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<b>Event</b>	Interview
<b>Interviewee</b>	<u>Accor Group</u>
<b>Date</b>	15 January 2010

**Eunite Ukraine (EU): How do you evaluate the capacity and the current development level of the hotel sector in Ukraine?**

Accor Group (AG): The overall market in Ukraine is currently under-supplied, both with international chains hotels and local operators. Kiev has today under operation a very limited number of chain hotels (Hyatt, Intercontinental, Radisson), and very few to come shortly (Ibis). Local operators are present in Kiev with a couple of trading properties (Hotel Ukraine, Rus Hotel, Premier Palace). What is specific to Ukraine is the significant portion of long-stay hotels in the overall picture.

**EU: What prospects do you see in Ukrainian hospitality sector?**

AG: We consider that there is a strong need for hotel development for Ukraine, both in Kiev and in the key provincial cities (Kharkiv, Dnipropetrovsk, Odessa, Donetsk) in a first stage, and in the secondary cities in a stage 2 (Lviv, Mariupol, Sevastopol...). The challenge is to make things happen fast in a country where the administrative procedures are heavy, and where financing development projects is very difficult at present times.

**EU: Is Ukraine in your business focus? If yes, what development plans do you have for short and long time prospective? What brands do you plan to develop and why? Where do you plan to locate your new hotels?**

AG: We are very much interested and committed to development in Ukraine, with a first Ibis opening this year in Kiev on Schevshenko boulevard. We have also set up a partnership with Universal Group in order to develop a network of Etap across the country. We do believe that Ukraine, thanks to the strength of its provincial cities will enable us to expand throughout the country and not only in Kiev.

**EU: Which factors do you consider to have the strongest influence on your project success?**

AG: With no surprise, the key success factors in our development plans in Ukraine will be a) the recovery of the economy and of the debt market b) the ability of our partners to finance their projects, in a difficult environment

**EU: On your opinion, how does the EURO 2012 influence rates of the hotel sector development in Ukraine?**

AG: Thanks to the Euro 2012, a lot is done in Ukraine to speed up the hotel development pace, especially regarding the administrative procedures which are lightened in some cases. On top of it, the government is trying a lot to help through financial guarantees given to developers / constructors in order to have things done as fast as possible. All this is very positive, but still, the time schedule is very tight and there is only 24 months left... which is very little when it comes to real estate development