

SOFITEL: SUCCESSFULLY REPOSITIONED INTO THE LUXURY SEGMENT

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THE BRAND & ITS HISTORY

Sofitel's ambition is to be the leading French and European ambassador in the international hotel sector, which is mainly dominated by brands from Asia and the English-speaking world. With its new positioning, the brand aimed to assert its position in the world of luxury.

That bold and daring strategy, which was launched in late 2007, can now be deemed a success: a new vision was created for Sofitel, bolstered by strong brand values, a unique concept and a completely new set of standards, most notably its visual identity, which was overhauled in the "*Life is Magnifique*" advertising campaign by British photographer Tim Walker.

The brand's DNA acts as a seal and **the Link** that unites the host and the traveler. Sofitel creates non-standard luxury hotels, each one different, by judiciously combining its origins (French elegance, savoir-faire, the art of hospitality) with the best of each country's culture.

Today, Sofitel is the flagship brand of the Accor group around the world as well as a separate Business Unit with its own organization. It encompasses 120 hotels, 30,000 rooms & suites in 40 countries (as of late 2010).

I - THE SOFITEL NETWORK

Streamlining the network was essential to achieving overall consistency. More than 110 establishments that did not comply with the new standards have lost their branding since 2007.

An **ambitious renovation plan** was launched to ensure cohesion and upgrade the network: 95% of the hotels, including those in London, Paris, Lyon, Munich, Marrakech, Hanoi, Marseille, Polynesia, Amsterdam, Brussels, Los Angeles, Aswan and Cairo, now display the new identity.

In parallel, Sofitel has continued to expand, **opening 20** "new generation" hotels over the past 3 years.

II - THE BRAND

All of **the brand's new standards** have been applied: uniforms, the classic French F&B rituals featuring bread, wine, pastries and cheese, toiletries in the bathrooms (Hermès in the suites, L'Occitane in the rooms), the exclusive MyBed™ bedding concept, the greeting of "bonjour" in every country, a musical signature to fit each moment of the day, original fragrances, elegant and unique floral designs, candle displays in the lobby and bar starting at dawn... each of these is part of the foundation of the brand.

Sofitel has designed its guest experience around **service** based on human relationships, with customized, perfectly tailored details.

Sofitel So SPA for wellness: the brand's spa concept is inspired by the menu of a French gourmet restaurant, another area in which Sofitel excels. *Les Entrées* (Appetizers) last for 30 minutes and are designed for active urbanites in search of relaxation after a busy day. *Les Plats Principaux* (Main Courses) and *Les Desserts* last for one hour and include body massages, facial treatments, hot stone massages and other delicacies designed to nourish the body and soul. For its spa concept, Sofitel called on the undisputed experts of beauty and ambassadors of the most refined French cosmetics, including Clarins, Cinq Mondes, and Carita. Spas are offered at Sofitel London Saint James and Sofitel Marseille Vieux Port, Rabat, Mauritius, Vienna, Essaouira, Phnom Penh, Mumbai, etc.

InspiredMeetings for business: To ensure a 5* experience from the sales proposal through to setup in the conference room, an InspiredMeetings Planner coordinates everything to design a customized project that will create a memorable experience for the participants, resulting in unique, inspired and inspiring meetings.

Two labels were created to support the Sofitel brand:

- **Sofitel Legend:** a label, a seal, a private club of timeless establishments, often housed in registered buildings with hundreds of years of history, legendary locations that have witnessed the march of history and major destinations in the city or country that serves as their backdrop. Each Sofitel Legend is a unique jewel, offering a journey to the heart of luxury and history, where the line between myth and reality blurs. The first Legend was the Métropole d'Hanoï in Vietnam, which became the Sofitel Legend Metropole Hanoi in July 2009.
- **Sofitel So:** the designer, "boutique hotel" vision of Sofitel, featuring trendy, resolutely contemporary locations. Each Sofitel So blends design with pleasure and style with personality to express the very essence of the designation. This concept combines the Sofitel art de vivre and a style that contributes to an international signature derived from fashion, art or design. The first location was the Sofitel So Mauritius, which opened in December 2010.

III - EMPLOYEE TRAINING

Sofitel has developed the **global training program** for its 25,000 employees around 3 pillars: an understanding of luxury, a mastery of the various professions and customer relations. **20 modules** of dedicated training courses have been translated into **9 languages** and are offered by **500 internal, certified trainers**.

IV - ARCHITECTURE & DESIGN

Sofitel Luxury Hotels now calls on the leading lights in design and architecture: Jean-Paul Viguier for the Sofitel Chicago Water Tower, Jacques Grange for the Hôtel Paris Le Scribe, Pierre-Yves Rochon for the Sofitel London St. James and Sofitel Cairo El Gezira, American firm Yabu Pushelberg for the Sofitel Los Angeles, Philippe Capron for the Sofitel Luxembourg Grand Ducal, and so forth.

