WHY INVEST IN NOVOTEL

ACCOR GLOBAL DEVELOPMENT

FEBRUARY 2019

NOVOTEL
HOTELS, SUITES & RESORTS
At Novotel, we believe that quality time is about making everyday moments matter. Everything has been thought to enhance our guests’ life balance, sense of well being but also enjoyment. Whether through our intuitive & modern design or our large range of rewarding experiences, everyone can disconnect from a busy life or make time to connect with their family, friends or colleagues.

This combination makes Novotel the perfect spot for travellers and locals to have a drink, a bite to eat, to work, play or just relax.

RELAXED    LIVELY    COMFORTED    ENERGIZED
NOVOTEL TOP 3 USPs

THE MOST RELIABLE & WELL KNOWN BRAND OF ITS CATEGORY

• Large global footprint of 500 hotels in 60 countries

• Strong brand awareness > 50% in > 10 feeder markets

• Best-known & trusted upper midscale "full services brand"

• Perfect mix of business / leisure, group or individual

INTUITIVE & EFFECTIVE DESIGN

• Flexibility within a framework - 4 new full hotel concepts developed by international designers

• Brand fluidity, modularity & multifunctionality

• Optimized valued engineering = best construction & FFNE costs

FAMILY FRIENDLY

• Best family offer on the market - Kids < 16 year old pay 0€, family discounted rooms + kids' welcome gift + kids' corner + kid's menu

• Leveraging the occupancy in lower periods (week ends & holidays)
**NETWORK AND PIPELINE**

**EUROPE**
- NETWORK 31,067 ROOMS
  - 330 HOTELS
- PIPELINE 2,998 ROOMS
  - 23 HOTELS

**AFRICA – MIDDLE EAST**
- NETWORK 6,043 ROOMS
  - 30 HOTELS
- PIPELINE 7,356 ROOMS
  - 28 HOTELS

**AMERICAS**
- NETWORK 8,904 ROOMS
  - 44 HOTELS
- PIPELINE 1,039 ROOMS
  - 7 HOTELS

**ASIA-PACIFIC**
- NETWORK 39,148 ROOMS
  - 155 HOTELS
- PIPELINE 15,935 ROOMS
  - 66 HOTELS

**FRANCE**
- NETWORK 17,943 ROOMS
  - 135 HOTELS
- PIPELINE 841 ROOMS
  - 7 HOTELS

**OPERATING MODE**
- 73% Managed
- 27% Franchised

- 526 HOTELS
- 103,105 ROOMS
- 60 COUNTRIES IN 2018
- 131 NEW HOTELS BY 2023
- 29,380 NEW ROOMS BY 2023

*Official figures, December 2018, including Novotel Suites*
Novotel Singapore On Stevens, Singapore
254 Rooms
LATEST OPENINGS

Novotel Brisbane South Bank, Australia
238 Rooms, May 2018

Novotel Ambassador Seoul Dongdaemun, South Korea
523 Rooms, July 2018

Novotel Bangkok Sukhumvit 4, Thailand
185 Rooms, October 2018

Novotel Kochi Infopark, India
128 Rooms, March 2018
KEY UPCOMING OPENINGS

AMERICAS

Brazil, Belo Horizonte, BH savašsi, 203 rooms
Peru, Lima, Lima Surco, 112 rooms

MIDDLE EAST & AFRICA

Ivory Coast, Novotel Abidjan VGE, 200 rooms
Oman, Muscat Azaiba, 200 rooms
Qatar, Doha, Doha WEST BAY, 396 rooms
Qatar, Doha Mansoura, 541 rooms
Saudi Arabia, Jiddah, Jeddah Prince Sultan, 205 rooms
Saudi Arabia, Jiddah, Novotel Suites Jeddah Quraish, 200 rooms
Saudi Arabia, Mecca, Makkah Al Naseem, 480 rooms
Tunisia, Tunis, Tunis Lac, 124 rooms
United Arab Emirates, Dubai, Burj Khalifa Street, 261 rooms
United Arab Emirates, Dubai, Dubai Creek Park, 220 rooms

EUROPE

Bulgaria, Sofia Novotel, 150 rooms
France, Paris, Paris Parc des Expositions Porte de Versailles, 245 rooms
Georgia, Tbilissi, cathedral, 180 rooms
Kazakhstan, Almaty, ALMATY CENTER, 190 rooms
Russia, Moscow, Moscow Rechnoy Vokzal, 220 rooms

ASPAC

Australia, Melbourne, MELBOURNE little Lonsdale street, 213 rooms
China, Shanghai, Shanghai Yu Garden, 165 rooms
China, Chongqing airport, 465 rooms
India, New delhi City Centre, 120 rooms
India, Bengaluru, 150 rooms
Indonesia, Bali ubud, 130 rooms
Indonesia, Jakarta Pantai Indah Kapuk « Sedayu », 429 rooms
Philippines, Manila, Suites Manila Acqua, 310 rooms
Thailand, Phuket Naiharn Beach, 650 rooms
Thailand, Novotel Suites Bangkok Sukhumvit 34, 148 rooms
Vietnam, Hanoi, Hanoi Thai Ha, 366 rooms

