

EUROPEAN CHAIN HOTELS MARKET REVIEW DECEMBER 2011

Mixed Profit Results Registered for the month of December

Five of the ten European cities for which we present data this month registered Gross Operating Profit per Available Room (GOPPAR) growth in December according to the latest HotStats survey by TRI Hospitality Consulting.

Berlin, Prague, Warsaw and Paris experienced double digit growth in December, with Berlin registering the highest level of GOPPAR growth (+24.5%). The German capital posted a 6.9 percentage point growth in occupancy performance (68%) which compensated for a 2.6% decline in average room rate performance, resulting in an 8.3% Revenue per Available Room (RevPAR) growth to €84.40. In contrast, Frankfurt hotels experienced an 8.6 percentage point reduction in occupancy (47.6%) resulting in a RevPAR and GOPPAR decline of 10% and 49.5%, respectively.

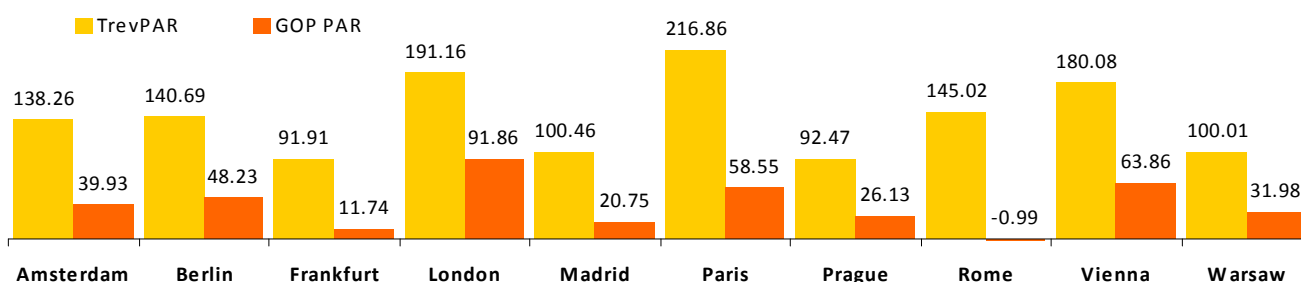
Of the top three hotel markets of London, Amsterdam and Paris, the French capital led the field with a 5.2% growth in Total Revenue per Available Room (TrevPAR) performance and 14.2% GOPPAR growth. Amsterdam also experienced a rise in TrevPAR performance (+1.2%), although rising operating costs resulted in a reduction in GOPPAR (-3.9%) to €39.93. London registered a slight decline in TrevPAR performance (-1.1%), resulting in a 5.8% decline in GOPPAR to €91.86. Despite a relatively weak room occupancy performance in the Hungarian capital, at just 65.5%, an increase in demand from the conference sector helped to boost the achieved average room rate for hoteliers in Budapest to €91.89 from €84.77 during the same period in 2010.

Prague achieved 15.5% RevPAR growth as both occupancy (+7.5 percentage points) and average room rate (+2.1 per cent) increased, resulting in GOPPAR growth of 15.9% to €26.13.

“This time last year, the Prague market experienced an influx of new hotels which, combined with turbulent market conditions, resulted in 2010 revenue and profit performance being severely impacted. In 2011, the Czech capital has experienced 5.2% in RevPAR performance and 13.7% increase in GOPPAR performance. Whilst the market is still performing significantly below 2008 levels, there appears to be evidence that the Prague hotel market has bottomed out and is beginning the process of recovery”, said Jonathan Langston, managing director, TRI Hospitality Consulting.

The month of December 2011						
	Occ %	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR
Amsterdam	61.4	150.71	92.50	138.26	37.2	39.93
Berlin	68.0	124.16	84.40	140.69	29.1	48.23
Frankfurt	47.6	106.28	50.60	91.91	47.8	11.74
London	75.2	174.17	130.99	191.16	25.4	91.86
Madrid	58.1	112.21	65.20	100.46	43.0	20.75
Paris	70.1	200.54	140.55	216.86	42.0	58.55
Prague	64.4	77.16	49.67	92.47	24.5	26.13
Rome	48.3	166.57	80.49	145.02	55.4	-0.99
Vienna	74.6	142.01	105.90	180.08	32.6	63.86
Warsaw	55.8	90.80	50.69	100.01	28.5	31.98

European City Markets achieved TREVPAR and GOPPAR December 2011



TrevPAR and GOPPAR Recovery in 2011

Stronger European Economies Surpass 2008 Revenue and Profit Performance

In 2011, London, Paris and Amsterdam registered GOPPAR performance surpassing previous peak 2008 performance levels according to the latest HotStats survey.

