



**Bonds convertible into new shares and/or exchangeable  
into existing shares of ACCOR**

*Obligations à option de conversion en actions nouvelles et/ou d'échange en  
actions existantes*

The bonds (the "**Bonds**") convertible and/or exchangeable into new or existing shares of ACCOR ("**ACCOR**") are being offered by way of an offering in France and outside France.

The terms and conditions of the Bonds 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 Définitive* 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 DEFINITIVE* RELATING TO THE ISSUE OF THE BONDS WHICH RECEIVED VISA NO. 02-454 DATED 25 APRIL 2002 OF THE *COMMISSION DES OPERATIONS DE BOURSE*. IN THE EVENT OF ANY AMBIGUITY OR CONFLICT BETWEEN CORRESPONDING STATEMENTS OR OTHER ITEMS CONTAINED IN THESE DOCUMENTS, THE RELEVANT STATEMENTS OR ITEMS OF THE FRENCH VERSION OF THE *NOTE D'OPERATION DEFINITIVE* SHALL PREVAIL.

Application has been made to list the Bonds on the *Premier Marché* of Euronext Paris S.A. with effect from 3 mai 2002. The existing shares of ACCOR are listed on the *Premier Marché* of Euronext Paris S.A.

**DEUTSCHE BANK**

**HSBC CCF**

**SG INVESTMENT BANKING**

The date of this document is 25 April 2002.

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 this document 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 may be restricted by law. Persons into whose possession this document comes are required to inform themselves about, and to observe, any such restrictions.

THIS DOCUMENT HAS NOT BEEN AND WILL NOT BE SUBMITTED TO THE CLEARANCE PROCEDURES OF THE *COMMISSION DES OPERATIONS DE BOURSE* AND ACCORDINGLY MAY NOT BE USED IN CONNECTION WITH ANY OFFER OR SALE OF THE BONDS TO THE PUBLIC IN FRANCE.

The delivery of this document, or any sale 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 date hereof or that there has been no change in the affairs of ACCOR and its consolidated subsidiaries since the date of this document.

The Bonds and the shares of ACCOR to be issued upon conversion or delivered upon exchange of the Bonds have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act") and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds are being offered and sold outside the United States in accordance with Regulation S under the Securities Act.

No representation or warranty, express or implied, is made, and no responsibility is accepted by Deutsche Bank AG London, CCF or Société Générale as to the accuracy or completeness of the information set out in this document.

In connection with this issue, Société Générale, or any person acting on its behalf, acting on behalf of the Joint Lead Managers may over-allot or effect transactions for a limited period with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no obligation on Société Générale, or any person acting on its behalf, to carry out such activities. Such stabilisation, if commenced, may be discontinued at any time and must be brought to an end after a limited period.



A French limited liability company with Executive Board and Supervisory Board  
(*société anonyme à Directoire et Conseil de Surveillance*)  
with a share capital of euro 596 680 245  
Registered Office: 2, rue de la Mare-Neuve, 91000 Evry  
Registered with the Evry Registry of Companies and Commerce under number 602 036 444

**FINAL PROSPECTUS (NOTE D'OPERATION DEFINITIVE)**

MADE AVAILABLE TO THE PUBLIC IN RELATION TO THE ISSUE AND ADMISSION TO THE *PREMIER MARCHÉ* OF Euronext Paris S.A. WITH AN AGGREGATE PRINCIPAL AMOUNT OF EURO 570,000,111.36, WHICH MAY BE INCREASED TO EURO 629,999,903.49 OF BONDS CONVERTIBLE INTO NEW SHARES AND/OR EXCHANGEABLE INTO EXISTING SHARES (*OBLIGATIONS À OPTION DE CONVERSION EN ACTIONS NOUVELLES ET/OU D'ÉCHANGE EN ACTIONS EXISTANTES*) OF ACCOR WITH A NOMINAL VALUE OF EURO 166.89.

A legal notice will be published in the *Bulletin des Annonces légales obligatoires* on 29 April 2002.



Visa of the *Commission des opérations de bourse*

Pursuant to articles L.412-1 and L.621-8 of the *Code monétaire et financier*, this final prospectus has received the visa no. 02-454 dated 25 April 2002 of the *Commission des opérations de bourse* in accordance with its Regulation n°98-01. This prospectus has been drafted by the issuer and renders the signatories thereof liable. The approval does not imply approval of the suitability of the transaction or authentication of the accounting and financial items shown. It has been granted after review of the relevance and consistency of the information in the light of the transaction offered to investors.

*Warning*

The *Commission des opérations de bourse* draws the attention of the public to:

- the particular characteristics of the financial instruments described in this final prospectus. Governed by articles L. 288-91 and subsequent of the *Code de commerce*, they do not present certain of the characteristics of convertible or exchangeable bonds. In particular, upon each event of early redemption or normal redemption, holders shall be entitled to exercise their rights to receive shares only in the period between the date of the notice announcing such redemption (which shall be published at the latest one month before the redemption date) and the seventh business day preceding the date set for such redemption;
- the specific terms and conditions of the normal redemption of the bonds, which is effected through partial redemption, on 1 January 2005, 2006, and 2007, of a third of the initial nominal value of each bond, at a redemption price inclusive of a redemption premium providing the initial bond subscriber with a gross yield to maturity rate of 3.125%.

This final prospectus consists of:

- the ACCOR *document de référence*, which was registered with the *Commission des opérations de bourse* on 18 March 2002 under the number D.02-126;
- the preliminary prospectus, which received the visa number 02-446 of the *Commission des opérations de bourse* on 25 April 2002; and
- this final prospectus.

Copies of this prospectus are available for inspection, without charge, at the headquarters of ACCOR - Tour Maine Montparnasse at 33 avenue du Maine, 75755 Paris Cedex 15 and from:

**Deutsche Bank**

**HSBC CCF**

**SG Investment Banking**

**Joint Lead Managers, Joint Bookrunners**

## ACCOR

### PRINCIPAL CHARACTERISTICS OF THE BONDS CONVERTIBLE INTO NEW SHARES AND/OR EXCHANGEABLE INTO EXISTING ACCOR SHARES

#### **NOMINAL AMOUNT OF ISSUE AND NUMBER OF BONDS ISSUED**

The ACCOR 1% bonds May 2002/January 2007 (the “**Bonds**”) issued will be in a nominal amount of € 570,000,111.36 represented by 3,415,424 Bonds. In addition, the Company has granted to the Lead Managers for the account of the managers an over-allotment option which, if exercised, would lead the Company to increase the nominal amount of the issue by a maximum of approximately 10% to a total amount of no more than € 629,999,903.49 represented by 3,774,941 Bonds having a nominal value of € 166.89.

#### **NOMINAL VALUE OF BONDS**

The nominal value of Bonds which has been fixed at € 166.89.

#### **ISSUE PRICE**

At par, payable in one installment on the settlement date.

#### **ISSUE DATE AND SETTLEMENT DATE**

3 May 2002

#### **TERM OF THE BONDS**

4 years and 243 days.

#### **ANNUAL INTEREST**

The Bonds will bear interest at a rate of 1% per annum, payable annually in arrear on 1 January in each year. The amount of interest payable to a Bondholder at each interest payment date will be equal to the 1% of the outstanding nominal value of each Bond during the interest period in question. In respect of the period from the settlement date on 3 May 2002 to 31 December 2002, an amount of interest of €1.11107 per Bond will be payable on 1 January 2003.

#### **NORMAL REDEMPTION**

The Bonds will be redeemed through repayment of one third of the initial nominal value of each Bond on each of the following dates:

- 1 January 2005 at a redemption price of € 58.86, representing approximately 105.81% of the fraction of the outstanding nominal value of the Bonds to be redeemed at this date
- 1 January 2006 at a redemption price of € 60.14, representing approximately 108.11% of the fraction of the outstanding nominal value of the Bonds to be redeemed at this date
- 1 January 2007 at a redemption price of € 61.47, representing approximately 110.50% of the fraction of the outstanding nominal value of the Bonds to be redeemed at this date

Each of these redemption prices comprises a redemption of a third of the initial nominal value of the Bond and a redemption premium giving the initial subscriber an actual yield rate of 3.125%.

#### **GROSS YIELD TO MATURITY**

3.125% as at the settlement date (in the absence of conversion and/or exchange into shares and in the absence of early redemption).

#### **EARLY REDEMPTION AT THE OPTION OF ACCOR**

Possible, at the option of the issuer:

- without limitation as to price or quantity, at any time, by means of purchase in the open market or by public offers;
- for the entirety of the Bonds, at any time, if less than 10% of the Bonds remain in circulation, at an early redemption price calculated to guarantee the initial subscriber, at the actual redemption date, after taking into account coupons paid over the preceding years and interest due in respect of the period from the last date of payment of interest before the date of early redemption and the actual redemption date, a gross rate of return identical to that which it would have received on redemption upon maturity, with accrued interest.

#### **EARLY REDEMPTION IN CASE OF DEFAULT**

The Bonds shall be redeemable immediately, in accordance with the terms of Paragraph 2.3.7.6 "Events of Default".

#### **CONVERSION AND/OR EXCHANGE OF THE BONDS FOR SHARES OF ACCOR**

The Bondholders may require that the Bonds be converted and/or exchanged into shares, at any time from the settlement date on 3 May 2002 as follows:

- from 3 May 2002 to the seventh business day preceding 1 January 2005 (or the following business day) at a conversion rate of 3 ACCOR shares for one Bond, subject to the provisions of paragraph 2.6.7.3 ("Adjustment to Conversion and/or Exchange Ratio");
- from the date following the seven business days preceding the 1 January 2005 to the seventh business day preceding 1 January 2006 (or the following business day) at a conversion rate of 2 ACCOR shares for one Bond, subject to the provisions of paragraph 2.6.7.3 ("Adjustment to Conversion Exchange Ratio");
- from the date following the seven business days preceding the 1 January 2006 to the seventh business day preceding 1 January 2007 (or the following business day) at a conversion rate of 1 ACCOR share for one Bond, subject to the provisions of paragraph 2.6.7.3 ("Adjustment to Conversion and/or Exchange Ratio").

For any fraction of a Bond subject to normal redemption, the Bondholders may, until the seventh business day preceding each normal redemption date, exercise their conversion/exchange rights for ACCOR shares at a rate of 1 ACCOR share per fraction of the nominal value of the Bond at normal redemption (subject to the provisions of paragraph 2.6.7.3 ("Adjustment to Conversion and/or Exchange Ratio")).

ACCOR may, at its option, deliver new shares and/or existing shares.