Secured Pipeline from end 2018
KEY UPCOMING OPENINGS

Novotel Creek Park, United Arab Emirates
220 Rooms, January 2020

Novotel Suites Almaty, Kazakhstan
50 Rooms, April 2021

Novotel Moscow Taganskaya, Russia
156 Rooms, November 2020

Novotel Tunis, Tunisia
176 Rooms, October 2021
OUR BRAND POSITIONING IS EXPRESSED THROUGH INTUITIVE & NATURALLY MODERN DESIGN

Every aspect of a Novotel, from the welcoming, relaxed multipurpose lobby to the informal bar to the spacious rooms, uses elegantly simple contemporary design to create a warm, friendly atmosphere.
Take time & make time
ENSURING TIME WELL SPENT

We make sure our guests can choose between relaxing moments, disconnecting from their busy life, and energizing social moments, connecting with friends, colleagues or family.

This will come to life through in-hotel programs:
- TAKE TIME to rest & relax for you or your loved ones to refresh, reset and feel good.
- MAKE TIME for those you know or those you don’t, to get together to try something new or just have fun.

We’ll provide a catalogue of in-hotel events and activation supported by dedicated global & local partnerships.
LOBBY & RECEPTION

LIVELY AND RELAXED SOCIAL HUBS
3 NEW DESIGN ROOM CONCEPTS

MODULAR & SPACIOUS

From one size fits all to freedom in a frame
• from 20 to 30 sqm
WHY INVEST IN NOVOTEL | KEY PROGRAMS — 17

N’ROOM BY NOVOTEL

MODULAR & SPACIOUS

From one size fits all to freedom in a frame — from 20 to 30 sqm

BED HUB
« Live N’ Dream »

MODULAR LIVING
« Lounge N’ More »

REGENERATING BATHROOM
« Relax N’ Refresh »

AMAZING SCREEN
« Connect N’ Enjoy »

N’ROOM BY NOVOTEL SUITES

MORE SPACE  MORE FLEXIBILITY

30 sqm room

BED HUB
« Live N’ Dream »

MODULAR LIVING
« Lounge N’ More »

REGENERATING BATHROOM
« Relax N’ Refresh »

AMAZING SCREEN
« Connect N’ Enjoy »
LIVE N’DREAM BED

A UNIQUE BEDDING EXPERIENCE

• 2 soft pillows that support your neck
• 2 “smart pillows” to fold when sitting up and unfold for sleeping
• A warm but light duvet
• A memory-foam mattress that adapts to your back
• A flexible slatted bed base that matches and absorbs movement
FOOD BAR WITH GRAB & GO

THE HEART OF THE SOCIAL HUB

Deliciously balanced Food & Beverage
FAMILY & NOVOTEL

FAMILIES ARE ALWAYS VIPS AT NOVOTEL

BOOKING
Kids stay free in parents’ room
50% off the 2nd room for children

CHECK IN & OUT
Welcome gift & late check-out

STAY
Family play area & baby equipment

ROOM
Family rooms
including dedicated TV channels

FOOD & BEVERAGE
Kids’ menu and free breakfast

SPECIALS
Extra-special year-round offers
To know more about the content of the Accor story: Heartiststory.com

T&C GLOBAL BRAND PROGRAM

**WHY**

We connect hearts all around the world

All 250,000 of our hearts beat collectively; we are united beyond brands, countries or jobs. Now, we are united by one purpose, we are one heartbeat away from connecting hearts all around the world. Every day we actively engage with guests and colleagues. When you think about it, being part of AccorHotels means that we are ultimately all connected. This connection we have with each other is what makes us one brand.

**WHO**

We are Heartists®

Heart + Artist

Passionate and sensitive, everything we do comes from the heart. Creative and curious, we are experts in what we do. We master the fine art of welcoming, connecting, and serving others. Generous, creative and free, we are passionate about people, attentive to the world. We know how

**WHAT**

We make the world a more welcoming place

We are driven to connect hearts all around the world. This only works if we, Heartists®, all around the globe, make the world a more welcoming place, moment after moment.

**HOW**

We place people at the heart of everything we do

We all have deep feelings and are driven by our passion for people. Guests, colleagues, everyone is welcome. We place people at the heart of everything we do, and that is the ONLY way we do it.
The new communication campaign showcases Novotel hotels as places where guests can spend their time well.

90%
I try to make the most of the moments that matter in my daily life.

