



**Bonds redeemable either in new shares of ACCOR or cash**

*Obligations remboursables  
en actions nouvelles d'Accor ou en numéraire*

The terms and conditions of the bonds (the "Bonds") redeemable either in new shares of ACCOR ("ACCOR") or cash and certain information in relation to ACCOR are set out in the translation into English for information purposes only of the French language *Note d'Opération* which is contained in this document. This document should be read in conjunction with the translation into English of ACCOR's annual report.

THIS DOCUMENT CONTAINS A FREE TRANSLATION FOR INFORMATION PURPOSES ONLY OF THE FRENCH LANGUAGE NOTE D'OPERATION RELATING TO THE ISSUE OF THE BONDS WHICH RECEIVED VISA NO. 04-668 ON 12 JULY 2004 OF THE *AUTORITÉ DES MARCHÉS FINANCIERS*. IN THE EVENT OF ANY AMBIGUITY OR CONFLICT BETWEEN THIS TRANSLATION AND THE FRENCH VERSION OF THE *NOTE D'OPÉRATION*, THE FRENCH VERSION OF THE *NOTE D'OPÉRATION* SHALL PREVAIL. ACCOR DOES NOT ASSUME ANY LIABILITY WITH RESPECT TO THIS NON-CERTIFIED TRANSLATION.

This document does not constitute an offer or invitation to any person to subscribe the Bonds. No action has been taken in any jurisdiction other than France that would permit a public offering of the Bonds, or the circulation or distribution of the *Note d'opération* or any other offering material, in any jurisdiction where action for that purpose is required. The distribution of this document and the offering of the Bonds in certain jurisdictions (especially the United-States, Japan, Canada and the United Kingdom) may be restricted by law (see section 2.2.2.3). Persons into whose possession this document comes are required to inform themselves about, and to observe, any such restrictions.

THIS TRANSLATION HAS NOT BEEN AND WILL NOT BE SUBMITTED TO THE CLEARANCE PROCEDURES OF THE *AUTORITE DES MARCHES FINANCIERS*.

The delivery of this document, or any subscription made in connection with the offer of the Bonds, shall not imply that the information contained herein is correct at any time subsequent to the 12 July 2004 or that there has been no change in the affairs of ACCOR and its consolidated subsidiaries since this date.





A French *société anonyme* (limited liability company) with a management board and supervisory board and authorised capital of 599,018,052 euros  
Registered office: 2, rue de la Mare-Neuve, 91000 Evry  
Company registration: 602 036 444 R.C.S. Evry

**TRANSLATION INTO ENGLISH FOR INFORMATION PURPOSES ONLY  
ORIGINAL IN FRENCH**

**Public offering circular for the issue, subject to pre-emptive subscription rights, and admission to the Premier Marché of Euronext Paris S.A., of "ORANes"<sup>1</sup> (bonds redeemable either in new shares or cash) for a total of 278,613,000 euros.**

A legal notice will be published in the BALO<sup>2</sup> on 14 July 2004.



Pursuant to Articles L.412-1 and L.621-8 of the French Monetary and Financial Code, the AMF<sup>3</sup> registered this prospectus under number 04-668 on 12 July 2004, in accordance with the provisions of Regulation 98-01. This document has been compiled by the issuer and engages the responsibility of its signatories. This registration does not imply approval of the opportunity of the operation or ratification of the financial and accounting information presented. It has been registered after examination of the relevance and coherence of the information provided in the context of the proposed operation for investors.

NOTICE

The AMF draws the public's attention to the following points:

- the theoretical value of the pre-emptive subscription right is nil based on the closing price of the Accor share on 9 July 2004;
- redemption of the bonds in shares is dependent upon the completion of the acquisition of 4,100,000 Club Méditerranée shares from the Agnelli group;
- in the event that other shareholders do not subscribe to the offer, la Caisse des Dépôts et Consignations, which has undertaken to subscribe to the entire issue, would hold 7.7% of capital and 7.2% of Accor votes after the operation.

The prospectus comprises:

- Accor's reference document filed with the AMF on 8 April 2004, under number D. 04-437;
- this offering circular.

Copies of the prospectus are available free of charge from Accor's General Management at Direction Générale de Accor, Tour Maine Montparnasse, 33 avenue du Maine, 75755 Paris Cedex 15, and on the websites of Accor ([www.accor.com/finance](http://www.accor.com/finance)) and the AMF ([www.amf-france.org](http://www.amf-france.org)).



Lead Bank



Lead Bank

<sup>1</sup> ORANes = *Obligations Remboursables en Actions Nouvelles ou en Numéraire*, i.e. bonds redeemable either in new shares or cash

<sup>2</sup> BALO = *Bulletin des Annonces Légales Obligatoires*, the French official journal for legal notices

<sup>3</sup> AMF = *Autorité des Marchés Financiers*, the French financial markets regulatory authority

## CONTENTS

<b>SECTION I PERSONS RESPONSIBLE FOR THE PROSPECTUS AND AUDITING THE ACCOUNTS</b> .....	9
<b>1.1. PERSON RESPONSIBLE FOR THE PROSPECTUS</b> .....	9
<b>1.2. DECLARATION BY THE PERSON RESPONSIBLE FOR THE PROSPECTUS</b> .....	9
<b>1.3. PERSONS RESPONSIBLE FOR AUDITING THE ACCOUNTS</b> .....	9
1.3.1 Statutory Auditors .....	9
1.3.2 Alternate Auditors .....	9
1.3.3 Independent Auditors.....	9
1.3.4 Certificate of the Statutory Auditors .....	9
<b>1.4. PERSONS RESPONSIBLE FOR THE INFORMATION</b> .....	11
<b>SECTION II ISSUE AND ADMISSION TO THE PREMIER MARCHÉ OF EURONEXT PARIS S.A. OF ORANES (BONDS REDEEMABLE IN SHARES OR CASH)</b> .....	12
<b>2.1 INFORMATION CONCERNING THE ISSUE</b> .....	12
2.1.1 Reasons for and purpose of the operation .....	12
2.1.2 General Meeting of Shareholders approving the issue .....	12
2.1.3 Supervisory Board and Management Board deciding to proceed with the issue .....	13
2.1.4 Decision by the Chairman of the Management Board .....	14
2.1.5 Indicative timetable for the issue .....	14
<b>2.2 INFORMATION CONCERNING THE BONDS</b> .....	15
2.2.1 Number and nominal value of the Bonds – Proceeds of the issue .....	15
2.2.1.1 <i>Number and nominal value of the Bonds</i> .....	15
2.2.1.2 <i>Proceeds of the issue</i> .....	15
2.2.2 Structure of the issue .....	15
2.2.2.1 <i>Placing</i> .....	15
2.2.2.2 <i>Pre-emptive subscription right</i> .....	15
2.2.2.3 <i>Restrictions to the offer and subscription</i> .....	16
2.2.2.4 <i>Exercise of subscription right</i> .....	17
2.2.2.5. <i>Intention of principal shareholders</i> .....	17
2.2.2.6. <i>Listing of subscription rights</i> .....	17
2.2.3 Theoretical value of pre-emptive subscription right.....	17
2.2.4 Subscription period .....	17
2.2.5 Place of subscription .....	18
2.2.6 Centralisation of payments.....	18
<b>2.3 FEATURES OF THE BONDS</b> .....	18
2.3.1 Type, form and delivery of the Bonds .....	18

2.3.2	Issue price .....	18
2.3.3	Date from which interest begins to run and settlement date .....	18
2.3.4	Maturity .....	19
2.3.5	Interest rate – Gross yield to maturity .....	19
2.3.5.1	<i>Interest rate</i> .....	19
2.3.5.2	<i>Gross yield to maturity from issue</i> .....	21
2.3.6	Redemption of the Bonds .....	21
2.3.6.1	<i>Normal redemption in shares</i> .....	21
2.3.6.2	<i>Redemption in cash</i> .....	21
2.3.6.3	<i>Early redemption in cash</i> .....	21
2.3.6.4	<i>Early redemption by takeover or public offer</i> .....	22
2.3.6.5	<i>Information to the public on redemption in shares or cash</i> .....	22
2.3.6.6	<i>Cancellation of the Bonds</i> .....	22
2.3.7	Maximum term .....	22
2.3.8	Debt ranking .....	22
2.3.9	Guarantee .....	22
2.3.10	Subscription guarantee .....	22
2.3.11	Loan rating .....	22
2.3.12	Representation of Bond holders .....	23
2.3.13	Tax treatment for the Bonds .....	23
2.3.13.1	<i>Residents in France for tax purposes</i> .....	24
2.3.13.2	<i>Non-residents in France for tax purposes</i> .....	27
2.3.14	Redemption in the event of bankruptcy proceedings .....	27
2.3.15	Future issue of fungibles .....	27
<b>2.4</b>	<b>ADMISSION OF THE BONDS TO LISTING AND TRADING .....</b>	<b>28</b>
2.4.1	Listing .....	28
2.4.2	Restrictions on the free trading of the securities .....	28
2.4.3	Listing of securities of the same category .....	28
<b>2.5</b>	<b>GENERAL INFORMATION ON THE BONDS .....</b>	<b>28</b>
2.5.1	Institution responsible for the financial service .....	28
2.5.2	Competent courts in the event of disputes .....	28
<b>2.6</b>	<b>REDEMPTION OF THE BONDS IN SHARES .....</b>	<b>28</b>
2.6.1	Period and basis for share redemption .....	28
2.6.2	Maintenance of the rights of Bond holders .....	28
2.6.2.1	<i>Company commitments</i> .....	29
2.6.2.2	<i>In the event of a capital reduction because of losses</i> .....	29
2.6.2.3	<i>In the event of financial operations</i> .....	29
2.6.2.4	<i>Information for Bond holders in the event of adjustments</i> .....	33
2.6.2.5	<i>Payment of fractional shares</i> .....	33
2.6.3	Impact of the redemption in shares on shareholders' positions .....	33

<b>2.7</b>	<b>SHARES REMITTED AT THE TIME OF REDEMPTION .....</b>	<b>34</b>
2.7.1	Rights attached to the shares that will be allotted .....	34
2.7.2	Negotiability of the shares.....	34
2.7.3	Type and form of the shares.....	34
2.7.4	Tax treatment of the shares received as redemption for the Bonds .....	35
2.7.4.1	<i>Residents in France for tax purposes.....</i>	<i>35</i>
2.7.4.2	<i>Non-resident taxpayers.....</i>	<i>38</i>
2.7.5	Listings of the allotted shares .....	40
2.7.5.1	<i>Ranking of the shares.....</i>	<i>40</i>
2.7.5.2	<i>Other listing markets.....</i>	<i>40</i>
2.7.5.3	<i>Transaction volumes and price trends .....</i>	<i>40</i>
	<b>CHAPTER 3 GENERAL INFORMATION ON THE COMPANY AND ITS SHARE CAPITAL .....</b>	<b>41</b>
	<b>CHAPTER 4 BUSINESS OF THE COMPANY.....</b>	<b>43</b>
	<b>CHAPTER 5 ASSETS, FINANCIAL POSITION AND EARNINGS OF THE COMPANY</b>	<b>44</b>
	<b>CHAPTER 6 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE COMPANY .....</b>	<b>47</b>
	<b>CHAPTER 7 INFORMATION ON RECENT CHANGES AND THE OUTLOOK .....</b>	<b>48</b>
	<b>FOR THE COMPANY .....</b>	<b>48</b>
<b>7.1</b>	<b>ACQUISITION OF AN EQUITY INTEREST IN CLUB MEDITERRANEE .....</b>	<b>48</b>
7.1.1	Terms of the Acquisition.....	48
7.1.1.1	<i>The Agreements .....</i>	<i>48</i>
7.1.1.2	<i>Terms of the Acquisition .....</i>	<i>50</i>
7.1.1.3	<i>Conditions precedent for the completion of the Acquisition .....</i>	<i>50</i>
7.1.1.4	Financial impacts of the Acquisition for the Company.....	50
<b>7.1.2</b>	<b>Press releases .....</b>	<b>50</b>
7.1.2.1	<i>Press release issued 11 June 2004 by the Company announcing the operation and the financing of the purchase of the Club Méditerranée shares:.....</i>	<i>50</i>
7.1.2.2	<i>Joint press release published 11 June 2004 by Caisse des Dépôts et Consignations, Exor Group, Finanziaria di Partecipazioni SpA Accor, and Club Méditerranée.....</i>	<i>51</i>
<b>7.2.</b>	<b>OTHER RECENT EVENTS .....</b>	<b>53</b>

## ACCOR

### PRINCIPAL FEATURES OF THE ORANEs (Bonds redeemable either in new shares or cash) (The “Bonds”)

<b>Issuer:</b>	Accor
<b>Purpose of the issue:</b>	The purpose of the Bond issue is to enable Accor (the “ <b>Company</b> ”) to finance the acquisition of a 28.9% stake in the capital of Club Méditerranée (the “ <b>Acquisition</b> ”), through the proceeds of subscriptions to the Bonds.
<b>Amount of issue:</b>	The total amount of the issue is 278,613,000 euros.
<b>Number of Bonds issued:</b>	The number of Bonds issued is 6,965,325 Bonds.
<b>Nominal value per Bond:</b>	40 euros.
<b>Issue price:</b>	The issue price is the par value, payable in one instalment on the settlement-delivery date.
<b>Gross proceeds of the issue</b>	278,613,000 euros.
<b>Pre-emptive subscription right:</b>	The right to subscribe to a guaranteed number of 3 Bonds for every 86 shares held, and to excess new shares, if available. In order to enable subscription to the Bonds at this exercise rate, one shareholder has specifically waived the exercise of the pre-emptive rights attached to 34 of his shares.
<b>Theoretical value of the pre-emptive subscription right:</b>	Based on the closing price of 34.23 euros on 9 July 2004, the theoretical value of the pre-emptive subscription right is nil.
<b>Subscription period:</b>	From 20 July to 26 July 2004 inclusive.
<b>Intention of the principal shareholders:</b>	The Caisse des Dépôts et Consignations has undertaken to subscribe to the issue for the guaranteed number of shares represented by its holding in the Company’s capital, and to any excess shares making up the remainder of the issue, which would result in it subscribing to the entire issue if the other shareholders failed to take up their entitlement.
<b>Subscription guarantee:</b>	Not applicable.
<b>Form of the Bonds:</b>	The Bonds may be held in registered or bearer form.
<b>Settlement date and date from which interest begins to run:</b>	6 August 2004.
<b>Maturity:</b>	6 August 2005 (unless redeemed early in shares or cash).
<b>Maximum life:</b>	12 months (unless redeemed early in shares or cash).

<b>Interest instalments:</b>	<p>The Bonds will bear interest at 2-month Euribor plus 40 basis points for the year. This interest will be payable at the end of every two months after the settlement-delivery date of the Bonds, i.e. on 6 October 2004, 6 December 2004, 6 February 2005, 6 April 2005, 6 June 2005 and 6 August 2005, subject to the following.</p> <p>As an exception, for the two-month period in which the Bonds are redeemed:</p> <ul style="list-style-type: none"> <li>(i) if the redemption is in shares, no interest will be due for the period.</li> <li>(ii) if the redemption is in cash, the interest will be calculated on a time-proportional basis.</li> </ul> <p>2-month Euribor refers to the interbank rate in euros applicable to operations of 2 months' duration, as calculated by the European Union Banking Federation and published for information on Moneyline Telerate page 248 (or any other page replacing this or failing that on equivalent Reuters or Bloomberg pages), at 11 am (Brussels time) on the second Target Business Day preceding the first day of the interest period in question.</p> <p>A Target Business Day means any full day when the system "Trans-European Automated Real-Time Gross Settlement Express Transfer" (TARGET) or other system replacing it, is operating. For information, on the basis of 2-month Euribor on 9 July 2004, i.e. 2.094%, plus 40 basis points, the interest rate would be 2.494% on 9 July 2004.</p> <p>For a more comprehensive description of the interest rate applicable to the Bonds, please see paragraph 2.3.5.1.</p>
<b>Gross yield to maturity on issue:</b>	<p>The gross yield to maturity on the settlement date equals 2-month Euribor plus 40 basis points for the year (if not redeemed in shares and if not redeemed early).</p>
<b>Normal redemption in shares:</b>	<p>On the Redemption Date (as defined in paragraph 2.3.6.1), the Bonds will be redeemed in full by the delivery of one share per Bond (subject to the adjustments specified in paragraph 2.6.2).</p>
<b>Date from which shares bear interest following redemption:</b>	<p>The shares issued following redemption of the Bonds will be entitled to any dividend or distribution voted by the Company's General Meeting of Shareholders, as well as any interim dividend decided by the Management Board, after the Redemption Date of the Bonds.</p>
<b>Redemption in cash:</b>	<p>If the sale of 4,100,000 Club Méditerranée shares by the companies in the Agnelli Group has not been completed 15 days prior to the Maturity Date (as defined in paragraph 2.3.6.2 below), the Company will redeem all the Bonds on the Maturity Date in cash, at par plus the interest instalment specified above.</p>

If (i) any of the competition authorities to which the case was referred as specified in each of the Agreements (described in paragraph 7.1.1.3) refuses to authorise the Acquisition or attaches conditions to their authorisation, which is for good reason deemed unacceptable by the Company, or if (ii) the acquisition of 4,100,000 Club Méditerranée shares from the companies in the Agnelli group is not made within five business days following notification by the Company of the fulfilment of the condition precedent dependent on securing the necessary authorisations from the French, Community, or foreign competition authorities to which the case was referred (decision in writing from a competition authority to which the case was referred, considering that the operation does not fall within the scope of notifiable operations under applicable regulations, being equivalent to authorisation). the Company will redeem in cash, within 10 days of publication by the Company, unless redeemed in cash on the Maturity Date specified above, all the Bonds at par plus the interest instalment under the conditions specified above.

