Strategy

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Accor aims at becoming India's top international hotel group

2012 will be remembered as the year Accor's stepped up its expansion in India, with 11 hotel openings. The country, which is experiencing an economic boom, has become one of the Group's priorities. Indeed, the Indian hotel market is as yet undeveloped and currently only represents 150,000 rooms or the equivalent of the number of rooms available in Shanghai alone! There is therefore significant potential in this country. The Group's objective is clear: to become India's leading foreign hotel Group by 2015 with 90 establishments*.

A Novotel/ibis complex in Bangalore

April 2012 was a particularly active month for Accor, with the inauguration of 5 hotels, including the launch of its first combo in Bangalore, Southern India. This complex combines the **Novotel Bengaluru TechPark** and the **ibis Bengaluru Techpark**, which opened in September 2011. The new Novotel establishment, the first in this city of over 8 million people, is located in the business district. Its aim is to attract business customers as well as tourists looking for the best welcome.

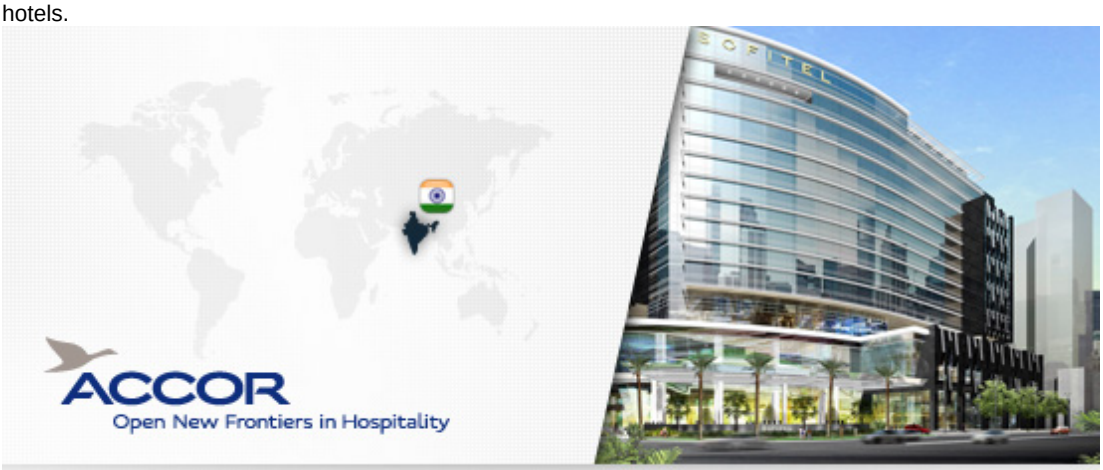
"*We have very ambitious expansion plan for Novotel as we want to cater for growing demand in this market segment*," explains **Denis Hennequin**, Chairman and CEO of Accor. With the opening of its fifth Novotel in India, Accor is therefore clearly displaying its determination. It plans to add 14 other Novotel establishments to the network within the next three years.

Returning to a difficult market

The world's leading hotel operator first started its activities in India in 2006. Now, the company is developing in all market segments, from budget to luxury hotels and is establishing six of its brands in the country.

The strategy chosen is designed to fill the supply gap in these segments: by 2015, Accor is determined to gain market share over its key international rivals.

The Group's offensive comes at a time when the Indian market is not easy to access for foreign companies. Problems such as slow administrative procedures, countless official authorizations and very high interest rates, delay projects. To overcome this "barrier to entry", Accor is entering into numerous long-term joint-ventures. In this way, it can rely on local partners to contribute their expertise in this complex market. For the ibis brand, for example, Accor has formed a partnership with Indian firm, InterGlobe, for the construction of 20 hotels.



French elegance adapted to Indian customers

At the end of the first quarter 2012, Accor announced that it had signed 58 hotel schemes. Many include upscale and luxury establishments. Special requirements were defined for each establishment to ensure respect for the brand values, excellent service and French refinement that are Accor's specialty and hallmark.

For example, this year will see the launch of the Sofitel and Pullman brands in several large Indian cities. In April 2012, the country's economic capital Bombay welcomed its first Sofitel, the **Sofitel Mumbai KBC**, which boasts 302 rooms and suites. Its interiors, facilities and six restaurants showcase a blend of traditional Indian and typical French art nouveau styles. Two other Sofitel establishments will also open in Bombay in 2015 including one So Sofitel.

Futhermore, Accor's is expanding in India with its Pullman hotels. This brand's also inaugurated its first establishment in India, the **Pullman Gurgaon Central Park**, in April in the North of the country. Four other Pullman schemes are also under way, including the Pullman New Delhi International Airport due to open in 2013.

Economy hotels at the forefront of expansion

Lastly, the acceleration of expansion in India also concerns the economy hotel segment, where demand is particularly strong. The Group's best asset to occupy this segment is its ibis brand. Following on from the ibis Bengaluru in Bangalore, India's first ibis hotel, five other ibis establishments will be inaugurated before the end of the year. In the budget accommodation sector, a first **Formule 1 Greater Noida** is open and eleven more of these economy brand hotels are already in the pipeline.

The new phase of expansion has definitely got off to a particularly dynamic start.

**opened or under development*