

ACCOR REINFORCES ITS BRANDS AND DEVELOPMENTS IN SAUDI ARABIA AND MIDDLE EAST

Riyadh, 10 November 2008: Accor, one of the world's largest hotel and services groups currently represents a wide range of internationally acclaimed hotel brands that are well recognized and suit varying budgets. With the fast paced development planned for the future, the group promises to better match the increasing needs of the rapidly growing travel and tourism industry across the world.

Accor in Middle East is ranked as the most aggressive hotel group in terms of development in the Middle East region with 22 hotels (5,300 keys) currently in operation and 46 hotels (11,809 keys) committed to open by 2012.

Accor is set to develop 100 new properties throughout the Middle East region in its mid-term objective.

ACCOR IN KSA

In line with Accor's overall development strategy to increase its presence across the Middle East, Dr Abderahman Belgat, Managing Director, ACCOR Saudi Arabia & Sudan and General Manager, Saudi French Co for Hotel Management confirms Accor's intention to be the leading hotel group in Saudi Arabia within the next four years.

NEWEST FLAGSHIP HOTEL IN KSA: Novotel Riyadh Al Anoud

After successful negotiations between Princess Al Anoud Foundation and Saudi French Co. for Hotel Management (Accor KSA), a partnership was concluded by way of management contract to operate this prestigious property under the brand Novotel. The Management Agreement was signed in May 2004 at Sofitel Al Hamra in Jeddah between HRH. Prince Saoud bin Fahd bin Abdulaziz, Vice President of Princess Al Anoud Foundation and Accor Group's Founding Co. Chairman, Mr. Gérard Pélisson. During the design stage of the hotel Accor has also engaged in providing technical assistance to comply with Novotel's brand exigency. Consequently Novotel Riyadh Al Anoud is perfectly developed to uphold its brand fundamental values of modernity, good design, simplicity and efficiency. The inauguration of the hotel on November 10, 2008 is also significantly presided over by the same signatories for the management contract and in the presence of Gilles Pélisson CEO Accor Group, Yann Caillere, COO Accor Group & CEO Sofitel Worldwide, Jean-Luc Motot, Managing Director, Accor M.E., Africa & Indian Ocean, Dr. Abderahman Belgat, Managing Director Accor KSA & Sudan and GM-SFCHM, Michel Gicquel, Director Innovation & Design, Accor and with the presence of H.E. Mr. Bertrand Besancenot the Ambassador for France.

Located on King Fahd Road, this new establishment with 166 rooms (118 Superior rooms, 26 deluxe rooms, 7 junior suites, 14 Executive suites and 1 Royal Suite) enjoys a strategic location in the city. Among hotel features are: La Croisette restaurant, Novotel Coffee Lounge, indoor swimming pool, fully equipped Fitness Centre, banquet and meeting rooms with state of the art facilities.

The Princess Al Anoud project is of particular interest as the profit is earmarked for a charitable foundation (Foundation Princess Al Anoud) for those in needs.

1/ ACCOR Hotels in KSA by end of 2008

By end of 2008 Accor will be operating 11 hotels with 3356 rooms under different hotel brands Sofitel, Novotel & Mercure: Jeddah 2 hotels (331 rooms), Riyadh 3 hotels (371 rooms), Makkah 6 hotels (2493 rooms) and in Khamis Mushayt 1 hotel (161 rooms).

2/ In 2008 the Accor has signed 8 further capital projects of which 5 hotels are currently under construction and are projected to open early next year:

Mercure Khamis Mushayt – operating since June 2008

Mercure Royal Riyadh – operating since Nov. 2008

Mercure Value Riyadh – operating since Nov. 2008

Novotel Dammam (160 keys)

Novotel Jeddah (160 keys)

Mercure Suleimania, Riyadh (100 keys)

Mercure Madinah Al Munawwarah (160 keys)

Mercure Al Khaleej, Madinah (150 keys)

Sofitel Al Khobar: Accor's luxury brand 'Sofitel' in Al Khobar with 232 bay view luxurious rooms is currently under completion for its interior designing and is scheduled for opening in March / April 2009.