**Public notification on redemption of the Bonds:**

If the Bonds are redeemed following the acquisition of 4,100,000 Club Méditerranée shares from companies in the Agnelli group, or if the Acquisition is not completed due to any of the above-mentioned conditions precedent not being met in the specified time, Accor will publish a press release, an information notice in the Official Journal, and a notice via EuronextParis SA.

**Rating:**

The Bonds are not rated.

**Applicable law:**

French law.

**Listing of the Bonds:**

Application will be made to the Premier Marché of Euronext Paris to list the Bonds and the new shares on redemption of the Bonds.

**Share price:**

Closing price on 9 July 2004: 34.23 euros per share.

**Timetable for the operation:**

Registration of the offering circular by the AMF	12 July 2004
Publication of the legal notice in the BALO	14 July 2004
Opening of the subscription period, shares go ex-rights and start of listing of pre-emptive subscription rights	20 July 2004
Close of subscription period, end of listing of pre-emptive subscription rights	26 July 2004
Settlement-delivery of Bonds	6 August 2004
Admission of the Bonds to trading	6 August 2004

**Availability to public:**

The Bonds to be issued in this issue will be available through a public offering subject to pre-emptive subscription rights in France.

<b>General restrictions:</b>	<p>In some countries, the distribution of this prospectus, the offering, subscription to the Bonds and the pre-emptive subscription rights, may be subject to specific regulations. Persons in possession of this prospectus should check for any local restrictions and comply with them.</p> <p>No person (including nominees and trustees) receiving this prospectus may distribute it or circulate it in any jurisdiction where such distribution or circulation would contravene the legislation or regulations in force in that jurisdiction, including the United States of America.</p> <p>If this prospectus is received by a person or that person's agent or nominee in such a jurisdiction, that person may not subscribe to the Bonds, except with Accor's prior express approval. Any person who, for any reason whatsoever, transmits or allows the transmission of this prospectus in such a jurisdiction must draw the attention of the addressee to the provisions of this paragraph.</p>
<b>Financial intermediaries:</b>	<p><b>Subscription to the Bonds and payment of funds:</b> BNP Paribas</p> <p><b>Centralisation of funds:</b> BNP Paribas Securities Services, GIS Emetteurs, Les Collines de l'Arche – 75450 Paris Cedex 9</p>
<b>Investor contact:</b>	<p>Benjamin Cohen, Vice Chairman of the Management Board. Tel: +33 (0)1 45 38 86 00.</p> <p>Jacques Stern, Finance Director. Tel: +33 (0)1 45 38 86 36.</p> <p>Eliane Rouyer, Financial Communications Director. Tel: +33 (0)1 45 38 86 26.</p> <p>Address: Tour Maine-Montparnasse, 33, avenue du Maine, 75755 Paris Cedex 15. Tel: +33 (0)1 45 38 86 00.</p>
<b>Availability of the prospectus:</b>	<p>The prospectus comprises:</p> <ul style="list-style-type: none"> <li>- Accor's reference document filed with the AMF on 8 April 2004, under number D. 04-437;</li> <li>- this offering circular.</li> </ul> <p>Copies of the prospectus are available free of charge from Accor's General Management at Direction Générale de Accor, Tour Maine Montparnasse, 33 avenue du Maine, 75755 Paris Cedex 15, and on the websites of Accor (<a href="http://www.accor.com/finance">www.accor.com/finance</a>) and the AMF (<a href="http://www.amf-france.org">www.amf-france.org</a>).</p>

## **SECTION I PERSONS RESPONSIBLE FOR THE PROSPECTUS AND AUDITING THE ACCOUNTS**

### **1.1. PERSON RESPONSIBLE FOR THE PROSPECTUS**

Jean-Marc Espalioux, Chairman of the Management Board

### **1.2. DECLARATION BY THE PERSON RESPONSIBLE FOR THE PROSPECTUS**

*“To our knowledge, the information given in this prospectus presents a true and fair view. It includes all the elements necessary for investors to form an opinion on the assets, activity, financial situation, results and outlook for Accor, and on the rights attached to the securities offered; it does not contain any material omission.”*

Jean-Marc Espalioux, Chairman of the Management Board

### **1.3. PERSONS RESPONSIBLE FOR AUDITING THE ACCOUNTS**

#### 1.3.1 Statutory Auditors

- Barbier Frinault & Autres, Ernst & Young – represented by Mr Christian Chochon  
Address: 41, rue Ybry – 92576 Neuilly-sur-Seine  
Date first appointed: 16 June 1995  
Renewed for 6 years by the Ordinary and Extraordinary General Meeting on 29 May 2001.
- Deloitte, Touche, Tohmatsu – Audit, represented by Mr Alain Pons  
Address: 185, avenue Charles de Gaulle B.P. 136 – 92200 Neuilly-sur-Seine  
Date first appointed: 16 June 1995  
Renewed for 6 years by the Ordinary and Extraordinary General Meeting on 29 May 2001.

#### 1.3.2 Alternate Auditors

- Mr Christian Chiarasini  
Address: 41, rue Ybry – 92576 Neuilly-sur-Seine  
Date first appointed: 4 June 1996  
Renewed for 6 years by the Ordinary and Extraordinary General Meeting on 29 May 2001.
- BEAS  
Address: 7 Villa Houssaye – 92200 Neuilly Sur Seine  
Date first appointed: 29 May 2001  
Appointed for 6 years by the Ordinary and Extraordinary General Meeting on 29 May 2001.

#### 1.3.3 Independent Auditors

- Deloitte Touche Tohmatsu  
Address: 185, avenue Charles de Gaulle B.P. 136 – 92200 Neuilly-sur-Seine

#### 1.3.4 Certificate of the Statutory Auditors

*(Free translation of a French language original prepared for convenience purpose only. Accounting principles and auditing standards and their application in practice vary from one country to another. The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than France. In addition, the procedures and practices followed by the statutory auditors in France with respect to such financial statements included in a prospectus may differ from those generally accepted*

*and applied by auditors in other countries. Accordingly, the French financial statements and the auditor's certificate – of which a translation is presented in this document for convenience only – are for use by those knowledgeable about French accounting procedures, auditing standards and their application in practice.)*

*The free translation here under includes a free translation into English of an explanatory paragraph included in the Report of the Statutory Auditors and the Independent Auditors on the consolidated financial statements signed and issued in the French language, separate from and presented below the audit opinion discussing the auditor's assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing the audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account caption or on information taken outside of the consolidated financial statements. Such explanatory paragraph and related report should be read in conjunction and construed in accordance with French law and French auditing professional standards).*

As Statutory Auditors and/or revisors for Accor of the consolidated accounts of Accor, and pursuant to “the Commission des Opérations de Bourse” (COB) Regulation 98-01, we have, in accordance with the professional standards applicable in France, reviewed the information on the financial position and the historic financial statements provided in the offering circular prepared in connection with the issue, subject to pre-emptive subscription rights, of ORANEs (bonds redeemable either in new shares or cash).

This offering circular forms part of the prospectus which comprises:

- the Document de Référence filed with the AMF on 8 April 2004, under number D. 04-437;
- the above-mentioned offering circular.

We have already issued a certificate on the Document de Référence mentioned here above in which we concluded that, based on the procedures performed, we had no matters to report regarding the fairness of the information relating to the financial position and the historical financial statements included therein.

This offering circular was prepared under the responsibility of the Chairman of the Group's Management Board. Our responsibility is to report on the fairness of the information presented in the offering circular with respect to the financial position and the historical financial statements.

Our work has been performed in accordance with professional standards applicable in France and consisted in assessing the fairness of the information relating to the financial position and the historical financial statements and its consistency with the financial statements on which we have issued a report. Our work also included reading the other information contained in the offering circular, to identify any material inconsistencies in relation to the information presented with respect to the financial position and the historical financial statements, and to report any manifest misstatements of information that we may have discovered in reading the other information based on our general knowledge of the company obtained during the course of our engagement. The forward-looking data presented in this offering circular correspond to the directors' objectives and not to prospective isolated data resulting from a structured elaboration process.

We have audited, in accordance with professional standards applicable in France, the parent company and consolidated financial statements for the years ended 31 December 2001, 2002 and 2003 as prepared in accordance with French generally accepted accounting principles and approved by the Management Board. Our reports on these financial statements were unqualified.

In accordance with article L. 225-235 of the French Commercial Code requiring to justify our assessments, which is applicable for the first time this year pursuant to the Financial Security Act of 1 August 2003, we reported the following information:

- In our report on the parent company financial statements:

Note 1.c to the parent company financial statements presents the accounting policies and methods applied to assess financial assets value. We reviewed the appropriateness of those accounting policies and methods, and of the related information given in the notes to the financial statements.

• In our report on the consolidated financial statements:

Notes 1.D.5 and 1.D.3 to the consolidated financial statements describe accounting policies and methods applied to assess property, plant and equipment and intangible asset values, as well as policies and methods used to account for leases and sale-and-leaseback transactions. We reviewed the appropriateness of those accounting policies and methods and of the related information given in the notes to the consolidated financial statements, examined the consistency of the data and assumptions used, and reviewed the supporting documentation, and on these bases assessed the reasonableness of the estimates made. These assessments were made in connection with our audit procedures on the parent company and consolidated financial statements taken as a whole, and contributed to the formulation of the unqualified audit opinion expressed in the first section of our reports.

On the basis of the procedures described above, we have nothing to report with respect to the fairness of the information on the financial position and financial statements contained in this offering circular prepared in connection with the issue, subject to pre-emptive subscription rights, of ORANEs (bonds redeemable either in new shares or cash).

Neuilly-sur-Seine, 12 July 2004

<b>Statutory Auditors</b>		<b>Revisors</b> (for the consolidated financial statements)
Barbier Frinault & Autres Ernst & Young Christian Chochon	Deloitte Touche Tohmatsu – Audit Alain Pons	Deloitte Touche Tohmatsu

Members of the Versailles Chamber of Auditors

***Supplementary information:***

The Document de Référence mentioned above includes the report of the statutory auditors (page 106 of its English Version ) prepared, pursuant to the final paragraph of L.225-235 of the Commercial Code, on the Report of the Chairman of the Supervisory Board on internal control procedures related to the preparation and processing of accounting and financial information.

**1.4. PERSONS RESPONSIBLE FOR THE INFORMATION**

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The financial press releases may also be consulted on the website: [www.accor.com](http://www.accor.com).

**SECTION II**  
**ISSUE AND ADMISSION TO THE PREMIER MARCHÉ OF EURONEXT PARIS**  
**S.A. OF ORANES (BONDS REDEEMABLE IN SHARES OR CASH)**

**2.1 INFORMATION CONCERNING THE ISSUE**

2.1.1 Reasons for and purpose of the operation

The purpose of this issue is to enable Accor to finance the acquisition of a 28.9% equity stake in the capital of Club Méditerranée (a *société anonyme* (limited liability company) incorporated under French law, the shares of which are listed for trading on the Premier Marché of Euronext Paris under the code ISIN FR00000121568), through the proceeds of the cash subscription to the Bonds that are the subject of the issue.

This Acquisition will be conducted on the terms described in paragraph 7.1.1. below.

The reasons for this Acquisition are described in the press release jointly published by the Caisse des Dépôts et Consignations, Exor Group, Finanziaria di Partecipazioni SpA, Accor, and Club Méditerranée on 11 June 2004 and the press release published by Accor on the same day, which are reproduced in paragraph 7.1.2. below.

2.1.2 General Meeting of Shareholders approving the issue

The Extraordinary General Meeting of Accor Shareholders, meeting on 4 May 2004 under the quorum and majority conditions required for extraordinary meetings, in its ninth resolution:

- granted the Management Board the necessary authority to proceed to a call for public funds on one or more occasions, in the amounts and at the times of its choosing, both in France and abroad, through the issue of shares, subscription warrants and more generally any transferable securities giving access, immediately and/or in the future, to shares in the Company;
- decided that the nominal amount of the capital increase that could be realised immediately and/or in the future by virtue of this delegation could not exceed 200 million euros, to which amount would be added the nominal amount of the supplementary shares to be issued to preserve the rights of holders of transferable securities giving rights to Company shares in accordance with legislation;
- decided furthermore that the nominal amount of debt securities giving access to the capital that could be issued by virtue of this authority, would be a maximum of two billion euros or the equivalent value of this amount if the issue were in another currency;
- decided that the shareholders could exercise, under the conditions prescribed by law, their pre-emptive subscription right to a guaranteed number of securities, and that the Management Board would have the option of granting shareholders the right to subscribe to excess securities for a greater number than those guaranteed to them, in proportion to their subscription rights and, in any event, within the limit of their application;
- decided that if the subscriptions for a guaranteed number of securities and, if applicable, excess securities, did not absorb the entire issue of transferable securities, the Management Board could utilise, in the order of its choosing, one and/or other of the following options:
  - Limit the issue to the amount of the subscriptions provided that at least three-quarters of the issue decided upon had been reached;
  - Freely allocate some or all of the shares not subscribed;
  - Offer to the public some or all of the shares not subscribed.

- decided that any issue of subscription warrants for Company shares that might be made, could take place either by a subscription offering under the above-mentioned conditions, or by bonus allocation to the owners of existing shares;
- noted and decided as necessary that this authority would automatically entail, to the benefit of holders of transferable securities giving future access to the shares in the Company that would have to be issued, waiver by shareholders of their pre-emptive subscription right to the shares to which these transferable securities would be entitled;
- decided that the Management Board should have full powers with the option of delegation to its Chairman, within the conditions prescribed by law, to implement this authority, notably in order to determine the dates and terms of this issue and the form and features of the transferable securities to be created; to define the prices and conditions of the issues; to determine the amounts to be issued; to set the date of entry into possession (which may be retroactive) on the securities to be issued and, where applicable, the conditions for their redemption; to suspend, if applicable, the exercise of allocation rights of shares in the Company attached to the transferable securities to be issued, for a period which may not be more than three months; to set the terms under which the rights of holders of transferable securities giving future access to shares in the Company will be preserved, if applicable, in accordance with legal and regulatory provisions; to make any charges against paid-in capital especially to cover costs incurred in conducting the issues; and generally to undertake any practical steps and sign any agreements to successfully carry out the proposed issues and register the capital increase(s) resulting from any issue conducted under this authority and amend the articles of association accordingly. In the event of the issue of debt securities, the Management Board will be fully authorised to decide whether or not these should be subordinated, set their interest rate, term, fixed or variable redemption price, with or without a premium, terms for redemption according to market conditions, and the conditions whereby these securities give entitlement to shares in the Company;
- decided that this authority cancels any previous authority concerning the immediate and/or future issue of shares in the Company pursuant to the pre-emptive subscription right. This authority to the Management Board is valid for twenty-six months from the date of the General Meeting. The Management Board may use the authority with prior authorisation from the Supervisory Board in accordance with Article 15 of the articles of association.

### 2.1.3 Supervisory Board and Management Board deciding to proceed with the issue

By virtue of the authority granted by the Extraordinary General Meeting of Shareholders on 4 May 2004 in its ninth resolution, and after agreement from the Supervisory Board at its meeting on 10 June 2004, the Management Board decided, at its meeting on 10 June 2004, to issue ORANEs for a maximum total nominal amount of two hundred and eighty million euros, and granted to its Chairman, in accordance with the option to delegate prescribed by the Extraordinary General Meeting of 4 May 2004 in its ninth resolution, full powers to create this issue, and define the amount, the dates, terms and conditions for the issue within the limits defined by the Management Board and the Supervisory Board.

The exercise of stock options under the option plans set up by the Company, and the right to the allocation of new or existing Accor shares by conversion and/or exchange of OCEANE<sup>4</sup> bonds issued by the Company in 2002 and 2003, has been suspended for a maximum period of three months from 8 July 2004.

