

## Press Release

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# Accor maintains expansion momentum in upscale and economy segments in China

Accor secures 31 new contracts, adding 6,572 new hotel rooms to the Greater China committed development pipeline since the beginning of 2012

Accor Greater China announced today that the group has signed 31 new contracts since the start of 2012. The contracts include 1 Sofitel, 9 Pullman, 5 Mei Jue (Grand Mercure), 1 Novotel as well as 15 ibis projects, thus adding 6,572 new rooms. In all, Accor's development pipeline in China exceeds 90 new hotels committed, and further manifests Accor's sound momentum in both the upscale and the economy hotel markets.

The Pullman, Mei Jue and ibis hotel brands have experienced the strongest demand so far this year and most of these new contracts are being established in Tier 2 and Tier 3 cities, in line with the group's overall expansion strategy, which looks also beyond the main cities in the country.

This includes hotels such as Pullman Zhoushan Seaview, a 22-storey hotel with sea views for all guest rooms, to open in 2015. The hotel is located in China's only prefecture-level city consisting solely of islands. The destination is included in the priority group of coastal economic developing cities.

After a major re-engineering that tailored the Grand Mercure brand for the Chinese market announced in February, Mei Jue is meeting with support from developers in the country. One recent contract for the brand is the newly signed Mei Jue Foshan Changcheng, which is ideally situated in the centre of Foshan, in southern Guangdong Province. The brand's first hotel committed in Foshan is of strategic importance for Accor, as the city is located in China's most dynamic region and has become the third largest manufacturing base in the Pearl River Delta.

*"Accor has had a solid start to 2012 in Greater China, which has seen the debut of the tailor made Mei Jue hotel brand as well as robust expansion", says Michael Issenberg, Chairman and Chief Operating Officer for Accor Asia-Pacific. "There is a sense of recalibration in the Chinese economy, resulting in the distribution of growth spreading to new economic centers and opening fresh opportunities for Accor. Accor has anchored its presence in the key cities of China and deployed an extensive brand portfolio which has helped build its reputation, making the move beyond Tier 2 and into Tier 3 cities easier."*

*"In the economy hotel segment, Accor's ibis hotel brand has enjoyed a strong start to the year with 15 new projects committed," says Mr. Wayne Li, Vice President of Development for the ibis brand in China, says. "We are receiving significant demand for new ibis projects under franchise in China and are able to select only the strongest propositions. Within this newly committed portfolio, seven of these projects are destined for Tier 2 and Tier 3 cities like Nantong, Quanzhou, Dandong and Leshan. These additions not only serve as proof of the robust economic growth in those cities, but also demonstrate the desire of investors and customers seeking out high quality products in the economy segment."*

Figures from the China Tourist Hotels' Association suggest that the economy hotel segment now accounts for 30% of the Chinese mainland's hotel industry and that the industry still expects huge development potential.



**Accor, the world's leading hotel operator and market leader in Europe**, is present in **92 countries** with more than **4,400 hotels** and **530,000 rooms**. Accor's broad portfolio of hotel brands - **Sofitel, Pullman, MGallery, Novotel, Suite Novotel, Mercure, Adagio, ibis, all seasons/ibis Styles, Etap Hotel/Formule 1/ibis budget, hotelF1 and Motel 6** - provide an extensive offer from luxury to budget. With more than **180,000 employees\*** in **Accor brand hotels** worldwide, the Group offers to its clients and partners nearly 45 years of know-how and expertise.

*\*Including 145,000 in owned, leased and managed hotels*

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