

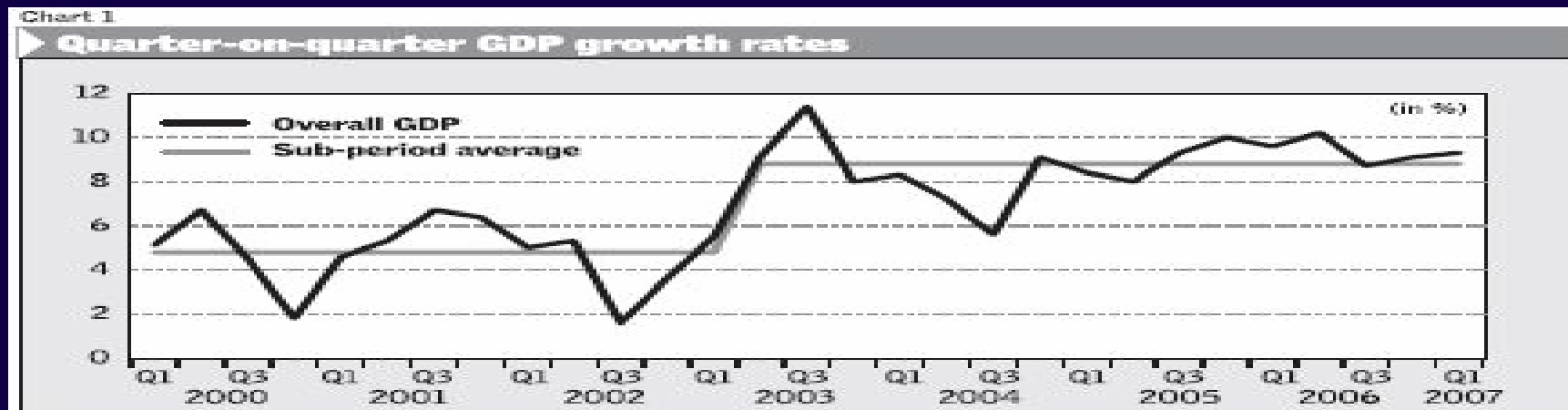
# India: Hospitality Sector Overview



# India: General

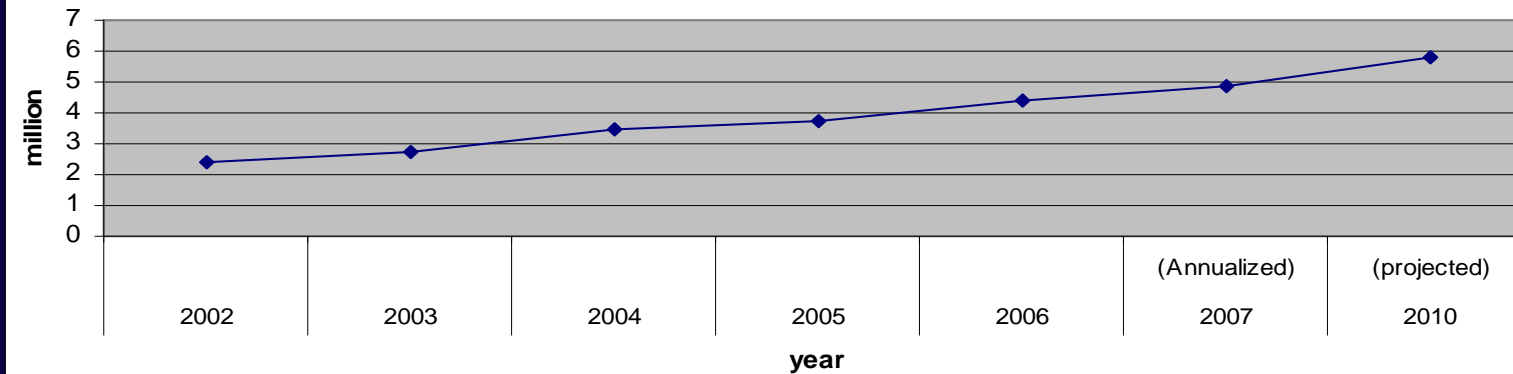
Area: 3,287,590 sq km  
 Coastline: 7000 km  
 Population: 1,129,866,154 (July 2007 est.)  
 Median age: 24.8 years  
 Population growth rate: 1.606% (2007 est.)