Most recently, interior designers Antoine Pinto and Patrick Norguet respectively designed the Crystal Lounge for the freshly renovated Sofitel Brussels Le Louise and the Silk brasserie at the Sofitel Lyon Bellecour.

Finally, French architect Jean Nouvel designed Austria's first Sofitel in Vienna; Moroccan architect Karim Chakor worked with French Didier Gomez to redesign the Sofitel Rabat Jardin des Roses; Kenzo Takada and Lek Bunnag worked on the Sofitel So Mauritius; and Sybille de Margerie helped to renovate the legendary Sofitel Old Cataract in Aswan, the Sofitel Grand Amsterdam in the Netherlands and the Sofitel Palais Jamaï in Morocco (three future Sofitel Legends).

V - BUSINESS & PERFORMANCE

Drawing on its new position, the brand showed profitability at the end of 2010, with **double-digit growth** in its total sales volume and a RevPAR index above 100 for more than half of the hotels in the network. Average prices were up by some 20%, with spectacular performances by the renovated Sotifels.

Sofitel also boasted a +8% improvement in customer satisfaction (in the category "very satisfied") after the many initiatives carried out to boost quality in its hotels in 2010.

In terms of the business model, Sofitel is pursuing its asset light strategy (selling hotel buildings) in order to become a pure management company.

VI - INTERNATIONAL RECOGNITION

The most convincing result of Sofitel's repositioning is international recognition:

- a constant increase in customer satisfaction
- many international awards won (a hundred in 2010, up from 30 in 2007!)
- constantly growing international media coverage
- a new interest by potential partners and investors wishing to entrust Sofitel with the management of their projects

In 2010, Sofitel was recognized by J.D. Power & Associates as a luxury brand that had made the best progress in terms of customer satisfaction.

Finally, Smith Travel Research classified Sofitel in the luxury hotel segment in 2010, rather than in the high-end hotel segment, a testimony to the work accomplished in repositioning the brand.

VII - 2011-2013: INCREASE THE BRAND'S VALUE & DEVELOPMENT

Sofitel is now tackling the second aspect of its strategy (2011-2013) focused on development and increasing the brand's value.

Development: Sofitel intends to pursue strong selective development, specifically in target cities, to reach the ultimate goal of a network of 150 hotels. When opening and renovating hotels, the brand will focus on increasing the number of suites and villas (to between 15% and 20% depending on the region).

Establish the brand's position, essentially by:

- Accentuating the results of the business model.
- Ensuring consistency across the network by continuing to optimize.
- Focusing on guests as the center of all efforts in order to provide them at all times with high-quality service worthy of a 5-star hotel.

- Improve the brand's reputation through advertising campaign, a more interactive site at sofitel.com and a series of cultural and food events that show off Sofitel, each designed to build a link between cultures, guests, countries and continents. Culture, food and design are all fields of expression related to the brand's strong values: the Fashion Stills haute couture exhibit, the Escales Littéraires (literary events), the Fête de la Musique (music festival), Stars Food & Art with Michelin-starred chefs, etc.

The Vision

Sofitel aims to connect the world to French elegance with a collection of locations, each offering its customers and partners a service *cousu main* that creates emotions, performance and excellence.

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11 openings in 2011

& 3 new Sofitel Legends

Strong development around the world, with more than 4,000 rooms and suites opened

- Sofitel Bahrain Zallaq by Thalassa Sea & Spa (Bahrain) – February 2011
- Sofitel Essaouira Mogador Golf & Spa (Morocco) – March 2011
- Sofitel Ashgabat (Turkmenistan) – April 2011
- Sofitel Guangzhou Sunrich (China) – May 2011
- Sofitel Legend The Grand Amsterdam (Netherlands) – June 2011
- Sofitel Sipopo Malabo (Equatorial Guinea) – June 2011
- Sofitel Mumbai Bandra Kurla (India) – August 2011
- Sofitel Legend Old Cataract Aswan (Egypt) – September 2011
- Sofitel Legend Cartagena Santa Clara (Columbia) – November 2011
- Sofitel So Bangkok (Thailand) – October 2011
- Sofitel Shanghai Jing'an (China) – December 2011
- Sofitel Abu Dhabi Capital Plaza (United Arab Emirates) – December 2011
- Sofitel Bangkok Sukhumvit (Thailand) – 4th quarter 2011
- Sofitel Agadir Thalassa Sea & Spa (Morocco) – 4th quarter 2011