56%
If I could choose, I’d rather have more time than more money.
(Source: IPSOS 2018)

A 360° communication plan will be launched in key markets supported by a strong media plan in 8 countries in 2019.
In line with the 2 brand programmes, Novotel accounts inspire and engage the community to press pause on their timeline and in real life… A strong value proposition to help the Life-Balance Seekers spend their time well.

589K fans
1 global page
11 country pages

38K followers
1 global account
Hotel accounts
Discover Novotel Canary Wharf

CITY VIBES AND RIVER VIEWS PLUS AWARD-WINNING DINING, CHECK OUT OUR STUNNING CANARY WHARF HOTEL.

FIND OUT MORE

11 GEOLOCATED VERSIONS

21M€ revenue generated

MORE THAN 800 000 ROOMS BOOKED

2M SUBSCRIBERS TO THE NEWSLETTER

+400 MAILINGS PER YEAR
WE MEASURE SUCCESS THROUGH THE EVOLUTION OF:

**Brand awareness**

55%

Our objective is to raise awareness by 2 pts.

Source: BEAM by end of 2018

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**Brand perception**

Efficient and intuitive, Novotel is seen as “easy living” and intuitive by 50-80% of guests around the world.

Our objective is to improve our image of modernity and create emotional connections between the brand and its customers.

Source: BEAM by end of 2017

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**Brand margin**

23.5€

Our objective is to maintain this price premium.

Source: BEAM by end of 2018

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**REPUTATION PERFORMANCE SCORE**

83.8% in 2018

Our objective is to reach 83.56 pts in 2018.

Source: TrustYou by end of 2018
BRAND AWARENESS (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>Brand Awareness (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>78</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>56</td>
</tr>
<tr>
<td>Germany</td>
<td>64</td>
</tr>
<tr>
<td>Spain</td>
<td>46</td>
</tr>
<tr>
<td>Belgium</td>
<td>75</td>
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<tr>
<td>Netherlands</td>
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<td>Switzerland</td>
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<td>Poland</td>
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<tr>
<td>USA</td>
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<td>Brazil</td>
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<td>Australia</td>
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<td>China</td>
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<td>Singapore</td>
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<tr>
<td>Thailand</td>
<td>67</td>
</tr>
<tr>
<td>Indonesia</td>
<td>63</td>
</tr>
<tr>
<td>UAEs/Arabia</td>
<td>49</td>
</tr>
</tbody>
</table>

Source: BEAM - Brand Equity & Awareness Monitoring December 2018
Base: Affluent & Luxury hotel users = users having spent at least 1 stay in a luxury hotel over the last 12 months, 6 nights + in any type of paid-for accommodation, top 30% income within country
Brand Margin® measures the financial premium which the brand name adds to the intrinsic value of the same hotel stay with an unbranded alternative. A Brand Margin® of 10€ means that «Consumers think it is worth paying on average 10€ more per night to stay with brand X compared to an unbranded equivalent».

Brand Margin® in €. Traveller representative
Figures as of end 2018
REPUTATION PERFORMANCE SCORE

Source: TrustYou by end of 2018

NORTH & CENTRAL AMERICAS 84%
SOUTH AMERICA 86%
EUROPE 82%
AFRICA & MIDDLE EAST 84%
ASIA - PACIFIC 86%

MERCURE REPUTATION PERFORMANCE SCORE 84%
REVPAR AS OF END 2018

- **LONDON**: 8 Novotel Hotels
  - RevPAR INDEX = 100 to 116

- **BRUSSELS**: 2 Novotel Hotels
  - RevPAR INDEX = 109 to 112

- **PARIS**: 7 Novotel Hotels
  - RevPAR INDEX = 105 to 124

- **CAIRO**: 2 Novotel Hotels
  - RevPAR INDEX = 102 to 128

- **BEIJING & NANJING**: 3 Novotel Hotels
  - RevPAR INDEX = 111 to 128

- **DUBAI**: 3 Novotel Hotels
  - RevPAR INDEX = 103 to 144

- **HONGKONG**: 3 Novotel Hotels
  - RevPAR INDEX = 110 to 116

- **SYDNEY & MELBOURNE**: 8 Novotel Hotels
  - RevPAR INDEX = 102 to 137

- **NEW YORK & MEXICO**: 2 Novotel Hotels
  - RevPAR INDEX = 105 to 127

- **BUENOS AIRES**: 1 Novotel Hotel
  - RevPAR INDEX = 112

- **SAO PAULO**: 1 Novotel Hotel
  - RevPAR INDEX = 118

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**Global average Occupation rate**

> 70%
Accor offers > 110 global distribution channels at best market conditions

The central Reservation System (CRS) generates on average 66% of a hotel's room revenue.