GDP at Factor Cost	Unit	2003-04	2004-05	2005-06	2006-07
At Current Prices	Rs. Billion	25,494	28,559	32,509	37,175

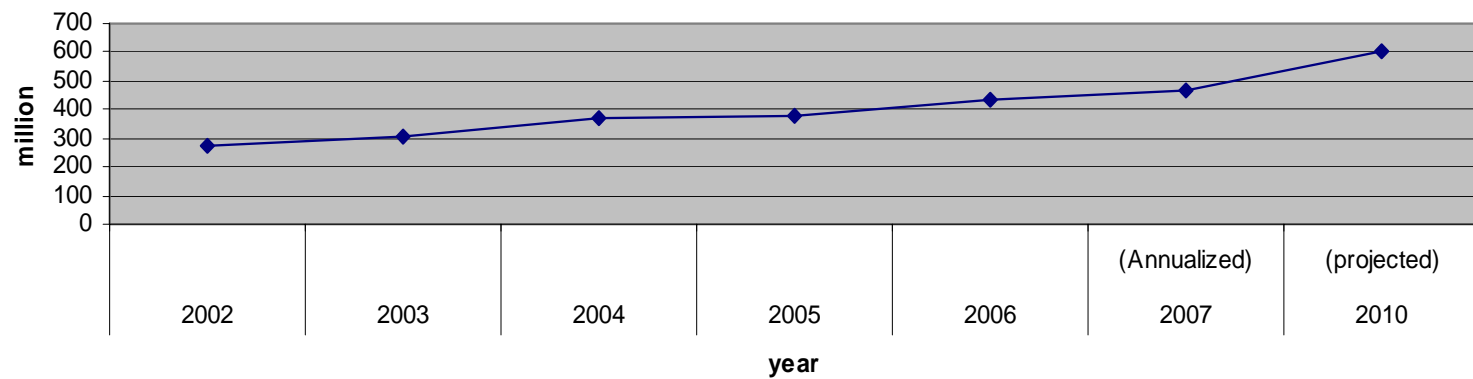


# Tourist Arrivals

## Foreign Tourists



## Domestic Tourists



# Hotel Supply

<u>Destination</u>	<u>Top Tier</u>		<u>First Class</u>		<u>Quality Mid Priced</u>	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Mumbai	2	898	15	4,819	10	1,353
NCR including Delhi	3	849	19	5,475	9	633
Bangalore	1	160	5	995	14	1,731
Hyderabad	2	448	4	829	6	669
Chennai			8	1,326	8	1,062
Kolkata	1	213	4	762	2	272
Goa	2	391	7	1,250	6	630
Pune			2	285	10	784

# Recent Trends

City	Occupancy			ADR (in USD)			Revpar (in USD)		
	2006-07	2005-06	2004-05	2006-07	2005-06	2004-05	2006-07	2005-06	2004-05
New Delhi	76.1%	75.8%	70.9%	209	159	111	159	121	79
Mumbai	75.0%	68.7%	64.1%	207	141	122	156	97	78
Kolkata	76.0%	74.3%	67.6%	134	93	79	102	69	53
Chennai	79.4%	78.0%	76.2%	141	126	116	112	98	88
Bangalore	76.6%	78.1%	78.8%	287	253	188	217	197	148
Hyderabad	83.0%	83.0%	76.0%	160	130	95	133	104	72
Ahmedabad	73.0%	68.9%	52.6%	108	78	67	79	54	35
Cochin	68.0%	65.7%	64.8%	116	92	77	79	60	50
Pune	84.0%	82.0%	77.3%	168	113	93	141	93	72
Goa	69.0%	66.0%	61.0%	151	111	92	104	71	56

# Hospitality Demand Drivers

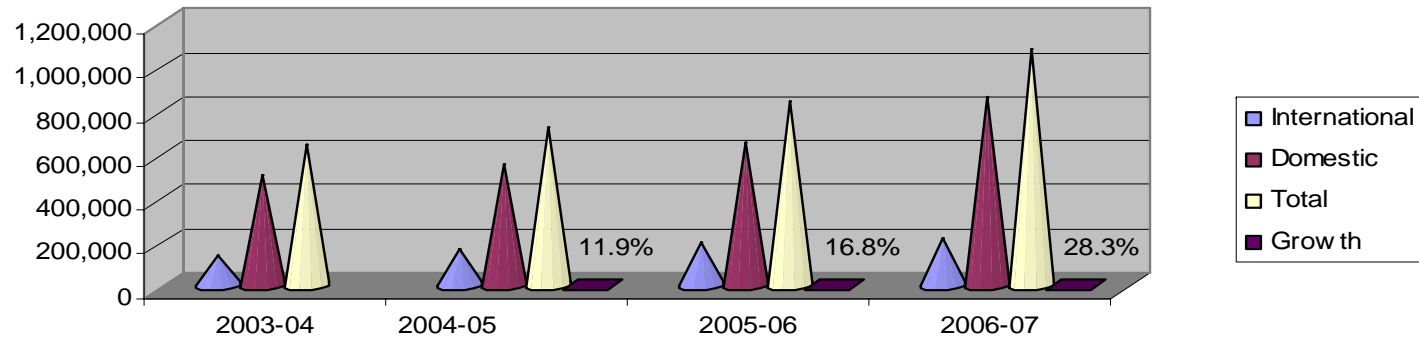
- Infrastructure investment outlay of US\$ 350 billion in the 11<sup>th</sup> plan period, up from current 4.6% of GDP to between 7% and 8 %. Apart from energy, focus on core infrastructure like roads, ports, housing and planned urban growth.
- 366 formal & 176 in principal approvals granted for development of Special Economic Zones across India, with the highest concentration in the peripheries of National Capital Region.
- Expansion of the financial & related services sector to about US\$ 45 billion riding on consistent double digit growth rates.
- PE funds with a long term India focus have invested \$ 3.28 Billion in 2006-07, and \$ 2.48 Billion by July 2007-08 and are continuing to grow in both the number and size of deals, aiming at \$ 30 billion over the next three years. this influx is expected to go to Infrastructure projects.

