PROSPECTUS DATED 23 JANUARY 2017

Accor

(a *société anonyme* incorporated in France)

€600,000,000

1.25 per cent. Bonds due 2024

Issue Price: 99.184 per cent.

The €600,000,000 1.25 per cent. Bonds due 2024 (the "**Bonds**") of Accor (the "**Issuer**") will be issued outside the Republic of France for the purpose of Article L.228-90 of the French *Code de commerce* and will mature on 25 January 2024.

Interest on the Bonds will accrue at the rate of 1.25 per cent. per annum from 25 January 2017 (the "**Issue Date**") and will be payable in Euro annually in arrear on 25 January in each year, commencing on 25 January 2018. 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 redeemed or purchased and cancelled, the Bonds may not be redeemed prior to 25 January 2024. 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 accordance with Condition 4(b) (*Redemption for Taxation Reasons*) in the event that certain French taxes are imposed (See "Terms and Conditions of the Bonds—Redemption and Purchase") or at the option of Bondholders in accordance with Condition 4(d) (*Redemption at the option of Bondholders following a Change of Control*) or at the option of the Issuer in accordance with Condition 4(c) (*Redemption at the option of the Issuer*).

The Bonds will, upon issue on 25 January 2017, 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, S.A. ("**Clearstream**").

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 *Autorité des marchés financiers* (the "**AMF**"), in its capacity as competent authority pursuant to Article 212-2 of its *Règlement général*, implementing Article 13 of Directive 2003/71/EC (as amended) (the "**Prospectus Directive**"), for the approval of this Prospectus as a prospectus for the purposes of Article 5.3 of the Prospectus Directive. Application has also been made to Euronext Paris for the Bonds to be admitted to trading. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive, Directive 2004/39/EC as amended (a "**Regulated Market**").

The Bonds are expected to be rated BBB- by Standard & Poor's Credit Market Services Europe Limited ("**S&P**") and BBB- by Fitch Ratings Ltd. ("**Fitch**"). The Issuer's long-term senior unsecured debt is rated BBB- (stable outlook) by S&P and BBB- (stable outlook) by Fitch. 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 including the risk factor relating to the Booster Project as described in the "Recent Developments" section on pages 26 to 61 of this Prospectus and in the 2016 Interim Financial Report. Each Bondholder is deemed to have approved the transaction contemplated by the Booster Project.

Global Coordinator

BNP PARIBAS

Joint Lead Managers

BNP PARIBAS	**CM-CIC Market Solutions**
Commerzbank	**Crédit Agricole CIB**
MUFG	**Natixis**

Société Générale Corporate & Investment Banking

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 or representations contained or incorporated by reference 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 sincerity, 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 has reviewed or undertakes to review the financial condition or affairs of the Issuer prior or during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Bonds of any information coming to the attention of any of the Joint Lead Managers.

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

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RISK FACTORS

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

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

<u>Risks related to the Issuer</u>

The risk factors relating to the Issuer and its activity are set out in particular in pages 131 to 135 and pages 242 and 243 of the reference document (*document de référence*) of the Issuer for the year ended 31 December 2015 incorporated by reference into this Prospectus, as set out in the section "Documents Incorporated by Reference" of this Prospectus and include the following:

- risks related to the business environment, including (i) risks related to the legislative and regulatory environment, (ii) risks relating to malicious damage and terrorist threats, (iii) public health risks, (iv) risks related to the competitive landscape, (v) risks related to the economic environment, (vi) risks related to the geographic environment, (vii) risks related to the social environment;

- risks related to the strategy, including (i) risks concerning relations with business partners, (ii) risks related to the confidentiality of strategic data;

- operational risks specific to the Group's business and organization, including (i) regulatory and legal risks, (ii) industrial and environmental risks, (iii) IT-related risks, (iv) human resources risks;

- financial risks, including (i) liquidity risk, (ii) counterparty and country risk (iii) currency and interest rate risk.

- litigation risks, including tax litigation risks.

<u>Risks related to the Bonds</u>

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. In addition, the interest rate for an interest period may vary depending on the credit rating of the Issuer.

Credit risk

An investment in the Bonds involves taking credit risk on the Issuer. If the credit worthiness of the Issuer deteriorates, it may not be able to fulfil all or part of its payment obligations under the Bonds, and investors may lose all or part of their investment.

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)(i) or remaining Bonds as provided in Condition 4(c)(ii) of the Terms and Conditions of the Bonds. During a period when the Issuer may elect to redeem Bonds, such Bonds may feature a market value not above the price at which they can be redeemed. 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.

In particular, with respect to the redemption at the option of the Issuer when only 20 per cent. or less of the principal amount of the Bonds remains outstanding (Condition 4(c)(ii)), there is no obligation on the Issuer to inform investors if and when the 20 per cent. threshold referred to therein has been reached or is about to be reached. The Issuer's right to redeem will exist notwithstanding that immediately prior to the publication of a notice in respect of the redemption at the option of the Issuer the Bonds under Condition 4(c)(ii), the Bonds may have been trading significantly above par, thus potentially resulting in a loss of capital invested.

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.

Deemed approval from the Bondholders to the Booster Project

Each Bondholder is deemed to have approved the transaction involving the transfers of assets as described in the 2016 Interim Financial Report incorporated by reference in this Prospectus and in the "*Recent Developments*" section on pages 26 to 61 of this Prospectus and referred to as the Booster project (the "**Booster Project**").

In Condition 9 relating to the representation of the Bondholders set out in this Prospectus, Article L.228-65 I 3° of the French *Code de commerce* is excluded, therefore Article L.236-18 of such Code is not applicable and as a consequence, no General Meeting (as defined below) will be held nor any redemption or put option will be exercisable by the Bondholders in respect of the transaction contemplated by the Booster Project, and for the avoidance of doubt, this shall not constitute an event of default.

Furthermore, the precise details of the transaction contemplated by the Booster Project as currently described in the 2016 Interim Financial Report incorporated by reference in this Prospectus and in the "*Recent Developments*" section on pages 26 to 61 of this Prospectus may be subject to further press releases or communications by the Issuer.

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 Bonds are expected to be rated BBB- by S&P and BBB- by Fitch. The Issuer's long-term senior unsecured debt is rated BBB- (stable outlook) by S&P and BBB- (stable outlook) by Fitch. The ratings assigned by S&P and/or Fitch to the Bonds and/or to the Issuer 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 S&P and/or Fitch 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, holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") in order to defend their common interests if a safeguard procedure (*procédure de sauvegarde, procédure de sauvegarde accélérée or procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Bonds), regardless of their governing law.

The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde, projet de plan de sauvegarde accélérée or 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 to convoke the Assembly.

For the avoidance of doubt, the provisions relating to the Representation of the Bondholders described in the Terms and Conditions of the Bonds set out in this Prospectus will not be applicable with respect to the Assembly to the extent they conflict with compulsory insolvency law provisions that apply in these circumstances.

Modification

The Conditions of the Bonds contain provisions for the representation of the Bondholders and the convening of general meetings to consider matters affecting their interest generally, including proposed changes to the Conditions. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

Potential Conflicts of Interest

Certain of the Joint Lead Managers (as defined under "Subscription and Sale" below) and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Bonds. Any such short positions could adversely affect future trading prices of the Bonds. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Taxation

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

Financial Transaction Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Bonds (including secondary' market transactions) in certain circumstances.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States and its scope is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Bonds are advised to seek their own professional advice in relation to the FTT.

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 AMF:

(a) the Issuer's 2015 reference document (*document de référence*) (the "**2015 Registration Document**") in the French language filed with the AMF under registration N° D.16-0205, dated 24 March 2016; except for (i) the third paragraph of the section "Person responsible for the Registration Document" on page 300 and (ii) the cross-reference table and the section on information incorporated by reference (such excluded parts are not relevant for investors);

(b) the Issuer's 2014 reference document (*document de référence*) (the "**2014 Registration Document**") in the French language filed with the AMF under registration N° D.15-0219, dated 27 March 2015; except for (i) the third paragraph of the section "Person responsible for the Registration Document" on page 318 and (ii) the cross-reference table and the section on information incorporated by reference (such excluded parts are not relevant for investors); and

(c) the Issuer's interim financial report for the period ended 30 June 2016 (the "**2016 Interim Financial Report**") in the French language filed with the AMF on 28 July 2016.

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

(i) in relation to paragraphs (a) to (c) above, the information incorporated by reference that is not included in the cross-reference list and that is not expressly excluded under paragraphs (a) and (b) 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 (i) from the primary business office of the Issuer, (ii) on the website of the Issuer (http://www.accorhotels-group.com/fr/finance.html) and (iii) (with the exception of the 2016 Interim Financial Report) on the website of the AMF (www.amf-france.org). The Prospectus and any supplement thereto will also be available on the website of the AMF (www.amf-france.org). Non-official English translations of the 2015 Registration Document, the 2014 Registration Document and the 2016 Interim Financial Report are available on the website of the Issuer (http://www.accorhotels-group.com/en/finance.html). These documents are available for information purposes only and are not incorporated by reference in this Prospectus. The only binding versions are the French language versions filed with the AMF.

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.

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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 €600,000,000 1.25 per cent. Bonds due 2024 (the "**Bonds**") of Accor (the "**Issuer**") was authorised by resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 22 April 2016 and a decision of Sven Boinet, Deputy Chief Executive Officer of the Issuer dated 18 January 2017. The Issuer has entered into an agency agreement (the "**Agency Agreement**") dated 23 January 2017 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. The provisions of Article 1195 of the French *Code civil* shall not apply to these Conditions.

1 Form, Denomination and Title

The Bonds are issued on 25 January 2017 (the "**Issue Date**") in dematerialised bearer form in the denomination of €100,000 each. Title to the Bonds will be evidenced in accordance with Article L.211-3 of the French *Code monétaire et financier* by book-entries (*inscription en compte)*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds.

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

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 pursuant to Condition 9 by the *Masse* (as defined in 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 25 January 2017 (the "**Interest Commencement Date**") at the Rate of Interest payable annually in arrear on 25 January in each year (each an "**Interest Payment Date**"), commencing on 25 January 2018. 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 calendar 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 calendar 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 1.25 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 25 January 2024 (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 forty-five (45) nor less than thirty (30) calendar day 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 (7) calendar day 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*

(i) The Issuer may, subject to compliance with all relevant laws, regulations and directives and to having given not more than thirty (30) nor less than fifteen (15) calendar day 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 calendar 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.

Where:

"**Reference Bund**" means the Federal Government Bund of Bundesrepublik Deutschland 1.75% due February 2024, with ISIN DE0001102333 ;

"**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)(i), 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)(i) 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.

(ii) In the event that 20 per cent. or less of the initial aggregate principal amount of the Bonds (including any assimilated Bonds issued pursuant to Condition 12) remains outstanding, the Issuer may, at its option but subject to having given not more than sixty (60) nor less than thirty (30) calendar days' 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 together with any interest accrued to, but excluding, the date set for redemption.

(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 ninety (90) calendar 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.

(ii) 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).

(iii) 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 forty-five (45) calendar 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.

(iv) 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 calendar 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 forty-five (45) nor less than thirty (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

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; or

(ii) more than thirty (30) calendar 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 thirty (30) calendar days.

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 five (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 thirty (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 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 ninety (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 thirty (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 (i) Article L.228-65 I 3° (as a consequence Article L.236-18 of such Code will not apply) only in the case of the transfers of assets as described in the 2016 Interim Financial Report incorporated by reference in this Prospectus and in the "*Recent Developments*" section on pages 26 to 61 of this Prospectus and referred to as the Booster project (the "**Booster Project**") and, (ii) 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
7bis rue de Neuilly
F-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

The Representative will exercise its duty until its dissolution, resignation or termination of its duty by a General Assembly of Bondholders or until it becomes unable to act. Its appointment shall automatically cease on the Maturity Date, or total redemption prior to the Maturity Date.

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 the General Assembly of the Bondholders.

The Issuer shall pay to the Representative an amount of €500 (value added tax excluded) per year, payable on each Interest Payment Date with the first payment on the Issue Date. Should the Alternate Representative replace the initial Representative, he will receive a remuneration of €500 (value added tax excluded) per year, which will only be due starting from the first calendar 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 fifteen (15) calendar 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.

By subscribing the Bonds, each Bondholder shall be deemed to have given his consent to the Booster Project and therefore he agrees not to be consulted in connection with such matter, and for the avoidance of doubt, this shall not constitute an event of default.

(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 second 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 fifteen (15) calendar 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 ninety (90) calendar 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, for so long as the Bonds are cleared through such clearing systems and, so long as the Bonds are admitted to trading on Euronext Paris and the rules of Euronext Paris so require, in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*). 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 Nanterre. 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 €592,704,000 will be used for the general corporate purposes of the Issuer including repaying existing debt at its maturity.

RECENT DEVELOPMENTS

- **AccorHotels finalizes the disposal of a portfolio of 85 hotels in Europe to a new franchised operator**

The following is an extract from a press release dated 1 July 2016.

"As part of the transformation of the HotelInvest asset base, AccorHotels announces the sale of a portfolio of 85 hotels in Europe in the Economy and Midscale segments, for a total consideration of €504 million, in accordance with the terms announced on January 27, 2016.

These hotels will now be brought together in Grape Hospitality, a dedicated hotel platform owned 70% by Eurazeo and 30% by AccorHotels.

This newly created structure will be led by Frédéric Josenhans, formerly Managing Director of the Mercure and Novotel brands, assisted by a team of hotel and real-estate professionals.

The portfolio transferred to Grape Hospitality consists of one Pullman, 19 Novotel, 13 Mercure, and 35 ibis, three ibis Styles and 14 ibis budget hotels. Most of these establishments are located in France (61 hotels primarily in provincial towns and on the outskirts of conurbations), but also in Spain, Italy, Portugal, Germany, Austria, Belgium and the Netherlands. All these hotels will retain their affiliation with the AccorHotels brands through franchise contracts, and will benefit from an ambitious renovation program over the next few months.