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<sup>4</sup> OCEANEs = *Obligations à option de Conversion et/ou d'Exchange en Actions Nouvelles ou Existantes*, i.e. bonds with the option for conversion and/or exchange to new or existing shares

#### 2.1.4 Decision by the Chairman of the Management Board

The Chairman of the Management Board, by decision dated 12 July 2004, decided to utilise the authority granted by the Management Board on 10 June 2004 to create the issue of ORANEs decided by the Management Board on 10 June 2004 after agreement from the Supervisory Board, the features of which are described in this prospectus.

#### 2.1.5 Indicative timetable for the issue

Registration of the offering circular by the AMF	12 July 2004
Publication of the legal notice in the BALO	14 July 2004
Opening of the subscription period, shares go ex-rights and start of listing of pre-emptive subscription rights	20 July 2004
Close of the subscription period, end of listing of the pre-emptive subscription rights	26 July 2004
Settlement-delivery of the Bonds	6 August 2004
Admission of the Bonds to trading	6 August 2004

The above timetable and the dates shown elsewhere in this offering circular are given as a guide only and are subject to change. Any change in the timetable will be notified in a press release and in a notice circulated by Euronext Paris.

## 2.2 INFORMATION CONCERNING THE BONDS

### 2.2.1 Number and nominal value of the Bonds – Proceeds of the issue

#### 2.2.1.1 Number and nominal value of the Bonds

This loan for 278,613,000 euros is represented by 6,965,325 Bonds, each having a nominal value of 40 euros.

#### 2.2.1.2 Proceeds of the issue

Gross proceeds from the issue of the Bonds:	278,613,000 euros.
Estimated remuneration to financial intermediaries and legal and administrative fees :	1,000,000 euros
Net estimated proceeds from the issue of the Bonds:	277,613,000 euros.

### 2.2.2 Structure of the issue

#### 2.2.2.1 Placing

Not applicable.

#### 2.2.2.2 Pre-emptive subscription right

##### *(i) Guaranteed bonds*

Subscription to the Bonds will be reserved by priority to owners of existing shares and those assigning their pre-emptive subscription rights, who may subscribe to 3 Bonds for every 86 existing shares held, with fractions being disregarded.

In order to enable subscription to the Bonds at this rate, one shareholder has waived his right to exercise the pre-emptive subscription rights attached to 34 of his shares.

Shareholders or persons assigning their rights who, for subscription to a guaranteed number of shares, do not hold a sufficient number of existing shares to obtain a whole number of Bonds, may combine together to exercise their rights, although a joint shareholding will not be permitted as Accor will only recognise one holder per share.

##### *(ii) Excess bonds*

At the same time as they subscribe to their guaranteed number of Bonds, shareholders may subscribe on an excess Bond basis to the number of Bonds of their choosing, in addition to the number of Bonds due to them through the exercise of their guaranteed rights.

Any Bonds not taken up by subscriptions to guaranteed shares will be divided and allocated to subscribers on an excess Bond basis. Only shareholders who have exercised all their rights to their allocation of guaranteed Bonds are eligible to order excess Bonds.

Subscription orders for excess Bonds will be served up to the limit of the request, pro rata the number of existing shares used to take up the guaranteed subscription; fractions of Bonds cannot be allocated.

If one subscriber presents several separate subscriptions to guaranteed Bonds due to the shares

being registered in different accounts, the number of Bonds available to him on an excess basis will only be calculated on the totality of his subscription rights if he expressly requests this in writing, by the close of subscription at the latest.

One of the subscriptions must be attached to this special application and full details of the grouping of rights must be included, specifying the number of subscriptions involved and the financial institutions or intermediaries through which these subscriptions are registered.

Subscriptions in the name of separate subscribers cannot be grouped together to obtain excess Bonds.

A notice in the official journal of the country of the Company's head office will publicise, if applicable, the scaling-down rate for excess Bond subscriptions.

#### 2.2.2.3 Restrictions to the offer and subscription

##### 1. General restrictions

The distribution of this prospectus, the offering of the Bonds for subscription and the pre-emptive subscription rights may be subject to specific regulations in some countries. Persons in possession of this prospectus should check for any local restrictions and comply with them.

No person (including nominees and trustees) receiving this prospectus may distribute it or circulate it in any jurisdiction where such distribution or circulation would contravene the legislation or regulations in force in that jurisdiction, including the United States of America.

If this prospectus is received by a person or that person's agent or nominee in such a jurisdiction, that person may not subscribe to the Bonds except with Accor's prior express approval.

Any person who, for any reason whatsoever, transmits or allows the transmission of this prospectus in such a jurisdiction must draw the attention of the addressee to the provisions of this sub-section.

##### 2. Restrictions to the offer and subscription concerning the United States of America

Neither the pre-emptive subscription rights, or the Bonds, or the shares to be issued on redemption of the Bonds have been registered or will be registered under the terms of the US Securities Act of 1933, as amended, or under the regulations of any State in the USA.

The pre-emptive subscription rights, the Bonds and the Accor shares to be issued cannot be and will not be offered, exercised, sold or delivered to the USA, as defined by Regulation S of the US Securities Act.

The terms used in this sub-section carry the same meaning as given to them by Regulation S of the US Securities Act of 1933.

##### 3. Restrictions to the offer and subscription concerning Canada and Japan

No steps have been taken to register or enable a public offering of the Bonds, or the shares to be issued on redemption of the Bonds, to shareholders in Canada or Japan. Consequently, this prospectus may not be distributed or transmitted in these countries. The Bonds cannot be subscribed by any person in Japan. The Bonds cannot be subscribed by any person in Canada, unless this is permitted by applicable legislation.

##### 4. Restrictions to the offer and subscription concerning the United Kingdom

No steps have been taken or will be taken to enable a public offering of Bonds or pre-emptive subscription rights to take place in the UK, and this prospectus does not constitute an offer for the Bonds or the pre-emptive subscription rights to any person in the UK for whom it would not comply with regulations to make such an offer. This document may only be distributed in the UK to persons to whom it may be legally transmitted and in particular it cannot be distributed under any circumstances that would result in the constitution of an offering to the public in the UK under the terms of the Public Offers of Securities Regulations 1995, as amended, (“**POS Regulation**”) or the provisions of the Financial Services and Markets Act 2000 (“**FSMA**”).

#### 2.2.2.4 Exercise of subscription right

The exercise of the subscription right will be made by sending the rights transfer documents to Euroclear. The assignor of the subscription right will give up his rights in favour of the assignee who, for the exercise of the subscription right thus assigned, will be purely and simply substituted for the owner of the share in all the rights and obligations.

The subscription right must be exercised by its beneficiaries before the end of the subscription period or it will be forfeited.

In accordance with the law, it will be negotiable throughout the subscription period described in sub-section 2.2.4.

Pre-emptive subscription rights not exercised by the close of the subscription period will be declared null and void and will lose all value.

#### 2.2.2.5. Intention of principal shareholders

The Caisse des Dépôts and Consignations which, as far as the Company is aware, holds 4.47% of the share capital and 4.20% of the voting rights in the Company at 30 June 2004, has undertaken to subscribe to the issue for the guaranteed number of Bonds represented by its holding in the Company’s capital, and to any excess Bonds making up the remainder of the issue, which would result in it subscribing to the entire Bond issue if the other shareholders failed to take up their entitlement.

The Company is not aware of the intention of other shareholders regarding subscription to this issue.

#### 2.2.2.6. Listing of subscription rights

The shares go ex-rights on 20 July 2004 and the subscription rights will be traded on the Premier Marché of Euronext Paris from that day to the end of the subscription period inclusive.

#### 2.2.3 Theoretical value of pre-emptive subscription right

Based on the closing price of 34.23 euros on 9 July 2004, the theoretical value of the pre-emptive subscription right is nil.

#### 2.2.4 Subscription period

Subscription will be open from 20 July to 26 July 2004 inclusive.

### 2.2.5 Place of subscription

Subscriptions will be received free of charge at BNP Paribas bank branches.

Subscriptions for shareholders whose shares are held in registered form will be received by Société Générale.

Payment of the funds corresponding to subscriptions for guaranteed Bonds, and excess Bonds if applicable, scaled down if necessary, must be made by the settlement-delivery date to the above institutions.

### 2.2.6 Centralisation of payments

Funds paid on subscription to the Bonds will be centralised by:

BNP Paribas Securities Services, GIS Emetteurs,  
Les Collines de l'Arche, 75450 Paris Cedex 9

## 2.3 FEATURES OF THE BONDS

### 2.3.1 Type, form and delivery of the Bonds

The Bonds to be issued by the Company consist of transferable securities entitling the holder to the allocation of securities representing a portion of the share capital under the terms of Articles L.228-91 *et seq.* of the Commercial Code.

The Bonds will be issued within the framework of French legislation.

The Bonds in this issue may be held in registered or bearer form, as chosen by the holders.

Depending on the case, they must be registered in an account held by:

- BNP Paribas Securities Services, appointed by the Company for pure registered securities;
- an authorised financial intermediary chosen by the holders and BNP Paribas Securities Services for administered registered securities;
- an authorised financial intermediary chosen by the holders for bearer securities.

Settlement-delivery operations for the issue will be processed through Euroclear France's RELIT-SLAB system.

The Bonds will be listed for transactions through Euroclear France, Euroclear Bank S.A./N.V. and Clearstream Banking S.A.

The Bonds will be registered in accounts and be negotiable from 6 August 2004.

### 2.3.2 Issue price

The Bonds will be issued at par which is 40 euros each, payable in full on the settlement-delivery date.

### 2.3.3 Date from which interest begins to run and settlement date

6 August 2004.

### 2.3.4 Maturity

6 August 2005, unless redeemed early in shares or cash.

### 2.3.5 Interest rate – Gross yield to maturity

#### 2.3.5.1 Interest rate

The Bonds will bear interest at 2-month Euribor plus by 40 basis points for the year (the “**Interest Rate**”), payable at the end of every two months after the settlement-delivery date of the Bonds, i.e. on 6 October 2004, 6 December 2004, 6 February 2005, 6 April 2005, 6 June 2005 and 6 August 2005, subject to the provisions of the sub-section below entitled “Calculation of the Amount of Interest” (on each “**Interest Payment Date**”).

If an Interest Payment Date falls on a day which is not a Business Day, it will be carried over to the next Business Day.

2-month Euribor refers to the interbank rate in euros applicable to operations of 2 months’ duration, as calculated by the European Union Banking Federation and published for information on Moneyline Telerate page 248 (or any other page replacing this or failing that on equivalent Reuters or Bloomberg pages), at 11 am (Brussels time) on the second Target Business Day preceding the first day of the Interest Period (as defined below) concerned (the “**Interest Determination Date**”).

A Target Business Day means any full day when the system “Trans-European Automated Real-Time Gross Settlement Express Transfer” (TARGET) or other system replacing it, is operating.

A Business Day means any full day (except for a Saturday or Sunday) when the credit institutions in Paris are open and when the Target system is operating.

The period starting on the settlement-delivery date of the Bonds (included) and ending on the first Interest Payment Date (excluded) and each of the subsequent periods starting on an Interest Payment Date (included) and ending on the next Interest Payment Date (excluded) will hereinafter be called the “**Interest Period**”.

If 2-month Euribor is not published as described above, BNP Paribas Securities Services will intervene as Calculation Agent (see sub-section 2.5.1 below) and:

- ask the following three banks – BNP Paribas, Société Générale and CDC Ixis – to supply a quotation for the remuneration rate offered for deposits in euros by each of these banks at approximately 11 am (Brussels time) on the Interest Determination Date to prime banks on the interbank market of the eurozone for a two-month period starting on the first day of the Interest Period concerned, for an operation of a comparable amount and;
- determine the arithmetical average (where necessary rounded off to the nearest hundred-thousandth, 0.000005 being rounded up to the next hundred-thousandth) of these quotations and the Interest Rate for this Interest Period will equal the rate or (depending on the case) the arithmetical average thus determined plus 40 basis points for the year;
- if fewer than two such quotations are obtained, the Calculation Agent will independently determine the arithmetical average (where necessary rounded off as described above) of the rates quoted by at least two prime banks in the eurozone (other than the Calculation Agent), selected by the Calculation Agent, at approximately 11 am (Brussels time) on the first day of the Interest Period concerned, for loans in euros to leading European banks, for a two-month period starting on the first day of the Interest Period concerned, for a similar amount for a comparable operation on the market at the time, and the Interest Rate for this Interest Period will equal the arithmetical average thus determined plus 40 basis points for the year;

- on the understanding, however, that if the Calculation Agent is unable to determine a rate or (depending on the case) an arithmetical average, in accordance with the above provisions relating to an Interest Period, the Interest Rate applicable to the Bonds for that Interest Period will be the Interest Rate applicable to the Bonds for the previous Interest Period.

Interest will cease to run for each Bond from the date set for normal or early redemption, unless redemption of the principal is withheld or refused, especially in the event of payment default. In such a case, interest will continue to run (before as well as after any judgement) at the Interest Rate applicable to that Bond on the date on which it would have been redeemed, plus 100 basis points for the year, until the first of the following two dates (excluded): (i) the date on which all amounts due for the Bond concerned are received by or on behalf of the Bond holder concerned, and (ii) the date of receipt by or on behalf of Euroclear France of all sums due for all the Bonds.

#### *Calculation of the Interest Amount*

The Calculation Agent will calculate, at the latest by the first day of the Interest Period following the Interest Determination Date relating to that Interest Period, the amount of interest (the “**Amount of Interest**”) payable for each Bond for that Interest Period. The Amount of Interest will be calculated by applying the Interest Rate for that Interest Period to the principal amount of that Bond and multiplying this by the exact number of days in the Interest Period divided by 360 and rounding the result to the nearest hundredth euro (0.005 being rounded up to the next centime).

As an exception, for the two-month period in which the Bonds are redeemed:

- if the redemption is in shares, no Amount of Interest will be due for the period
- if the redemption is in cash, the Amount of Interest will be calculated on a time proportional basis and be payable on the redemption day. Accordingly, the Amount of Interest will be determined by multiplying the Amount of Interest relating to the Interest Period by the exact number of days run between the last Interest Payment Date (included) and the date on which the Bonds are redeemed in cash (excluded) and by dividing the exact number of days of the Interest Period, the resulting figure being rounded off to the nearest hundredth euro (0.005 being rounded up to the next centime).

Interest will lapse after five years from the due date.

#### *Publication of the Interest Rate*

The Calculation Agent will notify the Company, BNP Paribas Securities Services as Financial Agent (see sub-section 2.5.1 below) and Euronext Paris S.A. of each Interest Rate and Amount of Interest that it determines, and of the relevant Interest Payment Date within 5 days of its determination and in any case no later than 48 Target business hours before the first day of the following Interest Period. A notice to this effect will be published by Euronext Paris S.A. The Calculation Agent will be authorised to recalculate the Amount of Interest (based on the foregoing stipulations) after prior notification in the event of any extension to or reduction of the Interest Period concerned.

#### *Notifications*

All notifications, notices, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained by the Calculation Agent for the purposes of this sub-section (unless manifestly erroneous) will be binding on the Company and the Bond holders.

#### *Calculation Agent*

The Company will ensure that at all times it has a Calculation Agent with an establishment in France. The Company reserves the right to change or terminate the mandate of the Calculation Agent at any time and

appoint another calculation agent. The Calculation Agent must be a prime bank on the interbank market of the eurozone with an establishment in France. The Calculation Agent may not resign its duties until a new Calculation Agent is appointed.

#### 2.3.5.2 Gross yield to maturity from issue

The gross yield to maturity on the settlement date is equal to the 2-month Euribor rate plus 40 basis points for the year (if not redeemed in shares or redeemed early.)

The gross yield to maturity is the annual return before tax deduction calculated on the settlement day for the total duration of the loan, including the premium paid on maturity. This is only significant for the effective yield if the Bond is not redeemed early and for subscribers who hold their Bonds to redemption.

#### 2.3.6 Redemption of the Bonds

##### 2.3.6.1 Normal redemption in shares

In the normal course of events, the Bonds will be redeemed in full by the delivery of one Accor share (subject to the adjustments in sub-section 2.6.2) per Bond (the “**Redemption Ratio**”) within 10 business days of the Completion Date (as defined in the Agreements, the principal terms of which are described in sub-section 7.1.1. below) (the “**Redemption Date**”).

##### 2.3.6.2 Redemption in cash

If the sale to Accor of 4,100,000 Club Méditerranée shares (described in detail in sub-section 7.1.1 below) has not been completed by the companies in the Agnelli group 15 days prior to the Maturity Date of the Bonds, the Company will redeem all of the Bonds on the Maturity Date in cash, at par plus the interest instalment specified in 2.3.5.1 above.

This redemption will take place on 6 August 2005 (the “**Maturity Date**”) if redemption in shares has not occurred before then.