Source: CRS Official figures as of end 2018
DISTRIBUTION PERFORMANCE POWERED BY ACCOR

CALL CENTERS, INTRA HOTEL & CLUSTER SERVICES

ACCORHOTELS.COM, NOVOTEL.COM, MOBILES SITES & APP

36% DIRECT SALES

18%

70% OF NOVOTEL ROOM REVENUE COMES THROUGH ACCOR Central RESERVATION SYSTEM

30% HOTEL PMS

10%

GDS / IDS

34% INDIRECT SALES

24%

WEB PARTNERS (OTAS)

18%

FOCUS ON WEB
NOVOTEL.COM + ACCORHOTELS.COM + MOBILE WEBSITES + PARTNER WEBSITES

42% Novotel Room Revenue

1,012 M€ Novotel Room Revenue

Official figures as of end 2018

WHY INVEST IN NOVOTEL | PERFORMANCE — 32
LE CLUB ACCORHOTELS
ACCOR OWNS THE MOST INTERNATIONAL AND FAST GROWING LOYALTY PROGRAM

Loyalty members - Worldwide

- Le Club AccorHotels
- FRS loyalty program
- Huazhu loyalty program

A Worldwide program:
- 20 brands
- 3,500 hotels in 100 countries
- Free enrollment
- 100% Web based program
- More than 27,700 new members every day
- Le Club AccorHotels represents 34.6% of all roomnights
- Partnerships with large Airlines loyalty program: Skyteam, One World, Star Alliance...

Guests’ origin - Worldwide

- Northern Europe 12%
- Americas 18%
- Asia-Pacific 31%
- Mediterranean, Middle East or Africa 20%
- France 13%
- Central and Eastern Europe 6%
- Other 4%

53M Members worldwide
+27,700 new members every day
Le Club AccorHotels represents 34.6% of all Roomnights
Le Club AccorHotels members average revenue spent per night in 2017 €116

WHY INVEST IN NOVOTEL | PERFORMANCE — 33

Source: LCAH Official figures as of end 2018
# DEVELOPMENT CRITERIA

Programming and development recommendations

<table>
<thead>
<tr>
<th>AAA ultra city center location, historic conversion</th>
<th>WORLDWIDE</th>
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</thead>
<tbody>
<tr>
<td>RECOMMENDED NUMBER OF ROOMS</td>
<td></td>
</tr>
<tr>
<td>150 keys and more</td>
<td>150 keys and +</td>
</tr>
<tr>
<td>ROOM AVERAGE SIZE</td>
<td></td>
</tr>
<tr>
<td>20 - 30 sqm</td>
<td>26 - 32 sqm</td>
</tr>
<tr>
<td>TGFA / ROOM</td>
<td></td>
</tr>
<tr>
<td>45 - 56 sqm</td>
<td>50 – 70 sqm</td>
</tr>
<tr>
<td>RECOMMENDED NUMBER OF ROOMS</td>
<td></td>
</tr>
<tr>
<td>120 keys and +</td>
<td>150 keys and +</td>
</tr>
<tr>
<td>ROOM AVERAGE SIZE</td>
<td></td>
</tr>
<tr>
<td>30 sqm</td>
<td>32 - 36 sqm + balcony</td>
</tr>
<tr>
<td>TGFA / ROOM</td>
<td></td>
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<tr>
<td>45 – 50 sqm</td>
<td>55 – 70 sqm</td>
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<table>
<thead>
<tr>
<th>FOOD &amp; BEVERAGE</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>1 restaurant (preferably connected to bad)</td>
<td></td>
</tr>
<tr>
<td>1 Gourmet Bar (Hotel) or Boutique Gourmande (Novotel Suites)</td>
<td></td>
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<table>
<thead>
<tr>
<th>WELL-BEING</th>
<th></th>
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<tbody>
<tr>
<td>Fitness center In Balance (50 sqm min.)</td>
<td></td>
</tr>
<tr>
<td>Swimming pool (nice to have)</td>
<td></td>
</tr>
<tr>
<td>Spa(1)</td>
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</table>

<table>
<thead>
<tr>
<th>MEETINGS</th>
<th></th>
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<tbody>
<tr>
<td>Meeting room(1)</td>
<td></td>
</tr>
<tr>
<td>Web Corner</td>
<td></td>
</tr>
</tbody>
</table>

(1) Based on market demand

### WHY INVEST IN NOVOTEL

- **PRIME LOCATIONS**
- **SECONDARY LOCATIONS**
- **AIRPORTS SUBURBS**

<table>
<thead>
<tr>
<th>INTERNATIONAL CAPITALS</th>
<th>KEY CITIES &amp; RESORTS</th>
<th>MAJOR DOMESTIC DESTINATIONS</th>
<th>OTHER CITIES &amp; ATTRACTIVE TOURISTIC DESTINATIONS</th>
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<td>●</td>
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WHY INVEST IN NOVOTEL | PERFORMANCE — 34