John Ozinga, CEO of HotelInvest, said: *"This operation substantially accelerates the repositioning of HotelInvest assets and appreciably boosts their profitability. We are very happy to contribute to the emergence of a sizeable new hotel investor in the European market, which will be a strategic partner for the Group's future."*"

- **AccorHotels adds global luxury brands with landmark acquisition of Fairmont, Raffles and Swissôtel and stands among the leaders of luxury hotel market**

The following is an extract from a press release dated 12 July 2016.

"Following the approval of shareholders at the General Shareholders Meeting on July 12, 2016, AccorHotels Group officially announces the acquisition of FRHI Hotels & Resorts (FRHI) and its three prestigious luxury hotel brands: Fairmont, Raffles and Swissôtel. This addition of three remarkable brands instantly positions AccorHotels as a leading player in the global luxury hotel market, increases long term growth potential and profitability, and significantly expands the company's footprint in North America, the world's largest and most influential consumer market.

"Today is a great day for our Group. The acquisition of these three emblematic luxury hotel brands is a historical milestone for AccorHotels. It will open up amazing growth prospects, lift our international presence to unprecedented heights, and build value over the long term," says Sébastien Bazin, Chairman and Chief Executive Officer of AccorHotels.

Joining AccorHotels' global network is a portfolio of globally admired brands, which includes management of many of the world's most iconic and historic hotels located in key strategic cities around the world, including: The Savoy in London, Raffles Singapore, Fairmont San Francisco, New York's The Plaza, Fairmont Le Château Frontenac in Quebec City, and Le Royal Monceau Raffles Paris.

Combining FRHI's proven track record and deep expertise in operating and marketing luxury hotels, with AccorHotels robust global operating platform, extensive loyalty base and industry leading digital capabilities, means the Group is uniquely positioned to deliver the most profitable returns and best growth potential across all market segments.

"We remain committed to providing guests with unparalleled service, while also keeping the ambition to deliver exceptional return on investment for our shareholders and hotel owners," added Bazin. "By leveraging the operational synergies between FRHI and AccorHotels, we are well-positioned to accelerate the growth of our luxury brands and offer guests even more exciting hotel choices and destinations to explore."

Chris Cahill appointed as the Group's CEO Luxury Brands

In support of the acquisition, and as part of AccorHotels' larger strategy to strengthen its luxury and upscale business, the company has appointed Chris Cahill as the Group's Chief Executive Officer, Luxury Brands. In this newly created role, Chris, who will also become a member of AccorHotels' Executive Committee, will lead the FRHI integration process and be responsible for the strategy and global operations of AccorHotels Luxury Brands. This new structure will include Raffles, Fairmont, Sofitel Legend, So Sofitel, Sofitel, MGallery by Sofitel, Pullman and Swissôtel.

Chris is an experienced hotelier who has led several successful integrations, is familiarwith multi-brand management and brings an extensive background in luxury operations, sales and marketing. With more than 30 years of hospitality industry experience, including 19 years working with FRHI and its predecessor companies, Chris is ideally positioned to lead the integration of the Fairmont, Raffles and Swissôtel brands into the AccorHotels portfolio, and will ensure AccorHotels' luxury brands grow and prosper. He most recently served as Executive Vice President Global Operations at Las Vegas Sands Corp.

Closing Details

Following the approval of shareholders at the General Shareholders Meeting on July 12, 2016, the transaction with Qatar Investment Authority (QIA) and Kingdom Holding Company (KHC) of Saudi Arabia provided $840 million (€768 million) cash payment and the issuance of 46.7 million AccorHotels shares in consideration for the contributed FRHI shares. The transaction gives QIA and KHC respective stakes of 10.4% and 5.8% in Accor's share capital. Ali Bouzarif and Aziz Aluthman Fakhroo from QIA and Sarmad Zok from KHC will now join AccorHotels' Board of Directors.

AccorHotels plans to generate approximately €65 million in revenue and cost synergies thanks to the combination of brands, the maximization of hotel earnings, the increased efficiency of marketing, sales and distribution channel initiatives, and the optimization of support costs. Significant enhancements will also be made in terms of customer data, thanks to the integration of FRHI's customer base that includes three million loyalty members, of which 75 percent are in North America.

The vast majority of Fairmont, Raffles and Swissôtel's 154 hotels and resorts (of which 40 are under development) and 56,000 rooms spanning 34 countries and five continents are operated under long-term management contracts, with an average term of nearly 30 years; six hotels are leased and one hotel is owned. The Fairmont, Raffles and Swissôtel brands employ more than 45,000 colleagues worldwide."

- **The project to turn HotelInvest into a subsidiary to accelerate its transformation and growth**

The following is an extract from a press release dated 12 July 2016.

"After three years of transformation that have resulted in the development of two well-structured, strategically related business lines with record performances, AccorHotels is pursuing its strategy of continuous improvement and significant expansion by initiating a project to create a dedicated subsidiary for its HotelInvest operations.

The aim of the project is to strengthen AccorHotels' financial resources in order to accelerate growth, while also providing a legal structure that will ultimately enable third-party investors to hold the majority of HotelInvest's capital. AccorHotels would use the additional financial leeway to develop its two business lines and seize new growth opportunities, thereby maximizing the Group's overall value.

Initiated in 2013 and based on a new organizational model, the restructuring of the HotelInvest portfolio has significantly increased the value and profitability of the Group's assets.

Between 2013 and 2015, gross asset value increased from €5.5 billion to €7 billion and the profitability of the portfolio improved significantly, with operating margin standing at 7.8% in 2015 (versus 4% in 2013). As a result, HotelInvest is now Europe's leading hotel investor.

The project would enable HotelInvest to initiate a new phase of dynamic growth, by consolidating its existing asset portfolio through renovations, extensions and repositioning, expanding its network through acquisitions and hotel construction, and implementing an assertive asset turnover strategy.

At a time when the hotel and travel industries are changing profoundly, this project would give AccorHotels significant room for maneuver and greater financial flexibility to implement new initiatives, develop new products and services and, in doing so, capitalize on growth opportunities in the travel and digital spheres that would strengthen the Group's competitive edge.

Sébastien Bazin, Chairman and Chief Executive Officer of AccorHotels, commented: "*As the restructuring begun in late 2013 comes to an end in line with the initial timeframe and objectives, turning HotelInvest into a subsidiary is the new step that offers a wealth of opportunities for AccorHotels. By making it possible to bring in new investors for part of our business, this project will significantly increase the resources available to the Group to consolidate the respective leadership positions of HotelServices and HotelInvest, while also enabling us to continue to leverage synergies between the two business lines. This way, each business will be able to continue to grow within the Group based on a valuation that reflects its specific business model and growth outlook. At the same time, all of our teams will remain under the AccorHotels umbrella brand.*"

The project was given the go-ahead by the AccorHotels' Board of Directors at its meeting on July 12. It will be presented to the appropriate employee representative organizations and submitted for approval to AccorHotels' governing bodies, including the Board of Directors and Shareholders' Meeting. It is expected to be completed by the end of first-half 2017. "

- **AccorHotels to acquire John Paul, world leader in the concierge market**

The following is an extract from a press release dated 27 July 2016.

"AccorHotels announces today it has begun exclusive negotiations for the acquisition of John Paul, the leading player in premium customer and employee loyalty services. The company's Enterprise Value should be close to 150 million dollars i.e. a 2017e EV/EBITDA multiple of c. 11X. Accorhotels should acquire about 80% of John Paul, the remaining stake being kept by David Amsellem, the founder of the company, who will remain as CEO.

After Wipolo, Oasis Collections, SquareBreak and onefinestay, the acquisition of John Paul, world leader in the customer loyalty and concierge markets marks a major new step in transforming AccorHotels into a travel companion providing innovative services to travelers at every step of their journey.

Founded in Paris in 2007, John Paul merged with LesConcierges in 2015, creating the world leader in loyalty services with a combined workforce of 1,000 highly skilled and trained people, across all five continents. The team works as a partner to the world's leading brands and a bespoke concierge available around the clock, 7 days a week, anywhere in the world, to meet their customers' request from the simplest to the most complex.

The first technology enabled concierge, equipped with a proprietary Customer Relationship Management (CRM) and data platform based on a behavioral profiling and a 360°personalization, as well as a network of over 50,000 partners in more than 50 countries, the company offers the most exhaustive and global loyalty solutions to prestigious brands in the financial, automotive, travel, consumer, healthcare, pharma, luxury industries and more.

With a superior technology supporting its premium service culture, and sound profitability, John Paul has become the acknowledged expert to assist its clients from designing their offer to implementing their customized loyalty programs, which comprises a full service offer with content and cross-channel marketing.

Sebastien Bazin, Chairman & CEO of AccorHotels explained: "*The acquisition of John Paul enables us to accelerate our global strategy to position the customer experience at the very heart of our initiatives. Their expertise in customization combined with a wide range of services and cutting-edge technology, gives us the opportunity to boost the value of the relationships with our guests and partners and multiply the number of touch points. It means a further solidification of our customer relation through an attractive offer and a higher usage, an increased personalization of our services thanks to a deeper customer profiling with non-hotel driven information, and the strengthening of our CRM with affinity data. Through this partnership with the world leader in the growing concierge market, AccorHotels positions itself as the best provider of multi-nature services to guests, supporting the whole customer journey, from non-hotel offers to 24/07 assistance through an integrated and innovative solution* ".

David Amsellem, CEO of Paul John declared: "*From inception, I founded John Paul deeply rooted with a passion for service and hospitality. My vision is that we can enhance the lives of millions of guests by delivering the highest personalized service. Over the past few years, John Paul has made a huge growth across industries. Now that we are the worldwide leader in premium loyalty solutions, we feel that we are at a tipping point in our venture and we need the empowerment of a strong leader to support the current traction.*

Entering the travel industry supported by AccorHotels means much more to the 1,000 people of the John Paul Group: we feel that combining our strengths will create a game changer in the industry ""

- **Solid first-half 2016 results driven by the transformation plan**

The following is an extract from a press release dated 27 July 2016.

"**Revenue up 2.0% (LFL) to €2,598 million**

EBIT down 4.0% (LFL) to €239 million

Net profit, group share of €74 million

*** * ***

Full-year 2016 EBIT target:

between €670 million and €720 million

Sébastien Bazin, Chairman and Chief Executive Officer of AccorHotels, said:

"With several of our key markets, including France and Brazil, shaken by crises and violent events, the Group showed remarkable resilience in the first half of 2016. We continued to invest heavily in order to grow, transform and gain a foothold in new businesses that are destined to become fundamental for the

Group.

We will pursue this offensive strategy in the coming months. Our presence in 95 countries, our leadership positions in Europe, Asia-Pacific, Latin America, Africa and the Middle East, and our strength as the world's leading hotel operator covering all segments from economy to luxury give us a major competitive edge. Combined with the launch of a project to turn our property division into a subsidiary and a strategy that gives priority to customer-focused innovation, these strengths will be the drivers of our future growth."

First-half 2016 highlights

· Robust growth in all of the Group's key markets, except France and Brazil

· Record development, with the opening of 19,366 rooms, 90% of which under franchise or management contracts

· HotelInvest: Considerably improved performance, driven by restructuring

· HotelServices: Stable operating performance in the first half, before the impact of commitments relating to the digital plan, the deployment of onefinestay and the AccorHotels marketplace

Strategic transactions in first-half 2016

<u>HotelInvest</u>

· Further asset restructuring, with the restructuring of 120 hotels, of which

o 85 hotels in Europe transferred to Grape Hospitality

o 12 hotels transferred to Huazhu

· Preparation of the project to turn HotelInvest into a subsidiary

<u>HotelServices</u>

· Acquisition of the Fairmont Raffles Hotels International Group, with 98% support at the Shareholders' Meeting of July 12, 2016

· Recruitment of 1,600 independent hotels, gradually integrated into the marketplace accorhotels.com

· Continued implementation of the digital plan

Creation of a world leader in luxury residential rentals

· Acquisition of onefinestay, the world leader in luxury serviced home rentals

· Acquisition of 30% of Oasis Collections, a digital platform offering a selection of apartments and associated services

· Acquisition of 49% of Squarebreak, an innovative digital platform offering upscale villas in France

First-half 2016 revenue

Sustained revenue growth

In €million	H1 2015	H1 2016	Change (as reported)	Change (LFL)
HotelServices	632	658	4.1%	5.9%
HotelInvest	2,373	2,205	(7.1%)	0.5%
Holding & Intercos	(279)	(265)	5.0%	1.7%
Total	**2,726**	**2,598**	**(4.7%)**	**2,0%**

Consolidated first-half 2016 **revenue** amounted to €2,598 million, up 2.0% year-on-year at constant scope of consolidation and exchange rates. The increase resulted from favorable business levels in most of the Group's key markets: Northern, Central and Eastern Europe (NCEE: +4.1%), Asia-Pacific (ASPAC: +4.8%), Americas (+1.7%) and the Mediterranean, Middle East, Africa (MMEA: +3.2%).

- Germany and the United Kingdom were the main drivers in Northern, Central and Eastern Europe, delivering revenue growth of 4.3% and 4.4% respectively in the first half.

- The Iberian Peninsula drove growth in the MMEA area, with revenue up 11.5%.

Revenue was down 2.6% in France (RevPAR: -2.2%), with a very pronounced drop in Paris (RevPAR: -12.0%), still affected by the events of November 13, 2015, as well as floods and strikes more recently, in May and June 2016. Regional cities reported excellent first-half activity (RevPAR: +6.0%), thanks to Euro 2016.

