	864	1,680	1,580	879	834	879	809	3,438	3,223
Economy	425	423	523	520	948	943	531	527	491	486	1,970	1,956
Other brands	-	45	-	39	-	84	-	37	-	62	-	183
Hotels	1,193	1,184	1,435	1,423	2,628	2,607	1,410	1,398	1,370	1,357	5,408	5,362
Other activities	34	17	32	16	66	33	30	13	32	16	128	63
Total Group	1,227	1,201	1,467	1,439	2,694	2,640	1,440	1,411	1,402	1,373	5,536	5,425

- **Appointment of John Ozinga as COO of HotelInvest**

In a press release dated 15 April 2014, Accor announced that John Ozinga joins Accor as COO of HotelInvest. He will be a member of the Group's Executive Committee and his appointment will be effective as of 18 June 2014.

Reacting to this appointment, Sébastien Bazin, Chairman and CEO of Accor declared: *"I am very happy that John has agreed to join Accor. He brings 20 years of experience in real estate as well as in-depth knowledge of the hospitality industry in general and of Accor in particular, since he spent 10 years with the Group. These will be valuable skills for the rapid deployment of Accor's new real estate roadmap. With HotelInvest, Accor has clearly chosen to reinforce its hotel owner and investor activity. We are Europe's leading hotel investor and our objective is to consolidate this position and improve the return on our assets. John has the know-how and experience to drive this ambition and meet these objectives together with the HotelInvest teams."*

John Ozinga is Dutch and was born in 1964. He is a graduate of La Roche-en-Ardenne hotel management school in Belgium, attended the Institut Supérieur d'Informatique in Liège (Belgium) and obtained a postgraduate degree in Business Administration from Heriott-Watt University Edinburgh (Scotland).

John Ozinga has over 20 years' experience in the real estate industry in France and internationally. Throughout his career he has held several management positions involving investment strategies, portfolio and asset management, development and capital raising.

John Ozinga started his career in 1991 with Accor as Development Director for the United Kingdom, Ireland and Benelux. In 2001, he joined Dolce hotel group as Vice President of Development in Europe. He went on to become Executive Vice President in charge of international real estate activities for Groupe Casino in 2004.

In 2008, he joined Carrefour as Director of Carrefour Property France.

Since 2012, he has been CEO of the French platform and Head of Separate Accounts Continental Europe of CBRE Global Investors, a world leader in real estate investment management.

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 Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”), Member State are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). In April 2013, the Luxembourg Government officially announced its intention to abolish the withholding system with effect from 1st January 2015 in favour of automatic information exchange under the Savings Directive.

Luxembourg Taxation

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Bonds should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Luxembourg non-resident Bondholders

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005, as amended (the “**Savings Laws**”), 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.

Under the Savings Laws implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the “**Savings Directive**”) and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the “**Territories**”), 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 or a residual entity (within the meaning of the Savings Laws) resident in, 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 competent Luxembourg fiscal authority in order for such information to be communicated to the competent tax authorities of the beneficiary’s 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. 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 Savings Laws will be subject to withholding tax at a rate of 35%.

In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015 in favour of automatic information exchange under the Savings Directive.

Luxembourg resident Bondholders

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the “**Relibi 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 Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is resident of Luxembourg or to a residual entity (within the meaning of the Savings Laws) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner 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 Relibi Law will be subject to withholding tax at a rate of 10%.

French Taxation

The following is an overview addressing certain withholding tax considerations in France relating to the holding of the Bonds. This summary is based on the tax laws and regulations of France, as currently in force and applied by the French tax authorities, all of which are subject to change or to different interpretation. This summary is for general information and does not purport to address all French tax considerations that may be relevant to specific Bondholders in light of their particular situation. Persons considering the purchase of Bonds should consult their own tax advisers as to French tax considerations relating to the purchase, ownership and disposition of Bonds in light of their particular situation.

Savings Directive

The Directive 2003/48/EC has been implemented in French law by Article 242 ter of the French *Code général des impôts* and Articles 49 I ter to 49 I sexies of the Schedule III to French *Code général des impôts*, which impose on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Withholding Tax

The following may be relevant to holders of Bonds who do not concurrently hold shares of the Issuer and who are not otherwise affiliated with the Issuer, including within the meaning of Article 39, 12 of the French Code général des impôts.

