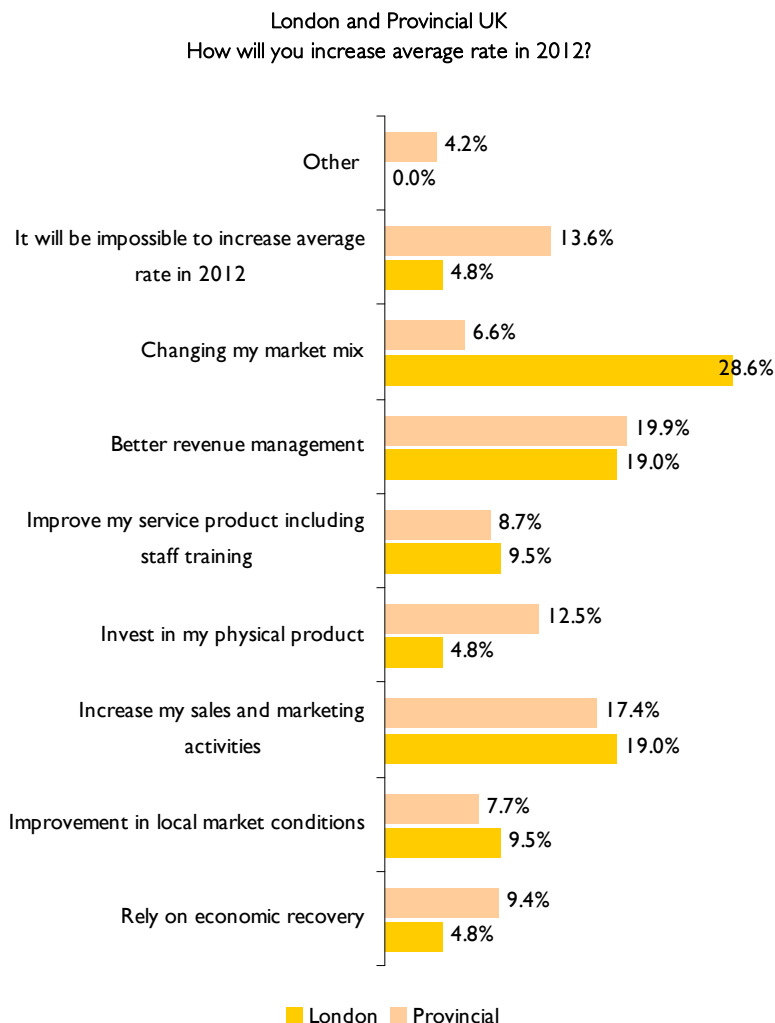


Increasing sales activities and better revenue management are the primary methods chosen to achieve ARR growth in 2012

19.9% of hoteliers in the Provinces and 19% of hoteliers in London believe that better revenue management will be the solution to increasing average room rate in 2012, according to the latest Hotel Confidence Monitor – UK Regions by **HotStats**.

In London, 19% of general managers believe that an increase in sales and marketing activities will increase the average room rate in 2012 with 28.6% of respondents believing that changing the market mix will do the same. In the Provinces, 17.4% of respondents believe that an increase in sales and marketing activities will increase average room rate, with investment in the product (12.5%) and an economic recovery (9.4%) also cited as methods that would encourage growth.

13.6% of Provincial hoteliers believe it will be impossible to increase average room rate in 2012.



“For those hoteliers who are relying on the economy to increase average room rate in 2012, the recent news that the UK slipped into a double-dip recession will not have been welcome. Despite this, hoteliers this quarter are the most positive they have been since Q2 2010, which is undoubtedly due to the forthcoming summer of activities” said Mark Dickens, managing director of HotStats.