Revenue in the Americas was up 1.7%, driven chiefly by dynamic growth in Argentina (+57.2%), Mexico (+20.6%), Canada (+9.7%), Peru (+4.6%) and Chile (+1.4%), offsetting slower business in Brazil (-5.5%).

Revenue by business and region in H1 2016

In € million	HotelServices Revenues (€m)		Change	HotelInvest Revenues (€m)		Change
	H1 2015	H1 2016	Comp.	H1 2015	H1 2016	LFL
France	167	168	1.4%	770	734	(3.6%)
NCEE	158	168	9.6%	1,079	1,009	3.1%
MMEA	67	69	3,0%	206	203	3.5%
Asia-Pacific	175	180	7.8%	134	106	(0.4%)
Americas	52	48	7.5%	184	153	0.2%
Worldwide structures	14	26	2.8%	0	0	N/A
Total(1)	**632**	**658**	**5.9%**	**2,373**	**2,205**	**0.5%**

(1) Of which €265 million in intra-Group revenue and holding

Reported revenue for the period reflected the following factors:

· Development, which added €47 million to revenue and 1.7% to growth, with the opening of HotelInvest properties and acquisitions during the first half.

· Disposals, which reduced revenue by €143 million and growth by 5.2%.

· Currency effects, which had a negative impact of €86 million (-3.2%), resulting mainly from declines in the Brazilian real (€29 million), the British pound (€17 million) and the Australian dollar (€13 million).

First-half 2016 results

In € million	H1 2015	H1 2016	Change (as reported)	Change (LFL)[1]
Revenue	2,726	2,598	(4.7%)	2.0%
EBITDAR[2]	**837**	**763**	**(8.8%)**	**(2.3%)**
EBITDAR margin	*30.7%*	*29.4%*	*(1.3 pt)*	*(1.4 pt)*
EBIT	**263**	**239**	**(8.9%)**	**(4.0%)**
Operating profit before tax and non-recurring items and non-recurring items	239	143	-	-
Net profit before profit/(loss) from discontinued operations	**91**	**75**	**-**	**-**
Profit/(loss) from discontinued operations	(1)	(0)	-	-
Net profit, Group share	**91**	**74**	**-**	**-**

(1) Like-for-like: at constant scope of consolidation and exchange rates
(2) Earnings before interest, taxes, depreciation, amortization and rental expense

HotelServices & HotelInvest results – first-half 2016

In € million	HotelServices	HotelInvest	Holding & Intercos	AccorHotels
Revenue	658	2,205	(265)	2,598
EBITDAR	**177**	**631**	(45)	**763**
EBITDAR margin	*26.9%*	*28.6%*	*N/A*	*29.4%*
EBITDA	**163**	**286**	(44)	**405**
EBITDA margin	*24.8%*	*13,0%*	*N/A*	*15.6%*
EBIT	**141**	**145**	(47)	**239**
EBIT margin	*21.5%*	*6.6%*	*N/A*	*9.2%*
H1 2015 EBIT	**167**	**133**	(37)	**263**
H1 2015 EBIT margin	*26.3%*	*5.6%*	*N/A*	*9.6%*

The consolidated EBIT margin was down slightly at 9.2%. The HotelServices margin contracted by 4.9 points due to the ramp-up of the digital plan, and investments related to the marketplace and onefinestay.

The **HotelInvest margin** increased by 1.0 points to 6.6%, driven by further restructuring of the asset portfolio.

EBIT by region and business

	HotelServices		HotelInvest		Accor Hotels		
In € million	H1 2015	**H1 2016**	H1 2015	**H1 2016**	H1 2015	**H1 2016**	**Change LFL**
France	53	55	15	13	68	68	(4.2%)
NCEE	55	55	93	103	149	158	10.5%
MMEA	21	19	1	9	22	28	9.9%
Asia-Pacific	26	32	(0)	0	26	32	27.8%
Americas	10	6	4	(2)	15	4	(54.5%)
Operations	**165**	**167**	**113**	**123**	**278**	**290**	**5.1%**
Worldwide structures	1	(26)	20	22	(15)	(51)	N/A
Total	**167**	**141**	**133**	**145**	**263**	**239**	**(4.0%)**

AccorHotels recorded strong EBIT growth in the majority of its markets, with double-digit increases in the NCEE and MMEA regions. By contrast, France and Brazil adversely affected the Group's profitability, as did HotelServices' worldwide structures, which bear the impact of the commitments related to the digital plan, and the acquisition and development of onefinestay and FastBooking.

The very solid performance of the NCEE region (+10.5% LFL) was driven by strong business levels in Germany, the United Kingdom and Poland, and by the asset management strategy. The MMEA region continues to enjoy traction from the vigorous recovery in the southern European countries.

Lastly, the decline in earnings in France (-4.2%) was mainly attributable to lower demand in the wake of the 2015 terrorist attacks, particularly in Paris, while earnings in the Americas (-54.5%) were dampened by the economic difficulties prevailing in Brazil over the past two years.

HotelServices

HotelServices detailed results – first-half 2016

In €million	**H1 2015**	**H1 2016**
Business volume	6,197	6,312
Revenue	632	658
EBITDA	**186**	**163**
EBITDA margin	*29.4%*	*24.8%*
Margin excluding Sales & Marketing Fund, loyalty program and OFS	*48.4%*	*49.1%*
EBIT	**167**	**141**
EBIT margin	*26.3%*	*21.5%*

The **EBITDA margin** excluding Sales, Marketing & Digital, the loyalty program and the acquisition of onefinestay was 49.1%, versus 48.4% in first-half 2015, a robust increase of 0.7 points.

As expected, the segment's earnings were impacted by the implementation of the digital plan and commitments in the amount of €87 million this year, as well as by the acquisition of onefinestay. As such, **HotelServices' EBITDA** declined to €163 million (-5.0% LFL); **EBIT** was €141 million, down 7.5% on a like-for-like basis.

HotelInvest

HotelInvest detailed results – first-half 2016

In €million	H1 2015	H1 2016
Revenue	2,373	2,205
EBITDAR	**674**	**631**
EBITDAR margin	*28.4%*	*28.6%*
EBITDA	**287**	**286**
EBITDA margin	*12.1%*	*13,0%*
EBIT	**133**	**145**
EBIT margin	*5.6%*	*6.6%*

HotelInvest's EBIT increased by 7.4% like-for-like to €145 million, putting the margin at a solid 6.6%, a significant improvement of 1.0 points compared with the year-earlier period. The increase is attributable to sustained hotel business, notably in the United Kingdom and Germany, but also to the dynamic management of the Group's assets over the past two years.

Asset management policy

A total of **120 hotels** were restructured in the first half of 2016, of which **81 leased** hotels and **39 owned** properties. These transactions had the effect of reducing adjusted net debt by **€233 million.**

The Group also sold a portfolio of **85 European hotels** in the Economy and Midscale segments to the Grape Hospitality hotel platform, 70% owned by Eurazeo and 30% by AccorHotels.

Gross asset value

To ensure a detailed valuation of HotelInvest in the potential perspective of its transformation into a subsidiary before the end of first-half 2017, **HotelInvest's gross asset value** will be subject to a new estimate in September 2016. As a reminder, its **assets** were valued at €6.9 billion at end-December 2015.

Robust cash-flow generation and sound financial position

In first-half 2016, **funds from operations** amounted to €320 million, versus €364 million in the year-earlier period. **Recurring development expenditure** was €135 million in H1 2016, versus €88 million in the prior-year period. **Renovation and maintenance expenditure** was €84 million, versus €64 million in first-half 2015.

The Group's **recurring cash flow** amounted to €102 million.

Consolidated net debt totaled €511 million at June 30, 2016, an increase of €705 million year-on-year, resulting mainly from acquisitions.

Following various bonds issued in 2014, the Group reduced the **cost of its debt** to an **all-time low** of 2.85% at end-June 2016.

As of June 30, 2016, AccorHotels also had an unused €1.8 billion confirmed longterm line of credit and €2.3 billion in cash.

Full-year 2016 EBIT target

The Group's H1 2016 results reflect contrasting market situations. With the effectiveness of its strategic plan and substantial investments, its ability to generate robust cash flows and its sound financial position, AccorHotels was able to overcome the difficulties encountered in certain contracting markets, at a time when the relative impacts of Brexit, the terrorist attacks in France and Germany, and the situation in Turkey are still difficult to measure.

In this context, factoring in the consolidation of Fairmont Raffles Hotels International in the second half, the Group expects its 2016 EBIT to come within a broad range of between **€670 million and €720 million.** As in 2015, this range will be narrowed when the third-quarter revenue figures are published on October 18.

Events since January 1, 2016

On February 18, 2016, AccorHotels announced the acquisition of a 30% stake in **Oasis Collections,** the company that pioneered the "Home meets Hotel" category of accommodation, blending the value and authenticity of private rentals with high-quality hotel services.

On February 18, 2016, AccorHotels announced the acquisition of a strategic 49% stake in **Squarebreak,** which offers stays in private upscale properties in resort locations, primarily in France, Spain and Morocco.

On April 5, 2016, AccorHotels announced the acquisition of onefinestay, leader in luxury serviced home rentals in key worldwide gateways, for €150 million (£117 million). The Group plans to invest a further €64 million (£50 million) to accelerate the company's international development.

On July 1, 2016, AccorHotels announced the sale of a portfolio of 85 hotels to Grape Hospitality, a European hotel platform 70% owned by Eurazeo and 30% by AccorHotels, for €504 million. The portfolio consists of 1 Pullman, 19 Novotel, 13 Mercure, 35 ibis, 3 ibis Styles and 14 ibis budget hotels, all of which will continue to be operated under franchise contracts and will benefit from an ambitious renovation program over the coming months.

On July 12, 2016, AccorHotels finalized the acquisition of the Fairmont Raffles Hotels International Group. This acquisition positions AccorHotels as a leading player in the global luxury hotel market, giving it 154 facilities of the highestquality, 40 of which are under development, and provides the Group with solid expertise in luxury hotel management and marketing, and a substantial footprint in the North American market. A global luxury/upscale division has been created within AccorHotels, and Chris Cahill — a specialist in luxury hospitality who spent part of his career heading up Operations at FRHI — has been appointed to its helm. The deal resulted in an investment by the Qatar Investment Authority and Kingdom Holding Company of Saudi Arabia funds, and the allocation of seats on the AccorHotels Board of Directors to three of their representatives, as well as three independent directors.

On July 12, 2016, AccorHotels announced plans to turn HotelInvest into a subsidiary, with the aim of strengthening its financial resources in order to accelerate its growth, while also providing a legal structure that will ultimately enable third-party investors to hold the majority of HotelInvest's capital. AccorHotels will use the additional financial leeway to develop its two business lines and seize new growth opportunities, thereby maximizing the Group's overall value.

Upcoming events in 2016

October 18, 2016: publication of third-quarter 2016 revenue

Other information

The Board of Directors met on July 27, 2016 and approved the financial statements for the six months ended June 30, 2016. The auditors have reviewed the financial statements and the report is in the process of being issued. The consolidated financial statements and notes related to this press release will be available on July 28, 2016 from the www.accorhotels-group.com website.

APPENDICES

Second-quarter 2016 revenue

In €million	Q2 2015	Q2 2016	Change (as reported)	Change (LFL)
HotelServices	342	359	4.7%	6.1%
HotelInvest	1,318	1,232	(6.5%)	0.7%
Holding & Intercos	(158)	(153)	3.1%	(0.0%)
Total	**1,502**	**1,437**	**(4.3%)**	**2,0%**

At constant scope of consolidation and exchange rates (like-for-like), secondquarter 2016 revenue **rose by 2.0%.**

Reported revenue for the period reflected the following factors:

· Development, which added €27.8 million to revenue and 1.9% to growth, with the opening of 10,383 rooms (64 hotels).

· Disposals, which reduced revenue by €76.3 million and growth by 5.1%.

· Currency effects, which had a negative impact of €46.2 million (-3.1%), resulting mainly from declines in the British pound (€12.9 million), the Brazilian real (€10.0 million), and the Australian dollar (€6.2 million).

As a result, second-quarter 2016 revenue amounted to €1,437 million, **a decline of 4.3% as reported.**

Revenue by business and region in Q2 2016

In € million	HotelServices Revenues (€m)		Change	HotelInvest Revenues (€m)		Change
	Q2 2015	Q2 2016	Comp.	Q2 2015	Q2 2016	LFL
France	97	98	2,0%	435	415	(4.0%)
NCEE	90	96	10.5%	603	568	4.2%
MMEA	36	35	1,0%	120	116	1.6%
Asia-Pacific	88	90	7.4%	68	52	(0.1%)
Americas	27	25	4.3%	92	80	(0.3%)
Worldwide structures	5	15	N/A	0	N/A	N/A
Total(1)	**342**	**359**	**6.1%**	**1,318**	**1,232**	**0.7%**

(1) Of which €153 million in intra-Group revenue and holding

HotelServices: second-quarter revenue up 6.1% like-for-like[1] 1 to €359 million

HotelServices reported **business volume**[2] of €3.4 billion in the second quarter of 2016, an **increase of 5.5%** at constant exchange rates, driven by the combined impact of development and growth in RevPAR.

AccorHotels opened 64 hotels or 10,383 rooms during the second quarter, of which 87% under franchise agreements and management contracts. At end-June 2016, the HotelServices portfolio comprised 3,942

[1] For HotelServices, like-for-like revenue includes development-related fees, at constant exchange rates.

[2] Business volume corresponds to revenue from owned, leased and managed hotels and to room revenue from franchised hotels. Change is as reported, excluding the currency effect.

hotels and 524,955 rooms, of which 32% under franchise agreements and 68% under management contracts, including the HotelInvest portfolio.

Revenue was up 6.1% on a like-for-like basis compared with the second quarter of 2015, with increases across the NCEE (+10.5%), Asia-Pacific (+7.4%), Americas (+4.3%) and France (+2.0%) regions, and to a lesser extent in the MMEA region (+1.0%), despite the impact of Ramadan falling in June this year.