**PREFERENTIAL SUBSCRIPTION RIGHTS AND PRIORITY SUBSCRIPTION PERIOD**

The shareholders of ACCOR have waived their preferential subscription rights and no priority subscription period is applicable.

**OFFERING PERIOD**

The Bonds will be offered to the public from 25 April 2002 to 30 April 2002 inclusive and this placing may be closed without prior notice. In the case of individuals, the placing will remain open from 26 April 2002 until 30 April 2002 inclusive.

**INTENTION OF PRINCIPAL SHAREHOLDERS**

No shareholder has declared an intention to subscribe to the present issue.

**DIVIDEND RIGHTS ATTACHING TO NEW SHARES ISSUED AS A RESULT OF CONVERSION**

The new shares issued as a result of the conversion of Bonds will carry dividend rights from the first day of the accounting period during which the Bonds were converted.

**DIVIDEND RIGHTS OF EXISTING SHARES RESULTING FROM EXCHANGE**

The existing shares resulting from exchange will continue to carry dividend rights.

**STOCK EXCHANGE SHARE PRICE**

Reference price on 25 April 2002: € 44.87.

**LISTING OF THE BONDS**

*Premier Marché* of Euronext Paris SA, expected on 3 May 2002.

## CHAPTER I

### PERSONS ASSUMING RESPONSIBILITY FOR THIS FINAL PROSPECTUS AND THE AUDIT OF THE ACCOUNTS

#### 1.1 PERSON RESPONSIBLE FOR THE FINAL PROSPECTUS

Jean-Marc Espalioux, Chairman of the Executive Board (*Président du Directoire*)

#### 1.2 CERTIFICATE OF THE PERSON RESPONSIBLE FOR THE FINAL PROSPECTUS

"To the best of our knowledge, all the information in this final prospectus is true and accurate; this document contains all the information necessary to enable investors to form an opinion as to the assets and liabilities, activities, financial position and financial results and future prospects of ACCOR as well as to the rights attached to the securities being offered; this document does not contain any information which makes it misleading."

The Chairman of the Executive Board  
Jean-Marc Espalioux

#### 1.3 PERSONS RESPONSIBLE FOR THE AUDIT OF THE ACCOUNTS

##### 1.3.1 Statutory Auditors

Barbier Frinault & Autres - Andersen

Christian Chochon

41, rue Ybry, 95576 Neuilly-sur-Seine

Reappointed for 6 financial years by the shareholders general meeting 29 May 2001

Date of first appointment: 16 June 1995

Deloitte, Touche, Tohmatsu - Audit

Alain Pons

185, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine

Reappointed for 6 financial years by the general meeting 29 May 2001

Date of first appointment: 16 June 1995

##### 1.3.2 Substitute Auditors

Christian Chiarasini

41, rue Ybry, 95576 Neuilly-sur-Seine

Reappointed for 6 financial years by the general meeting  
29 May 2001

Date of first appointment: 4 June 1996

BEAS

7, villa Houssaye, 92200 Neuilly-sur-Seine

Reappointed for 6 financial years by the general meeting  
29 May 2001

Date of first appointment: 29 May 2001

### 1.3.3 Revisors ("*Réviseurs*")

Deloitte, Touche, Tohmatsu  
185, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine

### 1.3.4 Certificate of the 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 and statutory auditor's attestation - 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)*

## Attestation of statutory auditors and auditors

As statutory auditors or auditors of ACCOR and in accordance with Rule 98-01 of the Commission des Opérations de Bourse and professional standards applicable in France, we have performed certain procedures on the information contained in the "*Note d'opération définitive*" relating to the historical financial statements of the company.

The company's Chairman of the Executive Board (*Président du Directoire*) is responsible for the preparation of the "*Note d'opération définitive*". Our responsibility is to report on the fairness of the information presented in the "*Note d'opération définitive*" relating to the financial statements.

We have conducted our work in accordance with professional standards applicable in France. Those standards require that we assess the fairness of the information presented relating to the financial statements and its consistency with the financial statements on which we have issued a report. Our procedures also include reading the other information contained in the "*note d'opération définitive*" in order to identify material inconsistencies with the information relating to the financial statements and to report any apparent material misstatement of facts that we may have uncovered in reading the other information based on our general knowledge of the company obtained during the course of our engagement. With regard to the prospective financial data derived from the company's process of preparation of such information, we have considered management assumptions and checked that the individual prospective data presented have been prepared on the basis of such assumptions.

We have audited in accordance with professional standards applicable in France the consolidated financial statements prepared in accordance with accounting standards accepted in France for each of the years ended 31 December 1999, 2000 and 2001, approved by the Executive Board. We expressed an unqualified opinion on such financial statements.

This "*Note d'opération définitive*" incorporates the "*Document de référence*" registered at the COB on 18 March 2002 under the number D.02-126 and which has been certified by us.

Based on the procedures performed, we have no matters to report regarding the fairness of the information relating to the financial statements presented in the "*Note d'opération définitive*" established for the purpose of a debt issues represented by bonds convertible and/or exchangeable into new and/or existing shares.

Neuilly-sur-Seine, 25 April 2002

**Auditors:**

Barbier, Frinault & Autres  
Andersen

Deloitte Touche Tohmatsu-  
Audit

Christian CHOCHON

Alain PONS

Members of the Compagnie de Versailles

**Revisors (for consolidated  
accounts):**

Deloitte Touche Tohmatsu

**1.4 INFORMATION MANAGER**

**Eliane Rouyer**

Director, Investor Relations and Financial  
Communications

Telephone : 01 45 38 86 26

**Jacques Stern**

Group Deputy Manager in charge of  
Financial Control, Corporate Finance and  
Internal Audit

Telephone: 01 45 38 86 36

## CHAPTER II

### ISSUE AND ADMISSION TO THE *PREMIER MARCHÉ* OF THE ACCOR BONDS CONVERTIBLE INTO NEW SHARES AND/OR EXCHANGEABLE FOR EXISTING SHARES OF ACCOR

#### 2.1 INFORMATION RELATING TO THE ISSUE

##### 2.1.1 Meeting authorising the Issue

The general meeting (*assemblée générale mixte*) of shareholders of ACCOR (“**ACCOR**” or the “**Company**”) held on 29 May 2001, in compliance with the rules relating to quorum and voting for extraordinary general meetings, and after considering the report of the Executive Board and the auditors’ special report, pursuant to the provisions of paragraph 3 of Article L.225-129 of the sixteenth resolution of the *Code de commerce*:

- delegated to the Executive Board (*Directoire*), the powers necessary to proceed, by way of public offer on one or more occasions and according to the proportions and time frames determined by them, on the French market as well as abroad, with the issue of shares, bond warrants and more generally all securities giving access, immediately and/or in the future, to the shares of the Company;
- decided that the nominal amount of any equity issue which may be carried out immediately or in the future, in compliance with the current authority cannot exceed Euros 150,000,000;
- decided that this increase in the capital may result in the exercise of a right of allocation, by way of conversion, exchange, repayment, presentation of a warranty or in any other manner, resulting in all securities issued by the Company of which the Company holds, directly or indirectly, more than half of the capital and in accordance with its consent;
- decided that the nominal amount of debt securities giving access to capital and to be issued in compliance with the current authority, will be a maximum Euros 1,000,000 or the equivalent in a foreign currency if any;
- decided to remove the preferential shareholders’ subscription right to securities to be issued, on the understanding that the Executive Board may confer upon the shareholders the option of priority subscription on the whole or a part of the issue, in accordance with the conditions and timetable determined by them. This priority subscription will not give rise to the creation of negotiable rights;
- noted and decided that as far as necessary, this decision carries a waiver of the shareholders’ preferential subscription rights in favour of the holders of securities giving access in the future to shares of the company;
- decided that, in the case of an issue in the immediate term or in the future, of shares for cash, the sum received by the company for each of the shares issued in the context of this authority, will be at least equal to the average of the first price of the shares of the company as listed on the stock market for 10 consecutive days, chosen from amongst the 20 days before the first issue day of the above-mentioned shares, after, as the case may be, a correction of this average has

taken into account the difference in the issue date (*date de jouissance*), it being noted that in the case of the issue of a bond warrant of the shares of the company, the sums received by the company at the time of subscription to the bonds will be taken into account in the calculations;

- decided that the Executive Board will have all the powers with the option of sub-delegated to its president, with the constraints imposed by law, to implement this authority, and to determine the dates and terms of this issue, as well as the form and characteristics of the securities to be created, to fix the price and conditions of the issues, to fix the amounts to be issued, to fix the issue date (even retroactively) of the securities to be issued, and in if applicable, the conditions of their buyback, to suspend, if applicable, the exercise of the right of allocation of shares of the company attached to the securities to be issued for a period which may not exceed three months, to fix the terms in order to ensure the preservation of the rights of the holders of securities giving future access to shares of the company in compliance with legal and regulatory provisions, to carry out, if applicable, all allocation(s) on or of the premium(s) of issue and especially for those of the costs arising from the completion of the issue, and to generally take all measures and conclude the planned issues and receive the resulting increases to the company's share capital resulting from all completed issues in accordance with this authority, and modify the articles association of the company accordingly.

In the case of the issue of debt securities, the Executive Board will have all the necessary powers to decide, in particular whether or not they are subordinated to fix their rate of interest, their duration, fixed price of repayment or variable price with or without a premium, the terms of redemption according to the conditions of the markets and the conditions under which the securities will give rights to the shares of the company.

### **2.1.2 Decisions of the Executive Board and of the Supervisory Board**

Pursuant to the authorisation conferred by the extraordinary general meeting held on 29 May 2001, and in particular, its sixteenth resolution and pursuant to the agreement of the Supervisory Board during its meeting held on 23 April 2002, the Executive Board decided during its meetings held on 19 April and 23 April 2002 to issue bonds convertible or exchangeable into new and/or existing shares of ACCOR (*Obligations à option de conversion et/ou d'échange en actions nouvelles ou actions existantes*) for a maximum nominal amount of euro 630 and delegated to its Chairman in accordance with the option of delegation given by the extraordinary general meeting of 29 May 2001 in its sixteenth resolution, all powers necessary to implement the issue, determine the securities to be issued and to fix the sums, dates, terms and conditions of the issue.

In compliance with the powers delegated to him by the Executive Board, the Chairman decided on 24 April 2002 to use the authority in order to issue the Bonds forming the object of this final prospectus and has fixed the final characteristics of this issue as they appear in this prospectus.

## **2.2 INFORMATION RELATED TO THE BONDS**

In this final prospectus, the term "Bond" signifies a bond convertible and/or exchangeable for new shares or existing shares, having all the characteristics described in this final prospectus.

