



Press Release

Accor Takes a Major Step in its Expansion in India

New Delhi, 27 November 2006._ As part of its global development strategy aiming at opening 200,000 new hotel rooms by 2010, of which 60% in emerging markets, Accor has signed today significant partnerships that trigger a major expansion in India. This expansion plan covers the full spectrum of the hotel market in India, including budget Formule 1 hotels, economy Ibis hotels, mid-market Novotel hotels and upper-upscale Sofitel properties.

Budget and Economy Hotels: Formule 1 and Ibis

Gilles Pélisson, Chief Executive Officer, Accor, and **HE Mohammed Ali Alabbar**, Chairman, EMAAR Properties, signed today an agreement to develop **100 Formule 1** hotels in India. This agreement will involve a joint investment of US\$300 million in phases.

These hotels will be located in city locations and will feature upwards of 80 rooms with en suite bathrooms, restaurant and a 24-hour reception service (*). Sites for the hotels are currently being finalized and 10 hotels are scheduled to open in the next two years.

Accor's partner, the Dubai-based **EMAAR** group, is one of the world's largest property developers, who has worked with Accor on a number of projects in the Middle East. The EMAAR group has already developed in India the Novotel Hyderabad and Hyderabad International Convention Centre that Accor manages.

Moreover, Accor and its joint-venture partner **InterGlobe** are also developing a network of **Ibis** hotels around the country. Projects include, in addition to a complex combining Ibis and Novotel in Bangalore (380 rooms), hotels in five key business centres – Gurgaon, Mumbai, Pune, Jaipur and Hyderabad.

By the end of 2007, Accor and InterGlobe expect to have up to 15 Ibis hotels (2,700 rooms) under development, for a total investment of US\$ 180 million.

Midscale hotels: Novotel and Mercure

Accor will expand its **Novotel** brand in India. A Novotel is presently under construction in Gurgaon, a business precinct of New Delhi. The 320 room hotel will be managed by Accor and is scheduled to open in mid 2008. Accor currently manages Novotel Hyderabad adjacent to the Hyderabad International Convention Centre, opened earlier this year.

Accor is in discussion with leading Indian business groups for a variety of developments, including the launch of the **Mercure** brand in India.

() Formule 1 hotels were first developed in Europe to offer a budget accommodation with bathrooms outside the room. The brand and accommodation offer have evolved internationally over the years and offer today, for the newest developments, an en suite bathroom and a restaurant (Australia, Brazil notably).*



Upper-upscale hotels: Sofitel

On Tuesday, an official ceremony will be held to announce the development of the new **Sofitel Mumbai** in the prestigious Bandra Kurla Complex (BKC), one of Mumbai's most important precincts. The US\$ 106 million project of around 300 rooms is due to be completed in 2009, and is being developed by a joint venture comprising Accor and prominent local developer, **Naman Developers Limited**.

A second Sofitel – and Accor's first resort property in India – is being built in Goa. Accor will manage the **Sofitel Cabo de Rama**, which is being developed by **Uniworth Resorts**, a member of the **JB Group of Hong Kong**. The resort is located on the oceanfront adjacent to the historic Cabo de Rama fort and will feature 260 rooms and a spa and is scheduled to open in 2009.

Announcing Accor's ambitious expansion plans in India, Accor Chief Executive Officer, **Gilles Pélisson** said: "India is one of the world's most dynamic economies, with rapidly growing inbound, outbound and domestic travel sectors that we hope Accor's development strategy will cater for. The Indian outbound market is also very important for Accor's global network, and we will be able to grow our market share through greater visibility of our brands across India. There is currently a very large shortage of international-standard accommodation in India: Accor's unique experience across the full range of hotel accommodation styles will be an immediate and significant answer to it."

Accor Asia Pacific Chairman, **David Baffsky**, said that the company had plans to open more than 5,000 rooms in India over the next five years. "Accor successfully launched the Hyderabad International Convention Centre and the adjacent Novotel this year," he said. "We believe that we have the partners, the expertise and the brands to build a substantial network in India. The industry is predicted to grow at an annual rate of at least 9% over the next 10 years, double the rate estimated for overall world tourism growth. With such a strong economy, growth in new airlines and the Government's commitment to accelerate infrastructure development, India offers remarkable potential for growth in business and leisure tourism."

Accor Services: activities in India

Accor is already present in India through its Services business. Accor Services, global leader in the field of employee benefit, incentive and loyalty programs, as well as expense management, opened its Indian subsidiary in 1997, introducing two of its major products: **Ticket Restaurant** (meal vouchers) and **Ticket Compliments** (gift vouchers), used by over 180,000 employees of Indian companies.

Last October, Accor Services acquired **Royal Images Direct Marketing (RID)**, the Indian leading provider of customer relationship management services – customer loyalty, channel incentives and sales force motivation. This acquisition made Accor Services a benchmark player in the marketing services market.



Accor, European leader in hotels and tourism, global leader in corporate services, operates in nearly 100 countries with 160,000 employees. It offers to its individual and corporate clients nearly 40 years of expertise in its two core businesses:

- **Hotels**, with the **Sofitel, Novotel, Mercure, Suitehotel, Ibis, Red Roof Inn, Etap Hotel, Formule 1 and Motel 6 brands**: over 4,000 hotels and 475,000 rooms in 90 countries, as well as strategically related activities, such as **Lenôtre**, ambassador of the gastronomy 'à la française' worldwide;
- **Services to corporate clients and public institutions**: 21 million people in 35 countries benefit from **Accor Services** products – meal and food vouchers, people care, incentive and loyalty programs.

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Further information about Accor is available on www.accor.com