Fees paid by HotelInvest to HotelServices amounted to **€144 million** in the second quarter, or 40% of HotelServices' revenue for the period.

HotelInvest: second-quarter revenue up 0.7% like-for-like to €1,232 million

At June 30, 2016, the HotelInvest portfolio comprised 1,183 hotels, of which 82% in Europe and 94% in the Economy and Midscale segments.

HotelInvest's activity in **France** was down 4.0% on a like-for-like basis, marked by a sharp slowdown in Paris (RevPAR: -12.6%), partly offset by sustained activity in regional cities (RevPAR: +7.0%) thanks to Euro 2016.

Operations in Northern, Central and Eastern Europe (**NCEE**), which account for 46% of HotelInvest's revenue, grew strongly (+4.2% LFL), with further sustained activity in the Germany (+7.2%) and Poland (+9.1%), and satisfactory business in the United Kingdom (+2.6%).

The **MMEA** region (+1.6%) continued to grow thanks to Spain and Portugal (+9.5%), despite the impact of a demanding comparison base on Italy (-3.3%).

HotelInvest's activity in **Asia-Pacific** was stable on a like-for-like basis (-0.1%).

Lastly, revenue in the **Americas** edged down by just 0.3% compared with Q2 2015, despite persistently depressed activity in Brazil (-8.7%).

RevPAR excluding tax by segment and market - Q2 2016

Q2 2016	Managés & Franchisés						HotelInvest (Propriétés & Locations)						Total					
	Taux d'occupation		Prix moyen		RevPAR		Taux d'occupation		Prix moyen		RevPAR		Taux d'occupation		Prix moyen		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
Luxe et haut de gamme	65.6	-5.1	221	-1.4	145	-8.3	70.0	-8.6	183	+4.1	128	-7.3	67.6	-6.9	203	+1.4	137	-7.7
Milieu de gamme	66.2	-2.4	110	+2.9	73	-0.8	67.9	-6.1	120	+3.2	81	-5.4	66.9	-4.1	114	+2.9	76	-3.0
Economique	69.9	-0.2	63	+2.5	44	+2.2	71.4	-1.9	58	+0.1	42	-2.5	70.5	-0.8	61	+1.6	43	+0.4
France	**68.6**	**-1.0**	**83**	**+1.5**	**57**	**-0.0**	**70.1**	**-3.6**	**85**	**+0.6**	**59**	**-4.4**	**69.2**	**-2.1**	**84**	**+1.1**	**58**	**-1.9**
Luxe et haut de gamme	75.5	-1.4	156	+3.9	118	+2.0	77.0	-0.5	154	+7.2	119	+6.5	76.1	-1.0	155	+5.2	118	+3.8
Milieu de gamme	72.9	+3.2	86	+4.3	62	+9.3	78.9	+0.1	94	+4.7	74	+4.9	76.0	+1.4	90	+4.5	69	+6.6
Economique	73.4	+1.3	68	+2.4	50	+4.2	80.4	-0.6	70	+5.0	56	+4.3	78.1	-0.1	69	+4.3	54	+4.3
NCEE	**73.4**	**+2.1**	**87**	**+3.2**	**64**	**+6.2**	**79.5**	**-0.3**	**83**	**+5.1**	**66**	**+4.8**	**76.9**	**+0.6**	**85**	**+4.5**	**65**	**+5.3**
Luxe et haut de gamme	60.2	-2.3	155	-3.1	94	-6.6	60.8	-10.1	148	+9.9	90	-5.6	60.2	-3.3	155	-1.5	93	-6.4
Milieu de gamme	61.3	-4.2	79	-3.7	49	-9.9	75.7	+0.1	76	+0.2	58	+0.4	66.1	-2.6	78	-2.3	52	-6.0
Economique	62.5	-0.4	56	-6.7	35	-7.4	77.8	+2.5	52	-0.7	41	+2.6	69.6	+1.1	54	-3.6	38	-2.1
MMEA	**61.0**	**-2.4**	**96**	**-4.2**	**59**	**-7.8**	**75.7**	**+0.6**	**67**	**-0.5**	**51**	**+0.3**	**65.8**	**-1.3**	**85**	**-3.3**	**56**	**-5.2**
Luxe et haut de gamme	63.3	+3.6	95	-0.2	60	+5.4	85.3	+14.2	140	-7.9	119	+6.1	63.4	+3.7	95	-0.2	60	+5.4
Milieu de gamme	69.3	+2.0	74	+1.6	51	+4.4	81.6	+1.0	118	+0.8	97	+2.1	69.9	+1.9	77	+1.4	54	+4.1
Economique	67.7	+5.1	43	+2.3	29	+10.2	65.9	-3.7	67	+3.0	44	-4.4	67.5	+4.0	45	+2.2	30	+8.5
AsPac	**66.9**	**+3.5**	**74**	**+1.7**	**49**	**+7.2**	**72.1**	**-1.7**	**90**	**+2.8**	**65**	**-0.1**	**67.2**	**+3.2**	**75**	**+1.8**	**50**	**+6.7**
Luxe et haut de gamme	69.0	-1.5	182	+3.0	126	+0.8	58.5	-4.8	162	+18.7	95	+9.8	66.3	-2.4	178	+6.4	118	+2.7
Milieu de gamme	61.0	+0.8	81	-8.3	50	-7.0	57.0	-2.3	70	+0.6	40	-2.9	60.2	+0.2	79	-6.5	48	-6.2
Economique	57.5	-1.1	42	+1.8	24	+0.0	59.5	-5.5	43	+1.2	25	-7.1	58.5	-3.2	42	+1.5	25	-3.7
Americas	**60.7**	**-0.1**	**83**	**-1.0**	**50**	**-1.2**	**59.0**	**-4.8**	**59**	**+5.2**	**35**	**-2.4**	**60.1**	**-1.9**	**74**	**+1.4**	**45**	**-1.5**
Luxe et haut de gamme	**64.2**	**+1.4**	**124**	**-1.3**	**79**	**+0.9**	**69.1**	**-5.2**	**163**	**+7.5**	**113**	**-0.1**	**64.8**	**+0.5**	**129**	**-0.1**	**84**	**+0.7**
Milieu de gamme	**67.6**	**+0.4**	**85**	**+0.7**	**58**	**+1.3**	**74.1**	**-1.9**	**99**	**+3.0**	**73**	**+0.5**	**69.8**	**-0.5**	**90**	**+1.5**	**63**	**+0.9**
Economique	**67.9**	**+1.1**	**57**	**+1.9**	**38**	**+3.6**	**73.8**	**-1.4**	**61**	**+2.6**	**45**	**+0.7**	**70.4**	**+0.0**	**59**	**+2.2**	**41**	**+2.3**
Total	**67.1**	**+1.0**	**82**	**+0.8**	**55**	**+2.3**	**73.6**	**-1.8**	**80**	**+3.0**	**59**	**+0.5**	**69.3**	**-0.0**	**81**	**+1.7**	**56**	**+1.6**

NCEE: Northern, Central and Eastern Europe (does not include France or Southern Europe)

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

AsPac: Asia-Pacific

Americas: North America, Central America and South America

RevPAR excluding tax by segment and market - H1 2016

H1 2016	Managés & Franchisés						HotelInvest (Propriétés & Locations)						Total					
	Taux d'occupation		Prix moyen		RevPAR		Taux d'occupation		Prix moyen		RevPAR		Taux d'occupation		Prix moyen		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
Luxe et haut de gamme	59.3	-3.6	204	-1.7	121	-7.1	63.9	-5.6	168	+2.3	107	-6.0	61.5	-4.6	186	+0.3	114	-6.5
Milieu de gamme	59.4	-1.2	106	+1.5	63	-0.5	61.4	-4.7	114	+0.9	70	-6.3	60.3	-2.7	109	+1.1	66	-3.3
Economique	63.0	+0.1	61	+1.2	39	+1.4	65.4	-1.4	56	-1.4	37	-3.5	63.9	-0.5	59	+0.2	38	-0.5
France	**61.8**	**-0.4**	**80**	**+0.5**	**49**	**-0.1**	**64.0**	**-2.7**	**80**	**-1.0**	**51**	**-5.0**	**62.7**	**-1.3**	**80**	**-0.2**	**50**	**-2.2**
Luxe et haut de gamme	69.7	-1.2	152	+3.0	106	+1.2	70.6	-1.3	145	+3.6	102	+1.6	70.1	-1.3	149	+3.3	104	+1.3
Milieu de gamme	66.8	+2.1	84	+3.2	56	+6.6	71.0	-0.0	91	+2.9	64	+2.9	69.0	+0.9	87	+2.9	60	+4.3
Economique	67.8	+1.8	66	+1.3	45	+4.0	74.4	-0.5	66	+3.6	49	+3.0	72.2	+0.1	66	+3.0	48	+3.2
NCEE	**67.5**	**+1.7**	**84**	**+2.0**	**57**	**+4.7**	**72.7**	**-0.3**	**80**	**+3.3**	**58**	**+2.8**	**70.5**	**+0.4**	**82**	**+2.9**	**58**	**+3.5**
Luxe et haut de gamme	59.8	-1.4	161	-4.0	96	-6.1	60.9	-9.2	144	+9.9	88	-4.4	59.9	-2.3	159	-2.3	96	-5.9
Milieu de gamme	59.5	-4.2	84	-3.8	50	-10.1	67.4	+0.7	72	+1.0	49	+2.1	62.1	-2.4	80	-2.4	50	-5.9
Economique	61.5	-0.8	61	-6.4	37	-7.6	71.4	+3.3	51	+0.0	36	+4.9	66.1	+1.3	56	-3.5	37	-1.5
MMEA	**59.9**	**-2.2**	**101**	**-4.2**	**61**	**-7.5**	**69.1**	**+1.4**	**65**	**+0.0**	**45**	**+2.0**	**62.9**	**-0.9**	**88**	**-3.4**	**55**	**-4.7**
Luxe et haut de gamme	62.9	+3.2	101	+0.1	63	+5.1	73.0	+6.9	177	-3.9	129	+5.3	62.9	+3.2	101	+0.1	64	+5.1
Milieu de gamme	70.0	+2.4	77	+0.8	54	+4.3	80.5	+0.2	120	+0.6	97	+0.9	70.6	+2.3	80	+0.6	56	+3.9
Economique	64.7	+3.4	44	+0.9	28	+6.2	65.1	-2.9	68	+1.7	44	-4.1	64.8	+2.6	46	+0.8	30	+5.0
AsPac	**66.2**	**+3.1**	**77**	**+1.2**	**51**	**+6.0**	**70.9**	**-1.5**	**92**	**+1.9**	**65**	**-0.7**	**66.4**	**+2.8**	**78**	**+1.2**	**52**	**+5.6**
Luxe et haut de gamme	68.4	-0.7	175	+5.4	120	+4.3	61.5	-3.9	162	+19.8	100	+12.7	66.7	-1.6	172	+8.8	115	+6.2
Milieu de gamme	59.7	+0.2	78	-6.3	46	-6.0	54.7	-2.7	70	+2.3	38	-2.2	58.7	-0.4	76	-4.6	45	-5.2
Economique	57.4	-1.6	42	+2.5	24	-0.2	58.5	-7.1	42	+3.0	24	-8.0	57.9	-4.4	42	+2.8	24	-4.3
Americas	**60.0**	**-0.8**	**80**	**+1.4**	**48**	**+0.1**	**58.1**	**-6.0**	**59**	**+7.9**	**34**	**-1.9**	**59.3**	**-2.8**	**73**	**+4.0**	**43**	**-0.5**
Luxe et haut de gamme	**63.1**	**+1.5**	**126**	**-1.0**	**79**	**+1.3**	**65.5**	**-4.2**	**155**	**+6.6**	**102**	**+0.0**	**63.4**	**+0.7**	**129**	**+0.0**	**82**	**+1.1**
Milieu de gamme	**64.8**	**+0.6**	**85**	**-0.0**	**55**	**+0.9**	**67.2**	**-1.5**	**95**	**+1.5**	**64**	**-0.7**	**65.6**	**-0.2**	**89**	**+0.5**	**58**	**+0.2**
Economique	**63.4**	**+0.8**	**56**	**+0.7**	**35**	**+2.1**	**68.6**	**-1.3**	**59**	**+1.7**	**40**	**-0.2**	**65.6**	**-0.1**	**57**	**+1.2**	**37**	**+1.0**
Total	**63.9**	**+0.9**	**82**	**+0.4**	**52**	**+1.8**	**67.9**	**-1.5**	**77**	**+1.8**	**52**	**-0.4**	**65.3**	**+0.0**	**80**	**+1.0**	**52**	**+1.0**

NCEE: Northern, Central and Eastern Europe (does not include France or Southern Europe)

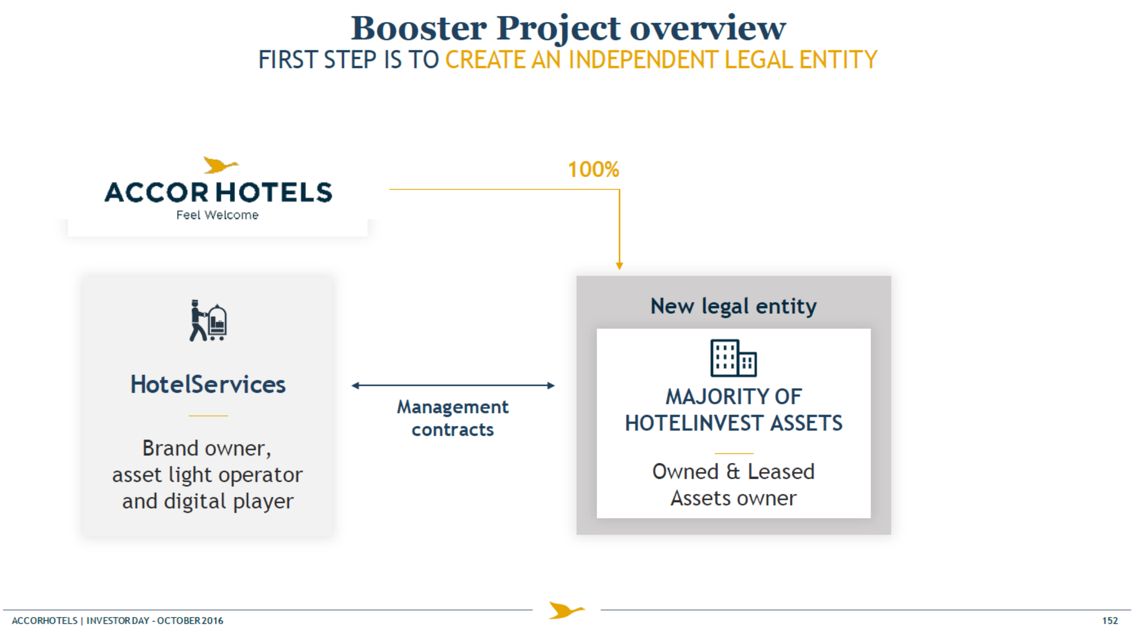
MMEA: Mediterranean, Middle East and Africa (includes Southern Europe)

AsPac: Asia-Pacific

Americas: North America, Central America and South America"

- **Investor Day 2016 presentation**

The following is an extract from the Investor Day 2016 presentation published on the Issuer's website on 5 October 2016. This presentation is available in full on the website of the Issuer (http://www.accorhotels-group.com/en/finance.html).