## **2.2.1 Number and nominal amount of the Bonds - Proceeds of the issue**

### *2.2.1.1 Number and nominal amount of the Bonds*

ACCOR's 1% Bonds May 2002/January 2007 (hereafter the "**Bonds**") will be issued in a total nominal amount of € 570,000,111.36 represented by 3,415,424 Bonds. In addition, in order to cover any over-allotment, ACCOR has granted to the Joint Lead Managers and co-Bookrunners an over-allotment option (*option de sur-allocation*) of up to approximately 10% of the initial principal amount of the issue taking the total nominal amount up to € 629,999,903.49 represented by 3,774,941 Bonds having a nominal value of € 166.89 per Bond.

### *2.2.1.2 Proceeds of the issue*

The gross proceeds will be € 570,000,111.36 and may reach a maximum sum of € 629,999,903.49.

The net proceeds of the issue to be paid to the issuer after deduction from the gross proceeds of approximately € 5.7 million representing the fees due to the financial intermediaries and of approximately € 0.3 million representing the legal and administrative fees will be up to approximately € 564 million which may be increased to approximately € 623 million in the event of an exercise of the over-allotment option.

## **2.2.2 Structure of the Issue**

### *2.2.2.1 Offering*

The Bonds, which are offered as part of a global offering, will be offered:

- in France, to legal entities and individuals;
- outside France, in accordance with the rules applicable to each jurisdiction in which the Bonds are offered with the exception of the United States of America, Canada and Japan where no offerings may take place.

No specific tranche of Bonds is designated for a particular market.

### *2.2.2.2 Selling Restrictions*

The distribution of this prospectus, the offer or the sale of the Bonds may, in certain jurisdictions, be subject to specific regulations. Persons in possession of this prospectus should familiarise themselves, and comply, with any local restrictions.

The institutions responsible for the placing will comply with the laws and regulations in effect in jurisdictions in which offers of the Bonds are made and, in particular, with the selling restrictions set out below.

#### ***United Kingdom Selling Restrictions***

Each institution participating in the offering agrees that:

- (a) it has not offered or sold, and will not offer or sell any Bonds in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 or the Financial Services and Markets Act 2000 ("**FSMA**");

- (b) that it is a professional investor within the meaning of article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001;
- (c) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21FSMA) received by it in connection with the issue or sale of any Bonds under circumstances in which Section 21(1) of the FSMA does not apply to the Company;
- (d) that it has complied with all the provisions of the Financial Services Act 1986, applicable to all the activities it undertakes or will undertake in relation to the Bonds, in, from or otherwise involving the United Kingdom;
- (e) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

#### ***United States Selling Restrictions***

The Bonds and the shares of ACCOR to be issued or delivered upon conversion or exchange of the Bonds, have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and, subject to certain exceptions, may not be offered or sold within the United States.

The Bonds will be offered and sold outside the United States in accordance with Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of Bonds or shares of ACCOR to be issued upon the conversion of Bonds or to be delivered upon exchange within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

#### ***Canada and Japan Selling Restrictions***

Each institution participating in the offering agrees that it has not offered nor sold, and will not offer or sell, the Bonds in Japan or Canada.

##### ***2.2.2.3 Intention of the principal shareholders***

No shareholder has declared its intention to subscribe to the present issue.

##### ***2.2.2.4 Preferential subscription rights, priority subscription period***

The shareholders have expressly waived their preferential subscription rights to the Bonds being issued at the general meeting of 29 May 2001. This decision included an express waiver of their preferential subscription rights to the new shares issued on conversion of the Bonds.

No priority subscription period for the shareholders is applicable.

##### **2.2.3 Public Subscription and Duration of offer**

The offer will be open from 25 April 2002 to 30 April 2002 inclusive and the offer may be closed without prior notice, except in the case of individuals, for whom it will remain open from 26 April 2002 to 30 April 2002 inclusive.

Indicative timetable of the offering:

25 April 2002 (morning)	Visa of the <i>Commission des opérations de bourse</i> on the preliminary prospectus
25 April 2002	Bookbuilding
25 April 2002 (evening)	Determination of the final terms of the issue and visa of the <i>Commission des opérations de bourse</i> on this final prospectus
26 April 2002	Commencement of the public subscription period
30 April 2002	End of the public subscription period
3 May 2002	Settlement and delivery of the Bonds

#### **2.2.4 Financial institutions responsible for the offering**

Orders for subscription should be lodged with Deutsche Bank AG London, CCF and Société Générale, the joint lead managers and joint bookrunners which are carrying out the placement.

### **2.3 TERMS AND CONDITIONS OF THE BONDS**

#### **2.3.1 Form, denomination and delivery of the Bonds**

The Bonds to be issued by ACCOR constitute neither convertible bonds for the purposes of articles L.225-161 of the *Code de commerce*, nor exchangeable bonds for the purposes of articles L.225-168 of the said *Code*, but rather constitute securities carrying rights to shares representing a part of the capital of ACCOR, within the meaning of article L.228-91 *et seq.* of the said *Code*.

The Bonds will be issued in accordance by French law.

The Bonds will be in either bearer or registered form, at the option of the holders. The Bonds will in any event be recorded in accounts held, as the case may be, by:

- Société Générale, acting on behalf of ACCOR in respect of fully registered Bonds (*nominatifs purs*);
- an approved intermediary (*intermédiaire financier habilité*) of their choice and Société Générale in respect of Bonds in administered registered form (*nominatifs administrés*); and
- an approved intermediary of their choice in respect of Bonds in bearer form.

Settlement and delivery will take place through RELIT-SLAB system of settlement and delivery of Euroclear France under Sicovam Code 18019.

The Bonds will be accepted for clearance through the Euroclear France, which will ensure the clearing of Bonds between account holders. The Bonds will also be accepted for clearance through the Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*.

The Bonds will be recorded in an account and negotiable as from the settlement date of the Bonds on 3 May 2002.

### **2.3.2 Nominal Amount - Issue Price**

The nominal amount of the Bonds has been fixed at € 166.89.

The Bonds will be issued at par, being € 166.89 per Bond payable in one installment on the settlement date.

### **2.3.3 Issue Date**

3 May 2002.

### **2.3.4 Settlement Date**

3 May 2002.

### **2.3.5 Nominal Interest Rate**

1%

### **2.3.6 Annual Interest**

The Bonds will bear interest at a rate of 1% per annum on their nominal amount payable annually in arrear on 1 January in each year and, in respect of the first interest period, 1 January 2003, (each of these dates being designated "Interest Payment Date"). The total interest payable for a Bond at each Interest Payment Date will be equal to 1% and the amount of the nominal value of the non-redeemed Bond during the interest period. In respect of the period from the date of the settlement of the Bonds to 31 December 2002, an amount will be payable on 1 January 2003 of interest of € 1.111 07 per Bond.

All interest payments relating to an interest period of less than one year will be calculated on a basis of the result of (i) the annual interest rate and (ii) taking account of (a) the number of days elapsed since the last Interest Payment Date or, if it does not yet exist, the date of settlement of the Bonds and (b) 365 and 366 according to the number of exact calendar days between the next Interest Payment Date and that same day the year before.

Subject to the provisions of paragraph 2.6.5 ("Rights of Bondholders to interest payments on the Bonds and dividends in respect of shares delivered"), interest related to a redeemed fraction of the nominal value of the Bonds will cease to run from the date of redemption of such fraction. Interest will cease to run from the date of redemption of the Bonds in full.

Claims in respect of interest will become void after a period of 5 years starting from the date they become due.

### **2.3.7 Redemption**

#### **2.3.7.1 *Redemption at maturity***

The Bonds will be redeemed through repayment of one third of their initial nominal value of a Bond on each of the following dates:

- 1 January 2005 at a redemption price of € 58.86, representing approximately 105.81% of the fraction of the outstanding nominal value of Bonds redeemed at that date;
- 1 January 2006 at a redemption price of € 60.14, representing approximately 108.11% of the fraction of the outstanding nominal value of Bonds redeemed at that date;

- 1 January 2007 at a redemption price of €61.47, representing approximately 110.50% of the fraction of the outstanding nominal value of Bonds redeemed at that date;

it being noted that, on the basis of the conditions of the issue envisaged (the issue price equal to the par value, the issue and settlement date of the Bonds, the remuneration offered), each repayment price is calculated on the basis of the terms of the actuarial rate proposed (cf. paragraph 2.3.8 "Gross yield to maturity").

Claims in respect of principal will become void after a period of 30 years from the due date of redemption of the Bonds.

#### *2.3.7.2 Early Redemption by Buy-Back or Public Offer*

The Company shall be entitled to redeem the Bonds at any time, without limitation on price or quantity, by purchasing Bonds, whether on the stock exchange or off-exchange or by means of a public offer or exchange offer. Any such transaction shall not affect the due date for redemption of any Bonds still outstanding. All Bonds acquired shall be cancelled.

#### *2.3.7.3 Early Redemption at the option of ACCOR*

1. The Company shall be entitled, at its option, to redeem at any time at a price anticipated and determined in a manner guaranteed to the initial subscriber at the actual redemption date, after taking into account:
  - interest payments made on 1 January in previous years;
  - the interest payable for the period from the last Interest Payment Date before the early redemption date and the actual redemption date; and
  - as the case may be, if the redemption occurs after one or more normal redemption dates, from the redemption price anticipated within the context of this normal redemption;

a gross redemption rate identical to that which it would have obtained in the case of the redemption of each of its fractions at a nominal value on their respective payment dates, the entirety of the Bonds remaining in circulation, if they are less in number than 10% of the number of Bonds issued.

2. In each case specified in paragraph (1) above, the Bondholders shall remain entitled to exercise their right to conversion/exchange in ACCOR shares in accordance with the provisions of paragraph 2.6.3 ("Time of Exercise and Ratio of Allocation of Shares").

#### *2.3.7.4 Publication of information relating to an early redemption or a redemption at maturity*

Information relating to the number of Bonds purchased, converted or exchanged and to the number of Bonds still outstanding shall be provided each year to Euronext Paris S.A. for publication and shall be available from the Company or the institution responsible for servicing the Bonds, as defined in paragraph 2.5.1 ("Paying Agents").

In the event that the Company decides to redeem the Bonds upon or prior to maturity, a notice to that effect shall be published (if required by French regulations at that time), in the *Journal Officiel*, at the latest one month before the date set for redemption. Furthermore, notices announcing such decision shall be published in the financial press and by Euronext Paris S.A.

