



Europe Chain Hotels Market Review - February 2007

Moscow leads sales growth

Moscow hotels enjoyed the strongest growth in sales during the first two months of this year, as measured by revenue per available room, according to a survey by TRI Hospitality Consulting's HotStats service.

Hotels included in the sample in the Russian capital showed revpar growth of 23.0 per cent during the first two months of 2007 compared to the same months in 2006. This put the city ahead of all nine others in the survey with the next best performer, Paris, showing 15.0 per cent growth.

"Moscow is continuing the exceptional growth it has shown over recent years. In the absence of any significant supply increases, it looks set to continue," said Jonathan Langston, managing director of TRI Hospitality Consulting.

East lags West

The performance in Russia was also a marked contrast to the other Central and East European cities in the survey. Vienna, Hamburg, Budapest and Prague all showed negative revpar growth, with Prague doing particularly badly with a 9.1 per cent drop in revpar.

In contrast, cities further West all put in double digit growth. The best performances came from Paris, London and Amsterdam. London was only fractionally behind Paris and showed a revpar growth of 14.9 per cent. Amsterdam's growth was 14.6 per cent.

"With the exception of Moscow, there seems to be a divide between East and West. Hotels in Western Europe have enjoyed a bumper start to the year while those further East are struggling," said Langston.

London avoids winter blues

The strongest absolute revpar performance continues to be in London with Eu147.65. This is significantly ahead of Paris at Eu133.67 and the now third-placed Moscow at Eu113.12.

Moscow is the leader when it comes to room rate, however, at Eu199.96, ahead of London on Eu190.65. Most of Moscow's revpar growth was driven by rate, which was up 18.5 per cent. Occupancy grew by 2.1 percentage points.

The UK capital's strength is occupancy which averaged 77.4 per cent for the first two months of

this year against just 56.6 per cent in Moscow.

But both Paris and Amsterdam showed better occupancy growth than London's 1.8 percentage point increase. Paris was up 5.3 points and Amsterdam up 4.1 points to hit 73.4 per cent and 74.5 per cent respectively.

"By filling its hotels during the difficult winter months, London has ensured it remains ahead in terms of revpar. Finding guests in the cold dark months of the year is a particular challenge for hotels further East and North," said Langston.

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HOTSTATS BRIEFING DATA

European Chain Hotels - Performance report

The month of February 2007

Occ %	ARR	RevPAR
78.9	147.49	116.34
61.5	144.57	88.94
55.2	88.88	49.05
66.3	101.12	67.05
79.6	194.61	154.93
62.7	207.5	130.15
71.3	108.76	77.51
72.8	182.08	132.48
56.8	98.42	55.94
52.0	137.84	71.65

Amsterdam
Berlin
Budapest
Hamburg
London
Moscow
Munich
Paris
Prague
Vienna

The 2 months to February 2007

Occ %	ARR	RevPAR
74.5	145.78	108.61
57.6	133.64	77
48.0	91.58	43.99
59.5	99.12	59.02
77.4	190.65	147.65
56.6	199.96	113.12
67.9	112.41	76.37
73.4	182.01	133.67
55.7	96.91	53.93
52.6	136.19	71.68

The month of February 2006

Occ%	ARR	RevPAR
72.8	137.12	99.77
62.4	126.16	78.77
50.3	88.7	44.59
65.8	100.38	66.05
79.3	171.87	136.24
63.8	170.63	108.80
68.6	103.23	70.83
68.9	168.94	116.41
60.5	100.83	61.00
56.0	133.58	74.80

Amsterdam
Berlin
Budapest
Hamburg
London
Moscow
Munich
Paris
Prague
Vienna

The 2 months to February 2006

Occ%	ARR	RevPAR
70.4	134.56	94.78
57.8	120.48	69.59
51.5	90.44	46.53
61.5	97.91	60.18
75.7	169.8	128.47
54.5	168.78	91.96
66.4	102	67.67
68.2	170.45	116.2
60.9	97.41	59.34
55.6	129.39	71.89

Movement for the month of February

Occ Change	ARR Change	RevPAR Change
6.1	7.6%	16.6%
-0.9	14.6%	12.9%
4.9	0.2%	10.0%
0.5	0.7%	1.5%
0.3	13.2%	13.7%
-1.0	21.6%	19.6%
2.6	5.4%	9.4%
3.8	7.8%	13.8%
-3.7	-2.4%	-8.3%
-4.0	3.2%	-4.2%

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Movement for the 2 months to February

Occ Change	ARR Change	RevPAR Change
4.1	8.3%	14.6%
-0.1	10.9%	10.6%
-3.4	1.3%	-5.5%
-1.9	1.2%	-1.9%
1.8	12.3%	14.9%
2.1	18.5%	23.0%
1.6	10.2%	12.9%
5.3	6.8%	15.0%
-5.3	-0.5%	-9.1%
-2.9	5.3%	-0.3%

EDITORS NOTES:

The European Chain Hotels currency within this report is shown in Euros

Hotels contained within these samples operate primarily in the four and five star sectors.

TRI Hospitality Consulting provides a wide range of services to clients in the hotels, tourism and leisure sectors. It has offices in London and Dubai.

Definitions:

Occupancy is that proportion of the bedrooms available during the period which are occupied during the period.

Room rate is the total bedroom revenue for the period divided by the total bedrooms occupied during the period.

Room Revpar is the total bedroom revenue for the period divided by the total available rooms during the period

Payroll % is the payroll for all hotels in the sample as a percentage of total revenue.

IBFC PAR is the Income Before Fixed Charges shown per available room.