Booster Project overview

SECOND STEP IS TO OPEN HOTELINVEST TO INVESTORS

ACCORHOTELS
Feel Welcome

Less than 50% → Booster legal entity ← More than 50% — Long-term institutional investors

HotelServices

Brand owner,
asset light operator
and digital player

Management contracts ↔

Booster legal entity

MAJORITY OF HOTELINVEST ASSETS

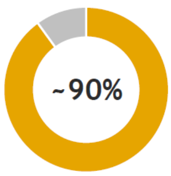
Owned & Leased Assets owner

NEW DEBT ~€2.0bn →

Perimeter overview

~1,135 HOTELS EXPECTED END OF 2016

IN BOOSTER PROJECT

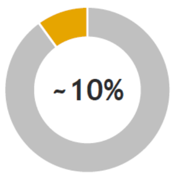


~1,000 hotels Owned & Leased (~130k rooms)

- ~43% in France
- ~47% in Europe (excl. France)
- ~10% in the Rest of the world

Selected Joint Ventures such as Grape Hospitality

REMAINING IN AH



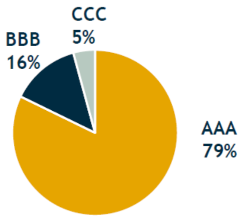
Orbis
Management Leases*

* Leases on EBITDAR, considered as management contracts

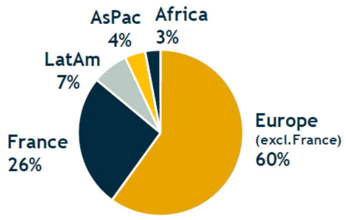
Booster to **focus on European hotels**

BOOSTER TOTAL GAV OF ~€6.5BN

BOOSTER GAV BY **LOCATION**



BOOSTER GAV BY **GEOGRAPHY**



~80% of GAV from hotels in premium locations

Over 85% of GAV from hotels in Europe

Ready for its **next phase of growth**

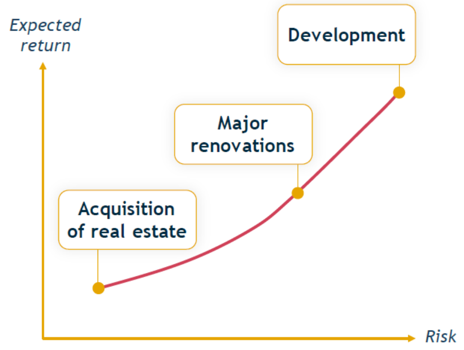
Capitalize on **long term management agreements** with AccorHotels

Deploy capital on
value creative hotel renovations

Continued acquisitions
of **best performing assets**

Develop new hotels in core gateways
(Ibis Canning Town, Novotel Paris Orly)

PROJECT BOOSTER
INVESTMENT MATRIX



Management contract framework with AccorHotels

ECONOMICS	DURATION	PERFORMANCE CLAUSES
Global economics in line with existing framework	Long term management contracts (>40 years)	Performance clauses in line with market standards

Solid foundations established for a long term sustainable project

Great teams motivated to go ahead for a new journey

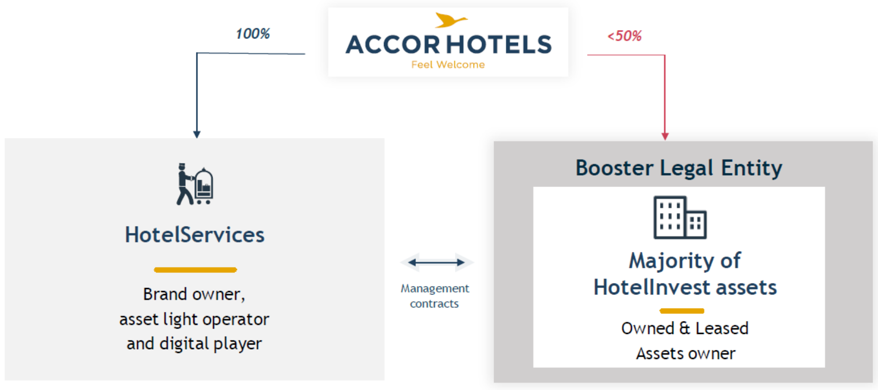
Restructured portfolio delivering improved results

Sound growth potential through refurbishment and development

Strong continued relationship with ACCORHOTELS

1 BOOSTER PROJECT FINANCIAL IMPLEMENTATION

Booster project overview



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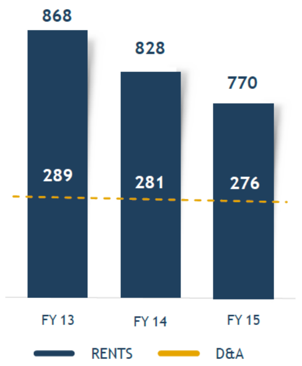
Published HotelInvest financials at a glance

In €M	FY 13	FY 14	FY 15	Growth 13-15
Revenues	4,798	4,794	4,815	-
EBITDAR	1,354	1,401	1,424	+5%
% Margin	*28.9%*	*29.2%*	*29.6%*	*+70bps*
EBITDA	486	573	654	+35%
% Margin	*10.1%*	*11.9%*	*13.6%*	*+350bps*
EBIT	197	292	378	+92%
% Margin	*4.1%*	*6.1%*	*7.8%*	+370bps
Capex*	(406)	(411)	(366)	-10%

Rents - D&A



* Recurring capital expenditures (Renovation, Maintenance & Recurring development)

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Booster project on track

PERIMETER

Asset perimeter almost finalized

Valuations updated

Organization/ Corporate costs allocation in progress

ACCOUNTING

Combined audited accounts launched

Pro forma accounts initiated

Discontinued operations analysis

LEGAL & TAX

Legal structure step plan in progress

Needed tax rulings identified

FINANCING

Discussions with banks engaged

Positive expressions of interest

Solid financing structure for HotelInvest

€7.3BN GROSS ASSET VALUE (JUNE 16)

STANDALONE FINANCING STRUCTURE DAY 1

External debt drawn Day 1 sized at ca. 2BN (60% of owned asset value)
Additional credit facilities to be negotiated to fund future growth

BUSINESS PROFILE ALLOWING DIVERSE SOURCES OF FUNDING

Resilient & mature quality asset portfolio

POSITIVE MARKET CONDITIONS

Historically low interest rates
Deep liquidity in debt markets

POSITIVE EXPRESSIONS OF INTEREST

Tax structuring

STRUCTURING

Past years acquisitions structured to facilitate global transfer of assets

Transfers of assets mainly through sales or contribution of shares benefitting from "participation-exemption" regimes.

Anticipated partial demergers generally tax neutral and comforted by tax rulings

IMPACT

Overall tax friction estimated below 5% of GAV transferred

Key countries: France, Germany, Netherlands

Booster project indicative timeline

Formal Project Launch
Jul 12, 2016

Contemplated AGM
Mid-2017

PREPARATION PHASE	EXECUTION PHASE
Board initial review Perimeter definition Validation of legal and tax schemes Key organization principles Preliminary contacts with banks Initial contacts with potential investors	Apply for tax rulings & produce audited financial statements Implement legal schemes Formalize contracts between HI and HS Finalize financing Finalize roaster of investors

Employee consultations

CONFIRMED TARGET OF MID 2017

NEXT UPDATE: FY 2016 RESULTS PRESENTATION (FEB 22ND, 2017)

2 ACCORHOTELS TOMORROW

AccorHotels 2015 current P&L

€m	HOTELSERVICES	HOTELINVEST	CORPORATE & INTERCOS	ACCORHOTELS
Revenue	1,339	4,815	(574)	5,581
EBITDAR	426	1,424	(70)	1,780
EBITDAR Margin	*31.8%*	*29.6%*	*N/A*	*31.9%*
EBITDA	399	654	(66)	986
EBITDA Margin	*29.8%*	*13.6%*	*N/A*	*17.7%*
EBIT	359	378	(71)	665
EBIT Margin	*26.8%*	*7.8%*	N/A	*11.9%*

AccorHotels P&L

€m	2015 PUBLISHED
Revenue	5,581
EBITDA	986
EBITDA Margin	*17.7%*
EBIT	*665*
EBIT Margin	*11.9%*

KEY ADJUSTMENTS

- HotelInvest deconsolidation
- Central costs allocation
- FRHI
- New Businesses

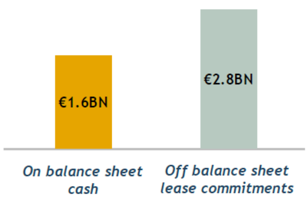
MID TERM

- Revenues divided by 2
- EBIT margin doubled

Illustrative impact on AH financial structure

Assuming 50%-80% disposal on €6.5bn gav

JUNE 2016
Pro forma FRHI & John Paul Acquisitions



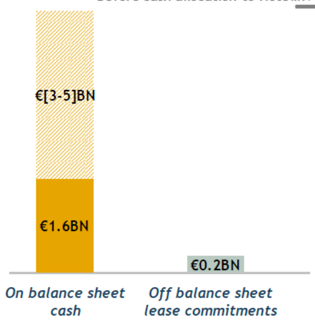
POSITIVE EFFECT ON ACCORHOTELS CREDIT PROFILE

Significant cash-in

Off balance sheet lease commitments deconsolidation

Gross debt on balance sheet (€3BN) and hybrid unchanged (0.9BN)

JUNE 2016
Pro forma FRHI & John Paul Acquisitions
Illustrative Booster proceeds
Before cash allocation to HotelInvest



Optionality for a disciplined capital allocation

ORGANIC GROWTH	Further investment in current brands and pipeline of new hotel properties Building-out digital portfolio into full suite of services to managed, franchised & independent hotels
SELECTIVE M&A	Significant capacity to finance bolt-on and /or transformational acquisitions Addition of niche brands to cater specific demand and obtain full reach Prudent financial discipline
RETURN TO SHAREHOLDERS	Special dividend & sustainable dividend policy Share buy-back to maximize return
BALANCE SHEET OPTIMIZATION	Optimize capital structure Decrease cost of capital Maintain investment grade rating

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Transformation & performance measurement

	2013	TODAY	TOMORROW
ASSET BASE	Underperforming asset base Inefficient balance sheet	Better valued asset base Improved balance sheet	Asset light pure-play Deleveraged balance sheet
KEY PERFORMANCE METRICS	EBITDAR & EBITDAR margin EBIT & EBIT margin ROCE	EBIT & EBIT margin Recurring Free Cash Flow ROI	Network & Gross Volume Adj. EBITDA & EBITDA margin Cash Flow generation
BUSINESS LINES	Unclear profitability Up & Midscale Economy	HotelServices HotelInvest	HotelServices New Adjacent Businesses

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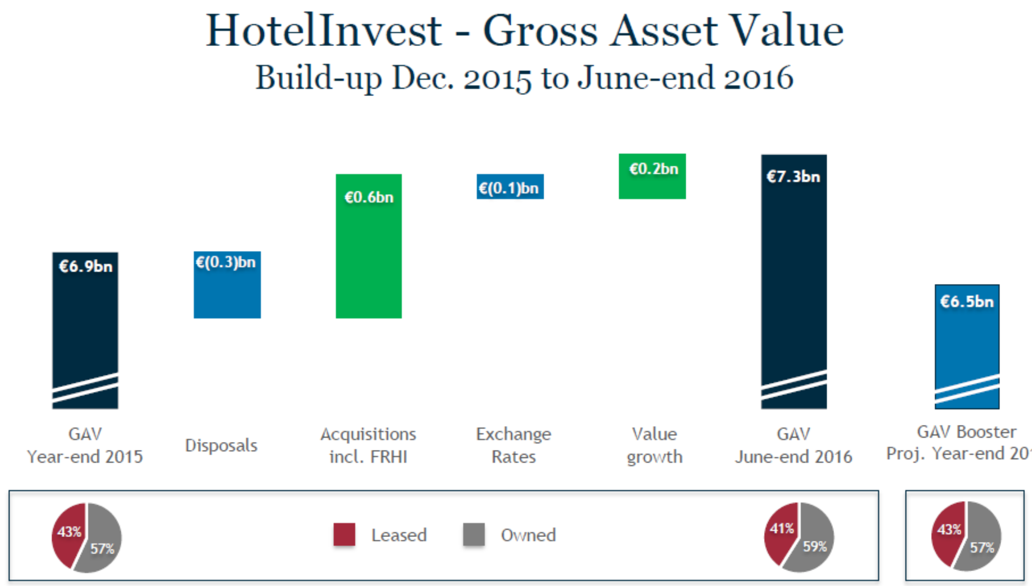
- **HotelInvest – Gross Asset Value**

The following information was published on the Issuer's website on 12 October 2016.