2.3.7.5 *Cancellation of Bonds*

Bonds redeemed upon or prior to maturity, Bonds purchased on the stock exchange or off-exchange or by way of public offer and Bonds which have been converted and/or exchanged into shares, shall cease to be outstanding and shall be cancelled in accordance with French law.

2.3.7.6 *Events of Default*

The representatives of the *masse* of the Bondholders may, upon the decision of the Bondholders' general meeting, decision of the majority of the boardholders' general meeting, upon written notice sent to the Company, and given that, with a copy to the centralising agent, require that all the Bonds be redeemed at the early redemption price calculated in accordance with paragraph 2.3.7.3 "Early Redemption at the Option of the Issuer") increased by the interest payable for the period from the last Interest Payment Date before the anticipated early redemption and the actual date of redemption, under the following circumstances:

- (a) default is made by the Company when due of interest on any of the Notes, if such default shall not have been remedied within 5 business days thereafter; or
- (b) default in the performance of, or compliance with, any other obligation of the Company under the Notes other than as referred to in paragraph (a) above, if such default shall not have been remedied within 30 calendar days after receipt by the Fiscal Agent of written notice of such default given by the Representative (as defined in paragraph 2.3.15); or
- (c) the Company makes any proposal for a general moratorium in relation to its debts; or applies for the appointment of a conciliator (*conciliateur*) in each case in the context of solvency concerns; or enters into an amicable settlement (*accord amiable*) with its creditors pursuant to Articles L.611-3 to L.611-6 of the *Code de Commerce*; or a judgement is issued for the judicial liquidation (*liquidation judiciaire*) or for the transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer; or, if the Company is subject to any other insolvency or bankruptcy proceedings; or if the Issuer makes any conveyance, assignment or other arrangement for the benefit of, or enters into an agreement with, all or a substantial number of its creditors with a view to restructuring or rescheduling of its indebtedness; or if the Company is wound up or dissolved except with the prior approval of the *Masse* for the purposes of an amalgamation, reorganisation, consolidation or merger which is implemented; or
- (d) any other present or future indebtedness of the Company for or in respect of borrowed money becomes due and payable (*exigible*) prior to its stated maturity by reason of the occurrence of a default, event of default or another similar condition or event (however described) with equivalent effect (together, "**default**"), provided that the aggregate amount of the relevant indebtedness equals or exceeds €100,000,000 or its equivalent in any other currency unless such default is contested in good faith by the Issuer before a competent court or by other appropriate proceedings provided that the claim alleging the occurrence of such default is withdrawn, dismissed or stayed with 90 calendar days from the date on which the relevant indebtedness was first alleged to have become due and payable; or

- (e) all or any substantial part of the property, assets or revenues of the Company shall be attached or shall become subject at any time to any order of court or the enforcement of any security interests (*sûretés réelles*) and such attachment of order shall remain in effect and not be discharged for, or the steps taken to enforce any such security interests shall not be withdrawn or stayed within 30 calendar days;
- (f) the shares of the Company would not be able to be listed/could no longer be admitted for trading on the *Premier Marché d'Euronext Paris S.A.* or on any regulated market of any member countries of the EEC;

### **2.3.8 Gross Yield to Maturity**

The gross yield to maturity is 3.125% as at the settlement date (provided that the Bonds are not converted and/or exchanged into shares or redeemed prior to maturity).

On the French bond market, "yield to maturity" means the annual rate which, at a given date, equals such rate on a compound interest basis and the current value of all amounts payable and all amounts receivable under the Bonds (as defined by the *Comité de normalisation obligataire*).

### **2.3.9 Term and average duration of Bonds**

The term of the Bonds is 4 years and 243 days from the settlement date to the redemption date at maturity of the Bonds.

The average duration is 3 years and 243 days.

The average duration of a Bond is determined as follows: each fraction of the nominal value of the Bond to be redeemed at each instalment is multiplied by the term of this fraction. Then, after adding these products together, the total is divided by the total nominal value of a Bond.

### **2.3.10 Further Issues**

If the Company subsequently issues further bonds having in all respects the same rights as the Bonds, the Company may, without the consent of the Bondholders and provided that the terms and conditions of all such bonds so permit, consolidate the Bonds and such further bonds, thereby treating them as the same issue for the purposes of trading and servicing.

### **2.3.11 Status and Negative Pledge**

#### **2.3.11.1 Status**

The Bonds and the interest thereon constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Company, and rank equally amongst themselves and *pari passu* with all others, present or future unsecured and unsubordinated obligations of the Company.

#### **2.3.11.2 Negative Pledge**

So long as any of the Bonds remain outstanding, the Issuer will not create or permit to subsist any mortgage, charge, lien, pledge or other security interest (*sûreté réelle*) upon the whole or any part of its present or future assets or revenues for the benefit of any holders of any other bonds to secure (1) payment of any sum due in respect of any other

bonds or (2) any payment under any guarantee of or indemnity or other like obligation relating to any other bonds, unless the Issuer's obligations under the Bonds are equally and rateably secured. This undertaking is given only in relation to security granted in favour of holders of other bonds (*obligations*) and does not affect in any way the right of the Company to otherwise dispose of its assets or to grant any security in respect of such assets in any other circumstances.

**2.3.12 Guarantee**

Payments of interest, principal, taxes, costs and ancillary amounts and any other amounts due have not been guaranteed.

**2.3.13 Underwriting of offer**

A syndicate of banks lead-managed by Deutsche Bank AG London, CCF and Société Générale will underwrite the issue pursuant to the terms of an underwriting agreement which shall be entered into with the Company on 25 April 2002.

**2.3.14 Rating**

No request for a specific rating by a rating agency has been made in respect of the Bonds.

**2.3.15 Representation of Bondholders**

In accordance with article L.228-46 of the *Code du commerce*, the Bondholders will be grouped together in a collective group ("*masse*"), which shall have legal personality.

Pursuant to article L.228-47 of such law, the representative of the *masse* will be:

Centre Jacques Ferronnière  
32, rue du Champ de Tir, B.P. 81236  
44312 NANTES Cedex 3  
represented by *Président* Mr Alain Foulonneau,  
domiciled at the above address

The acting representative will have the power, without restriction or reservation, to take, on behalf of the *masse*, all actions of an administrative nature necessary to protect the interests of the Bondholders.

The representative will exercise its duties until its dissolution, resignation or termination of its duties by a general meeting of the Bondholders or until it becomes incapable of acting or unable to act. The appointment of the representative shall automatically cease on the date of final or total redemption, prior to maturity or otherwise, of the Bonds. This appointment will be automatically extended until the final resolution of any proceedings in which the representative is involved and the enforcement of any judgements rendered or settlements made.

The acting representative shall be entitled to remuneration, payable by the Company on 31 December of each year from 2002 to 2006 inclusive, until there are no further Bonds outstanding.

The Company will bear the remuneration of the representative of the *masse* and the costs of calling general meetings of the Bondholders, publishing their decisions and fees linked to the possible designation of the representative of the *masse* according to article L.228-50 of the *Code de commerce* and, all the costs of administration and of management of the *masse* of Bondholders and of general meetings.

Meetings of the Bondholders shall be held at the registered office of The Company or such other place as is specified in the notice of the meeting.

Each Bondholder shall have the right, during the period of 15 days prior to any meeting of the masse, to examine and take copies of or to cause an agent to do so on its behalf, at the registered office or administrative headquarters of the company or at such other place as is specified in the notice for such meeting, the text of the resolutions to be proposed and any reports to be presented to such general meeting.

In the event of the consolidation of the Bonds with further issues of Bonds giving identical rights to Bondholders and if the terms and conditions of such Bonds so permit, the Bondholders of all such issues shall be grouped together in a single masse.

### **2.3.16 Tax regime**

Payments of interest and repayment of principal on the redemption of the Bonds are subject to withholding at source of such taxes as the law may impose on the holders of the Bonds.

Under of current legislation, the following summary sets out the tax regime applicable to subscribers for the Bonds. However, all individuals or bodies corporate should consult their usual tax advisers for details of the tax regime which applies to their particular case.

Payments of interest to Bondholders who are not French tax residents will be exempted from withholding taxes to the extent described in paragraph 2.2.16.2 "Non-French tax residents".

Non-French residents should comply with the tax laws applicable in the jurisdiction in which they are resident.

#### *2.3.16.1 French-Tax residents*

Normal redemption of the bonds by the reduction of the nominal value of the bonds should, on each normal redemption date, lead to a gain equal to the difference between the amount paid (redemption premium included) and the amount of reduction of the nominal value of the bonds. Accordingly, the purchase price of the bonds will reduce by an amount equal to the reduction in the nominal value of the bonds for the purposes of calculating capital gains or losses in the event of transfer or conversion.

(i) Individuals holding the Bonds as part of their private assets

(a) Interest and redemption premium

Income (interest and redemption premium) received by individuals holding the Bonds as part of their private assets are:

- either included in the calculation of the tax payer's income which shall be subject to:
  - income tax calculated on a progressive scale;
  - a general social contribution of 7.5%, of which 5.1% is deductible from income tax (Articles 1600-0 C and 1600-0 E of the General Tax Code);
  - a social deduction of 2% (Article 1600-0 F *bis* III 1 of the General Tax Code);

- a social debt repayment contribution of 0.5% (Articles 1600-0G and 1600-0 L of the General Tax Code).

- or, at the payer's option subject to:

- a final withholding tax at the rate of 15% (Article 125-A of the General Tax Code);
- a general social contribution of 7.5% (Articles 1600-0 C and 1600-0 E of the General Tax Code);
- a social deduction of 2% (Article 1600-0 F *bis* III 1 of the General Tax Code);
- a social debt repayment contribution of 0.5% (Articles 1600-0G and 1600-0 L of the General Tax Code).

(b) Capital gains

Pursuant to Article 150-0 A of the General Tax Code, capital gains realised by individuals will be taxed, as of the first euro of such gains, where the aggregate amount of disposals of securities per tax household, as from 1<sup>st</sup> January 2002 is euro 7,650 per year:

- income tax at the rate of 16% (Article 200 A-2 of the General Tax Code);
- a general social contribution of 7.5%; (Articles 1600-0 C and 1600-0 E of the General Tax Code)
- a social deduction of 2% (Article 1600-0 F *bis* III 1 of the General Tax Code);
- a social debt repayment contribution of 0.5% (Articles 1600-0 G and 1600-0 L of the General Tax Code).

Capital losses can be set off against capital gains of the same type realised in the year of the disposal or if necessary, in the five following years on the condition that disposals in the year that the capital loss was realised exceeded the threshold of euro 7,650.