##### 2.3.6.3 Early redemption in cash

If (i) any of the French, Community, or foreign competition authorities to which the case was referred (as described in sub-section 7.1.1.3 below) refuses to authorise the Acquisition or attaches conditions to their authorisation, which is for good reason deemed unacceptable by the Company, or if (ii) the acquisition of 4,100,000 Club Méditerranée shares from the companies in the Agnelli group is not made within five business days following notification by the Company of the fulfilment of the condition precedent dependent on securing the necessary authorisations from the French, Community, or foreign competition authorities to which the case was referred (decision in writing from a competition authority to which the case was referred, considering that the operation does not fall within the scope of notifiable operations under applicable regulations, being equivalent to authorisation), whatever the date of these events, the Company will redeem in cash all the Bonds at par plus the interest instalment specified in 2.3.5.1 above.

This redemption will take place within 10 days of the publication specified in sub-section 2.3.6.5 (ii) below announcing the redemption, subject to redemption in cash on the Maturity Date prescribed above; in the event that the occurrence of one of these events is announced between the date of this prospectus and at the latest one Business Day before the settlement-delivery date of this issue specified in sub-section 2.3.3 above, the pre-emptive subscription rights will lapse and all notifications of the exercise of the pre-emptive subscription rights will be deemed null and void. No Bonds will be issued. However, any trades already conducted on the market for the pre-emptive subscription rights will not be challenged.

#### 2.3.6.4 Early redemption by takeover or public offer

The Company reserves the right at any time to redeem the Bonds early, without limitation to price or quantity, either through a stock market buyout or outside the market, including (but not exclusively) by public takeover or exchange offers. Any such operations will have no effect on the normal redemption timetable for the securities in circulation.

#### 2.3.6.5 Information to the public on redemption in shares or cash

- (i) The Company will publish a press release (a) in the event of completion of the acquisition of 4,100,000 Club Méditerranée shares from the companies in the Agnelli group, by the fifth Business Day at the latest after the Completion Date specified in the Agreements (as defined in sub-section 7.1.1), and (b) failing the completion of the conditions precedent for the Acquisition under the terms of sub-section 7.1.1 below in the time specified in 2.3.6.2, or failing the completion of an event specified in 2.3.6.3, by the fifth Business Day at the latest following the expiry of the period or completion of the event in question.
- (ii) The redemption of the Bonds due following one of these events, whether in shares or cash, will be announced in the Official Journal, and a financial notice will be published in the press and on Euronext Paris S.A.

#### 2.3.6.6 Cancellation of the Bonds

Bonds redeemed at normal maturity or early will cease to be deemed as being in circulation and will be cancelled in accordance with the law.

#### 2.3.7 Maximum term

12 months (unless redeemed early in shares or cash in accordance with sub-section 2.3.6.1 *et seq.*).

#### 2.3.8 Debt ranking

The Bonds constitute a commitment that is direct, general, unconditional, unsubordinated and without any sureties granted by the Company. Payments in cash payable by the Company under sub-sections 2.3.6.2 and 2.3.6.3 will all be of equal ranking and will be of the same ranking as all the Company's other present and future unsubordinated unsecured liabilities and sureties.

#### 2.3.9 Guarantee

Servicing of the debt through interest, redemption, tax, fees and incidentals is not covered by a specific guarantee.

#### 2.3.10 Subscription guarantee

Not applicable.

#### 2.3.11 Loan rating

The Bonds are not rated.

### 2.3.12 Representation of Bond holders

Pursuant to Articles L.228-103 and L.228-46 of the Commercial Code, the Bond holders are grouped together as creditors with a legal personality.

Pursuant to Article L.228-47 of the Commercial Code, the statutory representative for the Bond holders as a creditor group is:

Mr Pascal Leclerc  
118 rue Jeanne d'Arc  
75013 Paris

The statutory representative of the creditor group will have unrestricted, unreserved powers to carry out in the name of the creditors any administrative acts in defence of the common interests of the Bonds in accordance with the provisions of Articles L.228-53 *et seq.* of the Commercial Code.

He will carry out his duties until he resigns or is dismissed (or, if applicable, if the representative is a legal entity, its dissolution) by a general meeting of Bond holders or if an incompatibility occurs.

His mandate will cease automatically on the day of final redemption or general redemption of the Bonds, whether early or not. If applicable, his term is extended automatically until the final resolution of current proceedings in which the representative is engaged and in the execution of decisions or settlements involved.

The Company is responsible for the remuneration of the representative and the charges for convening and holding general meetings of Bond holders, publication of their decisions and the costs involved in the appointment of a representative for the creditors under Article L.228-50 of the Commercial Code, all administrative and operational costs for the Bond holders as a group, and the costs of the group meeting.

If a meeting of Bond holders is called, it will be convened at the registered office of the Company or any other place specified in the notice of convocation.

Every Bond holder is entitled, on his own or through an agent, to ask for information or have a copy of the text of the resolutions that are to be proposed and the reports to be presented at the meeting, within 15 days prior to the holding of the general meeting of the Bond holders, from the Company's registered office, an administrative department or, as applicable, any other place specified in the convocation.

### 2.3.13 Tax treatment for the Bonds

Interest will be paid after deduction of the withholding tax and any taxes imposed, or that may be imposed, by law on Bond holders.

Under current French tax laws, the rules described below summarise the tax consequences that could apply to Bond holders. Investors are reminded that only the tax treatment applicable to persons subscribing to Bonds at issue is described here and that the features of the issue may contain tax liabilities specific to them. Investors should therefore consult their usual tax adviser regarding the tax treatment applicable to their individual situation.

On 3 June 2003, the Council of the European Union adopted a new Directive concerning the imposition of savings tax (the "Directive"). Subject to a certain number of conditions being met, from 1 January 2005, Member States will have to provide the tax authorities of another Member State with detailed information on all interest payments covered by the Directive (interest, proceeds, premiums or other income from loans) made by a paying agent in its jurisdiction to an individual who is resident in the other Member State (the "Information System").

For this purpose, the term “paying agent” is broadly defined and significantly includes any economic operator who is responsible for the payment of interest covered by the Directive directly to individual beneficial owners.

However, during the transition period, some Member States (Luxembourg, Belgium and Austria) will apply a withholding tax on all interest payments instead of the Information System applied by the other Member States. The rate of the withholding tax will be 15% from 1 January 2005, 20% from 1 January 2008 and 35% from 1 January 2011.

In accordance with the agreement made by the ECOFIN Council, as applied by the Directive, this transition period will come to an end when, and provided that, the European Community concludes agreements for the exchange of information on demand with various third-party States (Switzerland, Liechtenstein, San Marino, Monaco and Andorra) and that the Council of the European Union unanimously accepts that the United States of America is committed to exchange of information upon request.

Persons not resident in France for tax purposes must conform to the tax legislation in force in their State of residence.

### 2.3.13.1 Residents in France for tax purposes

#### i) Individuals holding Bonds as part of their personal assets and not making stock market transactions on a regular basis

##### *(a) Income from Bonds*

The interest received by individuals holding Bonds as part of their personal assets is taxed in the year of receipt.

This income is:

- either included in the total income base subject to the progressive scale of income tax to which is added:
  - CSG<sup>5</sup> (general social security contribution) of 7.5%, of which 5.1% is deductible from total taxable income in the year the contribution is paid;
  - CRDS<sup>6</sup> (social debt repayment contribution) of 0.5%, not deductible from taxable income;
  - the social deduction of 2%, not deductible from taxable income; and
  - the additional contribution of 0.3% (added to the social deduction of 2%) newly instituted and not deductible from taxable income;
- or, optionally, levied in full discharge at source of 16% (Article 125 A of the CGI<sup>7</sup> (general tax code)) to which is added:
  - CSG of 7.5%, not deductible from taxable income;
  - CRDS of 0.5%, not deductible from taxable income;
  - the social deduction of 2%, not deductible from taxable income; and
  - the additional contribution of 0.3% (added to the social deduction of 2%) newly instituted and not deductible from taxable income;

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<sup>5</sup> CSG = *Contribution Sociale Généralisée*

<sup>6</sup> CRDS = *Contribution pour le Remboursement de la Dette Sociale*

<sup>7</sup> CGI = *Code Général des Impôts*

*(b) Capital gains on sale of Bonds*

Pursuant to Article 150-0 A of the CGI, capital gains on the sale of Bonds realised by individuals are subject, from the first euro if the total amount of sales of transferable securities and other rights or securities specified in Article 150-0A of the CGI realised by such individuals during the calendar year (excluding exempt transfers of securities held in a PEA<sup>8</sup> (personal equity plan) exceed, per household considered for tax purposes, a threshold currently set at 15,000 euros, to income tax at a proportional rate of 16% to which is added:

- CSG currently set at 7.5%, not deductible from taxable income;
- CRDS of 0.5%, not deductible from taxable income;
- the social deduction of 2%, not deductible from taxable income; and
- the additional contribution of 0.3% (added to the social deduction of 2%) newly instituted and not deductible from taxable income;

Pursuant to the provisions of Article 150-0 D 11 of the CGI, capital losses on sales are only deductible from capital gains of the same kind realised during the year of sale or the next ten years, subject to the threshold of 15,000 euros mentioned above being exceeded in the year the capital loss was realised.

For the application of these provisions, gains of the same kind mainly include net taxable gains in the event of early closure of a PEA before the end of the fifth year.

*(c) Redemption of Bonds*

*(i) Redemption in cash*

When the Bonds are redeemed at their issue price, no tax is due by the subscriber as a result of the redemption.

*(ii) Redemption in shares*

Any capital gains made on redemption of the Bonds in shares benefits from the tax deferral prescribed in Article 150-0 B of the CGI.

When the shares are sold in the future, the net gain, calculated on the basis of the price or acquisition cost of the Bonds (Article 150-0 D 9 of the CGI), is subject to the capital gains regime on the sale of transferable securities and rights (see sub-section 2.7.4.1.(b) *Capital gains on the sale of shares* below).

*(d) Wealth tax*

Bonds held by individuals are included in their taxable assets, and where applicable, wealth tax.

*(e) Inheritance and gift tax*

Bonds acquired by inheritance or gift are subject to inheritance or gift tax in France.

ii) Legal entities liable to corporation tax<sup>9</sup>

*(a) Income from Bonds*

Interest from Bonds accrued in the year is included in taxable income for the year.

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<sup>8</sup> PEA = *Plan d'Épargne en Actions*

<sup>9</sup> Given the specific features of Bonds, the provisions of Article 238 *septies* E of the CGI would not be expected to apply.

This income is subject to corporation tax at the standard rate, currently 33⅓%.

An additional contribution equal to 3% of corporation tax (Article 235 *ter* ZA of the CGI) is payable.

A social contribution of 3.3% is also applicable (Article 235 *ter* ZC of the CGI). This is assessed on the amount of corporation tax less an allowance that cannot exceed 763,000 euros per twelve-month period.

However, legal entities liable to corporation tax realising pre-tax turnover of less than 7,630,000 in a 12-month period and whose fully paid-up capital has been at least 75%-owned continuously throughout the year by individuals or by a company meeting the same conditions, whose capital has been at least 75%-owned continuously throughout the year by individuals, are exempt from this contribution. In addition, for these legal entities, the rate of corporation tax is fixed at 15% for the first 38,120 euros of the taxable profit in a twelve-month period.

*(b) Capital gains on sale of Bonds*

The sale of Bonds gives rise to the recognition of a gain or loss, equal to the difference between the sale price and acquisition cost.

This gain or loss is recognised in income subject to corporation tax at the standard rate, which is in theory a current rate of 33⅓% (or, if applicable 15% for the first 38,120 euros of taxable profits in a twelve-month period for companies meeting the conditions described in 2.3.13.1 ii) (a)). An additional contribution of 3% of the amount of corporation tax and, if applicable, a social contribution at the current rate of 3.3% is also payable, which applies to the amount of corporation tax less an allowance of under 763,000 euros per twelve-month period.

Companies meeting the conditions described in 2.3.13.1 ii) (a) are exempt from the 3.3% contribution.

*(c) Redemption of Bonds*

*(i) Redemption in cash*

When the Bonds are redeemed at their issue price, no tax is due by the subscriber as a result of the redemption.

*(ii) Redemption in shares*

When the Bonds are redeemed in shares issued concomitantly with the redemption, the capital gain or loss realised by legal entities resident in France and subject to corporation tax, should benefit from tax deferral on redemption of the Bonds in shares, as prescribed in Article 38-7 of the CGI, and will thus be included in income for the year in which the shares received in the redemption are sold.

In this event, when the shares received in the redemption are sold in the future, the amount of income from the sale (the capital gain or loss) will be determined by reference to the value the Bonds had, from a fiscal point of view, to the seller.

Companies benefiting from a tax deferral must abide by the obligation to file an annual tax return as specified in Article 54 *septies* I and II of the CGI, until the date of expiration of the deferral; failure to do so will result in a fine of 5% of the sums deferred.

### 2.3.13.2 Non-residents in France for tax purposes

#### *(a) Income from Bonds*

Bond issues in euros realised by French legal entities are deemed to have been realised outside France for the application of the provisions of Article 131 *quater* of the CGI (administrative instruction 5 I-11-98 of 30 September 1998).

Consequently, the interest paid to entities whose fiscal domicile or registered office is outside the French Republic are exempt from the withholding tax prescribed in Article 125 A III of the CGI. Interest is also exempt from social contributions.

#### *(b) Capital gains on the sale of Bonds*

Capital gains realised on sales of Bonds for valuable consideration made by persons who are not tax residents of France, as defined by Article 4B of the CGI, or whose registered offices are outside France, are exempt from taxation in France, provided that such gains cannot be attached to a stable establishment or fixed base that is subject to taxation in France.

#### *(c) Redemption of Bonds*

##### *(i) Redemption in cash*

When the Bonds are redeemed at their issue price, no tax is due by the subscriber as a result of the redemption.

##### *(ii) Redemption in shares*

Any profit recognised by the subscribers of Bonds who are not resident in France for tax purposes, as defined by Article 4 B of the CGI, or whose registered offices are outside France, are not subject to taxation in France when the Bonds are redeemed in shares, provided that such gains cannot be attached to a stable establishment or fixed base that is subject to taxation in France.

#### *(d) Wealth tax*

Wealth tax is not applicable to Bonds issued by French companies and held by individuals domiciled outside France, as defined by Article 4 B of the CGI.

#### *(e) Inheritance and gift tax*

Transferable securities issued by French companies acquired through inheritance or gift by a non-resident are subject to inheritance and gift tax in France. France has signed agreements with a certain number of countries intended to avoid double taxation on inheritance and gifts, under the terms of which, provided they meet certain conditions, residents of the countries that have signed such conventions may be exempt from inheritance or gift tax or obtain a tax credit.

### 2.3.14 Redemption in the event of bankruptcy proceedings.

In the event of bankruptcy proceedings regarding the Company<sup>10</sup>, the Bonds will only be redeemable in cash.

### 2.3.15 Future issue of fungibles

If the Company were to issue new Bonds in the future benefiting in all respects from identical rights to those of the present Bonds, it could, without requiring the consent of the holders and

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<sup>10</sup> Bankruptcy proceedings regarding the Company = ouverture d'une procédure collective de redressement judiciaire ou de liquidation à l'encontre de la Société.

provided the issue contracts provide for this, combine all the Bonds from successive issues as fungibles, thus unifying all the operations associated with their management and trading.

## **2.4 ADMISSION OF THE BONDS TO LISTING AND TRADING**

### 2.4.1 Listing

An application will be made for listing the Bonds on the Premier Marché of Euronext Paris S.A. They are due to be listed on 6 August 2004, the settlement date for the Bonds. No application for admission to any other market is anticipated.

### 2.4.2 Restrictions on the free trading of the securities

No restrictions have been imposed on the free trading of the Bonds by the conditions of issue.

### 2.4.3 Listing of securities of the same category

To date, the Company has not applied for admission to trading on a regulated market of any Bond redeemable in shares or cash.

## **2.5 GENERAL INFORMATION ON THE BONDS**

### 2.5.1 Institution responsible for the financial service

The financial service clearing for the borrowing (payment of the interest, clearing of requests for redemption of the Bonds, etc.) will be performed by:

BNP Paribas Securities Services, GIS Emetteurs,  
Les Collines de l'Arche, 75450 Paris Cedex 9  
(the "**Financial Agent**").

The securities service will be provided by:  
BNP Paribas Securities Services, GIS Emetteurs,  
Les Collines de l'Arche, 75450 Paris Cedex 9

The calculation agent will be:  
BNP Paribas Securities Services, GIS Emetteurs,  
Les Collines de l'Arche, 75450 Paris Cedex 9  
(the "**Calculation Agent**")

### 2.5.2 Competent courts in the event of disputes

The competent courts will be the courts within the jurisdiction of the Court of Appeals for the registered office of the Company when the Company is the defendant, and will be determined based on the nature of the disputes, except where otherwise stipulated in the French New Code of Civil Procedure (Nouveau Code de Procédure Civile).

## **2.6 REDEMPTION OF THE BONDS IN SHARES**

### 2.6.1 Period and basis for share redemption

See paragraph 2.3.6.1 above.