Following the introduction of the French *loi de finances rectificative pour 2009 n° 3* (n° 2009-1674 dated 30 December 2009) (the "**Law**"), payments of interest and other revenues made by the Issuer with respect to the Bonds will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"). If such payments under the Bonds are made in a Non-Cooperative State, a 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 on a bank account opened in a financial institution located in such a Non-Cooperative State (the "**Deductibility Exclusion**"). 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, the Law provides that neither the 75 % withholding tax nor the Deductibility Exclusion will apply in respect of a particular issue of the Bonds if the Issuer can prove that the principal purpose and effect of such issue of Bonds were 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, the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211 n°550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211 n°70, BOI-IR-DOMIC-10-20-20-60-20140211 n°10 and BOI-ANNX-000364-20120912 n°20, an issue of Bonds will benefit from the

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

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

Since the Bonds will be admitted, 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.

Payments made to individuals who are fiscally domiciled in France

Pursuant to Article 125 A of the French *Code général des impôts*, subject to certain limited exceptions, interest and other similar revenues received from 1 January 2013 by individuals who are fiscally domiciled (*domiciliés fiscalement*) 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 (*domiciliés fiscalement*) in France.

SUBSCRIPTION AND SALE

Subscription Agreement

Crédit Agricole Corporate and Investment Bank, Natixis and The Royal Bank of Scotland plc (the “**Joint Lead Managers**”) have, pursuant to a Subscription Agreement dated 26 September 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 105.346 per cent. of the principal amount of the Bonds plus 237 days’ accrued interest at a rate of 1.70445 per cent. of such principal amount for the period from, and including, 5 February 2014 to, but excluding the Issue Date, less any applicable commission. In addition, the Issuer will pay certain costs incurred by it and the Joint Lead Managers in connection with the issue of the Bonds.

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

General Restrictions

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

France

Each of the Joint Lead Managers has represented and agreed that (i) it has not offered or sold and will not offer or sell, directly or indirectly, any Bonds to the public in France and (ii) it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Bonds and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*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 U.S. Securities Act of 1933 (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 under the Securities Act.

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

GENERAL INFORMATION

1. The Bonds have been accepted for clearance through Euroclear France, Clearstream, Luxembourg and Euroclear. The temporary International Securities Identification Number (ISIN) for the Bonds is FR0012188662 prior to the Assimilation Date and thereafter FR0011731876. The temporary Common Code number for the Bonds is 111515719 prior to the Assimilation Date and thereafter 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. The Existing Bonds are already admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List.
3. The Issuer has obtained all necessary consents, approvals and authorisations in France in connection with the issue and performance of its obligations under the Bonds. The issue of the Bonds was authorised by resolution of the Board of Directors (*conseil d'administration*) of the Issuer dated 29 January 2014 and a decision of Sébastien Bazin, Chairman and CEO of the Issuer dated 24 September 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 2012 and 2013 and the interim financial information of the Issuer for the period ended 30 June 2014; and
 - (v) the documents incorporated by reference, including:
 - (a) 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;
 - (b) the English translation of the 2013 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.14-235, dated 28 March 2014; and
 - (c) the interim financial report of the Issuer in the English language for the period ended 30 June 2014 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 2014 Interim Financial Report at page 134 there has been no significant change in the financial or trading position of the Issuer or of the Group since 30 June 2014 and save as disclosed in the 2013 Registration Document at pages 175, 279 and 310 there has been no material adverse change in the prospects of the Issuer or of the Group since 31 December 2013.

6. Save as disclosed in the 2013 Registration Document at pages 134-135, 272 and 273 and in the 2014 Interim Financial Report at pages 132-134, 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. Save as disclosed in the 2013 Registration Document at pages 175, 202-210, 274-275 and in the 2014 Interim Financial Report at pages 49-55, 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 2012 and 31 December 2013 and have conducted a limited review for the period ended 30 June 2014. 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 4,065.
13. The yield in respect of the Bonds is 1.728 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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