



ACCOR HOTELS

Feel Welcome

Combined Shareholders' Meeting

July 12, 2016

SO F I T E L
LEGEND

SO
F I T E L

S O F I T E L

M
GALLERY

p u l l m a n

NOVOTEL

Mercure

MAMA
SHELTER

adagio

ibis

ibis
styles

ibis
budget

Sébastien Bazin

CHAIRMAN AND CEO



François Pinon

GROUP GENERAL COUNSEL
& BOARD SECRETARY



1

2

Acquisition of Fairmont Raffles Hotels International



A strategic deal

CREATING A WORLDWIDE LEADER IN THE LUXURY SEGMENT

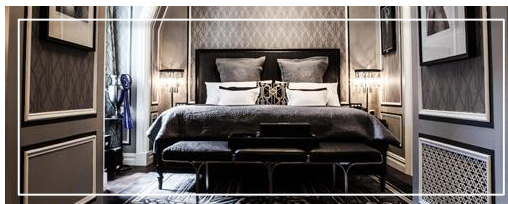
- Strengthen **our presence and expertise** in the Luxury segment with **strong, iconic brands**
 - Increase **share of contribution** from the Luxury segment in HotelServices (from 19% to 35% of fee revenues)
 - Significantly strengthen our position in the **US market** with flagship properties in key cities
 - Leverage **high-end client databases**, mostly US-based
- Build a **new global brand architecture** to address strong market growth potential
 - Enhance the **Group's overall growth profile**
 - Create **significant synergies** thanks to shared expertise, distribution platforms & loyalty programs
 - **EPS accretion**, post synergies



A global leader in Luxury Hospitality



A legacy spanning 128 years
Pioneer in worldly
elegance & hospitality
12 hotels - 2,000 rooms
10 countries



Established 108 years ago
Strong footprint and brand awareness
in North America
71 hotels - 29,000 rooms
22 countries



Capitalizing on the “Swiss” reputation
For quality, design,
hospitality and safety
31 hotels - 11,000 rooms
16 countries

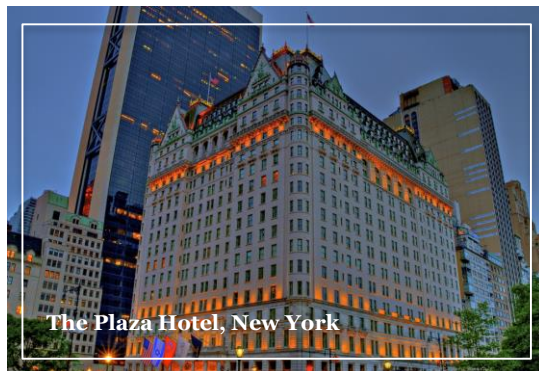
154 hotels in more than 40 countries worldwide, including 40 hotels in the pipeline