### 2.6.2 Maintenance of the rights of Bond holders

### 2.6.2.1 Company commitments

The Company undertakes, as long as Bonds exist, not to amortise its share capital or modify the distribution of earnings without first taking the measures necessary to protect the rights of the Bond holders.

### 2.6.2.2 In the event of a capital reduction because of losses

In the event of a capital reduction made because of losses, the rights of the Bond holders will be reduced accordingly, as if such holders had been shareholders since the date of issue of the Bonds, whether the capital reduction is performed either by reducing the par value of the shares or by reducing the number of shares.

### 2.6.2.3 In the event of financial operations

At the end of one of the following operations:

- an issue of securities with a listed preemptive subscription right;
- a capital increase through the capitalisation of reserves, earnings or premiums and the bonus allotment of shares; a stock split or reverse stock split;
- capitalisation of reserves, earnings or premiums by increasing the par value of the shares;
- distribution of reserves or premiums in cash or in portfolio securities;
- bonus allotment to shareholders of any financial instrument other than shares of the Company;
- consolidation, merger, split;
- purchase of its own shares at a price greater than the market price;
- distribution of an extra dividend;

which the Company might perform on or after the date of this issue, the rights of the Bond holders will be maintained, until the normal or early Redemption Date, by making an adjustment to the redemption ratio (the "**Redemption Ratio**"), pursuant to the terms and conditions described hereinafter.

In the event of adjustments made pursuant to paragraphs 1 to 8 below, the new Redemption Ratio will be expressed to the nearest thousandth (0.0005 being rounded up to the nearest thousandth, i.e. to 0.001). Subsequent adjustments, if any, will be made on the basis of the preceding Redemption Ratio as calculated and rounded up. However, the Bonds may result in the delivery of a whole number of shares only, and the payment of fractional shares will be made as specified below (see paragraph 2.6.2.5 ("Payment of fractional shares")).

1. In the event of financial operations that include a listed preemptive subscription right, the new share Redemption Ratio will be equal to the product of the Redemption Ratio in effect before the start of the relevant operation multiplied by the ratio:

$$\frac{\text{Value of the share ex-subscription right} + \text{value of the subscription right}}{\text{Value of the share ex-subscription right}}$$

To calculate this ratio, the values of the share ex-right and of the subscription right will be determined on the basis of the average of the opening prices listed on the Euronext Paris S.A. market (or, if there is no listing by Euronext Paris S.A., on another regulated or similar market on which the share and the subscription right are both listed) on all trading days included within the subscription period in which the share ex-right and the subscription right are simultaneously listed.

2. In the event of a capital increase through capitalisation of reserves, earnings or premiums and a bonus allotment of shares, and in the event of a split or reverse split in the shares,

the new share Redemption Ratio will be equal to the product of the Redemption Ratio in effect before the start of the operation in question multiplied by the ratio:

$$\frac{\text{Number of shares after the operation}}{\text{Number of shares before the operation}}$$

3. In the event of a capital increase through the capitalisation of reserves, earnings, or premiums performed by raising the par value of the shares, the Redemption Ratio will not be adjusted, but the par value of the shares that may be obtained by the Bond holders will be raised accordingly.
4. In the event of a distribution of reserves or premiums in cash or in portfolio securities, the new share Redemption Ratio will be equal to the product of the Redemption Ratio in effect before the start of the relevant operation multiplied by the ratio:

$$\frac{\text{Value of the share before the distribution}}{\text{Value of the share before the distribution minus the sum distributed per share or the value of the securities remitted per share}}$$

For the calculation of this ratio:

- the value of the share before the distribution will be determined on the basis of the average of the opening prices listed on the Euronext Paris S.A. market (or, if not listed by Euronext Paris S.A., on another regulated or similar market on which the share is listed) for twenty consecutive trading days in which the share is listed and selected by the Company from the forty trading days preceding the distribution date;
  - the value of the securities distributed per share will be calculated as described above if the securities are already listed on a regulated or similar market. If the securities are not listed on a regulated or similar market before the distribution date, the value will be determined based on the average of the opening prices listed on the regulated or similar market for twenty consecutive trading days in which the security is listed and selected by the Company from the forty trading days following the distribution date if the securities are listed in the forty trading days following distribution and, in other cases, the value will be determined by an internationally recognised independent expert selected by the Company.
5. In the case of a bonus allotment of a financial instrument or instruments other than shares of the Company, the new share Redemption Ratio will be equal to:
    - (a) if the right to a bonus allotment of financial instruments is listed for trading by Euronext Paris S.A., the product of the Redemption Ratio in effect before the start of the relevant operation multiplied by the ratio:

$$\frac{\text{Value of the share ex-bonus allotment right} + \text{value of the bonus allotment right}}{\text{Value of the shares ex-bonus allotment right}}$$

For the calculation of this ratio, the values of the share ex-bonus allotment right and of the bonus allotment right will be determined on the basis of the average of the opening prices listed by Euronext Paris S.A. (or, if there is no listing by Euronext Paris S.A., on another regulated or similar market on which the share and the allotment right are both listed) for the share and the allotment right during the first ten trading days in which the share and the allotment right are simultaneously listed. In the event this calculation were the result of fewer than five listed prices, it should

be validated or evaluated by an internationally recognised independent expert chosen by the Company.

- (b) if the right to a bonus allotment of financial instruments is not listed by Euronext Paris S.A., to the product of the Redemption Ratio in effect before the start of the relevant operation multiplied by the ratio:

$$\frac{\text{Value of the share ex-bonus allotment right} + \text{value of the financial instrument or instruments allotted per share}}{\text{Value of the share ex-bonus allotment right}}$$

For the calculation of this ratio, the value of the share ex-bonus allotment right and of the financial instrument or instruments allotted per share, if these instruments are listed on a regulated or similar market, will be determined by reference to the average of the opening prices listed for ten consecutive trading days following the allotment date in which the share and the financial instrument or instruments are simultaneously listed. If the financial instrument or instruments are not listed on a regulated or similar market, they will be evaluated by an internationally recognised independent expert selected by the Company.

6. If the issuing Company is consolidated by another company or merged with one or more other companies within a new company or is demerged, the Bonds will result in the allotment of shares of the consolidating or new company or of the companies that are the beneficiaries of the demerger.

The new share Redemption Ratio will be determined by multiplying the Redemption Ratio in effect before the start of the relevant operation by the ratio for the exchange of the shares of the Company for the shares of the consolidating or new company or the companies benefiting from the demerger.

Such companies will be substituted to the Company for the application of the provisions set forth above, which are intended to preserve, as applicable, the rights of the Bond holders in the case of financial or securities operations and, generally, to ensure respect of Bond holders' rights subject to legal, regulatory and contractual conditions.

7. In the event the Company buys its own shares at a price greater than the market price, the new share Redemption Ratio will be equal to the product of the Redemption Ratio in effect before the start of the purchase multiplied by the following ratio, calculated to the nearest one-hundredth of a share:

$$\frac{\text{Value of the share} + \text{Pc \%} \times (\text{Purchase price} - \text{Value of the share})}{\text{Value of the share}}$$

For the calculation of this ratio:

Value of the share means the average of at least 10 consecutive listed prices selected from the 20 prices prior to the purchase (or the option to purchase).

Pc % means the percentage of share capital purchased.

Purchase price means the effective purchase price (by definition, greater than the market price).

8. Distribution of an extra dividend

If the Company pays out an Extra Dividend (as defined below), the new share Redemption Ratio will be calculated as explained below.

For the purposes of this paragraph 8, the term "Extra Dividend" means any dividend paid in cash or in kind to shareholders, insofar as this dividend (without including the dividend

tax credit [*avoir fiscal*]) (the "Reference Dividend") and all other dividends in cash or in kind paid to shareholders during a single financial year of the Company (without including the dividend tax credits, if any, related to such dividends) (the "Prior Dividends"), show a "Ratio of Dividends Distributed" (as defined below) greater than 5 %.

As used in the previous sentence, the term "Ratio of Dividends Distributed" means the sum of the ratios obtained by dividing the Reference Dividend and each of the Prior Dividends by the market capitalisation of the Company on the day before the corresponding distribution date; the market capitalisation used to calculate each of these ratios is equal to the product (x) of the closing price of the Company's share on Euronext Paris S.A. the day before the distribution date of the Reference Dividend or of each of the Prior Dividends multiplied by (y) the respective number of shares of the Company existing on each of those dates. Any dividend or any fractional dividend resulting in an adjustment of the share Redemption Ratio pursuant to paragraphs 1 to 7 above will not be taken into account for the application of this clause. The formula used to calculate the new share Redemption Ratio in the case of payment of an Extra Dividend is as follows:

$$\text{NRA} = \text{RA} \times (1 + \text{RDD} - 2.5 \%)$$

in which:

- NRA means the new Redemption Ratio
- RA means the last share Redemption Ratio in effect before the distribution of the Reference Dividend; and
- RDD means the Ratio of Dividends Distributed as defined above;

it is specified that any dividend (reduced, as applicable, by any fractional dividend resulting in the calculation of a new share Redemption Ratio pursuant to paragraphs 1 to 7 above) paid out between the payment date of a Reference Dividend and the end of the same financial year of the Company will result in an adjustment using the following formula:

$$\text{NRA} = \text{RA} \times (1 + \text{RDD})$$

in which:

- NRA means the new Redemption Ratio
- RA means the last share Redemption Ratio in effect before the distribution of the additional dividend; and
- RDD means the ratio obtained by dividing (i) the amount of the additional dividend (net of any fraction of a dividend resulting in adjustment of the share Redemption Ratio pursuant to paragraphs 1 to 7 above) without taking into account the related dividend tax credits, if any, by (ii) the market capitalisation of Accor, which is equal to the product (x) of the closing price of the Company's Stock on the Paris Stock Market the day before the distribution date of the additional dividend, multiplied by (y) the number of shares of the Company outstanding on that date.

If the Company were to perform operations for which an adjustment has not been made pursuant to paragraphs 1 to 8 above and in the event any subsequent legislation or regulations were to provide for an adjustment, the Company will make such an adjustment in accordance with the applicable legal and regulatory provisions and with the practices on the French market.

The Management Board will report on the calculation formula and the results of any adjustment in the annual report following such an adjustment.

#### 2.6.2.4 Information for Bond holders in the event of adjustments

In the event of an adjustment, Bond holders will be informed of the new Redemption Ratio through a notice published in the BALO, a notice in a nationally distributed financial newspaper, and through a notice from Euronext Paris S.A.

#### 2.6.2.5 Payment of fractional shares

Any Bond holder exercising his Bond rights may obtain a number of Accor shares calculated by applying the share Redemption Ratio in effect to the number of Bonds.

If the number of shares calculated using this method is not a whole number, the Bond holder may request the delivery of:

- either the next lowest whole number of shares; in this case, he will be paid a cash amount equal to the value of the fractional share valued on the basis of the opening price listed on Euronext Paris S.A. the last trading day prior to the Redemption Date;
- or the next highest whole number of shares, provided that he pays the Company an amount equal to the value of the additional fractional share requested, evaluated on the basis defined in the preceding paragraph.

#### 2.6.3 Impact of the redemption in shares on shareholders' positions

The information provided below, as well as the terms and conditions of the operation, will be an integral part of the supplemental report required by Articles 155-2 and 155-3 of the decree of 23 March 1967. This report, along with the supplemental report of the Auditors, will be made available to shareholders at the registered office of the Company within the regulatory time periods and will be reported to the shareholders at the next Shareholders' Meeting.

For information purposes, if all Bonds issued are redeemed for new Accor shares on the basis of the Redemption Ratio, the impact of the issue and the redemption for new shares would be as follows:

1. The impact of the issuance and redemption of the Bonds issued on the capital interest of a shareholder with 1% of the share capital of the Company prior to the issue, who does not subscribe to this issue, (calculation made on the basis of the number of shares of share capital as of 9 July 2004), would be as follows:

	Shareholder's interest 9 July 2004
Before issue of the Bonds	1%
After issue and redemption of 6,965,325 Bonds	0.97%

2. The impact of the issue and redemption of the Bonds on the portion of consolidated shareholders' equity as of 31 December 2003 for the person holding one Accor share, who does not subscribe to this issue, would be as follows:

	Portion of shareholders' equity 31 December 2003
Before issue of the Bonds	18.00 euros
After issue and redemption of 6,965,325 Bonds	18.74 euros

## 2.7 SHARES REMITTED AT THE TIME OF REDEMPTION

### 2.7.1 Rights attached to the shares that will be allotted

The new shares issued as redemption for the Bonds will be governed by all provisions of the articles of association. They will give the right to any dividend or distribution of any kind approved by the shareholders of the Company and to any interim dividend decided by the Management Board subsequent to their issue.

Each share gives the right, in the ownership of the corporate assets, the distribution of earnings and the liquidation bonus, to a portion equal to the percentage of share capital that it represents, taking into account, if applicable, the capital amortised or not amortised, paid up or not paid up, on the par value of the shares and the rights of the shares of different classes.

Each share gives the right to one vote during Shareholders' Meetings of the Company. The owners of fully paid-up registered shares held for at least two years will have a double voting right.

In the event of a capital increase by capitalisation of reserves, earnings or share premiums, the bonus registered shares allotted to a shareholder for existing shares for which the shareholder holds this right will also have a double voting right.

Any share converted to bearer form or for which ownership is transferred will lose the double voting right. However, a transfer through inheritance, liquidation of communal property between spouses, or a gift *inter-vivos* to a spouse or a relative entitled to inherit does not lose the right acquired and does not interrupt the two-year period described above. The merger of the Company will have no effect on the double voting right, which may be exercised within the consolidating company if the articles of association of the consolidating company have authorised it.

These shares will also be subject to all provisions of the articles of association.

Payment of dividends will be time barred to the benefit of the State after the legal period of five years.

### 2.7.2 Negotiability of the shares

No clause of the articles of association limits the free trading of the shares composing the share capital of the Company.

### 2.7.3 Type and form of the shares

The shares will be registered or in bearer form at the choice of the shareholder.

The shares, in whatever form, must be recorded in accounts kept, as the case may be, by the Company or its agent or an authorised intermediary. The rights of the shareholders will be represented by registration in their name for shares registered with the company and by registration with the intermediary of their choice for administered registered shares and bearer shares.

The Company is authorised to use the legal options provided to identify holders of bearer shares.

Pursuant to the articles of association of the Company, any shareholder who comes to hold, directly or indirectly, alone or acting in concert with another, a number of shares representing 1% of the share capital, must so inform the Company by registered letter with return receipt sent to the registered office within five trading days from the date of the trade or the date of the signature of any agreement that results in crossing this threshold.

Above this threshold of 1%, any change of 0.5% higher or 1% lower must also be declared.

#### 2.7.4 Tax treatment of the shares received as redemption for the Bonds

Under current French tax laws, the rules described below summarise the tax consequences that could apply to investors once the Bonds have been redeemed for shares.

Investors are reminded, however, that the information on the tax treatment contained in this offering circular is only a summary of current tax rules. Investors are advised to study their individual situation with their usual tax advisor.

##### 2.7.4.1 Residents in France for tax purposes

###### *i) Individuals holding shares as part of their private holdings, who do not usually conduct trading transactions*

###### *(a) Dividends*

###### *(i) Dividends paid out until 31 December 2004*

Dividends, plus the dividend tax credit at the rate of 50% in the case of a distribution entitled to the credit, are subject to the tax on income from securities at the progressive rate for the year in which they are received. The dividend tax credit is chargeable against the total amount of the income tax to be paid and, if applicable, is reimbursable.

Dividends are taxed with a total annual allowance of 2,440 euros for married couples taxed jointly and for partners taxed jointly from the year of the third anniversary of the registration of a civil solidarity pact defined in Article 515-1 of the Civil Code (PACS), and an allowance of 1,220 euros for single, widowed or divorced taxpayers and couples taxed separately.

The amount of the dividend plus the dividend tax credit, if applicable, but without deducting the allowance of 2,440 euros or 1,220 euros described above, is also subject to the following:

- the CSG at the rate of 7.5%, of which 5.1% is deductible from taxable income for the year in which the CSG is paid;
- the tax for repayment of the social debt at the rate of 0.5%, which is not deductible from taxable income;
- the social deduction of 2%, which is not deductible from taxable income; and
- the additional contribution of 0.3% on the social deduction of 2%, which has been instituted and is not deductible from taxable income.

*(ii) Dividends paid on or after 1 January 2005*

Investors are reminded that, pursuant to the provisions of the Law of Finance for 2004, dividends received on or after 1 January 2005 will no longer be eligible for the dividend tax credit.

Dividends received on or after 1 January 2005 will be eligible for an uncapped allowance of 50% on the amount of distributed revenues.

As a result, dividends will be taxed at the progressive income tax rate, subject firstly to the deduction of the 50% allowance and then the annual total deduction of 2,440 euros and 1,220 euros described above.