(c) Conversion and/or exchange of the Bonds into shares

See Paragraph 2.6.6 "Tax regime on conversion and/or exchange".

(d) Bonds held by individuals shall be considered as a part of their private assets, submitted to Wealth Tax

(e) Bonds acquired by succession or donation shall be submitted to the French Inheritance Tax

(ii) Legal entities subject to corporation tax

(a) Interest and redemption premium

Interest accrued on Bonds over the year is included in taxable income and subject to tax at the rate of 33<sup>1/3</sup>%, plus a temporary contribution of 3% (Article 235 *ter* ZA of the General Tax Code) for financial years ending on or after 1 January 2002.

A social contribution of 3.3% (Article 235 *ter* ZC of the General Tax Code) applies; this is added to the amount of corporate tax, with an allowance of euro 763,000 for each 12-month period. However, entities which have a turnover before tax of less than euro 7,630,000 and whose share capital is fully paid-up and held continuously as to at least 75% by individuals (or by entities satisfying these conditions) are exempt from this contribution. In addition, for these companies, the corporate tax rate is fixed up to euros 38,120 of the gain for a period of 12 months, to 15% for the financial year ending 1 January 2002.

In accordance with Article 238 *septies* E of the General Tax Code, companies holding bonds must integrate a portion of the redemption premium into the results of each year, each time this premium exceeds 10% of the acquisition price.

To apply these provisions, the redemption premium means the difference between the sums which may be received from the Issuer excluding annual interest, and the sums paid on subscription or acquisition of the Bonds.

However, these provisions do not apply to Bonds whose average issue price was higher than 90% of the redemption value.

(b) Capital gains

Disposal of Bonds may lead to a gain or loss to be included in the taxable income.

The amount of the gain or loss is equal to the difference between the sale price and the acquisition price of the Bonds plus, as the case may be, the amounts of redemption premiums already subject to tax and not yet received, at a rate of 33 <sup>1</sup>/<sub>3</sub>% (or as the case may be at a rate of 15% up to a limit of 38.120 euros for a period of 12 months for companies meeting conditions of 219.I.b of CGI). Plus the contribution of 3% (Article 235 *ter* ZA of the General Tax Code), for the financial years ending on or after 1 January 2002 as well as a social contribution of 3.3% (Article 235 *ter* ZC of the General Tax Code).

(c) Conversion and/or exchange of the Bonds into shares

See Paragraph 2.6.6. ("Tax regime for conversion and/or exchange").

2.3.16.2 *Non-French-Tax residents*

(a) Income tax (interest and redemption premiums)

Bond issues made by French legal entities and denominated in euro are deemed to be made outside of the Republic of France for the purpose of Article 131 *quarter* of the General Tax Code (*Instruction Administrative* 5 I-11-98 of 30 September 1998). As a result, interest on the Bonds which is paid to persons who are resident for tax purposes, or who have their registered office outside the Republic of France, is exempt from the mandatory deduction at source provided in Article 125-A-III of the General Tax Code. Interest payments are also exempt from the social contributions pursuant to Article 1600-0 C and following of the General Tax Code.

(b) Capital gains

Taxation of capital gains does not apply to gains realised on sales of securities by persons who are not domiciled for tax purposes in France within the meaning of Article 4-B of the General Tax Code, or whose registered office is located outside France (which do not have a permanent establishment or fixed base in France and as part of whose assets the Bonds are recorded) (Article 244 *bis* C of the General Tax Code).

- (c) Conversion and/or exchange of the Bonds into shares

See Paragraph 2.6.6. ("Tax regime for conversion and/or exchange").

- (d) Wealth Tax

Wealth Tax does not apply to bonds issued by French companies and held by individuals domiciled outside France, within the meaning of Article 4-B of the General Tax Code.

- (e) Inheritance Tax

France applies inheritance tax to shares in French companies acquired by succession or donation by a person not resident in France. France has concluded double taxation treaties with a number of countries in the subject of succession and donation, pursuant to which the residents of the relevant countries may, subject to satisfying certain conditions, be exempted from inheritance tax or receive a tax credit.

Potential investors are recommended to consult immediately their advisors as regards their liability to inheritance tax resulting from their holding in the Company, and the conditions under which they might obtain relief from inheritance tax by virtue of one of the tax treaties concluded with France.

## **2.4 LISTING AND TRADING**

### **2.4.1 Listing**

An application has been made to list the Bonds on the *Premier Marché* of Euronext Paris S.A. No further listing on any other market is expected.

### **2.4.2 Restriction on transfer of the Bonds**

No restrictions are imposed by the terms and conditions of the issue on the free transferability of the Bonds.

### **2.4.3 Listing of securities of the same type**

No other securities of the same type have been issued by the Company.

## **2.5 GENERAL INFORMATION**

### **2.5.1 Paying agents**

Société Générale will centralise the financial service of the issue (for the payment of interest, redemption of Bonds etc.).

Administrative service of the Bonds shall be carried out by Société Générale.

## 2.5.2 Jurisdiction

Claims against the Company as defendant will be submitted to the jurisdiction of the courts of the location of the registered office of the Company which will be designated in accordance with the nature of the dispute, unless otherwise provided in the *Nouveau Code de Procédure Civile*.

## 2.5.3 Use of proceeds

The issue is aimed at refinancing existing debt, covering general financing needs of the Group, and increasing the Group's financial flexibility by giving it the means to progressively reinforce the shareholders' equity in the future.

## 2.6 CONVERSION AND/OR EXCHANGE OF BONDS INTO SHARES

### 2.6.1 Nature of rights of conversion and/or exchange

The Bondholders may, at all times from the settlement date of the Bonds on 3 May 2002 to the seventh working day prior to the date of redemption, be allocated, at the Company's option, new and/or existing shares in the Company (the "**Allocation Right**") which will be released and/or off-set against the amount due under the Bond, under the terms set out below and subject to the provisions of paragraph 2.6.7.5 ("**Treatment of Fractions**").

The Company may at its option deliver new and/or existing shares.

*As at the date of the present prospectus, the Company holds 1,528,713 shares being 0.77%% of Accor's share capital and 3,941,965 Accor shares are held by CIWLT, a Belgian company which is 99.48% owned by ACCOR. Per the 29 May 2001 authorisation given by the shareholders' general meeting, in its 13<sup>th</sup> resolution, the Company may, in the context of its programme to repurchase its shares, purchase as many as 13 million shares. This programme was the subject of a note d'information by the Commission des opérations de bourse under number 01-473 on 27 April 2001, in order to attribute shares for the purposes of exercising rights attached to securities with rights of redemption, conversion, exchange, and/or presentation of a bond in any other way of attributing existing shares in the Company. The Company intends to submit at the next general meeting a resolution to renew this authorisation for a period of 18 months and to this end circulated an information note from the Commission des opérations de bourse under n° 02-362 on 11 April 2002 in order to attribute shares for the purposes of exercising rights attached to securities with rights of redemption, conversion, exchange, presentation of a bond in any other way of attributing existing shares in the Company.*

### 2.6.2 Suspension of the Conversion/Exchange Right

In the event of an increase in share capital, an issue of securities conferring rights to receive shares, a merger (*fusion*) or demerger (*scission*) or any other financial transactions conferring preferential subscription rights or having a priority subscription period for the benefit of existing shareholders of the Issuer, the Company shall be entitled to suspend the conversion/exchange right for a period not exceeding three months. This right does not affect the rights of holders of Bonds called for redemption to receive shares nor the exercise period outlined in paragraph 2.6.3.

The Company's decision to suspend the right to receive shares will be published in a notice in the *Bulletin des annonces légales obligatoires*. This notice will be published at least 15 days before the date on which such suspension comes into force and will mention both the date on which the suspension comes into force and the date the suspension will

end. This information will also be published in a financial daily paper with a general circulation in France and in a notice issued by Euronext Paris S.A.

### **2.6.3 Exercise Period and Conversion/Exchange Ratio**

Each Bondholder shall be entitled to exercise its conversion/exchange right in ACCOR at any time from the settlement date of the Bonds on 3 May 2002 under the following defined conditions:

- from 3 May 2002 to the seventh business day preceding the 1 January 2005 at a rate of 3 (hereafter called "Ratio Conversion and/or Exchange 1") ACCOR shares for one Bond subject to paragraph 2.6.7.3 ("*Share Ratio Adjustment for financial transactions*");
- from date following the seventh business day preceding the 1 January 2005 to the seventh day preceding the 1 January 2006 at a rate of 2 (hereafter called "Ratio Conversion and/or Exchange 2") ACCOR shares for one Bond subject to paragraph 2.6.7.3 ("*Adjustment of the Ratio Conversion and/or Exchange for financial transactions*");
- from date following the seventh business day preceding the 1 January 2006 to the seventh business day preceding the 1 January 2007 at a rate of 1 (hereafter called "Ratio Conversion and/or Exchange 3") ACCOR share for one Bond subject to adjustments as set out in paragraph 2.6.7.3 ("*Share Ratio Adjustment of the Ratio Conversion and/or Exchange for financial transactions*");

Ratio Conversion and/or Exchange 1, Ratio Conversion and/or Exchange 2 and Ratio Conversion and/or Exchange 3 are defined, to the extent to which each of these Ratios is applied or may apply, hereafter, as the "Ratio Conversion and/or Exchange".

For each fraction of a Bond subject to normal redemption, Bondholders may, up to the seventh business day preceding each normal redemption date, exercise their conversion/exchange right for ACCOR shares, at a Conversion/Exchange rate of 1 Accor share per fraction of Bond subject to normal redemption (subject to adjustments set out in paragraph 2.6.7.3 ("*Adjustment of the Ratio Conversion and/or Exchange for financial transactions*").

The issuer may issue new shares and/or existing shares.

For Bonds redeemed at maturity or earlier, the Right of Conversion and/or Exchange will end on the seventh business day preceding the redemption date.

Any Bondholder who has not exercised its conversion/exchange right prior to such seventh business day will receive the redemption price as determined in accordance with paragraph 2.2.7.1 or 2.2.7.3, as the case may be. The Bondholders will also receive due and payable interest for the period between the last Interest Payment Date preceding the normal or early redemption date and the actual redemption date.

### **2.6.4 Exercise of the Conversion/Exchange Right**

To exercise their conversion/exchange rights, Bondholders should make their request to the intermediary with whom their Bonds are registered. Société Générale will ensure the co-ordination of all such requests.

Any request for the exercise of the ACCOR conversion/exchange right received by Société Générale in its capacity as centralising agent during a calendar month (the "exercise period") will take effect on the earlier of the following dates (the "exercise date"):

- (a) the last business day of such calendar month; and
- (b) the seventh business day preceding the date set for redemption.