Three iconic, widely recognized Luxury brands

A global footprint and strong expertise



Exceptional properties



114 HOTELS - 42,000 ROOMS



●



Highly complementary brand portfolio


RAFFLES
HOTELS & RESORTS
12 hotels


Fairmont
HOTELS & RESORTS
70 hotels



swissôtel
Hotels & Resorts
32 hotels

114 hotels


SOFITEL
LEGEND
5 hotels


SO
SOFITEL
3 hotels


SOFITEL
HOTELS & RESORTS
103 hotels


MGALLERY
77 hotels


pullman
HOTELS AND RESORTS
99 hotels


THE
SEBEL GRAND MERCURE
HOTELS & RESORTS
69 hotels

356 hotels

5 hotels
under development

66 hotels
under development

104 hotels
under development

175 hotels
under development

22 hotels
4,000 rooms

320 hotels
81,000 rooms

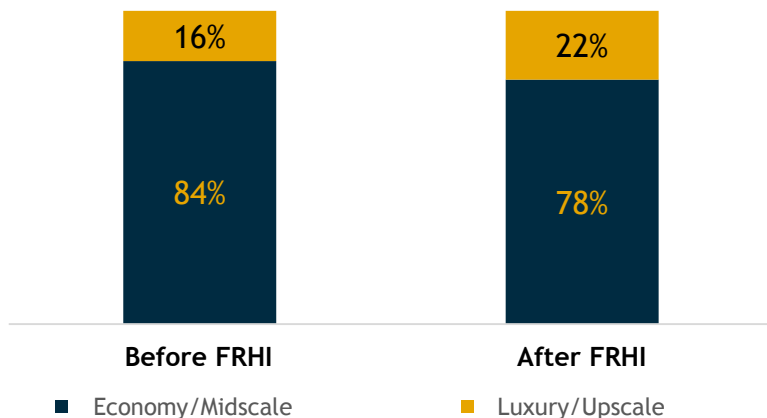
303 hotels
80,000 rooms

645 hotels
> 165,000 rooms
Including medium-term
pipeline

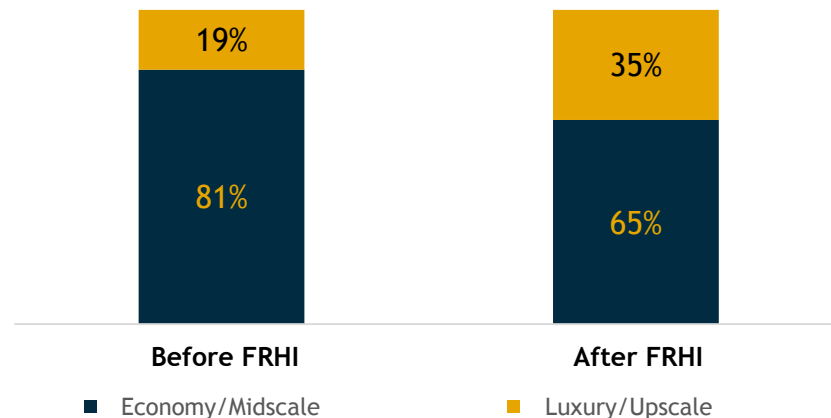


Impact of FRHI's integration on hotel base and franchise and management fees

Number of rooms by segment⁽¹⁾



Franchise and management fees by segment⁽²⁾

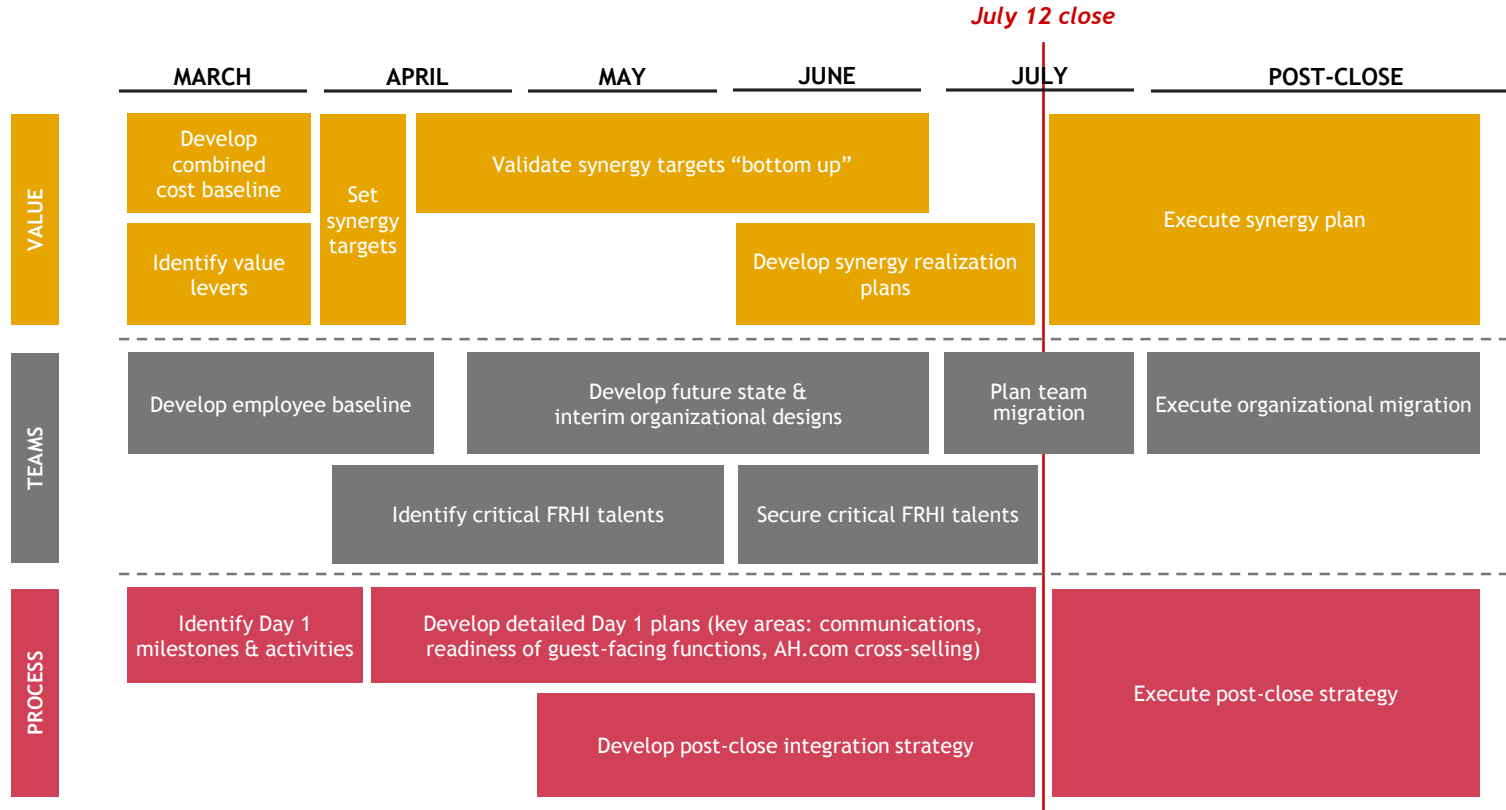


(1) Portfolio as of June 30, 2016

(2) Proforma Estimate 2016



FRHI integration timeline



Sequence for a successful integration

180 days before closing:

- Initial contacts between both Groups - listening, transparency & confidence
- Implementation of « Commando » integration teams at both AccorHotels & FRHI
- Identification priorities with a detailed and sequenced calendar