Eight of the ten cities surveyed experienced an increase in 2011 GOPPAR performance when compared to 2010, the exceptions being Madrid (-2.6%) and Rome (-11.3%).

For 2011, the hotel markets of Amsterdam, Warsaw, Prague and Paris all experienced double digit growth in GOPPAR performance, with Paris registering the greatest growth in RevPAR (+12.1%), TrevPAR (+9.2%) and GOPPAR (+15.8%) .

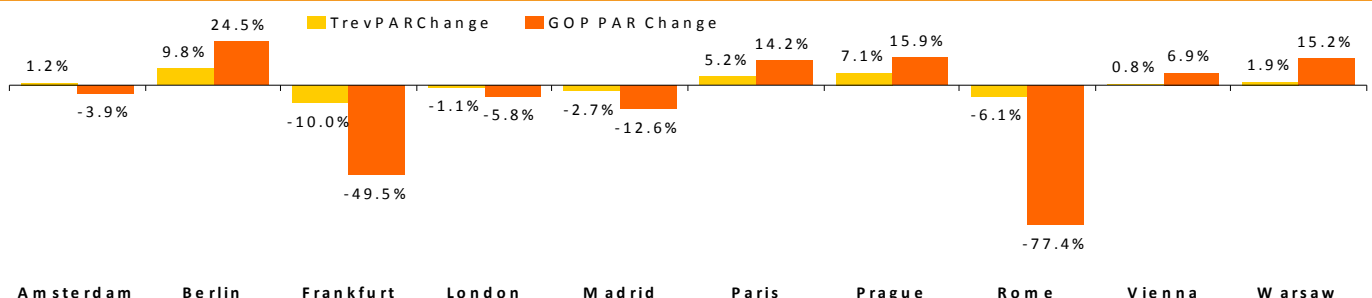
“Overall, the fact that revenue and profit performance for most of Europe’s major cities has grown in 2011 is positive when considering what has happened to the European economy since 2009. For the majority of these markets, the primary factor for an uplift in RevPAR performance in 2011 has been the relative increase in the volume and value of corporate travel”, said Langston.

Of the ten cities surveyed this month, 2011 GOPPAR performance of Amsterdam, London, Paris, Frankfurt, Berlin and Warsaw surpassed previous peak 2008 GOPPAR performance.

“In 2011 major cities in European nation economies which have shown greater resilience since the economic downturn in 2008 such as UK, France, Germany and Poland achieved revenue and profit performance exceeding pre-recession performance. In 2012 it will be interesting to see how continental and global market conditions will affect various European hotel city markets. Many will monitor whether more established and mature markets such as Paris, Amsterdam and London will be able to continue to achieve sustained revenue and profit growth whilst on the other end of the scale, observe whether other major European city markets which have begun the process of revenue and profit recovery can continue the trend”, reflected Langston.

Movement for the month of December						
	Occ	ARR	RevPAR	TrevPAR	Payroll	GOP PAR
	Change	Change	Change	Change	Change	Change
Amsterdam	3.0	-0.7%	4.4%	1.2%	-1.6	-3.9%
Berlin	6.9	-2.6%	8.3%	9.8%	1.4	24.5%
Frankfurt	-8.6	5.2%	-10.9%	-10.0%	-12.9	-49.5%
London	0.0	-0.4%	-0.4%	-1.1%	-0.5	-5.8%
Madrid	-0.9	2.5%	0.9%	-2.7%	1.0	-12.6%
Paris	2.8	6.1%	10.5%	5.2%	1.5	14.2%
Prague	7.5	2.1%	15.5%	7.1%	1.0	15.9%
Rome	-3.0	-6.2%	-11.7%	-6.1%	3.8	-77.4%
Vienna	-0.1	4.0%	3.8%	0.8%	1.4	6.9%
Warsaw	-0.3	10.9%	10.4%	1.9%	-1.3	15.2%

European City Markets TREVPAR and GOPPAR Movement December 2012



Editors Notes:

The hotels profiled in this report are drawn from the HotStats database and reflect the portfolios and distribution of the hotel chains that we survey and which operate primarily in the four and five-star sectors.

Please note: The data samples are reviewed and rebased each year to reflect the changes in the HotStats survey base.