The shareholder will also benefit from a tax credit equal to 50% of the total amount of the dividends, before application of 50% and the general allowance for dividends, and capped annually at 115 euros for single, divorced and widowed taxpayers and married couples who are taxed separately and at 230 euros for married couples taxed jointly and for partners taxed jointly from the year of the third anniversary of the registration of a PACS.

If the amount of the tax credit is greater than the tax owed, it will be reimbursed to the shareholder.

Dividends will also be subject to the following social taxes before application of any allowance:

- the CSG at the rate of 7.5%, of which 5.1% is deductible from taxable income for the year in which the CSG is paid;
- the tax for repayment of the social debt at the rate of 0.5%, which is not deductible from taxable income;
- the social deduction of 2%, which is not deductible from taxable income; and
- the additional contribution of 0.3% on the social deduction of 2%, which has been instituted and is not deductible from taxable income.

*(b) Capital gains on the sale of shares*

Pursuant to the provisions of Article 150-0 A of the CGI, gains from the sale of equities, corporate rights or similar securities are taxable, as of the first euro, at the proportional rate currently set at 16% if the total amount from sales of the equities or other rights and securities stipulated in Article 150-0 A of the CGI (excluding exempt sales of securities held in a Stock Savings Plan) made during the calendar year exceed a threshold currently set at 15,000 euros per household.

Under the the same condition relating to the annual amount of sales of securities, capital gains are also subject to the following:

- the CSG at the current rate of 7.5%, which is not deductible from taxable income for the year in which the CSG is paid;
- the tax for repayment of the social debt at the current rate of 0.5%, which is not deductible from taxable income;
- the social deduction currently set at 2%, which is not deductible from taxable income; and
- the additional contribution of 0.3% on the social deduction of 2%, which has been instituted and is not deductible from taxable income.

Pursuant to the provisions of Article 150-0 D 11° of the CGI, capital losses are only chargeable against gains of the same type realised in the year of the sale or for the next ten years, provided that the annual threshold for sales of equities (and corporate rights or related

securities) applicable to the year in which the loss was realised is exceeded for the year in which the gain is realised.

For the application of these provisions, gains of the same type include taxable net gains in the event of early closure of a Stock Savings Plan before the end of the fifth year.

*(c) Wealth tax*

The shares held by individuals are included in their holdings, if any, that are subject to the wealth tax.

*(d) Inheritance and gift tax*

Shares acquired by inheritance or gift are subject to inheritance or gift taxes in France.

*ii) Legal entities liable to corporation tax*

*(a) Dividends*

*Legal entities that are not classified as a parent company in France*

French legal entities that hold less than 5% of the capital of Accor are not classified as a parent company for the application of the tax regulations stipulated in Articles 145 and 216 of the CGI.

Investors are reminded that, pursuant to the provisions of the Law of Finance for 2004, dividends paid out on or after 1 January 2005 will no longer be eligible for the dividend tax credit. With respect to the dividend tax credits attached to dividends distributed in 2004 and collected by legal entities, the law provides that such dividend tax credit can no longer be used after 1 January 2005.

Dividends collected, including dividend tax credit where appropriate, are taxable under the conditions of ordinary law, i.e. in principle, at the normal corporate tax rate, which is currently equal to 33 $\frac{1}{3}$ %, plus the additional contribution of 3% (Article 235 *ter* ZA of the CGI) and, if applicable, the social security contribution of 3.3% (Article 235 *ter* ZC of the CGI) which is applied to the amount of the corporate tax, less an allowance not exceeding 763,000 euros per twelve-month period.

Certain legal entities may be eligible, subject to the conditions stipulated in Articles 219-I-b and 235 *ter* ZC of the CGI, for a reduction in the corporate tax rate to 15% and an exemption from the social security contribution of 3.3%.

The dividend tax credit, if any, is equal to 10% of the amount of the dividends paid plus, if applicable, an amount equal to 80% of the deduction at source paid by the distributing company (and, therefore, excluding the deduction at source paid by charging against dividend or other tax credits and the deduction that would result from a withdrawal from the special reserve for long-term gains) and is chargeable against the corporate tax at the legal rate; any surplus is neither carried forward nor reimbursed.

*Legal entities classified as parent companies in France*

Pursuant to the provisions of Articles 145 and 216 of the CGI, legal entities that hold at least 5% of the capital of Accor company may benefit, subject to certain conditions and at their option, from the regime for parent companies and subsidiaries under which dividends collected by the parent company are not subject to corporate tax, with the exception of a percentage of such dividends representing costs and charges paid by said company; this percentage is equal to 5% of the amount of such dividends - including dividend tax credit,

where appropriate - but may not, however, exceed, for any tax period, the total amount of fees and charges of any kind incurred by the parent company during the fiscal year in question.

Under the regime for parent companies and subsidiaries, the dividend tax credit, if any, which is equal to 50% of the dividend collected, cannot be charged against the corporate tax resulting from the reintegration of the percentage of costs and charges in the taxable earnings of the parent company. However, if this company redistributes the dividend within five years after it is received, the additional tax on distribution, if any, at the rate of 50% of the redistributed net dividend, may be eliminated by charging the dividend tax credit attached to the dividend received.

It is specified that, pursuant to the provisions of the Law of Finance for 2004, distributions paid on or after 1 January 2005 will no longer be subject to the deduction at source.

*(b) Capital gains*

Capital gains or losses realised on the sale of portfolio securities are included in the earnings subject to the corporate tax at the legal rate of 33 $\frac{1}{3}$ %, plus the supplemental contribution of 3% (Article 235 *ter* ZA of the CGI) and, where applicable, the social security contribution of 3.3%, which is applied to the amount of the corporate tax less an allowance that may not exceed 763,000 euros per twelve-month period (Article 235 *ter* ZC of the CGI).

However, pursuant to the provisions of Article 219-I-a *ter* of the CGI, gains on the sale of shares held for more than two years and classified as equity interests in the accounts, or fiscally classified as equity interests, are eligible for the tax treatment on long-term capital gains.

Equity interests are shares classified as such at the accounting level and, provided they are accounted for as equity interest or in a special sub-account, the shares that entitle the holder to the regime for parent companies and subsidiaries stipulated in Articles 145 and 216 of the CGI or, when the cost price is equal to at least 22,800,000 euros, shares that meet the conditions entitling the holder to this regime other than ownership of at least 5% of the capital of Accor, as well as the shares acquired in a public tender offer or a public exchange offer by the company that initiates the offer.

These gains are liable for the corporate tax at the reduced rate currently set at 19%, plus the supplemental contribution of 3% and, as applicable, the social security contribution on earnings of 3.3% described above, provided that they comply with the condition requiring the allocation and maintenance of the special reserves for long-term capital gains.

Capital losses eligible for the long-term regime may be charged against gains of the same type for the fiscal year or for one of the next ten fiscal years. In principle, such losses are not deductible from the taxable earnings at the normal corporate tax rate.

Certain legal entities may be able to benefit, subject to the conditions defined in Articles 219-I-b and 235 *ter* ZC of the CGI, (i) from a reduction in the corporate tax rate to 15% for fiscal years opened on or after 1 January 2002 up to a limit of 38,120 euros in taxable income per 12-month period; and (ii) from exemption for the social security contribution of 3.3%.

#### 2.7.4.2 Non-resident taxpayers

*(a) Dividends*

Under French national law, dividends paid out by a company with its registered office in France to shareholders whose tax residence or registered office is situated outside France are, in principle, subject to withholding tax of 25% and are not entitled to the dividend tax credit.

However, shareholders with their effective place of management being located in a member State of the European Community may be eligible, subject to the conditions of Article 119 *ter* of the CGI, for an exemption from the withholding tax.

In addition, shareholders whose tax residence or registered offices are located in a State that has signed an international tax convention with France may be eligible, subject to certain conditions related primarily to compliance with the procedure to obtain such contractual benefits, for a partial or total reduction of the withholding tax, the transfer of the dividend tax credit and, as the case may be, the tax credit representing the deduction at source at the full rate effectively paid by the distributing company, or the reimbursement of the deduction at source paid by the distributing company, with this transfer or this reimbursement occurring after the withholding tax taken at the rate stipulated by the convention.

For individual non-resident shareholders, the Law of Finance for 2004 eliminated the dividend tax credit for distributions made on or after 1 January 2005.

For non-resident legal entities, the Law of Finance for 2004 dated 30 December 2003 eliminated the right to reimbursement of the dividend tax credit for tax credits that may be used on or after 1 January 2005.

The deduction at source effectively paid, if any, on dividend distributions decided in 2004 should be able to be reimbursed to non-resident shareholders, under certain conditions, when the applicable tax convention so provides.

Shareholders of the Accor company are advised to contact their usual tax advisor to determine if such convention provisions might apply to their individual case and to determine the impact on their specific situation of the changes in the rules governing distributions established by the aforementioned Law of Finance for 2004.

#### *(b) Capital gains*

Capital gains realised in the sale of securities for valuable consideration on sales for valuable consideration of securities made by persons who are not tax residents of France, as defined by Article 4B of the CGI, or whose registered offices are outside France, are generally exempt from tax in France, provided that such gains cannot be attached to a stable establishment or a fixed base that is subject to taxation in France (Article 244 *bis* C of the CGI), and provided that the seller has not held, directly or indirectly, with his spouse, his ascendants or descendants, or the ascendants or descendants of his spouse, corporate rights giving the right to more than 25% of the profits of the company the shares of which were sold at any time during the five years preceding the sale (Article 244 *bis* B of the CGI). Gains realised on the sale of an interest exceeding, or which has exceeded, the threshold of 25% during this said period, are subject to taxation in France at the proportional rate of 16%, subject to the possible application of the more favourable provisions of a tax convention aimed at avoiding double taxation.

#### *(c) Wealth tax*

Subject to the more favourable provisions of the applicable international conventions, the wealth tax does not, in principle, apply to shares of French companies held by individuals residing outside of France, as defined by Article 4 B of the CGI, who own directly or indirectly less than 10% of the capital of the company, to the extent, however, that their shares do not enable them to exercise influence over the company.

*(d) Inheritance and gift tax*

Securities of French companies acquired through inheritance or as a gift from non-residents are subject to inheritance and gift tax in France. France has signed conventions with a certain number of countries to avoid double taxation on inheritance and gifts, under the terms of which, provided they meet certain conditions, residents of the countries that have signed such conventions may be exempt from inheritance or gift tax or obtain a tax credit in their country of residence.

2.7.5 Listings of the allotted shares

An application to list the shares to be issued as redemption for the Bonds will be filed with the Premier Marché of Euronext Paris S.A.

2.7.5.1 Ranking of the shares

An application to list the shares for trading will be filed with Euronext Paris S.A. based on the dividend-bearing date, either directly on the same line as the existing shares of the Company or in a first phase, on a second line. The shares of the Company are listed for trading on the Premier Marché of Euronext Paris S.A. (ISIN code: FR0000120404).

2.7.5.2 Other listing markets

The Accor shares are not listed for trading on any other market. Transactions on the Accor American Depository Shares (ADR) are executed on the Over the Counter (OTC) market in the United States.

2.7.5.3 Transaction volumes and price trends

The tables below show the price trends and trading volumes for the share on the Premier Marché of Euronext Paris.

***Market price and transaction volumes for the Accor share***

*ISIN code: FR0000120404*

In €	Average price	High and Low		Number of shares traded
		+ high	+ low	
<b>2004</b>				
January	36.19	37.36	34.85	19,981,377
February	35.62	36.72	34.76	17,005,865
March	34.07	36.60	31.78	29,893,597
April	34.86	36.20	33.14	25,263,355
May	33.84	35.85	31.75	26,644,298
June	33.98	35.12	32.67	27,264,476

Source: Euronext, Accor

## CHAPTER 3

### GENERAL INFORMATION ON THE COMPANY AND ITS SHARE CAPITAL

The information for this Chapter 3 is provided in the Reference Document filed with the AMF on 8 April 2004 under No. D.04-437. On the date of this offering circular, this information remains correct, with the exception of the additional information provided below.

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The Accor Ordinary and Extraordinary General Meeting was held on 4 May 2004 to hear the report from the Management Board on the past fiscal year and the comments from the Supervisory Board. The Meeting approved the financial statements and the distribution of earnings. The net dividend for financial year 2003 was set at 1.05 euro per share. This dividend was paid out on 17 May 2004.

\*\*\*

#### **Employee shareholders**

On the authority granted by the Ordinary and Extraordinary General Meeting of 20 May 2003 and by the Supervisory Board on 7 January 2004, the Management Board decided on 7 May 2004 to complete a capital increase, with elimination of shareholders' preemptive rights in favour of the employees of Accor S.A. and its affiliated French or foreign companies as defined by Article L. 225-180 of the French Commercial Code. The offering was for a maximum of 0.35% of the share capital (i.e., a maximum of 697,408 new shares with a par value of 3 Euros at 31 December 2003 for a maximum nominal amount of EUR 2,092,224).

This operation is described in a final offering circular approved by the AMF on 12 May 2004 under No. 04-407. This offering circular is available on Accor's website ([www.accor.com](http://www.accor.com)) and on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)).

#### **Impact of the issue on the distribution of share capital if all Bonds are subscribed by Caisse des Dépôts et Consignations**

The impact of the issue on the distribution of share capital in the event that Caisse des Dépôts et Consignations subscribes to all the Bonds and the Bonds are redeemed for shares, is presented below.

It should be noted that the Company has no knowledge of the intention of other shareholders to subscribe to this issue.

Breakdown of share capital at 31 December 2003

	Number of shares	Number of votes	% of capital	% of votes
Caisse des Dépôts et Consignations	8,976,435	8,976,435	4.5	4.2
Founders	7,346,368	14,191,220	3.7	6.6
Société Générale	4,158,416	4,158,916	2.1	1.9
BNP Paribas	1,227,580	2,455,160	0.6	1.2
Worms & Cie (IFIL)	1,270,500	2,479,808	0.6	1.2
Other shareholders*	176,280,251	181,329,689	88.5	84.9
<b>Total</b>	<b>199,259,550</b>	<b>213,591,228</b>	<b>100</b>	<b>100</b>

\* including 1,528,731 treasury shares. These shares carry no voting right.

Source: Euroclear France, Nominatif, Accor

Breakdown of share capital after the operation (case of subscription of all Bonds by Caisse des Dépôts et Consignations).

	Number of shares	Number of votes	% of capital	% of votes
Caisse des Dépôts et Consignations	15,941,760	15,941,760	7.7	7.2
Founders	7,346,368	14,191,220	3.6	6.4
Société Générale	4,158,416	4,158,916	2.0	1.9
BNP Paribas	1,227,580	2,455,160	0.6	1.1
Worms & Cie (IFIL)	1,270,500	2,479,808	0.6	1.1
Other shareholders*	176,280,251	181,329,689	85.5	82.2
<b>Total</b>	<b>206,224,875</b>	<b>220,556,553</b>	<b>100</b>	<b>100</b>

\* including 1,528,731 treasury shares. These shares carry no voting right.

Source: Accor

## **CHAPTER 4 BUSINESS OF THE COMPANY**

The information for this Chapter 4 is provided in the Reference Document filed with the AMF on 8 April 2004 under No. D.04-437. On the date of this offering circular, this information remains correct, with the exception of the additional information below. This information is completed by the elements provided in Chapter 7 of this offering circular.

An offering circular was issued in respect of a share buyback program authorised by the General Meeting of Shareholders of 4 May 2004, that being the second convening of the meeting, and was approved by the AMF on 13 April 2004 under No. 04-270. This offering circular is available on Accor's website ([www.accor.com](http://www.accor.com)) and on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)).

## **CHAPTER 5**

### **ASSETS, FINANCIAL POSITION AND EARNINGS OF THE COMPANY**

The information for this Chapter 5 is provided in the Reference Document filed with the AMF on 8 April 2004 under No. D.04-437. On the date of this offering circular, this information remains correct, with the exception of the following additional information.

An offering circular was issued in respect of a share buyback program authorised by the General Meeting of Shareholders of 4 May 2004, that being the second convening of the meeting, and was approved by the AMF on 13 April 2004 under No. 04-270. This offering circular is available on Accor's website ([www.accor.com](http://www.accor.com)) and on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)).

It is specified that the reference to the main subsidiaries and consolidated equity interests made in the Accor Reference Document filed with the AMF on 8 April 2004, under No. D. 04-437, concerns the principal subsidiaries and operational consolidated equity interests of the Group, which contribute to the Group's business and earnings. The entirety of the Group's subsidiaries represent 90% of the Group's total turnover, 83% of the gross operating income, 88% of the operating income and 92% of the current income before income taxes.

The many other entities individually represent less than 0.1% of each of these aggregates (turnover, operating income, gross operating income and current income before income taxes).