90 days before closing:

- Validation of the organisation & responsibilities and missions of everyone
- Decision to create a global Luxury/Upscale division

30 days before closing:

- Nomination of Chris Cahill as CEO Luxury & Upscale hotels
- Selection of key talents within the new structure

Closing day:

- Operating presence of key executives in head offices (Toronto, Paris, Munich, Singapore, Zurich, Dubai, Miami)
- Ambitions shared with staffs and partners



Key terms of the transaction

68% of the acquisition paid in new Accor Shares

- 1,718,134 FRHI shares (including 1,071,610 class A shares, 323,262 class C shares and 323,262 class D⁽¹⁾ shares) held by QIA, KHC and OMERS, equivalent to approximately 68% of FRHI's share capital
- In exchange for 46,700,000 new Accor shares based on 33.48 Accor shares for one FRHI class A share

32% through Cash payment of \$840 million

Implied enterprise value ⁽²⁾

- **\$2.9 billion** at the time the announcement was made based on the 1-month VWAP on December 9, 2015
- **\$2.7 billion** as per the contribution agreement based on the VWAP between the date the deal was announced and the closing date set in the independent appraisers' report
 - Post-synergies EBITDA (2016e) multiple of 13.3x

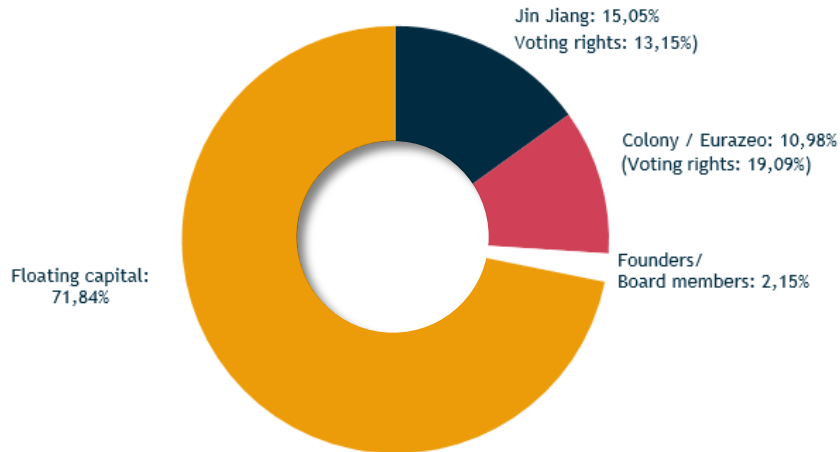
(1) One class A FRHI share is equivalent to one class C FRHI plus one class D FRHI share