In respect of Bonds having the same exercise date, the Company shall be entitled, at its option, to choose between:

- the conversion of Bonds into new shares;
- the exchange of Bonds into existing shares; or
- the delivery of a combination of new and existing shares.

All Bondholders having the same exercise date will be treated equally and will have their shares converted and/or exchanged, as the case may be, in the same proportion, subject to any rounding adjustments.

Bondholders will receive their shares on the seventh business day following the exercise date.

#### **2.6.5 Rights of Bondholders to interest payments on the Bonds and dividends in respect of shares delivered**

In the event of an exercise of the conversion/exchange right, no interest will be payable to Bondholders in respect of the period from the last interest payment date preceding the exercise date to the date on which shares are delivered.

The rights of new shares issued as a result of a conversion of Bonds are set out in paragraph 2.7.1.1 below.

The rights of existing shares delivered pursuant to an exchange of Bonds are set out in paragraph 2.7.1.2 below.

#### **2.6.6 Tax regime on conversion and/or exchange**

Under current French legislation, the following tax regime applies:

##### **2.6.6.1 French-Tax residents**

###### **2.6.6.1.1 Individuals holding securities as part of their private assets**

Any capital gain realised upon conversion of the Bonds into new shares is not considered as "*cession à titre onéreux*" and therefore benefits from a tax deferral provided by Article 150-0 B of the General Tax Code.

In the event of a subsequent transfer of shares, the net capital gain, calculated on the basis of the acquisition price or value of the Bonds (Article 150-0 D 9 of the General Tax Code), is subject to the capital gains tax regime which applies to transferable securities..

###### **2.6.6.1.2 Legal entities subject to corporation tax**

###### **1. Regime on conversion of Bonds into new shares**

Capital gains or losses realised on conversion of the Bonds by legal entities resident in France for tax purposes, benefit from the tax deferral provided for in

Article 38-7 of the General Tax Code and will be included in the year-end results for the financial year during which the shares received as part of the conversion are transferred.

On a subsequent transfer of the shares delivered upon conversion, the capital gain or loss attributed to such transfer will be calculated on the basis of the value for tax purposes that the Bonds were deemed to have had for the transferor.

Subject to a penalty equal to 5% of the sums deferred, the legal entity must satisfy the annual disclosure requirements provided for by Article 54 *septies* I and II of the General Tax Code until the expiry date of such deferral.

## 2. Regime on exchange of Bonds for existing shares

The tax deferral regime does not apply to the exchange of Bonds into existing shares. In this case, any profit resulting from an exchange will be subject to corporation tax as specified by French law.

The same will apply in the case of a transfer of both new and existing shares for a Bond.

### 2.6.6.2 Non-French residents

Capital gains realised on exchange of bonds into existing shares by persons non-tax resident in France or which do not have their registered office in France (and not having a permanent establishment or fixed base in France as part of whose assets the Bonds are recorded) are not subject to tax in France.

## 2.6.7 Maintenance of Bondholders' Rights

### 2.6.7.1 Issuer's Obligations

In accordance with French law, the Company undertakes, for as long as any Bonds to be converted and/or exchanged into new or existing shares are outstanding, not to reduce its share capital nor to alter the way it allocates its profits. However, the Company may create non-voting preferred shares on the condition that it reserves the rights of the Bondholders as set out in paragraph 2.6.7.3 to 2.6.7.4.

### 2.6.7.2 Capital reduction resulting from losses

In the event of a reduction of capital resulting from losses, whether by way of reduction in the nominal value or the number of shares, the rights of Bondholders to receive shares will be reduced accordingly, as if such Bondholders had been shareholders as of the date of issue of the Bonds.

### 2.6.7.3 Adjustments to the conversion/exchange ratio in the event of financial transactions

As a result of any of the following transactions:

- issue of securities carrying quoted preferential subscription rights,
- increase in share capital by capitalisation of reserves, profits or share premiums and distribution of bonus shares; the subdivision or consolidation of shares,
- capitalisation of reserves, profits or share premiums effected by increasing the nominal value of shares,
- distribution of reserves or premiums in cash or in securities,

- distribution to shareholders of any bonus financial instruments other than shares in the Company,
- takeover, merger, demerger,
- repurchase of its own shares at a price higher than the market price,
- distribution of an exceptional dividend,

which the Company may carry out subsequent to this issue, the rights of Bondholders will be protected by means of an adjustment of the conversion/exchange ratio up to the maturity date or early redemption date in accordance with the provisions set out below.

In the event of an adjustment carried out in accordance with paragraphs (1) to (8) below, the new conversion/exchange ratio will be calculated to three decimal places by rounding to the nearest thousandth (with 0.0005 being rounded upwards to 0.001). Any subsequent adjustments will be carried out on the basis of such newly calculated and rounded conversion/exchange ratio. However, the Bonds may only result in the delivery of a whole number of shares, the treatment of fractions being dealt with below (see paragraph 2.6.7.5).

1. In the event of a financial transaction conferring listed preferential subscription rights, the new conversion/exchange ratio of shares will be determined by multiplying the ratio in effect prior to the relevant transaction by the following formula:

$$\frac{\text{Share price ex-subscription right} + \text{price of the subscription right}}{\text{Share price ex-subscription right}}$$

Share price ex-subscription right

For the purposes of calculating this formula, the prices of the share ex-subscription right and of the subscription right will be determined on the basis of the average of the opening prices quoted on Euronext Paris S.A. (or, in the absence of listing by Euronext Paris S.A., on any other regulated or similar market on which the shares and subscription rights are both listed) on each stock exchange trading day falling in the subscription period during which the shares ex-subscription right and the subscription right are simultaneously quoted.

2. In the event of an increase in share capital by capitalisation of reserves, profits or share premium and distribution of bonus shares, or by the subdivision or consolidation of shares, the new conversion/exchange ratio will be determined by multiplying the conversion/exchange ratio in effect prior to the relevant transaction by the following formula:

$$\frac{\text{Number of shares existing after transaction}}{\text{Number of shares existing before transaction}}$$

Number of shares existing before transaction

3. In the event of an increase in share capital by means of a capitalisation of reserves, profits or share premia effected by increasing the nominal value of the shares, the conversion/exchange ratio will not be adjusted but the nominal value of the shares which may be delivered to Bondholders exercising their conversion/exchange rights in the Company shares will be increased accordingly.

4. In the event of a distribution of reserves or share premia in the form of cash or securities, the new conversion/exchange ratio of shares will be determined by multiplying the conversion/exchange ratio in effect prior to the relevant transaction by the following formula:

Share price before distribution

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Share price before distribution less the amount distributed or the  
value of the securities distributed in relation to each share

For the purposes of calculating this formula :

- the share price before the distribution will be calculated on the basis of the average of the opening prices quoted on Euronext Paris S.A. (or, in the absence of a listing by Euronext Paris S.A., on any other regulated or similar market on which the shares and subscription rights are both listed) on 20 consecutive stock exchange trading days on which the shares are quoted, chosen by the Company from the period of 40 trading days preceding the date of distribution;
  - the value of securities distributed will be calculated as described above if the securities are quoted on a regulated or other similar exchange. If the securities are not quoted on a regulated or other similar exchange before the date of distribution, such value will be determined on the basis of the average of the opening prices quoted on such regulated or other exchange on 20 consecutive stock exchange trading days on which the shares are quoted, chosen from the period of 40 stock exchange trading days following the date of distribution if the securities are quoted during the period of 40 stock exchange trading days following their distribution or, in any other case, as determined by an independent expert of international repute chosen by the Company.
5. In the event of a distribution of bonus financial instrument(s) other than shares in the Company, the new conversion/exchange ratio of the Company shares will be equal to:
- (a) if the right to receive bonus financial instruments is quoted on Euronext Paris S.A., the product of the conversion/exchange ratio in effect prior to the relevant transaction and the following formula:

Share price ex-right plus  
the price of the right to receive bonus securities

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Share price ex-right

For the purposes of calculating this formula, the prices of the shares ex-right and of the right to receive bonus securities will be determined on the basis of the average of the opening prices quoted on Euronext Paris S.A. (or, in the absence of quotation by Euronext Paris S.A., on any other regulated or similar market on which the shares and subscription rights are both listed) of the shares and the right to receive on the first 10 stock exchange trading days on which the shares and the right to receive are

simultaneously quoted. In the event that this calculation were to result from less than 5 quotations the calculation will be validated or made by an expert of international repute chosen by the Company.

- (b) if the right to receive bonus financial instrument(s) is not quoted on Euronext Paris S.A., the product of the conversion/exchange ratio in effect prior to the relevant transaction and the following formula:

Price of the share ex-right, plus the value of the  
financial instruments attached to each share

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Price of the shares ex-right

For the purposes of calculating this formula, the prices of the shares ex-right and of the financial instruments attached to each share, if the latter are quoted on a regulated or other similar market, will be determined on the basis of the average opening prices quoted on 10 consecutive stock exchange trading days following the date of attribution of such financial instruments during which the shares and the financial instruments are simultaneously quoted. If the financial instruments are not quoted on a regulated or other similar market, their value will be determined by an independent expert of international repute chosen by the Company.

6. In the event that the Company is taken over (*absorption*) by another company or is merged (*fusion*) with one or more companies forming a new company or is demerged (*scission*), the Bonds will be convertible and/or exchangeable into the shares of the acquiring or new company or beneficiary companies of a demerger.

The new conversion/exchange ratio of shares will be determined by multiplying the conversion/exchange ratio in effect prior to the relevant transaction by the ratio of exchange of shares of the Company against the shares in the acquiring or new company or beneficiary companies of a demerger.

These companies will be substituted for the Company for the purpose of the above provisions, in order to, as is necessary, preserve the rights of Bondholders in the case of financial transactions or transactions on securities, and, in general, to ensure that the legal, regulatory and contractual rights of Bondholders are respected.

7. In the event of a buy-back by the Company of its own shares at a price higher than the market price, the new conversion/exchange ratio of shares shall be equal to the product of the conversion/exchange ratio in effect before the buy-back and the following ratio, calculated to the nearest hundredth of a share:

Share value + Pc% x (Buy-back price - share value)

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Share value

Where:

“Share value” means the average value over at least 10 consecutive stock exchange trading days chosen from the 20 stock exchange trading days immediately preceding the buy-back (or the option to buy-back)

“Pc%” means the percentage of capital bought back

“Buy-back price” means the actual price at which the shares are bought back (by definition, this will be higher than the market price).