The simplified organisational chart of the Accor Group as of 31 December 2003 is provided below:

# ACCOR SA

HOTELLERIE			Méthode de consolidation
<b>France</b>			
Etanco	France	100,00%	I
Hierco	France	100,00%	I
La Thermale de France	France	100,00%	I
Mer et Montagne	France	100,00%	I
Méridis International Hotels	France	100,00%	I
Pullman International Hotels	France	100,00%	I
Radisson Blu Hotels & Resorts	France	100,00%	I
SNH DGR Grand Ouest	France	100,00%	I
SNH DGR Ile De France	France	100,00%	I
SNH DGR Rhône Alpes Méditerranée	France	100,00%	I
Société Commerciale des Hôtels Economiques	France	100,00%	I
Société de Développement des Hôtels Economiques	France	100,00%	I
Société de Management International	France	100,00%	I
Société d'Exploitation d'Hôtels Economiques	France	100,00%	I
Société d'Etude et de Promotion d'Hôtels Economiques	France	100,00%	I
Société d'Exploitation de la Porte de St Yves	France	100,00%	I
Société Internationale de Services des Hôtels Economiques	France	99,91%	I
Thelamer	France	98,35%	I
Société d'Exploitation d'Hôtels Suites	France	49,00%	M
Société Hôtels Nîmes Centre			

SERVICES			Méthode de consolidation
<b>France</b>			
Accor Services France	France	100,00%	I
Restaugo	France	99,95%	I
French Line Diffusion	France	43,87%	M

AUTRES METIERS			Méthode de consolidation
Académie Accor	France	100,00%	I
Accor Réservation Service	France	100,00%	I
Compagnie de Tourisme Frantour	France	100,00%	I
Frantour	France	99,97%	I
Demico	France	98,75%	I
Leandre	France	98,75%	I
Leandre Services	France	98,75%	I
Go Voyages	France	70,00%	I
Accor Casinos	France	50,00%	P
GR	Brazil	49,89%	I
Société des Hôtels et Casinos de Casanville	France	34,80%	M
Financière Courtepaille	France	20,00%	M

Europe Hors France			
Accor Hôtels Deutschland	Allemagne	100,00%	I
Accor Hôtels Mercure Management	Allemagne	50,37%	I
Donat	Allemagne	40,19%	M
Accor GmbH	Autriche	100,00%	I
Ibis Hôtels Belgium	Belgique	100,00%	I
Accorhotels Belgium	Belgique	99,33%	I
Accorhotels Bulgaria	Belgique	96,90%	I
Accorhotels Espagne	Espagne	100,00%	I
Accorhotels Espagne	Espagne	100,00%	I
Société Hôtels Athinas Centre	Grèce	41,62%	M
Pannonia Hotels RT	Hongrie	74,39%	I
Softel Gestion Albergarehere Italia	Italie	99,49%	I
Famosa Immobilien	Italie	98,28%	I
Shiblogis	Italie	98,28%	I
Nihara BV	Pays-Bas	100,00%	I
Novotel Nederland	Pays-Bas	100,00%	I
Novotel Nederland	Pays-Bas	100,00%	I
Postillon	Pays-Bas	100,00%	I
Ottis	Pologne	35,59%	M
Godtur	Portugal	50,00%	P
Accor UK Business & Leisure	Royaume-Uni	100,00%	I
Accor UK Economy Hotels	Royaume-Uni	100,00%	I
Accor Hôtels Scandinavia	Suède	100,00%	I
Accor Suisse	Suisse	100,00%	I

Europe Hors France			
Accor Services Deutschland	Allemagne	100,00%	I
Accor Services Austria	Autriche	99,17%	I
Accor T.R.B.	Belgique	100,00%	I
Gernatz	Italie	94,64%	I
Euro Services Alimentaires	Portugal	97,50%	I
Accor Services Roumaine	Roumanie	84,50%	I
Lunchroom vouchers	Royaume-Uni	100,00%	I
Rakspuginger	Suède	99,96%	I

Amérique du Nord			
Accor Canada	Canada	100,00%	I
Accor Lodging North Am	Etats-Unis	100,00%	I
Accor North America	Etats-Unis	100,00%	I
Accor North America	Etats-Unis	100,00%	I
Real Proof Inc	Etats-Unis	100,00%	I
Universal Commercial Credit	Etats-Unis	100,00%	I

Amérique du Nord			
<b>Amérique Latine et Caraïbes</b>			
Services Ticket	Argentine	100,00%	I
Ticket Brésil	Brazil	49,89%	I
Accor Services Chili	Chili	74,35%	I
Accor Services Empresariales	Mexique	99,00%	I
Serenca	Venezuela	96,20%	I

Autres Pays			
Saudi Hotels Management	Arabie Saoudite	100,00%	I
Accor Hotels Management	Brazil	99,99%	I
Société d'Exploitation de l'Hôtel de Tunis	Tunisie	96,72%	I
Société Abjannasa	Côte d'Ivoire	74,92%	I
Roma	Maroc	45,29%	M

Autres Pays			
Accor Services Australia	Australie	100,00%	I

Compagnie Internationale des Wagons Lits & du Tourisme			
Swil Reception	Belgique	99,65%	I
Société Française de Promotion Touristique & Hôtelière	France	99,49%	I
Trop	Italie	99,49%	I
WLT Mexicana	Mexique	99,49%	I

CWI Beheermaatschappij			
Wagons Lits	Pays Bas	19,74%	P
World Tourist	Danemark	49,74%	P
Carlson USA	Etats-Unis	49,74%	P
Compagnie de Service de Voyage et de Tourisme	France	49,74%	P
Société d'Exploitation de Voyages et de Tourisme	France	49,74%	P
Wagons Lits Tourisme Réseau International France	France	49,74%	P
CWI Beheermaatschappij	Pays Bas	49,74%	P
Wagons Lits	Royaume-Uni	49,74%	P
HO Asia	Thaïlande	49,74%	P

Méthodes de Consolidation		
I	Intégration Proportionnelle	
M	Misc en Equivalence	
P	Intégration Proportionnelle	

Les entités sont toutes en détermination directe sur Accor SA à l'exception de la Compagnie des Wagons-Lits et la CWI Beheermaatschappij

[Translation of Table:]

HOTELLERIE – HOTELS  
SERVICES – SERVICES  
AUTRES METIERS – OTHER ACTIVITIES

Méthode de consolidation – Consolidation Method

France – France  
Europe Hors France – Europe excluding France  
Amérique du Nord – North America  
Amérique Latine et Caraïbes – Latin America and the Caribbean  
Autres Pays – Other Countries

France – France  
Allemagne – Germany  
Autriche – Austria  
Belgique – Belgium  
Danemark – Denmark  
Espagne – Spain  
Grèce – Greece  
Hongrie – Hungary  
Italie – Italy  
Pays-Bas – The Netherlands  
Pologne – Poland  
Portugal – Portugal  
Royaume-Uni – United Kingdom  
Suède – Sweden

Suisse – Switzerland

Canada – Canada  
Etats-Unis – USA  
Argentine – Argentina  
Brésil – Brazil  
Arabie Saoudite – Saudi Arabia  
Australie – Australia  
Sénégal – Senegal  
Côte d'Ivoire – Ivory Coast  
Maroc – Morocco

Méthode de consolidation – Consolidation Method

I: Intégration Globale – F: Full consolidation

M: Mise en Equivalence – E: Equity method

P: Intégration Proportionnelle – P: Proportional consolidation

Les entités sont toutes en détention directe sur Accor SA... – All entities are direct holdings of Accor SA except Compagnie des Wagon-Lits and CWT Beheermaatschappij

Roumanie – Romania  
Chili – Chile  
Mexique – Mexico  
Venezuela – Venezuela

Thaïlande

Thailand

## **CHAPTER 6 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE COMPANY**

The information for this Chapter 6 is provided in the Reference Document filed with the AMF on 8 April 2004 under No. D.04-437, incorporated by reference to this offering circular. On the date of this offering circular, this information remains correct, with the exception of the following additional information.

During the Ordinary General Meeting on 4 May 2004, the shareholders ratified the decision of the Supervisory Board made at its meeting of 2 July 2003 to appoint Gabriele Galateri di Genola as a member of the Supervisory Board, in the place of IFIL Finanziaria di Partecipazioni, which had resigned, for the remainder of the latter's mandate, i.e. until the General Meeting of Shareholders called to approve the financial statements for financial year 2006.

In addition, this same Meeting elected Francis Mayer to the Supervisory Board for a term of six years that will expire at the time of the General Meeting of Shareholders called to approve the financial statements for the fiscal year 2009.

## CHAPTER 7

### INFORMATION ON RECENT CHANGES AND THE OUTLOOK FOR THE COMPANY

The information for this chapter is provided in the Reference Document filed with the AMF on 8 April 2004 under No. D.04-437. On the date of this offering circular, this information remains correct, with the exception of the following additional information.

#### 7.1 ACQUISITION OF AN EQUITY INTEREST IN CLUB MEDITERRANEE

##### 7.1.1 Terms of the Acquisition

##### 7.1.1.1 The Agreements

The Company signed two agreements (the "**Agreements**") intended, first, to allow Accor's acquisition of 4,100,000 Club Méditerranée shares from the Agnelli Group and 1,500,000 shares of this company from Caisse des Dépôts et Consignations and, second, to define the terms and conditions for financing these acquisitions:

- The purchase agreement signed 10 June 2004 with the Agnelli Group concerns the securities of a Dutch holding company (Adriatique Holding BV), which will hold, on the date of completion of the acquisition, directly or indirectly through another wholly owned Dutch company (Mediterranean Holding BV), 4,100,000 Club Méditerranée shares, representing 21.2% of the capital and 21.1% of the voting rights.

This sale was agreed for a price of 45 euros per Club Méditerranée share and a variable price supplement capped at 10 euros per share and payable either after the close of fiscal year 2005, or after the close of fiscal year 2006, at the seller's discretion. The amount of the price supplement effectively due will be determined on the basis of the consolidated operating income and the consolidated net debt of Club Méditerranée.

This price supplement would be payable early, on the basis of the last known consolidated financial statements, if an event affecting Club Méditerranée occurred that would make it impossible, or more difficult, to determine the price supplement (significant change in consolidation, merger, etc.).

Finally, in the event of a tender in a public tender offer filed by a third party for the Club Méditerranée shares, a lump sum price, equal to the difference (and capped at 10 euros) between the price of the offer and 45 euros, will be paid to the seller if the seller has not yet received any price supplement.

- The purchase agreement signed on 11 June 2004, as amended and replaced by a contract dated 6 July 2004 with Caisse des Dépôts et Consignations, concerns 1,500,000 shares of Club Méditerranée representing 7.7% of the capital and 7.7% of the voting rights.

This sale was agreed for a price of 45 euros per Club Méditerranée share and a price supplement payable with Accor treasury shares, either after the close of fiscal year 2006 or after the close of fiscal year 2007.

This price supplement is capped at 550,000 Accor shares if it is paid on the basis of the results for fiscal year 2006 and at 350,000 Accor shares if it is paid on the basis of the results of fiscal year 2007. The number of Accor shares to be remitted will be determined on the basis of the consolidated operating income and the consolidated net debt of Club Méditerranée at 31 October 2005 and 31 October 2006.

This Acquisition was the subject of a ruling issued by the AMF on 6 July 2004 in which the AMF stated that:

*"Accor and Caisse des Dépôts et Consignations have asked the Autorité des marchés financiers to consider that these agreements do not characterise the existence of an action in concert and that, as a result, the implementation of these agreements will not force them to file a tender offer for the Club Méditerranée shares pursuant to Article 5-5-2 of the general rules of the Conseil des marchés financiers.*

*They note, first, that Club Méditerranée holds 287,950 of its own shares, representing 1.49% of its capital, and indicate that, if Accor had to determine the results of the votes at the next General Meeting of Shareholders of Club Méditerranée because of absenteeism, and thus be deemed to hold de facto control of the company, these shares would have to be aggregated with the shares held by Accor, raising its interest 30.42%.*

*They assert that there is no agreement concerning the acquisition of the Club Méditerranée shares still held by the IFIL Group or by the Caisse des Dépôts et Consignations group or the shares which these groups would come to hold, no agreement concerning the exercise of the voting rights attached to these shares, or any agreement for the purpose of co-operating within the corporate governing bodies of Club Méditerranée or otherwise.*

*They state that the aggregation of the shares acquired by Accor with the interests held by Caisse des Dépôts et Consignations (0.45% of the capital and 0.89% of the voting rights) and by the CNP[1] and its subsidiaries (2.50% of the capital and 2.77% of the voting rights) could result from the existence of a concerted action by Accor and Caisse des Dépôts et Consignations which does not exist, according to the two groups, for the following reasons:*

- The only agreement governing the acquisition or the sale of voting rights is the agreement of 10 June, the effects of which shall be definitively terminated by the completion of the transactions. There is no preemptive right, no joint or mutual withdrawal, no liquidity commitment of any kind, or agreement on the stability of the parties' interests.*
- There is no voting commitment of any kind, or agreement to consult on the positions to be expressed or adopted at Shareholders' Meetings or meetings of the Club Méditerranée Supervisory Board on which Caisse des Dépôts et Consignations will no longer have a representative.*
- The presence of representatives of Caisse des Dépôts et Consignations on the Accor Supervisory Board does not establish or suggest the existence of concerted action with regard to Accor or a fortiori with regard to Club Méditerranée.*
- The commitment from Caisse des Dépôts et Consignations to subscribe to the ORANEs not subscribed by the other shareholders cannot be taken as an indication of any concerted action by the two parties. Like the sale agreement, the effects of this commitment end upon execution. The issue contract shall contain no stipulation granting the holders of the ORANEs - or of the shares issued by redemption - any right of intervention, veto or even observation on the management of Club Méditerranée.*

*Finally, the parties stress that Caisse des Dépôts et Consignations intends, with this operation, to withdraw from Club Méditerranée in which it has been an historical shareholder like the IFIL group, and that this strategic decision is completely devoid of any desire or intention to develop with Accor joint and concerted influence over Club Méditerranée, an intention necessary to the definition of a concerted action.*

*In its session of 6 July 2004, the Autorité des marchés financiers noted all these representations. Therefore, in view of the information at its disposal, it believes that the provisions contained in the agreements of which it has been informed do not a priori characterise in and of themselves a concerted action, which can only be assessed over time."*

#### 7.1.1.2 Terms of the Acquisition

The Agreement signed with Caisse des Dépôts et Consignations stipulates that the acquisition of 7.7% of Club Méditerranée shall be completed on the fifth business day after the Company notifies Caisse des Dépôts et Consignations of the completion of the condition precedent relating to the authorisations required from the relevant competition authorities, insofar as the acquisition of 4,100,000 Club Méditerranée shares from the Agnelli group has occurred on this date (the "**Execution Date**").

#### 7.1.1.3 Conditions precedent for the completion of the Acquisition

The completion of the Acquisition is in substance subject to the satisfaction or fulfilment of the following conditions:

- In respect of the agreement signed with the Agnelli Group, the only condition precedent for the execution of the agreement is the absence of any ban on the transaction by competent French, Community or foreign competent antitrust authorities, or the absence of any authorisation by one of these authorities that carries conditions reasonably considered by Accor to be unacceptable.
- In respect of the agreement signed with Caisse des Dépôts et Consignations, the conditions precedent are, firstly, to obtain the authorisations required by French, Community or foreign competition authorities under terms acceptable to Accor and, secondly, to complete the acquisition of 4,100,000 shares from the Agnelli Group.

#### 7.1.1.4 Financial impacts of the Acquisition for the Company

The elements below are taken from the presentation made by Accor on 11 June 2004 on the objectives expected in terms of financial impact. The full presentation of the merger between Accor and Club Méditerranée is available on Accor's website ([www.accor.com](http://www.accor.com)).

The operation is expected to have the following financial consequences:

- On Net earnings per share: dilution of 3.0% estimated in 2005
- On the ratios:
  - FFO/net debt: neutral
  - Hedging of financial expenses: neutral
  - Gearing: improvement by 3 points.

In addition, during this presentation, it was indicated that the earnings of Club Méditerranée would be accounted for using the equity method.

### 7.1.2 Press releases

#### 7.1.2.1 Press release issued 11 June 2004 by the Company announcing the operation and the financing of the purchase of the Club Méditerranée shares:

**"A strategic partnership that strengthens Accor's position in the global tourism industry  
Accor Acquires 28.9% Stake in Club Méditerranée**

Accor has announced that it is acquiring a 28.9% equity interest in Club Méditerranée, including the 21.2% of shares held by Agnelli Group (Exor/Ifil) and 7.7% held by Caisse des Dépôts et Consignations (CDC). With the acquisition, Accor will become the core shareholder in Club Méditerranée, which enjoys forefront brand identity and expertise in the leisure segment.

This transaction is subject to approval by the monopolies and mergers commissions.