Responses by region -

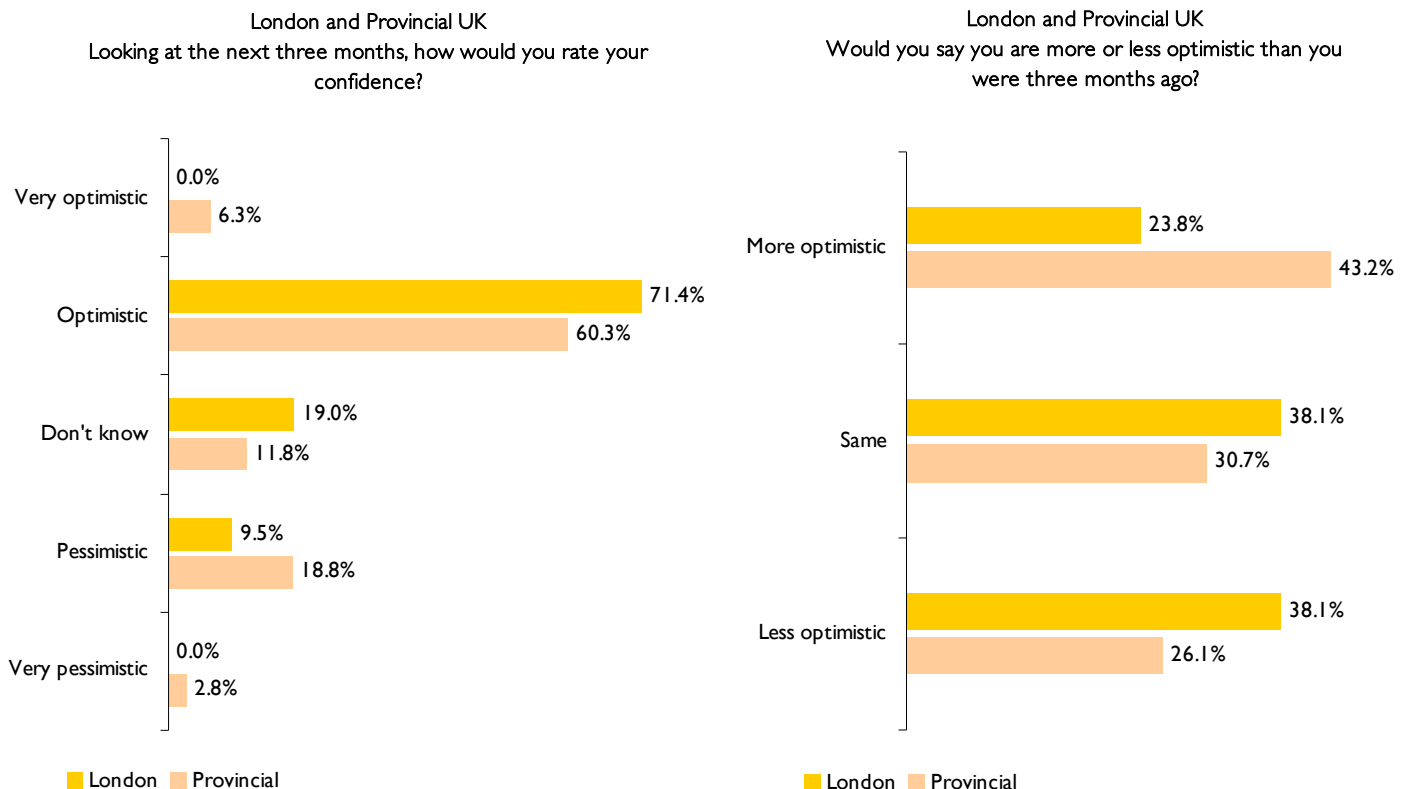
		London		Midlands		North		South East		South West		Scotland		Wales		Northern Ireland		Total Provincial
		Q2	*	Q2	*	Q2	*	Q2	*	Q2	*	Q2	*	Q2	*	Q2	*	Q2
Confidence	Optimistic	71.4%	▲	68.8%	▲	61.8%	▲	77.1%	▲	74.1%	▲	57.5%	▲	50.0%	▼	60.0%	▲	66.6%
	Don't know	19.0%	▲	10.4%	▼	10.3%	▼	4.2%	▼	10.3%	▼	20.0%	▲	20.0%	▲	40.0%	▲	11.8%
	Pessimistic	9.5%	▼	20.8%	▼	27.9%	▼	18.8%	▼	15.5%	▼	22.5%	▼	30.0%	▼	0.0%	▼	21.6%
RevPar	Increase	66.7%	▲	47.9%	▲	44.1%	▼	62.5%	▲	43.1%	▲	50.0%	▲	30.0%	▼	60.0%	▼	47.7%
	Remain the same	9.5%	▼	16.7%	▼	11.8%	▼	10.4%	▼	32.8%	▲	12.5%	▼	40.0%	▲	20.0%	▼	18.8%
	Decrease	23.8%	▲	35.4%	▲	44.1%	▲	27.1%	▼	24.1%	▼	37.5%	▼	30.0%	▼	20.0%	▼	33.4%
GOP	Increase	42.9%	▲	25.5%	▲	21.7%	▼	40.4%	▲	40.8%	▲	30.0%	▲	10.7%	▼	60.0%	▼	29.3%
	Remain the same	28.6%	▼	41.2%	▲	31.9%	▼	24.4%	▼	26.5%	▼	25.0%	▼	64.3%	▲	40.0%	▲	33.8%
	Decrease	28.6%	▲	33.3%	▼	46.4%	▲	35.6%	▼	32.7%	▼	45.0%	▲	25.0%	▼	0.0%	▼	36.9%

* Variance Q2 2012 vs Q1 2012

▲ Increase

▼ Decrease

Of the 308 general managers who completed the HotStats Hotel Confidence Monitor this quarter, 71.4% of London hotel managers and 66.6% of Provincial hotel managers are optimistic or very optimistic about the next three months.