8. Distribution of exceptional dividends

If the company pays out an exceptional dividend (as defined below) the new conversion/exchange ratio of shares will be calculated as set out below.

For the purposes of this paragraph (8), the term “exceptional dividend” means any dividend paid in cash or in kind to shareholders, where the total amount of this dividend (without taking tax credits into account) (the “relevant dividend”) and of all other cash dividends or dividends in kind paid to shareholders during the company’s accounting period (without taking into account any applicable tax credits) (“previous dividends”) represents a ratio of distributed dividends (as defined below) of over 5%.

The ratio of distributed dividends is the sum of the ratios obtained by dividing the relevant dividend and each previous dividend by the company’s market capitalisation on the day preceding the corresponding distribution date; the market capitalisation used to calculate each amount being equal to the product of (x) the closing price of the Company’s shares on Euronext Paris S.A. on the day preceding the date of distribution of the relevant dividend or of each previous dividend and (y) the respective number of shares existing on each of these dates. Any dividends or fractions of dividends leading to an adjustment of the conversion/exchange ratio of the shares by virtue of paragraphs (1) to (7) above will not be taken into account for the purpose of this clause.

The formula to calculate the new conversion/exchange ratio of the shares in the event of payment of an exceptional dividend is as follows:

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

where:

- NRA is the new conversion/exchange ratio of the shares
- RA means the last conversion/exchange ratio of the shares in effect before the distribution of the relevant dividend; and
- RDD means the ratio of distributed dividends as defined above.

Any dividend (as the case may be, reduced by a fraction of the dividend needed to calculate the new conversion ratio for the shares in accordance with paragraphs 1 to 7 above) paid between the payment date of a relevant dividend and the end of the same accounting period of the company will lead to an adjustment using this formula:

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

where :

- NRA is the new conversion/exchange ratio of the shares;
- RA is the last conversion/exchange ratio of the shares in effect before the distribution of the additional dividend; and

- RDD means the ratio obtained by dividing (i) the sum of the additional dividend (not of any part of the dividend giving rise to adjustment of the conversion/exchange ratio of shares under paragraphs (1) to (7) above) without taking into account any applicable tax credits, by (ii) the market capitalisation of the Company equal to the product of (x) the closing price of the Company's shares on the Paris Stock Exchange on the day preceding the date of distribution of the additional dividend and (y) the number of shares of the Company existing at such time;

In the event that the Company carries out transactions in respect of which an adjustment under one of paragraphs (1) to (8) above has not been carried out and where later French law or regulations would require an adjustment, the Company will carry out such an adjustment in accordance with the laws and regulations and market practice in effect in France at such time.

The Executive Board shall report on the components of the calculation and on the results of any adjustment in the next annual report following such adjustment.

#### 2.6.7.4 *Publication of information relating to adjustments*

In the event of an adjustment, the new conversion/exchange ratio will be notified to the Bondholders by a notice published in the *Bulletin des Annonces légales obligatoires* and in a financial newspaper having general circulation in France and by a notice of Euronext Paris S.A.

#### 2.6.7.5 *Treatment of Fractions*

Each Bondholder exercising its rights under the Bonds may receive a number of shares in the Company calculated by multiplying the number of Bonds presented by the relevant conversion/exchange ratio in effect at such time.

If the number of shares so calculated is not a whole number, the Bondholder may request the delivery of:

- either the nearest whole number of shares immediately less than its entitlement; in which case the Bondholder will receive a cash payment equal to the value of such fraction of a share, calculated on the basis of the opening share price quoted on Euronext Paris S.A. on the last stock exchange trading day of the exercise period during which the Company's shares were quoted;
- or the nearest whole number of shares immediately greater than such entitlement, provided that in such case such Bondholder pays to the Company an amount equal to the value of the additional fraction of a share requested, calculated on the basis set out in the preceding paragraph.

#### 2.6.8 **Notice to Noteholders**

In the event that the Company intends to carry out a transaction carrying preferential subscription rights for its existing shareholders, the Bondholders will be notified prior to the commencement of such transaction by a notice published in the *Bulletin des Annonces légales obligatoires*, in a financial newspaper having general circulation in France and by a notice of Euronext Paris S.A.

## 2.6.9 Effect of conversion and/or exchange on shareholders

The information provided below, together with the terms of the transaction, will comprise the additional report prepared in accordance with articles 155-2 and 155-3 of the decree of 23 March 1967. This report, together with the additional report of the statutory auditors, is available to shareholders at the registered office of the Company during the prescribed period and will be brought to their attention at the next general meeting.

For information purposes, on the assumption that all the Bonds issued are converted into new Company shares, the effect of this issue and conversion will be as follows:

1) The effect of this issue and conversion of all the Bonds issued on the holding of a shareholder with 1% interest in the Company's share capital prior to the issue and who does not subscribe for Bonds (such calculation being made on the basis of the number of shares as at 31 December 2001 will be as follows):

	<b>Holding (%)</b>
Before the issue of the Bonds	1%
After the issue and conversion of 3 415 424 Bonds	0.951%
After the issue and conversion of 3 774 941 Bonds <sup>1</sup>	0.946%

<sup>1</sup> if the greater number of Bonds were to be issued pursuant to the above paragraph 2.2.1.1

2) The effect of the issue and conversion of the Bonds in proportion to the consolidated shareholders' equity as at 31 December 2001 for the holder of one ACCOR share not subscribing to this issue will be as follows:

	<b>Share in shareholders' equity</b>
Before the issue of the Bonds	€ 16.49
After the issue and conversion of 3 415 424 Bonds	€ 18.40
After the issue and conversion of 3 774 941 Bonds	€ 18.60

(1) if the greater number of Bonds were to be issued pursuant to the above paragraph 2.2.1.1.

In the event that all the Bonds are exchanged for existing shares, the position of existing shareholders will not be affected.

## 2.7 SHARES ISSUED UPON CONVERSION OR EXCHANGE OF THE BONDS

### 2.7.1 Rights attaching to the shares to be issued

#### 2.7.1.1 New shares to be issued on conversion

The shares to be issued upon conversion of the Bonds shall be subject to all provisions of the Company's articles of association (*statuts*) and will carry dividend rights as of the first day of the financial year in which conversion takes place. They will entitle holders in respect of that financial year and the following financial years to the same dividend (on the basis of the same nominal value) as that paid in respect of other ordinary shares with equivalent rights. As a result, they will be fully assimilated to such ordinary shares from the date of payment of the dividends relating to the preceding financial year, or if none were

distributed, following the annual general meeting called to approve the accounts of that financial year.

*2.7.1.2 Existing shares resulting from exchange*

Shares delivered on exchange shall be existing ordinary shares conferring on their holders, from the date of delivery, all the rights attached to ordinary shares provided that in the case the shares go ex-dividend between the exercise date and the settlement date, Bondholders shall not be entitled to the dividend nor to any compensation therefor.

*2.7.1.3 General provisions*

Each new or existing share gives the right to an interest in the assets, profits and liquidation surplus of the relevant company in proportion to that part of the share capital represented by it, taking account of whether any share capital has been redeemed or not, whether the shares have been fully paid up or not, the nominal value of ordinary shares and the rights of different classes of shares.

Each ordinary share gives the right to one vote in general meetings of the Company.

Shares are subject to the provisions of the articles of association.

Dividends which have not been claimed five years after their payment are statute barred and become the property of the French state.

**2.7.2 Transferability of the shares**

No provision in the articles of association limits the free transferability of the Company shares.

**2.7.3 Nature and form of the shares**

The Company shares shall be either in bearer or registered form at the option of the shareholder.

Whatever their form, the Company shares are required to be recorded in an account maintained by Company or its agent or by an authorised intermediary. The rights of each holder will be represented by an entry in its name in an account maintained by Société Générale in the case of fully registered shares and by the intermediary in the case of administered registered shares or bearer shares.

**2.7.4 Taxation of shares**

Pursuant to current legislation, the following is a summary of the provisions which may apply to the investors. Individuals and corporate entities holding the shares should however consult their usual tax advisers for details of the tax regime applicable to them.

Persons not resident in France for tax purposes should comply with the tax legislation in force in the jurisdiction in which they are resident.

*2.7.4.1 French-Tax residents*

*2.7.4.1.1 Individuals holding their shares as part of their private assets*

(a) Dividends

Dividends paid by French companies, including a tax credit of 50%, are taken into account for the calculation of total income in the category of income from shares;

dividends benefit from the annual allowance of 2,440 euros for married couples subject to a joint assessment and for other couples which have opted for joint tax assessment with effect from the assessment in respect of the year in which the third anniversary of the registration of a union agreement (*pacte de solidarité*) falls (Article 515-1 of the Civil Code) and 1,220 euros for a single person, widow or widower, divorced person or married couples subject to separate tax treatment. These allowances shall not apply to marginal rate income tax payers. Dividends, as well as related tax credits, are currently subject to income tax on a progressive scale to which is added without any allowances:

- a general social contribution of 7.5%, of which 5.1% is deductible from income tax (Articles 1600-0 C and 1600-0 E of the General Tax Code);
- a social deduction of 2% (Article 1600-0 F *bis* III 1 of the General Tax Code);
- a social debt repayment contribution of 0.5% (Articles 1600-0 G and 1600-0 L of the General Tax Code).

The tax credit attached to dividends is set off against the total amount of income tax payable or is repayable if it exceeds the amount of income tax.

(b) Capital gains

Pursuant to Article 150-0 A of the General Tax Code, capital gains resulting from the sale of shares by individuals are taxable, from the first euro, if the total amount of disposals of securities realised during that calendar year, for disposals occurring after 1 January 2002, in respect of that household is greater than 7,650 euros, as follows:

- income tax at a rate of 16% (Article 200 A 2 of the General Tax Code)
- a general social contribution of 7.5% (Articles 1600-0 C and 1600-0 E of the General Tax Code);
- a social deduction of 2% (Article 1600-0 F *bis* III 1 of the General Tax Code);
- a social debt repayment contribution of 0.5% (Articles 1600-0 G and 1600-0 L of the General Tax Code).

Capital losses can be set off against gains of the same nature from the same year or, if necessary, the following five years provided that the minimum threshold of 7,650 euros mentioned above was exceeded in the year in which the loss was realised.

(c) Special regime for share savings plans

Shares issued by French companies and by companies established in another member state of the European Community and liable for payment of the corporation tax, under the normal regime, or of an equivalent tax are eligible to be held in a share savings plan (*Plan d'épargne en Actions*), created by law no. 92-666 of 16 July 1992.

Subject to certain conditions, the dividends received and the capital gains realised are exempt from income tax, but are still subject to the social deduction, the general social contribution and the social debt repayment contribution.