(2) Enterprise value including adjustments for 2015 dividend not paid to sellers, net debt at closing, share of JV debts (not consolidated) and other debt-like items

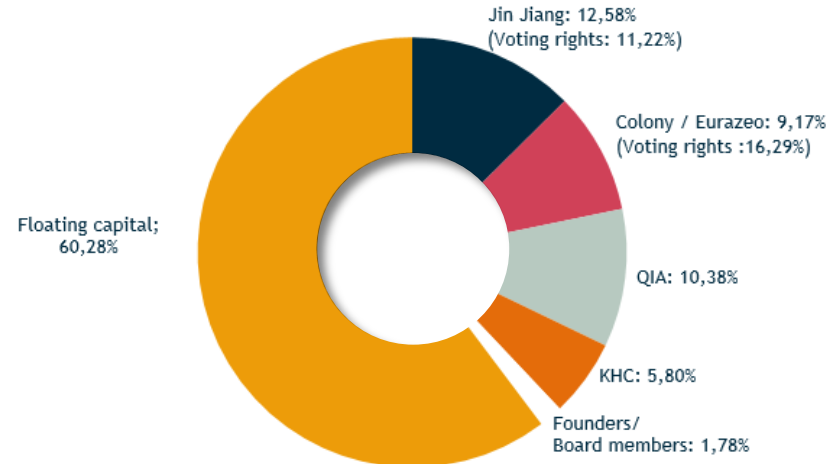


Changes in share capital

SHARE CAPITAL AT MARCH 31, 2016



SHARE CAPITAL AFTER COMPLETION OF THE PROPOSED ACQUISITION⁽¹⁾



(1) Indicative Percentages, subject to approval of the transaction by the AGM





ACCORHOTELS

Feel Welcome



UNDISPUTED LEADER IN
ECONOMY & MIDSCALE
OUTSIDE THE USA



A NEW LEADER IN THE
LUXURY SEGMENT



INNOVATIVE &
AMBITIOUS DIGITAL
STRATEGY



LEADING EUROPEAN
HOTEL OWNER &
INVESTOR THROUGH
HOTELINVEST

**A world-leading powerful Hospitality player constantly
addressing the evolution of its clients and partners**



Didier Kling & Jacques Potdevin

INDEPENDENT APPRAISERS' REPORT



Q&A session

Acquisition of Fairmont Raffles Hotels International



Voting on First resolution



First resolution

Approval of the contribution of 1,718,134 FRHI shares to the Company, its valuation and consideration



2

Changes to the Board of Directors



Proposed appointment



Ali Bouzarif (non-independent Director representing QIA)

Graduate of Solvay Business School and member of the CFA Institute

Head of Investment Execution at QIA, responsible for overseeing more than 50 transactions globally for total consideration of over \$80 billion.

QIA Associate Director, Co-Head of M&A and Head of Co-Investments since 2007.

He began his career as a Manager at Deloitte in Brussels.



Proposed appointment



Aziz Aluthman Fakhroo (non-independent Director representing QIA)

Graduate of Paris ESLSA Business School.

Director of Public Budget Department in Qatar's Ministry of Finance since March 2015.

Formerly Director of Public Investment Management Department within same Ministry between January 2014 and March 2015.

Director of Mergers & Acquisitions of QIA between 2007 and 2013, in charge of numerous acquisitions for over \$25 billion.

Founder and CEO of IDEALYS SARL, a 3D industrial simulation company, prior to joining Qatar Investment Authority (QIA) in 2007.



Proposed appointment



Sarmad Zok (non-independent Director representing KHC)

Holds a Bachelor of Science in Hotel Management and a Master of Arts in Property Valuation and Law from City University Business School (UK).