As a result, performance ratios published last year may differ from those contained within this report.

TRI Hospitality Consulting provides a wide range of services to clients in the hotel sector.

Occupancy (%)	is that proportion of the bedrooms available during the period which are occupied during the period.
Average Room rate (ARR)	is the total bedroom revenue for the period divided by the total bedrooms occupied during the period.
Room Revpar (RevPAR)	is the total bedroom revenue for the period divided by the total available rooms during the period.
Total Revpar (TrevPAR)	is the combined total of all revenues 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.
GOP PAR	is the Total Gross Operating Profit for the period divided by the total available rooms during the period.

TRI has offices in London, Dubai and Barcelona

For more information contact:

TRI Hospitality Consulting	HotStats
David Bailey, Deputy Managing Director 0207 892 2202 david.bailey@trihc.com	Mark Dickens, Managing Director HotStats 0207 892 2207 mark.dickens@hotstats.com
Anuraag Badola, Managing Consultant 0207 892 2206 anuraag.badola@trihc.com	Tony Oliveira, Business Development Manager 0207 892 2234 Tony.oliveira@hotstats.com

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HotStats Briefing Data

European Chain Hotels - Performance report
Currency: € Euros

The month of December 2011							Calendar year to December 2011						Twelve months to December 2011						
	Occ %	ARR	RevPAR	TrevPAR	Payroll	GOP PAR	Occ %	ARR	RevPAR	TrevPAR	Payroll	GOP PAR	Occ %	ARR	RevPAR	TrevPAR	Payroll	GOP PAR	
Amsterdam	61.4	150.71	92.50	138.26	37.2	39.93	76.5	177.10	135.55	190.09	30.2	77.07	76.5	177.10	135.55	190.09	30.2	77.07	Amsterdam
Berlin	68.0	124.16	84.40	140.69	29.1	48.23	75.2	127.76	96.08	149.53	28.8	51.78	75.2	127.76	96.08	149.53	28.8	51.78	Berlin
Frankfurt	47.6	106.28	50.60	91.91	47.8	11.74	61.7	130.08	80.32	122.01	32.1	39.09	61.7	130.08	80.32	122.01	32.1	39.09	Frankfurt
London	75.2	174.17	130.99	191.16	25.4	91.86	81.6	183.22	149.46	204.27	23.5	100.08	81.6	183.22	149.46	204.27	23.5	100.08	London
Madrid	58.1	112.21	65.20	100.46	43.0	20.75	68.2	119.29	81.36	116.54	39.5	35.17	68.2	119.29	81.36	116.54	39.5	35.17	Madrid
Paris	70.1	200.54	140.55	216.86	42.0	58.55	79.4	211.27	167.84	241.52	37.6	82.00	79.4	211.27	167.84	241.52	37.6	82.00	Paris
Prague	64.4	77.16	49.67	92.47	24.5	26.13	69.0	80.22	55.32	97.10	25.2	31.18	69.0	80.22	55.32	97.10	25.2	31.18	Prague
Rome	48.3	166.57	80.49	145.02	55.4	-0.99	71.2	187.85	133.82	204.26	42.4	42.36	71.2	187.85	133.82	204.26	42.4	42.36	Rome
Vienna	74.6	142.01	105.90	180.08	32.6	63.86	70.8	132.63	93.92	147.67	39.6	39.79	70.8	132.63	93.92	147.67	39.6	39.79	Vienna
Warsaw	55.8	90.80	50.69	100.01	28.5	31.98	72.6	89.70	65.14	113.84	25.7	43.77	72.6	89.70	65.14	113.84	25.7	43.77	Warsaw