3/ SFCHM / Accor KSA is continuously expanding its presence in different parts of the country, and is in negotiation for additional properties in Riyadh, Dammam, Taif, Khamis Mushayt, Madinah, and Jeddah...

It is expected that the Saudi French Company for Hotel Management (a 100% Accor subsidiary) will be managing over a total of 20 hotels with a total capacity of 5500 rooms by 2010, and will be employing 4500 Staff-members, half of them Saudis.

Sustainable Development Program in KSA

KSA, thanks to its religious dimension as the custodian of the two Holiest Mosques in Islam, and to its economic dynamism, is considered as the spiritual and economic powerhouse in the Arab-Muslim world in general, and more particularly in the Middle East.

With the continuous budget surplus during the past few years and bright economic prospects, the investment potential in Saudi Arabia in line with the region is impressive.

Following the recent impetus by the Saudi Supreme Commission of Tourism headed by H.R.H Prince Sultan Bin Salman Bin Abdulaziz to foster domestic tourism, Accor is determined to contribute by fully participating in the development of the hospitality industry in KSA.

Dr Abderahman Belgat emphasized on the potential of the Saudi tourism Industry: *"it is imperative to understand that tourism in Saudi Arabia is not limited to only religious tourism. The Saudi Tourism Industry represents a huge potential with its multidimensional diversity: cultural, ecological, archeological, desert attractions, resorts facilities which encompass the needs, expectations and motivations of today's traveler."*

Saudi Arabia has many unexploited tourist resources such as the archeological site Al Jawf, Rub Al Khali also known as the Empty Quarter, and the Nefoud Desert. Saudi Arabia boasts a beautiful coast line with beaches at the Red Sea and the Gulf of Aden. Saudi Arabia can also offer urban tourism in Riyadh and Jeddah as well as mountain resorts and natural parks in the Hejaz region."

Saudization

In line with the Accor sustainable development programme, Saudization remains the first priority for the Saudi French Company for Hotel Management, which manages properties for Accor in Saudi Arabia. Accor Saudi Arabia is fully committed to play its role in helping and developing young Saudis, graduates as well as others, to learn, understand and integrate into the tourism industry.

Hotel Schools in Saudi Arabia

Accor, in cooperation with the Saudi Supreme Commission of Tourism and General Organization for Technical Education & Vocational Training (GOTEVOT) worked together on the establishment and management of several hotels schools in the Kingdom, in the main strategic regions of the country.

The official signing ceremony of the MOU for the establishment of the Hotel Schools in Riyadh, Taif and Hofuf took place on June 7th 2006 in Riyadh between Accor, the SCT and GOTEVOT.

The construction of the first hotel school in Riyadh crystallized on 1st June 2008 by laying the first foundation stone by HRH, Prince Sultan Bin Salman, Governor of Riyadh.

Dr. Belgat added that this project, which is important for the future prosperity of the Kingdom, will be as a result of 3 years of discussions. This will guarantee the future of job opportunities for numerous professions in the hotel and service industry.

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Contact

Dr. Abderahman BELGAT

Managing Director - ACCOR KSA & Sudan
General Manager – Saudi French Co. for Hotel Management
Tel: +966 2 60.66.425 / Fax: +966 2 60.66.435

Accor, a major global group and the European leader in hotels, as well as the global leader in services to corporate clients and public institutions, operates in nearly 100 countries with 150,000 employees. It offers to its clients over 40 years of expertise in two core business.

- **Hotels**, with the **Sofitel, Pullman, MGallery, Novotel, Mercure, Suitehotel, Ibis, all Seasons, Etap Hotel, Formule 1** and **Motel 6** brands, representing more than 4,000 hotels and nearly 500,000 rooms in 90 countries, as well as strategically related activities, such as **Lenôtre**.
- **Services**, with 30 million people in nearly 40 countries benefiting from **Accor Services** products in employee and public benefits, rewards and loyalty, and expense management.