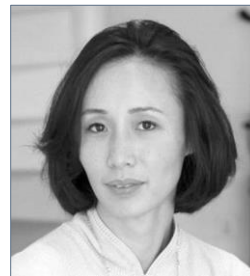
Executive Board Director of Kingdom Holding Company since 2010, responsible for managing and directing the Group's global hotel interests and overseeing its global investment strategy and governance.

Formerly Chairman & Chief Executive Officer of Kingdom Hotel Investment after holding various other positions within the Kingdom group since 2001.

He began his career in hotel development prior to founding and developing the Kingdom Establishment's hospitality investment practice in Saudi Arabia.



Proposed appointment



Jiang Qiong Er (Independent Director)

Graduate of the Tongji University design school (China). Also studied interior architecture and furniture design at the École Nationale Supérieure des Arts Décoratifs in Paris.

Founder of several design companies and of the Chinese subsidiary of ArtCurial.

In 2008, she entered into a partnership with Hermès to create Shang Xia, China's first luxury brand, of which she is Chief Executive Officer and Artistic Director.

In 2013, she was awarded the title of Chevalier des Arts et Lettres by the French President and, in 2016, she was awarded the title of Chevalier de l'Ordre National du Mérite by the French President.



Proposed appointment



Isabelle Simon (Independent Director)

Graduate of Sciences Po Paris, HEC and Harvard Law School (LL.M.). She holds a DEA postgraduate diploma in English and North American business law from Paris I Panthéon-Sorbonne and a DESS postgraduate diploma in International Taxation from the Jean Monnet University. She is also a qualified lawyer, and has been admitted to the Paris Bar and the New York Bar.

Group Secretary & General Counsel, and member of the Executive Committee of the Thales Group since 2015.

Formerly Deputy Chief Executive Officer of Société des Bains de Mer de Monaco, in charge of the Real Estate, Marketing & Sales, Artistic, Communications and Legal departments, and responsible for internal and external development operations between 2011 and 2015.

Senior Vice President, heading the M&A and Legal departments and managing the external development strategy and minority holdings within the Publicis Group from 2009 to 2011.

Executive Director of the Investment Banking Division of Goldman Sachs from 2003 to 2009.

Lawyer at Cleary Gottlieb Steen & Hamilton law firm from 1995 to 2003.



Proposed appointment



Natacha Valla (Independent Director)

Holds a PhD in Economics awarded by the European University Institute of Florence (Italy).

In charge of economic policy and strategy at the European Investment Bank (EIB) since December 2015.

Formerly Deputy Director of CEPII, a French think tank in international economics, in 2014 and 2015.

Executive Director at Goldman Sachs, responsible for economic research from 2008 to 2014.

Seconded to the Research Directorate of the Banque de France in 2005.

Following a period as visiting scholar at the International Monetary Fund, from 2001 to 2008, Natacha served as an economist in charge of monetary policy and implementation at the European Central Bank.



Composition of the Board after the Shareholders' Meeting

Number of Directors:	17
Independent:	9
Non-independent:	6
Representing employees:	2 ⁽¹⁾
<hr/>	
Percentage of Independent Directors:	60%
<hr/>	
Percentage of women:	40%

(1) After appointment of the 2nd Director representing the employees



Directors' fees

Total budget proposed for directors' fees: €1,120,000

To be allocated among 17 directors

(Unchanged since 2011: €575,000 allocated among 12 directors)

Q&A session

Governance



3

Voting on resolutions

2



Second resolution

Increase of the Company's capital following the contribution of 1,718,134 FRHI shares to the Company



Third resolution

Powers to carry out formalities



Fourth resolution

Appointment of **Ali Bouzarif** as Director



Fifth resolution

Appointment of **Aziz Aluthman Fakhroo** as Director



Sixth resolution

Appointment of **Sarmad Zok** as Director



Seventh resolution

Appointment of **Jiang Qiong Er** as Director



Eighth resolution

Appointment of **Isabelle Simon** as Director



Ninth resolution

Appointment of **Natacha Valla** as Director



Tenth resolution

Approval of director's fees





Feel Welcome

SOFITEL
LEGEND

SO
SOFITEL

S O F I T E L

M
GALLERY

pullman

NOVOTEL

Mercure

MAMA
SHELTER

adagio

ibis

ibis
styles

ibis
budget