The month of December 2010							Calendar year to December 2010						Twelve months to December 2010						
	Occ%	ARR	RevPAR	TrevPAR	Payroll	GOP PAR	Occ%	ARR	RevPAR	TrevPAR	Payroll	GOP PAR	Occ%	ARR	RevPAR	TrevPAR	Payroll	GOP PAR	
Amsterdam	58.4	151.75	88.63	136.57	35.7	41.54	75.8	165.91	125.81	178.15	31.5	68.58	75.8	165.91	125.81	178.15	31.5	68.58	Amsterdam
Berlin	61.1	127.49	77.91	128.11	30.5	38.74	72.2	126.93	91.59	141.58	29.1	49.80	72.2	126.93	91.59	141.58	29.1	49.80	Berlin
Frankfurt	56.2	101.03	56.82	102.12	34.9	23.27	62.8	121.98	76.64	116.59	31.8	36.73	62.8	121.98	76.64	116.59	31.8	36.73	Frankfurt
London	75.2	174.86	131.47	193.38	24.9	97.51	82.3	170.84	140.52	196.36	23.7	95.61	82.3	170.84	140.52	196.36	23.7	95.61	London
Madrid	59.0	109.48	64.63	103.29	44.1	23.74	66.4	118.93	78.94	115.89	38.9	36.12	66.4	118.93	78.94	115.89	38.9	36.12	Madrid
Paris	67.3	188.96	127.23	206.08	43.5	51.29	76.0	196.94	149.67	221.16	39.1	70.84	76.0	196.94	149.67	221.16	39.1	70.84	Paris
Prague	56.9	75.60	43.01	86.30	25.5	22.55	65.9	79.87	52.61	92.60	27.0	27.42	65.9	79.87	52.61	92.60	27.0	27.42	Prague
Rome	51.3	177.64	91.17	154.51	59.1	-4.38	70.0	191.64	134.11	209.46	41.8	47.74	70.0	191.64	134.11	209.46	41.8	47.74	Rome
Vienna	74.7	136.56	102.04	178.70	33.9	59.74	71.8	126.97	91.12	145.09	39.4	38.88	71.8	126.97	91.12	145.09	39.4	38.88	Vienna
Warsaw	56.1	81.86	45.91	98.15	27.2	27.77	71.5	81.36	58.20	105.12	25.3	37.43	71.5	81.36	58.20	105.12	25.3	37.43	Warsaw

Movement for the month of December							Movement for the calendar year to December						Movement for the twelve months to December						
	Occ Change	ARR Change	RevPAR Change	TrevPAR Change	Payroll Change	GOP PAR Change	Occ Change	ARR Change	RevPAR Change	TrevPAR Change	Payroll Change	GOP PAR Change	Occ Change	ARR Change	RevPAR Change	TrevPAR Change	Payroll Change	GOP PAR Change	
Amsterdam	3.0	-0.7%	4.4%	1.2%	-1.6	-3.9%	0.7	6.7%	7.7%	6.7%	1.3	12.4%	0.7	6.7%	7.7%	6.7%	1.3	12.4%	Amsterdam
Berlin	6.9	-2.6%	8.3%	9.8%	1.4	24.5%	3.0	0.7%	4.9%	5.6%	0.3	4.0%	3.0	0.7%	4.9%	5.6%	0.3	4.0%	Berlin
Frankfurt	-8.6	5.2%	-10.9%	-10.0%	-12.9	-49.5%	-1.1	6.6%	4.8%	4.6%	-0.2	6.4%	-1.1	6.6%	4.8%	4.6%	-0.2	6.4%	Frankfurt
London	0.0	-0.4%	-0.4%	-1.1%	-0.5	-5.8%	-0.7	7.2%	6.4%	4.0%	0.3	4.7%	-0.7	7.2%	6.4%	4.0%	0.3	4.7%	London
Madrid	-0.9	2.5%	0.9%	-2.7%	1.0	-12.6%	1.8	0.3%	3.1%	0.6%	-0.6	-2.6%	1.8	0.3%	3.1%	0.6%	-0.6	-2.6%	Madrid
Paris	2.8	6.1%	10.5%	5.2%	1.5	14.2%	3.4	7.3%	12.1%	9.2%	1.5	15.8%	3.4	7.3%	12.1%	9.2%	1.5	15.8%	Paris
Prague	7.5	2.1%	15.5%	7.1%	1.0	15.9%	3.1	0.4%	5.2%	4.9%	1.8	13.7%	3.1	0.4%	5.2%	4.9%	1.8	13.7%	Prague
Rome	-3.0	-6.2%	-11.7%	-6.1%	3.8	-77.4%	1.3	-2.0%	-0.2%	-2.5%	-0.6	-11.3%	1.3	-2.0%	-0.2%	-2.5%	-0.6	-11.3%	Rome
Vienna	-0.1	4.0%	3.8%	0.8%	1.4	6.9%	-0.9	4.5%	3.1%	1.8%	-0.1	2.3%	-0.9	4.5%	3.1%	1.8%	-0.1	2.3%	Vienna
Warsaw	-0.3	10.9%	10.4%	1.9%	-1.3	15.2%	1.1	10.3%	11.9%	8.3%	-0.3	16.9%	1.1	10.3%	11.9%	8.3%	-0.3	16.9%	Warsaw