- **Third-quarter 2016 results**

The following is an extract from a press release dated 18 October 2016.

"Like-for-like third-quarter revenue up 1.8% to €1,538 million

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Full-year 2016 EBIT target

narrowed to between €670 million and €690 million

Third-quarter 2016 business activity was strong in the majority of the Group's markets. Revenue totaled €1,538 million, **up 1.8%** at constant scope of consolidation and exchange rates (LFL), and **up 3.0%** as reported.

Sébastien Bazin, Chairman and Chief Executive Officer of AccorHotels, said:

"During the third quarter, AccorHotels has once again delivered a robust performance that is even more remarkable given the particularly unfavorable situation in France during the summer following the terrorist attacks.

With the integration of Fairmont, Raffles and Swissôtel during the period, the Group has established itself as a leading player in the global luxury hotel business. Our brands are attractive, our development is dynamic and our active management strategy for the HotelInvest property portfolio continues to deliver results. Thanks to these strengths, we have been able to hone our outlook for 2016 and consolidate the significant improvement in our operational and financial performance."

Third-quarter 2016 highlights:

- Robust growth in all of the Group's key markets, except France and Belgium
- Record development, with the opening of 51,391 rooms, of which 116 hotels and 43,195 rooms relating to the integration of the FRHI group
- Announcement of the "Booster" project to turn HotelInvest into a subsidiary
- Launch of the JO&JOE brand, dedicated to Millennials
- Exclusive negotiations to acquire a majority interest in John Paul, the world leader in concierge services

Sound revenue growth in third-quarter 2016

Revenue by business

In € millions	Q3 2015	Q3 2016	Change (as reported)	Change (LFL)
HotelServices	356	442	24.2%	6.7%
HotelInvest	1,295	1,247	-3.7%	-0.1%
Holding & Intercos	(157)	(151)	3.7%	3.1%
Total	**1,493**	**1,538**	**3.0%**	**1.8%**

Consolidated third-quarter 2016 **revenue** amounted to €1,538 million, up 1.8% year-on-year at constant scope of consolidation and exchange rates (up 3.0% as reported). The increase in revenue resulted from healthy growth in most of the Group's key markets, including the Americas (+19.0% LFL), Asia-Pacific (+6.9% LFL), and the Mediterranean, Middle East, Africa region (MMEA, +4.1% LFL), which was boosted by impressive growth in business activity in the Iberian Peninsula (+10.1%).

Business in Northern, Central and Eastern Europe slowed during the summer, resulting in moderate growth in the third quarter (+2.4% LFL).

- Strong business levels in **Germany** (+3.0%) were driven by high prices and occupancy rates. The favorable events calendar in September, which generated RevPAR growth for the month of 13%, offset the decline in Munich business activity, which was heavily impacted by July's terrorist attacks.

- Business in the **United Kingdom** continued to grow strongly (+2.2%). Third-quarter occupancy rates were extremely high at 85%, notably due to the weak British pound, which boosted the foreign short-stay leisure sector and led to the British favoring the United Kingdom as a main holiday destination. Trends remain mixed, with RevPAR contracting 2% in London but improving strongly in the rest of the country (+5%).

- As in previous quarters, business in **Belgium** declined sharply (-14.3%) year on year as a result of the terrorist attacks.

Business in **France** has also been impacted by the climate of insecurity since the beginning of the year, which was further exacerbated by the attack in Nice on July 14. Revenue declined by 4.7% due to weak demand in the leisure-travel sector, with results again extremely mixed between Paris (RevPAR down 17.9%) and regional cities (RevPAR up 0.9%).

Revenue in the **Americas** was up 19.0% like-for-like, driven by the Olympic Games held in Rio de Janeiro (revenue up 20.2% LFL in Brazil) and by business in North America and the Caribbean, which continued to trend sharply upwards (revenue up 11.3% LFL).

Revenue by business and region

In € millions	HotelServices Revenue (€m)		Comp.	HotelInvest Revenue (€m)		LFL
	Q3 2015	Q3 2016	Change	Q3 2015	Q3 2016	Change
France	94	96	0.3%	411	341	-6.9%
NCEE	94	99	6.6%	610	549	1.1%
MMEA	35	48	7.1%	126	120	2.8%
Asia-Pacific	90	110	9.4%	70	112	1.7%
Americas	25	68	21.7%	78	125	19.6%
Worldwide structures	18	21	6.4%	0	0	N/A
Total[1]	**356**	**442**	**6.7%**	**1,295**	**1,247**	**-0.1%**

(1) Of which €151 million in intra-Group revenue and holding

Reported revenue for the period reflected the following factors:

- Development (including €145 million for FRHI), which added €171 million to revenue and 11.5% to growth, with the opening of 51,391 rooms and 167 hotels, of which 89% under management and franchise agreements;
- Disposals, which reduced revenue by €126 million and growth by 8.4%, including €56 million related to the creation of Grape Hospitality;
- Currency effects, with a negative impact of €28 million, mainly as a result of the weakening British pound (-€26 million).

HotelInvest: third-quarter revenue stable at €1,247 million (-0.1% like-for-like)

HotelInvest's business in **France** outperformed the trends observed in the industry, contracting by 6.9% like-for-like, driven chiefly by sharp slowdowns in the economy (revenue down 5.7% LFL) and midscale (down 8.8% LFL) segments, mainly resulting from the significant proportion of owned and leased hotels in Greater Paris.

Operations in Northern, Central and Eastern Europe (**NCEE**), which account for 44% of HotelInvest's revenue, edged up by 1.1% like-for-like. The increase was mainly a result of sustained activity in Poland (+10.9%), a strong performance in Germany (+1.9%) despite the events in Munich, and a stable trendline in the United Kingdom due to the uncertainties arising from Brexit. The decline in reported revenue for the NCEE region (-10%) stemmed exclusively from the sale of a portfolio of 29 hotels in 2015.

The results for the **MMEA** region remained very healthy (revenue up 2.8% LFL) due to the continued recovery of countries in the Iberian Peninsula (+9.2%).

HotelInvest's business in the **Asia-Pacific** region rose by 1.7% like-for-like, with solid growth in Australia (+2.6%), and more particularly in Sydney and Melbourne.

Lastly, third-quarter revenue in the **Americas** region increased sharply (+19.6%) due to the combined impact of the Olympic Games in Rio and robust business growth in North America and the Caribbean (+9.9%).

At September 30, 2016, the HotelInvest portfolio comprised 1,190 hotels, with 80% of rooms in Europe and 92% in the economy and midscale segments. Since the beginning of the year, 142 hotels have been restructured by HotelInvest, including 13 ibis hotels in China, which have been transferred to Huazhu, and 85 hotels in Europe (27 hotels owned outright and 58 operated under variable leases), which were sold to Grape Hospitality.

In addition, the integration of the FRHI hotels generated revenue of €87 million for HotelInvest, allocated between the NCEE, Americas and Asia-Pacific regions.

HotelServices: third-quarter revenue up 6.7% like-for-like[1] at €442 million

HotelServices reported **business volume[2]** of €4.5 billion in third-quarter 2016, **an increase of 34%** at constant exchange rates, driven by the integration of FRHI hotels in the Group.

Revenue rose by 6.7% on a like-for-like basis compared with third-quarter 2015, with sharp increases across all markets: Europe excluding France and the Mediterranean (NCEE: +6.6%), the Mediterranean, Middle East and Africa (MMEA: +7.1%), Asia-Pacific (+9.4%), and the Americas (+21.7%). In France, HotelServices revenue was stable (+0.3%) thanks to a solid summer season in the regional areas, excluding the Côte d'Azur.

Fees paid by HotelInvest to HotelServices amounted to **€143 million** in the third quarter, or 32% of HotelServices' revenue for the period, compared with 41% during third-quarter 2015.

In third-quarter 2016, the Group's organic growth and the FRHI hotels acquired on July 12, 2016 (116 hotels and 43,195 rooms) resulted in the opening of an additional 167 hotels and 51,391 rooms, of which 89% are operated under franchise agreements and management contracts.

At September 30, 2016, the HotelServices portfolio therefore comprised 4,098 hotels and 575,321 rooms, of which 30% under franchise agreements and 70% under management contracts, including the HotelInvest portfolio.

The integration of the FRHI hotels generated additional revenue of €65 million for HotelServices in the third quarter

Favorable outlook maintained

In third-quarter 2016, AccorHotels continued to benefit from positive business trends in the vast majority of the Group's key markets, with growth in RevPAR in the United Kingdom, Southern Europe, Central Europe, North America, Latin America and Asia-Pacific.

The Group's main points of vigilance continue to be Belgium and France. The latter experienced a particularly sharp decline in demand in the third quarter, when the portion of leisure-related business is traditionally higher.

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[1] For HotelServices, like-for-like revenue includes development-related fees, at constant exchange rates.

[2] Business volume corresponds to revenue from owned, leased and managed hotels and to room revenue from franchised hotels. Change is as reported, excluding the currency effect.

The integration of the FRHI hotels in the AccorHotels network contributed €145 million in revenue in third-quarter 2016, and thanks to their solid business activity, particularly in the Americas and Asia-Pacific, they should continue to generate a robust contribution during the fourth quarter.

Development continues apace, with the opening of nearly 28,000 rooms on an organic basis since the beginning of the year (up 18% compared with 2015) and the prospect of record growth in 2016.

In light of these factors and the expected continuation of the trends observed since the beginning of the year in its different markets, the Group expects full-year 2016 EBIT to amount to between **€670 million and €690 million**.

Material transactions and events in the third quarter of 2016

On July 12, 2016, AccorHotels finalized the acquisition of the Fairmont Raffles Hotels International Group. This acquisition positions AccorHotels as a leading player in the global luxury hotel market, giving it 156 facilities of the highest quality, 40 of which are under development, and provides the Group with solid expertise in luxury hotel management and marketing, and a substantial footprint in the North American market. A global luxury/upscale division has been created within AccorHotels, and Chris Cahill — a specialist in luxury hospitality who spent part of his career heading up Operations at FRHI — has been appointed to its helm. The deal resulted in an investment by the Qatar Investment Authority and Kingdom Holding Company of Saudi Arabia funds, and the allocation of seats on the AccorHotels Board of Directors to three of their representatives, as well as three independent directors.

On July 12, 2016, AccorHotels announced plans to turn HotelInvest into a subsidiary, with the aim of strengthening its financial resources in order to accelerate its growth, while also providing a legal structure that will ultimately enable third-party investors to hold the majority of HotelInvest’s capital. AccorHotels will use the additional financial leeway to develop its two business lines and seize new growth opportunities, thereby maximizing the Group’s overall value.

On September 27, 2016, AccorHotels announced the launch of a new brand, JO&JOE, which rounds out the Group's economy-brand portfolio, providing a made-to-measure solution for the vast international community of Millennial-minded trend-setters revolutionizing the market. By 2020, JO&JOE venues will be developed in 50 bustling city-center locations that are close to public transport and major points of interest.

Upcoming events

- February 22, 2017: 2016 results

Nine-month 2016 revenue

Solid growth in revenue

In € millions	September 2015	September 2016	Change (as reported)	Change (LFL)
HotelServices	988	1,100	11.3%	6.2%
HotelInvest	3,668	3,452	-5.9%	0.3%
Holding & Intercos	(436)	(416)	4.5%	2.2%
Total	**4,220**	**4,136**	**-2.0%**	**1.9%**

Reported revenue for the period reflected the following factors:

- Development, which added €218 million to revenue and 5.2% to growth, with the opening of 70,922 rooms (278 hotels), of which 90% under management and franchise agreements;
- Disposals, which reduced revenue by €269 million and growth by 6.4%.
- Currency effects, which had a negative impact of €113.9 million, mainly related to declines in the British pound (-€43.4 million), the Brazilian real (-€24.7 million), the Argentinian peso (-€12.3 million), the Australian dollar (-€8.8 million) and the Polish zloty (-€7.0 million).