The table below summarises the different taxes applicable as at 1 January 2002 on the basis of the closing date of the plan:

Duration of the share savings plan	Social deduction	General social contribution	Social debt repayment contribution	Income Tax	Total
Less than 2 years	2.0%	7.5%	0.5%	22.5%	32.5% <sup>(1)</sup>
Between 2 and 5 years	2.0%	7.5%	0.5%	16.0%	26.0% <sup>(1)</sup>
More than 5 years	2.0%	7.5%	0.5%	0.0%	10.0%

(1) Over the whole amount where the threshold has been exceeded.

(d) Wealth tax

Shares held by individuals will be included in their taxable assets, for wealth tax purposes.

(e) Inheritance tax

Shares transferred by succession and donation will be subject to inheritance tax in France.

2.7.4.1.2 Legal entities subject to corporation tax

(a) Dividends

Dividends received by legal entities subject to corporation tax, together with a tax credit equal to 15% of the value of the dividend paid, are included in total taxable income, which is taxed at the rate of 33 <sup>1/3</sup>% to which should be added a supplement of 3% (Article 235 *ter* ZA of the General Tax Code). The tax credit may be increased by an amount corresponding to 70% of the *précompte* paid by the company, other than any due by reason of a deduction from the long-term capital gains reserve.

For financial years ending on or after 1 January 2000, a social contribution of 3.3% (Article 235 *ter* ZC of the General Tax Code) applies; this is added to the amount of corporate tax, with an allowance of 763,000 euros per 12 month period. However, entities which have a turnover before tax of less than 763,000 euros and whose share capital is fully paid-up and held continuously as to at least 75% by individuals (or by entities satisfying these conditions) are exempt from this contribution. In addition, for such companies, the corporation tax rate is fixed, up to the limit of 38,120 euros of taxable profit per period of 12 months, to 15% for accounting years commencing from 1 January 2002.

Where the company fulfils the above conditions and has opted for the parent company tax regime pursuant to Articles 145, 146 and 216 of the General Tax Code, the dividends received are not taxed, subject to a deduction for a proportion of expenses and fees of 5% of the gross dividends (tax credit included). The related tax credits cannot be set-off against taxes due by the company but may be set-off for a period of 5 years against the *précompte* due in the event of

redistribution, in which case the tax credit is equal to 50% of the dividends received.

(b) Capital gains

Disposals of shares, other than equity participations, will give rise to a gain or loss included in the taxable income of the entity and which is taxable at the rate of 33<sup>1/3</sup>% plus an additional contribution of 3% (Art. 235 *ter* ZA of the General Tax Code) and the social contribution of 3.3% (Article 235 *ter* ZC of the General Tax Code).

Capital gains arising from the disposal of equity participations or of shares which are treated for tax purposes as equity participations are eligible for the long-term capital gains regime, provided that they have been held for two years and provided a special reserve of long-term capital gains is created, and are taxable at the rate of 19% (or, as the case may be, the reduced rate of 15% up to the limit of 38,120 euros per period of 12 months) plus the additional contribution of 3% (Article 235 *ter* ZA of the General Tax Code) and the social contribution of 3.3% (Article 235 *ter* ZC of the General Tax Code).

Shares in companies which are accounted for as equity participations and, subject to certain conditions, shares purchased pursuant to a public take-over bid or offer of exchange, as well as shares which give rise to the parent company tax regime being applicable and shares whose acquisition price is at least equal to 22,800,000 euros are considered to be equity participations.

2.7.4.2 *Non-French-Tax residents*

(a) Dividends

Dividends distributed by companies having a registered office in France are subject to withholding at source of 25% when the registered office or tax domicile of the beneficiary is outside France.

Under certain conditions, this withholding tax may be reduced or even eliminated as a result of an international tax treaty or through Article 119 *ter* of the General Tax Code and the tax credit may be transferred pursuant to such treaties.

As an exception, dividends from a French source paid to persons who do not have a tax domicile or registered office in France and who are entitled to transfer their tax credit pursuant to a tax treaty in order to avoid double taxation shall be subject to withholding tax at the reduced rate provided for in the treaty, provided notably that the relevant persons prove, before the date of payment of the dividends, that they are not resident in France for tax purposes pursuant to the relevant treaty (*Instruction Administrative* 4-J-1-94 of 13 May 1994).

The tax credit is paid by deduction from the withholding at source applicable to the rate provided for in the treaty.

(b) Capital gains

Gains arising from the sale of securities for value by persons who are not resident for tax purposes in France within the meaning of Article 4B of the General Tax Code or whose registered office is outside France (and not having a permanent establishment or fixed base in France as part of whose assets the shares are

recorded) and which have not held at any time, directly or indirectly, alone or together with the members of their family rights to more than 25% of the profits of the company during the five years preceding the sale, are not subject to French tax (Article 244 *bis* C of the General Tax Code).

(c) Wealth tax

In principle, wealth tax does not apply to individuals domiciled outside France (within the meaning of Article 4-B of the General Tax Code) who hold, directly or indirectly, less than 10% of the share capital of the company.

(d) Inheritance tax

France applies inheritance tax to shares in French companies acquired by succession or donation by a person not resident in France. France has concluded double taxation treaties with a number of countries in the subject of succession and donation, pursuant to which the residents of the relevant countries may, subject to satisfying certain conditions, be exempted from inheritance tax or receive a tax credit.

Potential investors are recommended to consult immediately their advisors as regards their submission to inheritance tax resulting from their holding in the Company, and the conditions under which they might obtain relief from inheritance tax by virtue of one of the tax treaties concluded with France.

## **2.7.5 Listing of new shares**

Application will be made to list the new shares issued as a result of conversion of the Bonds periodically on Euronext Paris S.A. Existing shares that have been exchanged for Bonds shall be immediately tradable on such exchange.

### *2.7.5.1 Assimilation of new shares*

Application will be made to list the new ACCOR shares resulting from conversion to trading on Euronext Paris S.A. based on the date from which they carry full dividend rights either directly on the same line with the existing shares or, initially, on a second line. Accor's shares are listed on the Premier Marché of Euronext Paris S.A. (Sicovam Code: 12040).

The Accor shares are admitted to the *Système de Règlement Différé* (SRD).

### *2.7.5.2 Other places of listing*

The Accor shares are not listed on any other exchange.

ACCOR American Deposit Receipt (ADR) transactions take place on the U.S. Over The Counter (OTC) market.

## CHAPTER III

### GENERAL INFORMATION ON ACCOR AND ITS SHARE CAPITAL

Information contained in this chapter is included in the *Document de Référence* registered with the COB on 18 March 2002 under number D.02-126 incorporated by reference into this final prospectus. This information remains accurate, at the date of this final prospectus, subject to the following.

In accordance with the 21<sup>st</sup> resolution adopted by the general meeting of 29 May 2001, the Supervisory Board of ACCOR authorised the Executive Board, on 8 January 2002, before 31 July 2002 to increase the share capital reserved for its staff (members of the *Plan d'Épargne* of the Accor group) by an estimated amount of 500,000 new shares (with 20% tax rebate upon subscription), being 0.25% of the share capital (at the date of the Board resolution) but not exceeding 0.30% of the share capital. The amounts paid by the staff will be unavailable for 5 years.

This transaction will be completed for the staff non-resident in France (who will not benefit from a contribution paid by the Company, which is reserved for French staff) by the allocation, without discount from the market price of "*bons d'épargne en actions*" (subject to the legal, tax, and social regime of share options).

This transaction was the subject of a final prospectus approved by the COB, reference number 02-355 dated 10 April 2002.

## **CHAPTER IV**

### **INFORMATION ON THE BUSINESS OF ACCOR**

Information concerning this chapter is included in the *Document de Référence* registered with the COB on 18 March 2002 under number D.02-126 incorporated by reference into this final prospectus. This information remains, at the date of this final prospectus, accurate.

## **CHAPTER V**

### **ASSETS, LIABILITIES, FINANCIAL SITUATION AND RESULTS**

Information concerning this chapter is included in the *Document de Référence* registered with the COB on 18 March 2002 under number D.02-126 incorporated by reference into this final prospectus. This information remains, at the date of this final prospectus, accurate.

## **CHAPTER VI**

### **BOARD OF DIRECTORS, MANAGEMENT AND SUPERVISION**

Information concerning this chapter is included in the *Document de Référence* registered with the COB on 18 March 2002 under number D.02-126 incorporated by reference into this final prospectus. This information remains, at the date of this final prospectus, accurate.

## CHAPTER VII

### RECENT DEVELOPMENTS AND FUTURE PROSPECTS

The information required by this chapter has been provided in the document filed with the *Commission des opérations de bourse* on 18 March 2002 under number D.02-126 incorporated by reference into this final prospectus. This information remains true at the date of this final prospectus, subject to the following significant information below:

- Accor announced on 3 April 2002 a holding of 60% share in Go Voyages, France's leading specialty operator in scheduled and chartered flights and the development of online booking engines, after acquiring 21.5% of the company's capital.

Accor, which has held a 38.5% stake since April 2000, has thus become Go Voyages' majority shareholder. In addition, the Group has given to the management team, which remains in charge of the company, a promise to purchase the remaining shares, whose price will be determined depending on the results of future fiscal years.

Go Voyages is today in France, thanks to the deployment of innovative IT tools, one of the most active players in the distribution of business travel and tourist services, in particular over the Internet. For example, Go Voyages has developed some of the market's most efficient online booking software and travel-related search engines. This technological expertise enables the company to offer more than 500 web partners access to its pricing databases through B to B to C solutions.

Since early 2002, Go Voyages has offered an "airfare+hotel" package that combines the search for an airplane seat and a hotel room in real time. Go Voyages has set itself apart with a new generation online booking system, by combining e-tourism's two key lists (airline seat and hotel rooms). This initiative is in line with Accor's sales and distribution strategy, in particular in the tourism sector, and strengthens the two partners' Internet projects.

Go Voyages is one most profitable companies in its industry. In fiscal 2001 (ended October 31) it reported sales of € 126 million, up 57%, and generated pretax income before exceptional items of € 5.73 million, up 82%. Growth in sales has averaged 43% since November 2001.

Go Voyages develops and distributes through a broad of channels (travel agencies - web sites - call centers - tour operators) travel packages at the best available price, on scheduled and chartered flights. In 2001, Go Voyages organized flights for 368,000 passengers; in 2002, the company expects this number to rise to 420,000, reaching over 1,000 destinations. Go Voyages also designs and supplies booking engines that distribute web-based tourism products to more than 500 affiliated websites...