# City-wise demand drivers

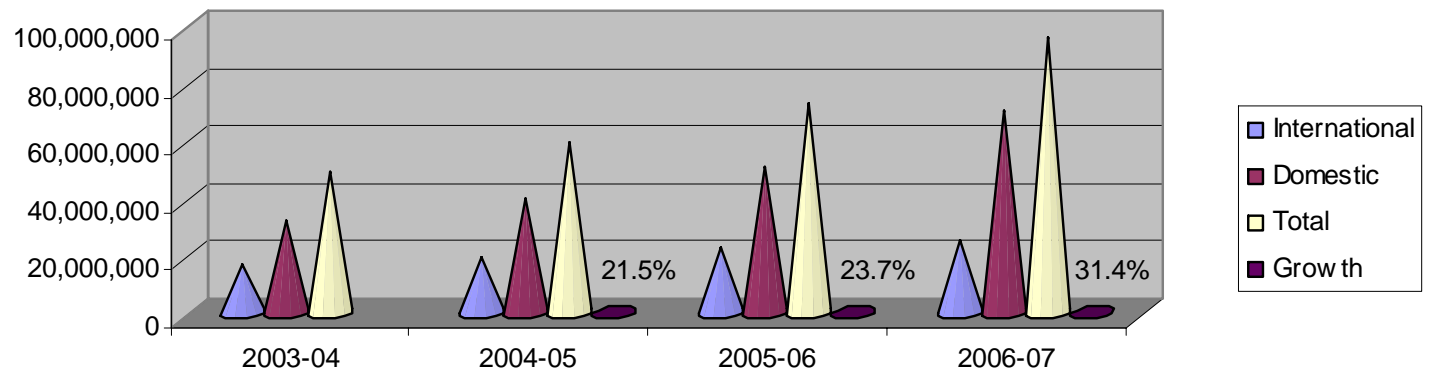
City	Business Travel				MICE	Diplomatic	Leisure	Airlines
	Mfg	IT & ITES	Financial Services	Others				
Mumbai	✓	✓	✓✓	✓	✓✓	✓	✓	✓✓
Delhi / NCR	✓	✓✓	✓	✓	✓✓	✓✓	✓	✓✓
Bangalore	✓	✓✓	✓	✓	✓			✓✓
Hyderabad	✓	✓✓	✓✓	✓	✓✓			✓✓
Chennai	✓	✓✓	✓	✓	✓			✓
Kolkata	✓	✓	✓		✓			✓
Goa	✓	✓		✓	✓✓		✓✓	
Kerala		✓✓	✓	✓	✓✓		✓✓	✓
Pune	✓✓	✓✓	✓	✓	✓			

# Air Traffic growth

## Aircraft Movement



## Passenger Movement





# Presence of International Hotel Companies

<u>Group / Chain</u>	<u>Number of Hotels</u>		<u>Number of Rooms</u>	
	<u>Existing</u>	<u>Total Proposed</u>	<u>Existing</u>	<u>Total Proposed</u>
Hilton	8	33	1,416	7,416
Marriott	6	20	1,669	5,169
Starwood	23	31	5,366	7,396
Intercontinental HG	14	23	2,458	4,008
Accor	1	18	287	2,937
Carlson	33	45	2,902	4,117
Cendant	7	10	683	1,283
ITC	22	33	1,754	4,104
Global Hyatt Corporation	5	10	2,094	4,277
Banyan Tree	1	6	39	349
Four Seasons		3		350
Oberoi	19	29	2,860	5,005
Taj	66	89	7,271	10,671

# Development factors to watch

- High land cost – generally necessitated mixed use development.
- Increase in flow of serviced apartments.
- Longer project execution times.
- Strong F&B and Function space demand.
- Rising payroll costs and high attrition rates.
- Health and Medical Tourism.