Revenue by business and region in the nine months to September 30, 2016

In € millions	HotelServices Revenue (€m)		Comp.	HotelInvest Revenue (€m)		LFL
	September 2015	**September 2016**	**Change**	**September 2015**	**September 2016**	**Change**
France	261	264	1.0%	1,181	1,075	-4.8%
NCEE	251	267	8.5%	1,689	1,558	2.4%
MMEA	103	116	4.4%	332	322	3.2%
Asia-Pacific	265	291	8.3%	204	218	0.3%
Americas	76	116	12.0%	262	278	6.0%
Worldwide structures	32	47	4.8%	0	0	N/A
Total[1]	**988**	**1,100**	**6.2%**	**3,668**	**3,452**	**0.3%**

(1) Of which €416 million in intra-Group revenue and holding

RevPAR excluding tax by segment and market – third-quarter 2016

Q3 2016	Managed & Franchised						HotelInvest (Owned & Leased)						Total					
	OR		ARR		RevPAR		OR		ARR		RevPAR		OR		ARR		RevPAR	
		chg pts LFL	€	chg pts LFL	€	chg pts LFL	%	chg pts LFL	€	chg pts LFL	€	chg pts LFL	%	chg pts LFL	€	chg pts LFL	€	chg pts LFL
Luxury & Upscale	70.3	-9.0	239	+1.2	168	-9.9	74.4	-8.4	180	+4.7	134	-6.1	71.9	-8.7	214	+2.8	154	-8.2
Midscale	68.3	-4.4	102	+0.8	70	-5.2	68.7	-10.6	110	+2.1	76	-12.3	68.4	-6.8	105	+1.2	72	-8.1
Economy	71.1	-1.3	61	+0.1	44	-1.7	70.9	-2.6	52	-3.7	37	-7.0	71.0	-1.7	58	-1.1	41	-3.4
France	70.1	-2.5	82	-0.5	57	-3.8	70.4	-5.4	78	-2.0	55	-9.2	70.2	-3.6	80	-1.0	56	-5.8
Luxury & Upscale	75.5	-3.6	172	+3.6	130	-1.1	78.9	-1.8	144	+3.8	113	+1.4	76.6	-2.9	162	+3.7	124	-0.1
Midscale	75.8	+1.7	80	+3.0	61	+5.4	81.6	-0.9	88	+3.7	72	+2.6	78.8	+0.3	84	+3.4	66	+3.7
Economy	76.9	+0.4	65	+1.8	50	+2.3	82.8	-1.3	67	+2.6	55	+1.1	80.7	-0.8	66	+2.4	53	+1.4
NCEE	76.2	+0.7	88	+2.2	67	+3.1	82.1	-1.1	79	+3.2	65	+1.8	79.4	-0.4	83	+2.8	66	+2.3
Luxury & Upscale	64.3	+0.7	183	-5.7	117	-4.7	65.8	-1.9	177	+11.9	116	+8.6	64.4	+0.3	182	-3.3	117	-2.8
Midscale	64.2	+0.8	78	-4.6	50	-3.4	79.2	+0.2	77	+2.3	61	+2.5	68.7	+0.6	77	-2.1	53	-1.3
Economy	67.6	+2.8	52	-4.4	35	-0.3	77.9	-0.6	53	-0.7	41	-1.4	71.9	+1.1	53	-2.5	38	-0.9
MMEA	65.0	+1.5	115	-5.6	75	-3.4	77.3	-0.4	72	+2.5	56	+1.9	68.2	+0.8	102	-2.9	70	-1.7
Luxury & Upscale	67.1	+4.7	102	-0.1	68	+6.9	87.4	+13.6	185	+1.0	162	+12.2	68.1	+4.7	107	-0.1	73	+6.9
Midscale	70.5	+3.3	77	+1.0	54	+5.6	85.7	+1.7	122	-0.8	105	+1.3	71.2	+3.2	79	+0.8	57	+5.1
Economy	71.9	+2.7	44	-0.3	32	+3.8	74.7	-0.8	73	+1.4	54	-0.1	72.1	+2.3	47	-0.5	34	+3.0
AsPac	69.8	+3.7	79	+0.5	55	+6.0	81.6	+0.5	124	+0.8	101	+1.6	70.5	+3.6	82	+0.5	58	+5.8
Luxury & Upscale	77.7	+1.5	236	+9.6	183	+12.0	63.7	-4.1	272	+100.5	173	+86.9	76.5	+0.1	238	+24.4	182	+24.4
Midscale	62.9	-3.2	92	+6.7	58	+1.6	58.2	+0.1	88	+18.9	51	+18.9	61.9	-2.5	92	+8.8	57	+4.7
Economy	60.5	-2.1	54	+25.4	33	+21.3	60.4	-3.9	46	+3.6	28	-2.4	60.5	-3.0	50	+14.5	30	+9.4
Americas	68.9	-1.6	155	+13.8	107	+11.0	60.4	-3.1	81	+26.0	49	+20.1	66.6	-2.2	137	+17.3	91	+13.5
Luxury & Upscale	69.6	+2.5	159	-1.0	111	+2.6	75.4	-4.1	182	+15.0	137	+8.8	70.2	+1.6	162	+1.4	114	+3.7
Midscale	69.7	+0.2	84	+0.9	59	+1.2	76.6	-3.3	94	+2.8	72	-1.5	71.8	-1.0	87	+1.5	63	+0.1
Economy	70.7	+0.1	56	+1.5	40	+1.7	75.0	-1.9	59	+0.7	44	-1.8	72.4	-0.8	57	+1.1	41	-0.0
Total	70.1	+0.8	95	+0.9	67	+2.0	75.5	-2.5	81	+3.0	61	-0.4	71.7	-0.4	91	+1.7	65	+1.1

NCEE: Northern, Central and Eastern Europe (does not include France or Southern Europe)

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

AsPac: Asia-Pacific

Americas: North America, Central America and South America

RevPAR excluding tax by segment and market – nine months to September 30, 2016

Nine months to Sept. 30, 2016	Managed & Franchised						HotelInvest (Owned & Leased)						Total					
	OR		ARR		RevPAR		OR		ARR		RevPAR		OR		ARR		RevPAR	
		chg pts LFL	€	chg pts LFL	€	chg pts LFL	%	chg pts LFL	€	chg pts LFL	€	chg pts LFL	%	chg pts LFL	€	chg pts LFL	€	chg pts LFL
Luxury & Upscale	63.5	-5.4	219	-0.6	139	-8.2	67.4	-6.5	172	+3.1	116	-6.0	65.2	-6.0	197	+1.2	129	-7.2
Midscale	62.6	-2.3	105	+1.2	65	-2.3	63.6	-6.5	112	+1.3	72	-8.2	63.0	-4.1	108	+1.2	68	-5.0
Economy	65.8	-0.4	61	+0.8	40	+0.2	67.2	-1.8	55	-2.1	37	-4.6	66.3	-0.9	59	-0.2	39	-1.5
France	64.8	-1.1	80	+0.1	52	-1.5	66.0	-3.6	79	-1.3	52	-6.4	65.2	-2.1	80	-0.5	52	-3.5
Luxury & Upscale	72.2	-2.1	161	+3.2	116	+0.3	73.8	-1.5	145	+3.7	107	+1.5	72.8	-1.8	155	+3.4	113	+0.8
Midscale	69.9	+2.0	82	+3.1	58	+6.1	74.5	-0.3	90	+3.2	67	+2.8	72.3	+0.6	86	+3.1	62	+4.1
Economy	71.1	+1.3	66	+1.5	47	+3.3	77.2	-0.8	66	+3.2	51	+2.2	75.1	-0.2	66	+2.8	50	+2.5
NCEE	70.6	+1.3	86	+2.1	61	+4.0	75.8	-0.6	80	+3.2	60	+2.4	73.6	+0.1	82	+2.9	60	+3.0
Luxury & Upscale	61.9	-0.7	172	-4.6	106	-5.6	62.7	-6.5	156	+11.3	98	+0.8	62.0	-1.4	170	-2.7	105	-4.8
Midscale	61.2	-2.4	82	-4.2	50	-7.8	71.2	+0.5	74	+1.5	53	+2.2	64.4	-1.4	79	-2.3	51	-4.3
Economy	63.6	+0.5	57	-5.9	37	-5.3	73.5	+2.0	52	-0.3	38	+2.6	68.1	+1.3	55	-3.1	37	-1.3
MMEA	61.9	-0.9	107	-4.8	66	-6.1	71.7	+0.8	67	+0.8	48	+2.0	64.9	-0.3	94	-3.3	61	-3.7
Luxury & Upscale	64.5	+3.7	101	+0.0	65	+5.7	85.7	+8.5	184	-2.9	158	+7.1	64.9	+3.7	103	-0.0	67	+5.7
Midscale	70.2	+2.7	77	+0.9	54	+4.7	82.3	+0.7	121	+0.7	99	+1.6	70.8	+2.6	80	+0.7	56	+4.4
Economy	67.1	+3.3	44	+0.5	30	+5.4	68.1	-2.2	69	+1.6	47	-2.8	67.2	+2.6	47	+0.3	31	+4.4
AsPac	67.5	+3.3	78	+1.0	52	+6.0	75.1	-0.9	106	+1.9	79	+0.4	67.9	+3.1	79	+1.0	54	+5.7
Luxury & Upscale	74.9	+0.2	219	+6.8	164	+7.0	62.4	-3.9	207	+41.0	129	+32.3	73.1	-1.0	217	+14.0	159	+12.2
Midscale	60.8	-1.0	83	-1.8	50	-3.4	55.8	-1.7	76	+7.5	42	+4.4	59.8	-1.1	82	-0.0	49	-1.8
Economy	58.5	-1.8	46	+9.9	27	+6.7	59.2	-6.0	43	+3.0	26	-6.2	58.8	-3.9	45	+6.4	26	+0.0
Americas	64.0	-1.1	116	+5.6	74	+3.8	58.9	-5.0	67	+13.2	39	+4.7	62.3	-2.6	101	+8.3	63	+4.0
Luxury & Upscale	65.9	+1.8	141	-1.0	93	+1.7	69.6	-4.2	167	+9.7	116	+3.2	66.4	+1.0	144	+0.5	96	+2.0
Midscale	66.5	+0.4	85	+0.3	56	+1.0	70.2	-2.1	95	+2.0	66	-0.9	67.7	-0.5	88	+0.9	60	+0.2
Economy	65.9	+0.6	56	+1.0	37	+1.9	70.7	-1.5	59	+1.4	41	-0.8	67.9	-0.3	57	+1.2	39	+0.7
Total	66.2	+0.9	87	+0.6	58	+1.9	70.4	-1.9	78	+2.2	55	-0.4	67.6	-0.1	84	+1.2	57	+1.0

NCEE: Northern, Central and Eastern Europe (does not include France or Southern Europe)

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

AsPac: Asia-Pacific

Americas: North America, Central America and South America"

- **25hours Hotels and AccorHotels announce strategic partnership**

The following is an extract from a press release dated 7 November 2016.

"25hours Hotels today announces that AccorHotels is acquiring a 30% stake in its capital, with the objective of accelerating the global expansion of the 25hours brand. 25hours is also expanding its internal development structures and establishing a creative laboratory for this purpose. AccorHotels will be a strategic partner of 25hours supporting its long-term growth.

Christoph Hoffmann, CEO of 25hours commented, "*Loyal partners have supported our growth in the German-speaking market for the past ten years and we now also have the opportunity to conquer the world with a global partner. This strategic partnership represents a key milestone in our company's history and a new adventure we are looking forward to*."

Sébastien Bazin, Chairman & CEO of AccorHotels explains: "*This alliance came about because we were immediately attracted by these individual, design-oriented boutique hotels that are a great workplace for urban nomads and an ideal starting point for outings into key cities. Through this partnership, AccorHotels is investing further in one of the fastest growing segments in the industry and enriching its offer to achieve scale in this segment. Today, we are going one step further in our strategy to be a global leader in lifestyle hotels*."

25hours Hotels currently operates seven individual hotels in Hamburg, Frankfurt, Berlin, Vienna and Zurich. A further five hotels will open in Zurich, Munich, Cologne, Düsseldorf and Paris in the next two years. The company has been looking to expand into other European countries for some time, and is now also targeting long haul destinations. "*Designing appealing hotels with exciting concepts is not enough. A country network with local experience and expertise is also needed. Thanks to AccorHotels' longstanding know-how and worldwide support infrastructure, this is precisely what we now have on every continent*", adds Hoffmann.

The organizational structure of the 25hours Hamburg head office is currently being expanded to prepare for the opening of hotels with personality in Melbourne, Miami or Milan. The main focus of this process is to pool different areas of expertise by establishing a creative laboratory. "*We are talking about the Extra Hour Lab*", explains 25hours Hotels Chairman Kai Hollmann, "*everything that sets the 25hours brand apart and makes it viable for the future will evolve here. This includes design and storytelling as well as extraordinary experience concepts and atmospheric and sensual features*." The lab will carry out off-the-wall experiments and design new, exciting creations that are detached from its day-to-day business, and unconventional for the industry. A suitable location has already been found for the lab and in a few weeks the team will move into the "Altes Zollhaus" (old toll house), a listed building in Hamburg's inner-city port, said Hoffman.

25hours Hotels will continue to be run by its CEO Christoph Hoffmann and his long-time management team. Their common goal is to lead the 25hours corporate culture into the future. "*We feel very much at home within the AccorHotels recent lifestyle strategy and are delighted to be an important partner of one of the world's leading hotel operators*".

This transaction is subject to the regulatory approvals of the German and Austrian antitrust authorities."

- **AccorHotels finalizes acquisition of John Paul, the world leader in the concierge market**

The following is an extract from a press release dated 16 November 2016.

"AccorHotels announced today that it has finalized the acquisition of John Paul, the number-one player in the concierge market. John Paul founder David Amsellem will retain a 20% stake in the company and continue to serve as its Chief Executive Officer. This acquisition values the company at US$150 million, i.e. a 2017e EV/EBITDA multiple of c.11x.

John Paul was established in Paris in 2007 and merged with American company LesConcierges in 2015 to create the world leader in premium customer and employee loyalty services. John Paul's over 1,000 employees around the world come from the most eminent palaces and are available 24/7 to cater to their customers' every request, from the simplest to the most extraordinary, anywhere around the globe.
John Paul's 50,000-partner worldwide network, powerful proprietary CRM software application, and management platform with embedded 360° personalization and profiling capabilities, put the company in a position to deliver comprehensive and trailblazing loyalty solutions in many industries.

For John Paul, which is already very active in the travel industry, this move is an unrivalled opportunity to cement its expertise and partnerships through the AccorHotels Group's 4,000+ hotels and 3,000+ restaurants worldwide.
AccorHotels will leverage John Paul's expertise to take the Group's strategy – placing customers at the center of everything it does – to the next level, and to generate new revenue streams from services.
AccorHotels and John Paul will join their innovation-driven and service-focused cultures to provide the best travel experience.