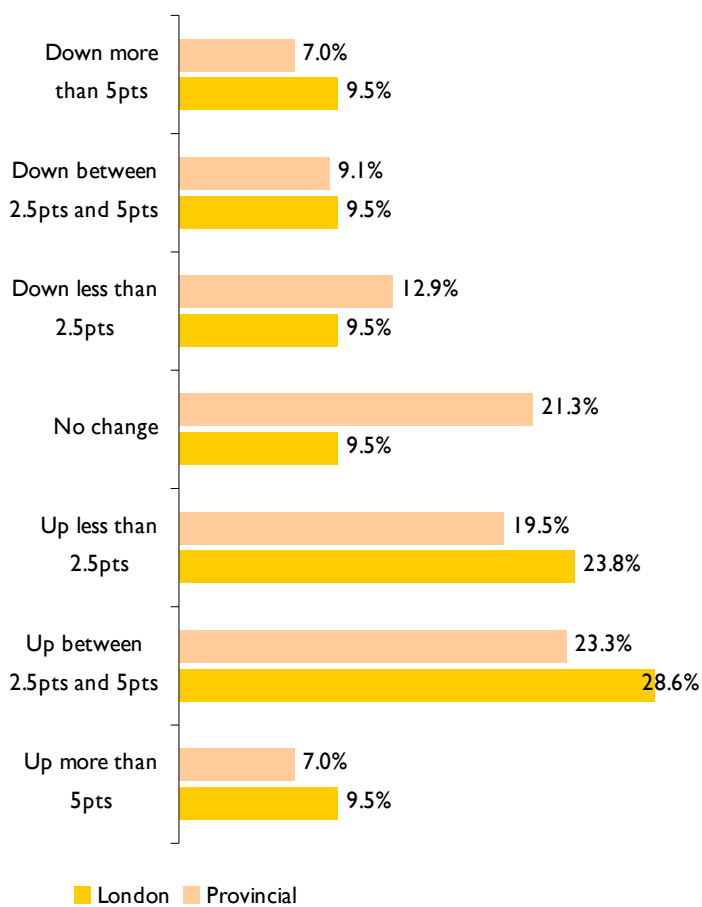


Hoteliers in both London and the Provinces successfully achieved growth in room occupancy, ARR and RevPAR compared with Q1 2011, as detailed in the [latest March HotStats UK Chain Hotels Market Review](#), and growth expectations for 2012 remain positive.

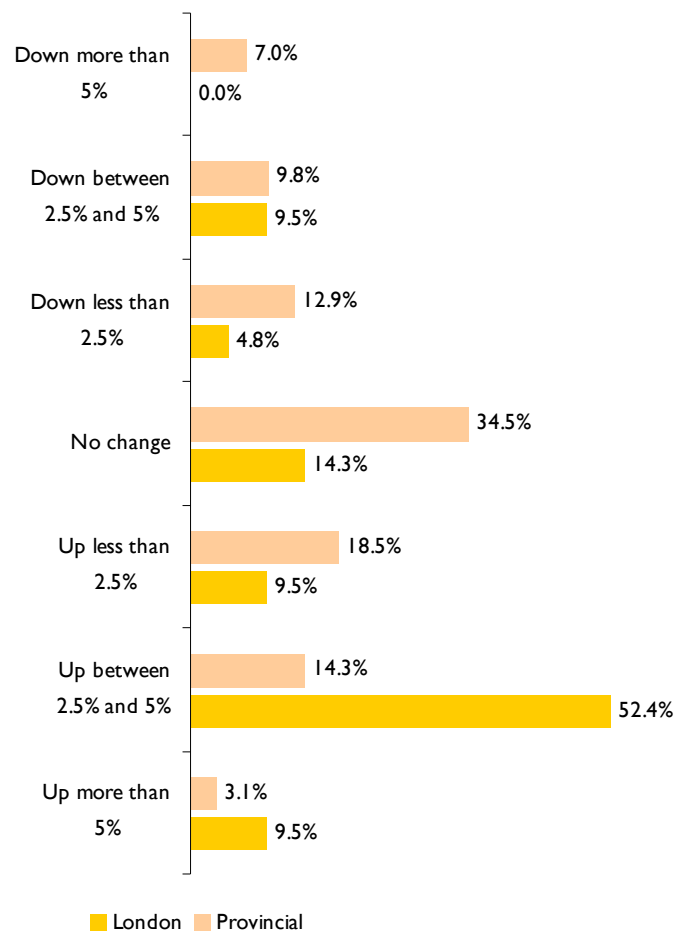
Expectations of growth in headline performance figures in London for Q2 2012 are positive with 61.9% of hoteliers polled forecasting an increase in room occupancy and 71.4% anticipating growth in average room rate.