The transaction will be based on an acquisition price of 45 euros for each Club Méditerranée share, for a total of 252 million euros, plus an earn-out clause, representing a maximum of 41 million euros as for the Agnelli Group and 550,000 Accor shares as for the CDC Group. It will be financed by ORANE convertible bonds, available to every shareholder, for a total of 280 million euros, based on one 40 euros bond per Accor share. CDC has agreed to underwrite the issue, if necessary in full, to facilitate the transaction. Those terms respect Accor's financial structure.

By becoming Club Méditerranée's core shareholder, with the full support of its management, Accor will help the company to strengthen its profitability.

Accor's position as an industry leader in Europe and a major force in global tourism will also enable Club Méditerranée to successfully pursue its strategy of moving up-market and its development.

In creating this strategic partnership with Club Méditerranée, Accor, which operates, out of 4,000 hotels, 200 leisure properties in 35 countries, is reaffirming its commitment to playing a leadership role in this growing segment that is certain to become increasingly structured. For many years, Accor's strategy has been to offer a comprehensive range of products and services worldwide to business and leisure customers, who often overlap.

*"We are confident in the Club Méditerranée management team and the Chairman of its Executive Board, who have already gotten the company's turnaround off to a good start. With Henri Giscard d'Estaing and his teams, we will quickly and realistically study possible synergies as well as all operating and marketing opportunities beneficial to both companies. We will also promote cross-fertilization of experience. The closer ties offer interesting prospects for both companies,"* said Jean-Marc Espalioux, Chairman of the Accor Management Board, who emphasized *"the image of leisure hotels, for which demand will inevitably increase, reflects favourably on all Accor hotels at a time when our properties want to tailor their offers more closely to the changing tastes of non-business, leisure and weekend customers."*

7.1.2.2 Joint press release published 11 June 2004 by Caisse des Dépôts et Consignations, Exor Group, Finanziaria di Partecipazioni SpA Accor, and Club Méditerranée.

#### **"Arrival of Accor as a shareholder in Club Méditerranée: a key asset in Club Méditerranée's strategic repositioning and development in upscale tourism sector**

- **The Agnelli Group and Caisse des Dépôts et Consignations will sell to Accor 28.9% of Club Méditerranée.**
- *The Caisse des Dépôts et Consignations will accompany Accor in this transaction and may then be able to increase its stake in Accor.*
- *Accor, while becoming the core shareholder of Club Méditerranée, strengthens its position in the global tourism industry.*
- *This transaction is an opportunity for Club Méditerranée to strengthen its strategy of moving up-market.*

Club Méditerranée's historic shareholders, the Agnelli Group (through its holding companies Exor and Ifil) and the Caisse des Dépôts et Consignations, announced today that they will sell Club Méditerranée's shares of respectively 21.2% and 7.7% to Accor for a total of 252 million euros.

Pending approval by the monopolies and mergers commissions, Accor will hold 28.9% of the capital of Club Méditerranée and become its main shareholder as well as a leading industry partner.

Accor will finance the acquisition of this shareholding by bonds convertible in shares or cash (ORANE), available to every shareholders, for an amount of 280 million euros, on the basis of one

40 euros bond per Accor share. The Caisse des Dépôts et Consignations has agreed to underwrite the issue, if necessary in full, to facilitate the transaction.

At this occasion, **Tiberto Ruy Brandolini d'Adda, Deputy Chairman and Managing Director of Exor Group**, stated :

*'The Agnelli Group has helped develop Club Méditerranée since 1974 and has continually provided its support, including during difficult times. Club Méditerranée is now on the road to recovery thanks to the acceleration of the strategy put in place by Henri Giscard d'Estaing since the end of 2002, as first half results show. We are pleased that this restructuring of Club Méditerranée capital, in full agreement with the management, will provide the opportunity for an association with a leading industry partner which will accompany the company in its future development.'*

**Francis Mayer, Chairman of the Executive Board of Caisse des Dépôts et Consignations**, stated:

*'As one of the historic shareholders of both Accor and Club Méditerranée, the Caisse des Dépôts is fulfilling its role of long-term shareholder by supporting this partnership. It provides Accor with the opportunity to strengthen its position in the tourism sector and it gives Club Méditerranée the opportunity of having a stable shareholder in the industry.'*

*'The Caisse des Dépôts is reinforcing its position as main shareholder of Accor, European leader and one of the world's largest groups in hotels and services.'*

**Jean-Marc Espalioux, Chairman of the Management Board of Accor**, stated:

*'In becoming the core shareholder of Club Méditerranée, global leader in the upscale holidays sector, Accor is reinforcing its position in the global tourism industry, in the context of its long-term strategy of offering a comprehensive range of products and services to business and leisure customers, who often overlap.'*

*'I want to congratulate the management of Club Méditerranée on the strategy it is putting in place and assure them of my total confidence.'*

*'We will study together the numerous opportunities for commercial and operational synergies, beneficial to both companies, to accelerate the development of Club Méditerranée, and to expand further its position in a growth sector that surely will continue to structure itself further in the years ahead.'*

**Henri Giscard d'Estaing, Chairman of the Executive Board of Club Méditerranée**, thanked the Agnelli Group:

*'for its unfailing support throughout these thirty years, through good and bad times', and also noted 'the constructive role played by the Caisse des Dépôts, which has accompanied Club Méditerranée for several years, enabling us today to stabilise our core shareholding.'*

**Henri Giscard d'Estaing** added:

*'The association of Club Méditerranée with one of the industry leaders as its partner in development represents an exceptional opportunity for Club Méditerranée to become the undisputed leader in the sector of upscale, friendly holidays. It is in this context that will be studied with Accor the synergies and the sharing of resources that will benefit both companies.'*

*'This partnership will allow both groups to benefit in the most favourable manner from the future growth of the global tourism industry.'*

The information for this Chapter 7 is provided in the Reference Document filed with the AMF on 8 April 2004 under No. D.04-437 and incorporated by reference in this offering circular. On the date of this circular, this information remains accurate, with the exception of the following additional information:

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## 7.2. OTHER RECENT EVENTS

**On 21 April 2004 in Paris**, Accor issued a press release on the 26 April launch of its new advertising campaign in the French and Pan-European economic and financial press. Designed by TBWA\Paris, the campaign will then be deployed worldwide.

This campaign now gives more meaning and content to the Accor image. Through a series of ads, it illustrates with concrete examples the group's daily commitment to serving its clients and the "New Look" of its employees. Accor wants to enhance its institutional image, stimulate a preference (Accor and its brands) while capitalising on the "Smile" image, the foundation of its promotional materials since 1998.

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**On 28 April 2004**, at the time of the publication of its earnings for the first quarter of 2004, Accor issued the following press release:

### **“First quarter 2004 revenues up 4.3% like-for-like**

(In € million)	2003	2004	Change reported	Comparable change *
<b>Hotels</b>	<b>1,098</b>	<b>1,125</b>	<b>+2.5%</b>	<b>+4.2%</b>
<b>Services</b>	<b>111</b>	<b>121</b>	<b>+9.3%</b>	<b>+10.4%</b>
Other businesses	349	352	+0.7%	+2.7%
<b>Total Group</b>	<b>1,558</b>	<b>1,598</b>	<b>+2.6%</b>	<b>+4.3%</b>

\* at constant consolidation and currency basis

**Consolidated revenues** rose 2.6% in the first quarter of 2004. **Excluding the currency effect and changes in the scope of consolidation, growth was 4.3%**, indicating that the improvement observed since the second half of 2003 is gathering momentum.

The 2.6% rise in reported revenues breaks down as follows:

- Like-for-like growth: + 4.3%
- Business expansion: + 2.3%
- Currency effect: - 2.9%
- Asset disposals: - 1.2%

### **Hotels**

Hotel revenues expanded 4.2% like-for-like. The reported increase of 2.5% includes the 2.6-point positive impact of new openings and the 3.5-point negative dollar effect.

Like-for-like revenues from Upscale and Midscale Hotels rose 4.9%, reflecting robust 10.5% growth in the United Kingdom and a strong 18.2% rise in Sofitel revenues in the United States.

Revenues from this segment in France and Germany inched up 1.0%. Revenues from Economy Hotels rose 4.0% like-for-like in France as well as in the whole of Europe, with increases of 8.0% in the United Kingdom, 14.2% in Spain, 8.1% in Belgium and 1.1% in Germany. Economy Hotel revenues in the United States expanded 2.3% like-for-like.

### **Services**

First quarter revenues from Services increased 10.4% like-for-like, led by a sustained growth of 12.7% in Latin America and 8.4% in Europe. The softening of currency impact due to

devaluation of Latin American currencies lessened the adverse currency effect, leading to 9.3% revenue growth on a reported basis.

### **Other businesses**

Revenues from the other businesses rose 0.7% on a reported basis and 2.7% like-for-like. Revenues for the first quarter of 2004 confirm that the recovery which began in the second half of 2003 is taking root. Although France and Germany are taking longer to recover than other markets, overall revenue performance for the period is encouraging."

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**On 3 May 2004 in Minneapolis**, at the finalisation of the acquisition of Maritz Corporate Travel, Carlson Wagonlit Travel issued the following press release:

#### **"Carlson Wagonlit Travel finalises acquisition de Maritz Corporate Travel CWT receives Regulatory Approval and Finalises Purchase**

Carlson Wagonlit Travel (CWT), a global leader in corporate travel management, today announced the completion of its acquisition of Maritz Corporate Travel (MCT), the U.S. corporate travel subsidiary of Maritz Travel Company. The agreement to purchase MCT was previously announced on 18 March 2003, and received regulatory approval at the end of April.

Since the original announcement, integration teams have met regularly to lay the framework for a seamless merger of the two companies' leadership, employees, operations and technology. Now, with the acquisition complete, the teams are free to step up their integration efforts, unrestricted by any legal or regulatory limitations regarding the exchange of proprietary information.

CWT clients that were formerly with MCT will slowly begin to see their day-to-day interactions take on the face of CWT through both one-on-one attention and corporate-level communication. At the same time, Robin Schleien, president, Carlson Wagonlit Travel, North America, advised: "This process will not be unnecessarily rushed, but rather it will be a strategic transition for clients, employees and suppliers." He continued, "Our ultimate goal is to leverage our collective talent and resources to the benefit of our clients; we will get this right."

The acquisition further solidifies CWT's position as the second largest travel management company in the world and the largest wholly-owned global corporate travel network."

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**In Paris and Minneapolis on 10 May 2004**, following the meeting of the Board of Directors of Carlson Wagonlit Travel, Accor and Carlson Companies issued the following press release:

#### **"Accor and Carlson Companies Announce Appointment of Hubert Joly as Head of Carlson Wagonlit Travel Worldwide and Successor to Industry Pioneer Hervé Gourio**

The Carlson Wagonlit Travel Board of Directors, co-chaired by Benjamin Cohen, executive vice chairman of Accor's Management Board and by Curtis C. Nelson, president and COO of Carlson Companies, today announced the appointment of **Hubert Joly** as the worldwide president & CEO of Carlson Wagonlit Travel. Hubert Joly will join the company in June and **will take over from Hervé Gourio** in July. Hervé Gourio, 64, is retiring at a time he selected following a distinguished career.

CWT is jointly owned by Accor of Paris, France, and Carlson Companies of Minneapolis, USA. It is the second largest global travel management company in the world (operating in more than 140 countries) with sales of more than USD 11.5 billion.

**Hubert Joly**, 45, has a broad international experience. He comes to CWT from Vivendi Universal, where he serves on the executive committee. He is today Executive Vice President in charge of overseeing American assets, the company's deputy CFO and has been a member of the executive team since summer 2002 that has led the recovery of the company. Previously, Hubert Joly had been CEO of Vivendi Universal Games, the video game division of Vivendi Universal based in Los Angeles.

Before joining Vivendi, Joly was vice president of Electronic Data Systems (EDS) Europe and president of EDS France from 1996 to 1999 where under his leadership, the company's revenue doubled and profitability was greatly improved. Prior to EDS he spent twelve years with McKinsey & Company in San Francisco, New York and Paris, specialising in the high technology sector. A French citizen, he is a business administration graduate of HEC Paris and studied public administration at the Institut d'Etudes Politiques de Paris.

*'With the arrival of Hubert Joly, we are delighted to have a world-class leader on the business scene today assuming the reins at CWT. His international and strategic experience will be put to good use in this rapidly changing industry. Thanks to the strategic vision and determination of Hervé Gourio, Carlson Wagonlit Travel is in a strong position economically and has an enviable growth potential,'* stated Jean-Marc Espalioux, Chairman of the Management Board and CEO of Accor.

*'Hubert Joly's broad management experience in high tech industries and his strategic abilities, when fused with CWT's natural spirit of innovation, bode well for our customers. He will build on our spirit of service to travellers that, since the beginning, has been uniquely CWT,'* said Marilyn Carlson Nelson, chairman & CEO of Carlson Companies. She continued, *'Since its very beginnings, CWT has been incredibly fortunate to enjoy the steady and visionary guidance of Hervé Gourio, one of the modern travel management industry's true pioneers. Hervé can never be thanked enough for the role he has played in building CWT and making it the global travel industry leader it has become.'*

**Hervé Gourio** is a graduate of the prestigious Ecole Polytechnique, and has enjoyed a career of nearly thirty years in a company whose present dimension he helped found. He joined Wagons-lits Tourisme as the president of France operations, and subsequently led the company's focus on business travel management. He was instrumental in the merging of Accor's business travel interests with those of Carlson, forging one of the first truly international companies in the business travel arena. Since M. Gourio became the worldwide president and CEO in September 2000, the company experienced volume growth and market expansion despite difficult times for the travel management industry. It was during his tenure that CWT established partnerships with Japan Travel Bureau and China Air Service, the two dominant travel agencies in those countries. Most recently, CWT acquired Protravel in France to create the leading travel distributor in that country; and also acquired Maritz Corporate Travel in the United States.

CWT is now one of the world's leading travel management companies. Its core business is to optimise corporate travel, designing and implementing optimal performance travel management programs for clients based on recognised consulting expertise, high quality service, strong purchasing power and technological know-how. Over the last few years, CWT has also introduced many technology and business innovations, including the development of online reservations systems, and the first Pan-European online reservation centre, opened in Poland in 2003. Present throughout the world, CWT has 12,500 employees, 11,000 reservation terminals and processes over 20 million reservations annually.

For more information, visit [www.carlsonwagonlit.com](http://www.carlsonwagonlit.com)."

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**On 26 May 2004 in Paris**, Accor issued the following press release.

**"Strong Growth in Internet Bookings  
116% Increase in Accorhotels.com Sales vs. 2003**

More than 160,000 rooms in Accor hotels are currently booked each week on the Internet, the equivalent of **one room night every 4 seconds** (more than 6% of sales).

Accorhotels.com portal performance has to be noted with a 116% increase over last year's same period (January to April). With a new comprehensive set of features (online travel guides, search engine by themes, Spanish ...), the portal amounts to 25% of Accor Internet sales.

The remaining Accor hotels online bookings are made through dedicated Accor brand web sites (sofitel.com, novotel.com, mercure.com, suite-hotel.com, ibishotel.com, etaphotel.com, hotelformule1.com, motel6.com, redroof.com). Distributors account for 17% of online bookings.

Since the beginning of May, a communication campaign including print and TV advertising, direct marketing, etc. will enhance Accorhotels.com visibility towards individual customers looking for a full and diversified range of hotels for leisure, weekends."

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**On 4 June 2004 in Paris**, Accor Services announced the acquisition of Capital Incentives, held by Close Brothers Private Equity, and issued the following press release.

### **"Accentiv' accelerates its international development**

#### **Accor Acquires Capital Incentives and Motivation Ltd in the United Kingdom**

With revenues of EUR 90 M (£60 million) in 2003, Capital Incentives is the UK's leading incentive and motivation company, and a leader in the multi-brand voucher and gift card.

This operation enriches Accor Services' offer in the UK. Capital Incentives will also be joining the international Accentiv' Network. Accor Services Relationship Marketing Agency, Accentiv' is already operating in 20 countries and issuing a worldwide gift voucher under the Brand name "Compliments", with 300 Millions pounds in sales in 2003.

Accor Services, Accor's second largest line of business, has been established in the UK since 1985 and is already present in two key Human Resources areas: Meeting Life Essentials and Enhancing Well-Being.

**John Du Monceau**, Vice President of the Accor Management Board for Services stated: *'With Capital Incentives, Accor Services is investing in the Performance Improvement sector in the United Kingdom and is generating new growth potential in its core business—services to Human Resources.'*

**Philippe Bertinchamps**, Managing Director of Accentiv', Accor Services' relationship marketing agency, added *'this acquisition strengthens the Accentiv' network in Europe and opens the door to the first gift voucher and motivational market (1.6 billion euros), offering our international customers extended global solutions.'*

**Graham Povey**, Managing Director of Capital Incentives declared: *'We are delighted to be joining Accor Services because of its large portfolio of customers (over 7000 in the UK) and its position as world leader in services for corporate clients and public institutions (14 million users in 34 countries).'*

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