John Paul CEO David Amsellem said, "*I'm very excited about the idea of working with the AccorHotels Group at such a crucial phase in its transformation. The synergies with the group will afford us unparalleled competitive advantages in a market where there are more opportunities than ever before. This transaction will be a catalyst for our development, meaning organic growth and consolidation alike."*

AccorHotels CEO Sébastien Bazin added, "*I'm very happy to be able to work with David Amsellem. John Paul is a great find in the customer relations business. Starting today, we will be combining our expertise, strengths and talents, and providing an even broader choice of services to treat all travelers to the best experience before, during and after their stays.*""

- **Banyan Tree and AccorHotels announce strategic partnership**

The following is an extract from a press release dated 7 December 2016.

"Banyan Tree Holdings today announces that it has entered into a heads of agreement with AccorHotels. Under a long-term partnership, both parties intend to collaborate to develop and manage Banyan Tree branded hotels around the world. Banyan Tree will also have access to AccorHotels' global reservations and sales network, as well as its loyalty programme Le Club AccorHotels.

AccorHotels will invest an initial SGD 24 million (c. €16 million) in Singapore-based Banyan Tree and both parties will then co-develop the brands owned by Banyan Tree around the world. This investment will be made through a mandatory convertible debenture that at conversion will give AccorHotels an approximately 5% stake in Banyan Tree. AccorHotels has an option to purchase an additional approximately 5% stake.

Ho Kwon Ping, Executive Chairman of Banyan Tree, said: "This agreement is not only transformational for Banyan Tree, but is also an innovation for the global hospitality industry. With the current consolidation of mega hotel companies, smaller but also global players – many family-controlled – are also seeking strategic alliances with the global giants. Our strategic alliance with AccorHotels allows us to remain an independent company, enabling us to continue securing hotel management agreements on our own and yet accelerating Banyan Tree's speed and scope of expansion but with AccorHotels helping us to grow our brands around the world. We believe this agreement will propel our brands rapidly to global reach and range and strengthen our ability to embrace change and innovation in the hospitality industry with a strong global partner. We are excited and committed to this partnership."

Sebastien Bazin, CEO and Chairman of AccorHotels, said: "*Our collaboration with Banyan Tree is a great opportunity to complement our business proposition to owners with iconic brands, while always better servicing our guests. Banyan Tree Holdings has created key leading positions across Asia with luxury resorts, one of the fastest growing segments in the industry. We will bring scale to the network through our ability to develop and manage hotels under the Banyan Tree brands globally, hence strengthening our leadership in the luxury hotel space. We are confident that our investment will create incremental value for our shareholders.*""

- **AccorHotels restructures major lease portfolio in Australia**

The following is an extract from a press release dated 21st December 2016.

"AccorHotels is pleased to announce that it has successfully reached agreement with a wholly-owned subsidiary of the Abu Dhabi Investment Authority ("ADIA") to **restructure a portfolio of 31 hotels (4,097 rooms) in Australia.**

The agreement involves a portfolio which was purchased by the ADIA subsidiary in 2013 and operated by AccorHotels.

Under the restructure of the portfolio of 31 hotels:

- AccorHotels will **convert 15 triple-net leases into 50 year management agreements** and extend the management term of one hotel also to 50 years (total 16 hotels);
- AccorHotels (HotelInvest) will acquire the real estate of the remaining 15 ibis and ibis Budget branded properties for AUD$200 million (€137 million);

"*This deal is in line with our stated strategy to optimise cash flow generation, reduce earnings volatility and restructure lease contracts into owned and managed hotels*", said John Ozinga, COO of HotelInvest.

"*The acquisition of the economy hotels in key locations is a signal of our continued focus on supporting the Group's growth strategy by holding a selective portfolio of profitable hotel property assets,"* he added said.

The hotels are located in prime locations including Sydney's Darling Harbour, Sydney Olympic Park and in Canberra, Australia's Capital City. The portfolio is also spread across city and regional locations in New South Wales, Victoria, Northern Territory, Western Australia and Queensland and encompasses the Pullman, Novotel, Mercure, ibis, ibis Styles and ibis Budget brands.

The acquisition will be accretive to AccorHotels' EBIT in 2017 and will further strengthen its market leadership position in Australia by securing tenure on key assets. Completion of the acquisitions is subject to the usual conditions for this type of transaction, as well as regulatory approvals."

- **Up-to-date list of the members of the Board of Directors and the Executive Committee**

Board of Directors

Sébastien Bazin - Chairman and CEO of AccorHotels

Iris Knobloch - Vice-Chairman- Lead Independent Director

Aziz Aluthman Fakhroo - Director of Public Budget Department within the Ministry of Finance of Qatar

Vivek Badrinath - Regional CEO Africa, Middle East, Asia-Pacific Vodafone Group

Jean-Paul Bailly* - Honorary Chairman of the La Poste Group

Ali Bouzarif - Head of Investment Execution de Qatar Investment Authority (QIA)

Iliane Dumas - Employee representative director – Business project manager within the Group's Talent & Culture Department

Mercedes Erra* - Executive President of Havas Worldwide

Sophie Gasperment* - Group General Manager, Financial Communication and Strategic Foresight of L'Oréal

Qiong Er Jiang *- Chief Executive Officer and Artistic Director of Shang Xia

Bertrand Meheut* - Independent Director

Nadra Moussalem - European Chief Executive Officer of Colony Capital

Patrick Sayer - Chairman of the Executive Board of Eurazeo

Isabelle Simon* - Group Secretary & General Counsel of Thales.

Natacha Valla* - Head of economics policy and strategy at the European Investment Bank (EIB)

Sarmad Zok - Chairman & Chief Executive Officer of Kingdom Hotel Investment and Director of Kingdom HoldingCompany

Philippe Citerne is the Board Censeur - Chairman of Télécom Ecole de Management (Institut Mines - Telecom)

** Independent Director*

Executive Committee

Sébastien Bazin - Chairman and CEO

Sven Boinet - Deputy Chief Executive Officer

Arantxa Balson - Chief Talent & Culture Officer

Gaurav Bhushan - Chief Development Officer

Jean-Jacques Morin - Chief Financial Officer

Amir Nahai - Chief Executive Officer Group Food & Beverage

Chris J. Cahill - CEO Luxury Brands & CEO HotelServices North America, Central America and Caribbean Region

Steven Daines - COO New businesses & CEO HotelServices Africa & Middle East

Jean-Jacques Dessors - CEO HotelServices Europe (Excluding France & Switzerland)

Sophie Stabile - CEO HotelServices France & Switzerland

Michael Issenberg - CEO HotelServices Asia- Pacific

Patrick Mendes - CEO HotelServices Latin America

John Ozinga - CEO HotelInvest

Laurent Picheral - COO HotelInvest

- **Booster project Update: A Gross Asset Value of €6.6bn as of Dec. 31st 2016**

The following is an extract from a press release dated 16 January 2017.

"As part of the process for the contemplated sale of a majority of HotelInvest (Booster project), AccorHotels has entered into discussions with potential investors, with a confirmed objective to close the operation by early summer 2017.

In this context, the Group today discloses the updated Gross Asset Value (GAV) of the Booster Portfolio as of December 31st, 2016, i.e. the HotelInvest Owned & Leased properties excluding Orbis.

This valuation, which was conducted by third party experts (Jones Lang LaSalle, Cushman & Wakefield and BNP Paribas Real Estate) is €6.6bn, i.e. in excess of the €6.5bn expected year-end value disclosed last October 5th.

The key bridge drivers to that increase include:

- Value growth (including trading), for €0.1bn
- Perimeter effects, for €0.1bn
- Forex, for €(0.1)bn"

TAXATION

The following is a general description of certain French withholding 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 this country 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 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 and interpretation hereof as in effect on the date of this Prospectus and is subject to any change in law and interpretation hereof that may take effect after such date.

French Taxation

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

Payments of interest and other revenues made by the Issuer with respect to the Bonds will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"). If such payments under the Bonds are made in a Non-Cooperative State, a 75 per cent. 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 per cent. or 75 per cent., subject to the more favourable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, neither the 75 per cent. withholding tax nor, to the extent the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion will apply in respect of the issue of the Bonds if the Issuer can prove that the principal purpose and effect of such issue of Bonds 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 *Bulletin Officiel de Finances Publiques-Impôts* (BOI-INT-DG-20-50-20140211, n°550 and n°990, BOI-RPPM-RCM-30-10-20-40-20140211, n°70 and n°80 and BOI-IR-DOMIC-10-20-20-60-20150320, n°10), an issue of bonds will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Bonds if such bonds are, inter alia, admitted, at the time of their issue, to the operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

Since the Bonds will be admitted, at the time of their issue, to the operations of Euroclear France, the Bonds will benefit from the Exception and are therefore exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*. In addition, they will be subject neither to the Deductibility Exclusion 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.

Where the paying agent (*établissement payeur*) is established in France, pursuant to Article 125 A of the French Code général des impôts and subject to certain exceptions, interest and other similar revenues received by individuals who are fiscally domiciled in France are subject to a 24 per cent. 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 per cent. on interest and other similar revenues paid to individuals who are fiscally domiciled in France.

SUBSCRIPTION AND SALE

Subscription Agreement

BNP Paribas, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Crédit Industriel et Commercial S.A., MUFG Securities EMEA plc, Natixis, and Société Générale (the "**Joint Lead Managers**") have, pursuant to a Subscription Agreement dated 23 January 2017 (the "**Subscription Agreement**"), jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the Bonds at an issue price equal to 99.184 per cent. of the principal amount of the Bonds, less any applicable commission. In addition, the Issuer will pay certain costs incurred by it and the Joint Lead Managers in connection with the issue of the Bonds.

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

General Restrictions

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

France

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

United Kingdom

Each Joint Lead Manager has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

United States

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

Each Joint Lead Manager has represented and agreed that:

(i) it has not offered or sold, and will not offer or sell, the Bonds (a) as part of their distribution at any time or (b) otherwise until forty (40) calendar 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 forty (40) calendar day period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

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

In addition, until forty (40) calendar 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 and Euroclear. The International Securities Identification Number (ISIN) for the Bonds is FR0013233384. The Common Code number for the Bonds is 155566248.

2. Application has been made for the Bonds to be admitted to trading on Euronext Paris on or about 25 January 2017.

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 22 April 2016 and a decision of Sven Boinet, Deputy Chief Executive Officer of the Issuer dated 18 January 2017.

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 2015 and 2014, and the interim financial information of the Issuer for the period ended 30 June 2016; and

   (v) the documents incorporated by reference, including:

      (a) the Issuer's 2015 reference document (*document de référence*) in the French language filed with the AMF under registration N° D.16-0205, dated 24 March 2016;

      (b) the Issuer's 2014 reference document (*document de référence*) in the French language filed with the AMF under registration N° D.15-0219, dated 30 March 2015; and

      (c) the Issuer's interim financial report of the Issuer in the French language for the period ended 30 June 2016.

   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, any Supplement thereto and the documents incorporated by reference in the Prospectus will be published (i) on the website of the Issuer (http://www.accorhotels-group.com/fr/finance.html) and (ii) (with the exception of the 2016 Interim Financial Report) on the website of the AMF (www.amf-france.org). Non-official English translations of the 2015 Registration Document, the 2014 Registration Document and the 2016 Interim Financial Report are available on the website of the Issuer (http://www.accorhotels-group.com/en/finance.html). These documents are available for information purposes only and are not incorporated by reference in this Prospectus. The only binding versions are the French language versions filed with the AMF.

5. Save as disclosed in the Recent Developments section herein at pages 26 to 61 and in the 2016 Interim Financial Report at pages 26-27 and 40-42, there has been no significant change in the financial or trading position of the Issuer or of the Group since 30 June 2016 and save as disclosed in the 2015 Registration Document at pages 195 to 198, in the Recent Developments section herein

at pages 26 to 61 and in the 2016 Interim Financial Report at pages 26-27 and 40-42, there has been no material adverse change in the prospects of the Issuer or of the Group since 31 December 2015.

6. Save as disclosed in the 2015 Registration Document at pages 132 and 242 to 243 and in the 2016 Interim Financial Report at page 65 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 2016 Interim Financial Report at pages 66-67, 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. This Prospectus contains or incorporates by reference certain statements that are forward-looking including statements with respect to the Issuer's and the Group's business strategies, expansion and growth of operations, trends in the business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.

9. The business address of the members of the administrative and management bodies of the Issuer is located at 82 rue Henri Farman, 92130 Issy-Les-Moulineaux, France.

10. 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 2015 and 31 December 2014, and the interim financial statements of the Issuer for the period ended 30 June 2016. 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*.

11. Save for any fees payable to the Joint Lead Managers, as far as the Issuer is aware, no person involved in the issue of the Bonds has an interest material to the issue.

12. The estimated costs for the admission to trading are EUR11,500.

13. The yield in respect of the Bonds is 1.373 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 is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

15. The Bonds are expected to be rated BBB- by Standard & Poor's Credit Market Services Europe Limited ("**S&P**") and BBB- by Fitch Ratings Ltd. ("**Fitch**"). The Issuer's long-term senior unsecured debt is rated BBB- (stable outlook) by S&P and BBB- (stable outlook) by Fitch.

16. 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).

17. In connection with the issue of the Bonds, BNP Paribas (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 thirty (30) calendar days after the Issue Date and sixty (60) calendar 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.

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

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

ACCOR
82 rue Henri Farman
92130 Issy-Les-Moulineaux
France

Tel: +33.(0)1.45.38.86.00

Duly represented by Mr. Pierre Boisselier

signed in Issy-Les-Moulineaux

dated 23 January 2017

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

In accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and its General Regulations (*Règlement Général*), in particular Articles 211-1 to 216-1, the AMF has granted to this Prospectus the visa n° 17-026 on 23 January 2017. This Prospectus has been prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L.621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has verified the accounting and financial data set out herein or the appropriateness of the issue of the Bonds.

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France

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JOINT LEAD MANAGERS

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