In the Provinces, 49.8% of general managers are expecting an improvement in occupancy and 70.4% are expecting an increase or, at least, no change in average room rate compared with Q2 2011.

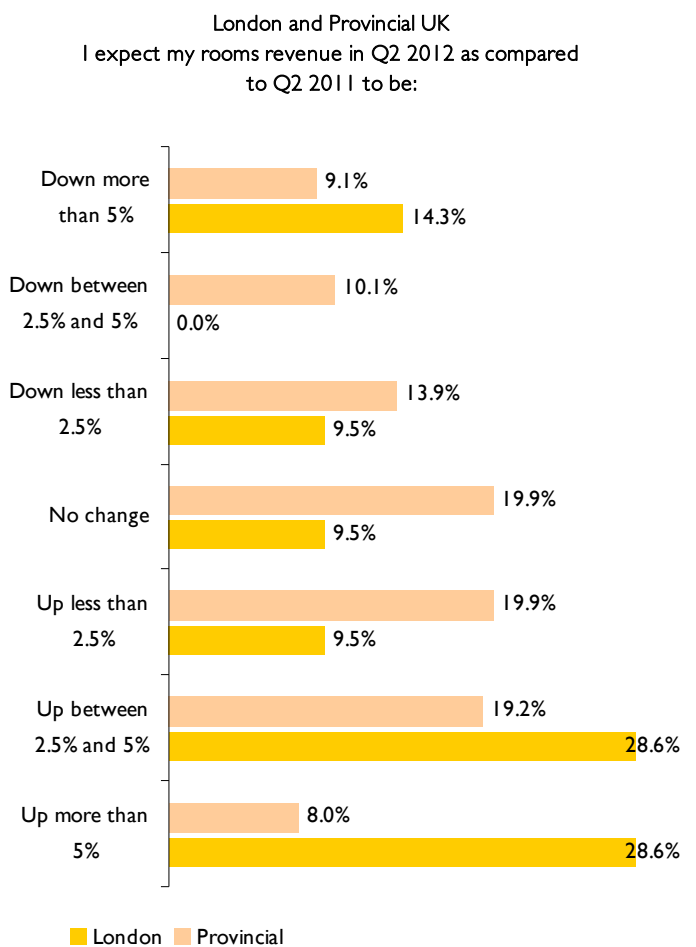
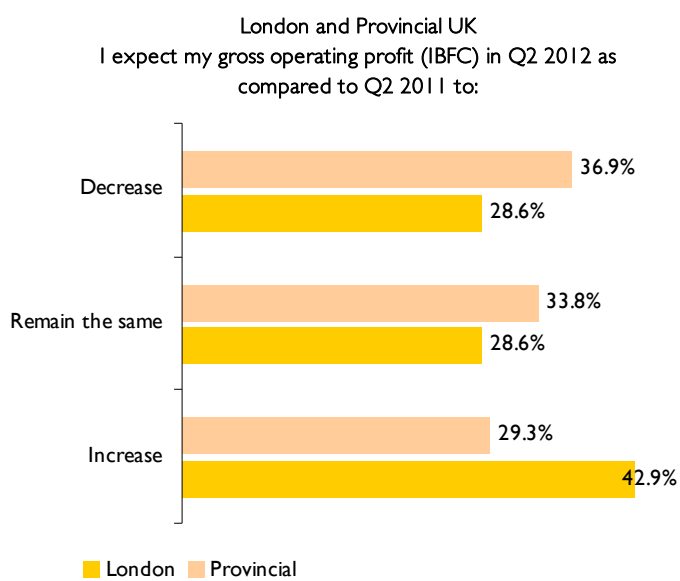
London and Provincial UK
I expect my occupancy in Q2 2012 as compared to Q2 2011 to be:



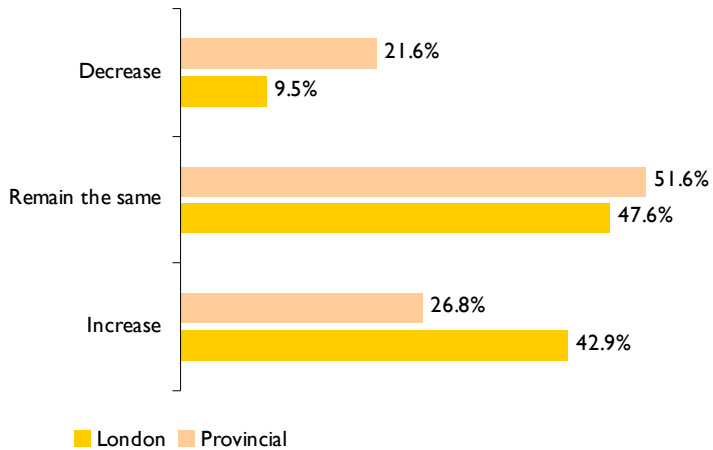
London and Provincial UK
I expect my average room rate in Q2 2012 as compared to Q2 2011 to be:



This quarter's gross operating profit (IBFC) expectations have increased compared with Q1 2012, with only managers in the North, Wales and Northern Ireland more negative this quarter. Hotel general managers are more positive with regards to the next three months GOP growth expectations in both London and the Provinces.



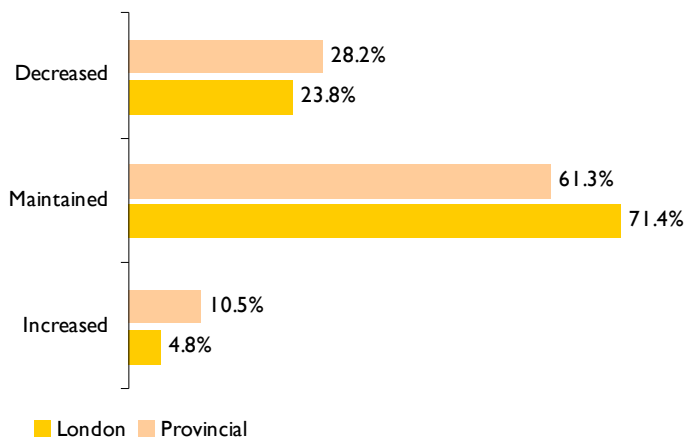
London and Provincial UK
I expect my sales and marketing expenditure in Q2 2012 as compared to Q2 2011 to:



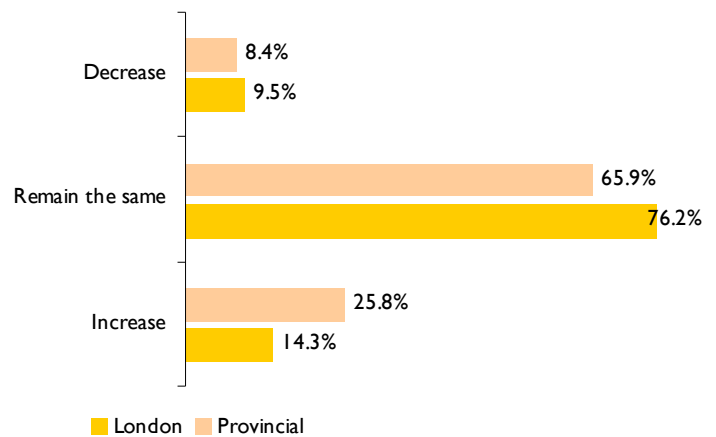
The majority of London (90.5%) and Provincial (78.4%) general managers intend to maintain or increase their Q1 2012 sales and marketing budget as compared to Q1 2011.

In addition, 85.7% of London hoteliers expect to maintain or decrease their staffing levels during the next three months, compared to 74.3% in the Provinces. In the last three months there were a significant proportion of respondents who decreased staffing levels.

London and Provincial UK
Have you increased, maintained or decreased staffing levels in the last three months (Q2 2012):



London and Provincial UK
What do you expect to do regarding staffing levels in the next three months (Q2 2012):



Editors Notes:

The **HotStats** Hotel Confidence Monitor - UK Regions was conducted by email, via an online survey, in April 2012 . A total of 308 UK chain hotel general managers responded to the survey. No single geographical region or hotel brand was disproportionately represented. Please refer to the following pages for a full summary of the results and contact details.

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