

PRESS RELEASE

## **ERAWAN launches Budget Hotel “HOP INN” for Thailand and ASEAN**

**Bangkok** After successfully building a quality hotel portfolio in Thailand with International brands from luxury to economy segments, ERAWAN is now ready to introduce its own brand, HOP INN, to penetrate budget hotel segment both domestically and internationally.

As Thailand’s leading hotel investor and developer, ERAWAN has been aggressively expanding over the past 8 years. The group now owns 16 hotels with almost 4,000 rooms across key destinations, all operating under 5 top global operators including Hyatt, Marriott, ACCOR, IHG and Starwood. Over the years, it has gained reputation as a leading hotel developer who always moves ahead of the game. ERAWAN was the first group who identified opportunity in economy hotel segment and developed a network of economy hotels in Thailand since 2006, about the same time as the emergence of Low Cost Airline in the region. To date, ERAWAN owns 9 IBIS with almost 2,000 rooms, the largest network of economy hotels in Thailand. Its 9 ibis have shown solid performance on the back of rising number of travelers from Asia and Russia.

“The biggest risk in hotel industry is competition especially from “me-too” suppliers. To be a leader, you not only need to do the first move where the growth and future opportunities are but you also need to take up a challenge that not everyone can do.” said Kasama Punyagupta, CEO of The Erawan Group.

From the success of IBIS portfolio, ERAWAN has identified another untapped market in Thailand to pursue, a budget hotel for domestic business stay where demand has continuously been rising with ARR of only 500 – 700 baht. ERAWAN has created its own brand “HOP INN” for a network of quality budget hotels.

“This is a totally different market from our existing hotels portfolio. We aim at domestic guests who travel for regular business, such as salespersons, or for personal agenda. Our team studied this market for almost 2 years and traveled throughout Thailand to understand the demand-supply situation as well as to look for opportunity. We have created a product which we strongly believe will meet all basic needs of the guests while maintaining very competitive price. Our aim is to lift up their quality of life while they are away from home. At the average ARR of 600 baht for clean and comfortable room, the investment cost per room had to be within the range of 700,000 baht including land cost and we already have proven facts that we can do it.” Kasama added.

Today ERAWAN announces the first 9 locations freehold land with initial focus on East-West Corridor including Ubonratchathani, Mukdaharn, Nongkhai, Udonthani, Nakornratchasima, Srakaew, Kanchanaburi, Maesot (Tak) and Lampang. Construction already started for the first 5 locations. The first 9 HOP INN will open during 2<sup>nd</sup> & 3<sup>rd</sup> quarter 2014.

“We are now very confident that we can roll our budget hotel “HOP INN” across Thailand and ASEAN with a good return to our shareholders. In the first phase, we target to open 30 HOP INN in Thailand and ASEAN countries within 2015.” Kasama concluded.

ERAWAN plans to invest over Baht 2 billion for the first roll out of HOP INN for a contribution of 15% total EBITDA by 2016.