



Europe Chain Hotels Market Review – November 2007

London is strongest overall hotel market in Europe

The London chain hotel market is the best overall performer in Europe, according to the latest HotStats survey of 10 European cities by TRI Hospitality Consulting.

London enjoyed the highest room sales and occupancy in November, plus the second lowest payroll costs, resulting in the second highest profit per available room, as measured by income before fixed charges (IBFC).

Although occupancy dropped by 1.8 percentage points to 86.7 per cent, London's chain hotels were the fullest in Europe. Amsterdam and Paris were not far behind with occupancies of 84.8 and 83.8 per cent respectively.

“Overall, London's chain hotels are generating the most revenue and profit due to the winning combination of high volume and sales. Although Moscow has the edge on a profit per available room basis, London beats Moscow on profit per hotel because of its far higher average occupancy. At 68 per cent, Moscow's occupancy is the weakest in the survey,” said Jonathan Langston, managing director, TRI Hospitality Consulting.

MTV Awards help profits jump in Munich

Hotels in Munich experienced the largest jump in profitability during November

The Bavarian capital saw a sample of its chain hotels enjoy a 47.8 per cent hike in IBFC per available room to Eu62.82.

“November is always a strong month for trade fairs and Christmas-related leisure demand in Munich. But the influx of international pop stars and their entourages for the MTV Awards provided an extra boost to profits, particularly for the city's five star segment,” said Langston.

However, starting from a relatively low base in November 2006, Munich's improved IBFC PAR still only took it to sixth place in the survey.

Budapest recovery gathers pace

After slender performance improvements in September and October, Budapest's recovery appears to be gathering pace with more substantial increases in occupancy, up 5.4 points to 70 per cent, and revpar up by 12.2 per cent to Eu67.60 occurring in November. Budapest's hotels stabilised their

wage costs and achieved the fourth largest increase in profitability with IBFC PAR up by 30 per cent to Eu39.05.

“Although the long term trend is not positive and Budapest had the lowest IBFC PAR in both November and the year to date, it is at least encouraging to see some emphatic profit growth for a change, rather than the worrying drops that occurred earlier in the year,” said Langston.

BATIMAT boost profits in Paris

Paris enjoyed the second highest profit improvement with IBFC up by 44.1 per cent to Eu 93.48. This was the result of occupancy up by nearly 10 percentage points compared to November 2006, strong rate and revpar growth, plus a 3.2 point reduction in wage costs.

A major contributor to Paris’s strong performance was the bi-annual BATIMAT international construction exhibition held at Paris Expo, which attracted a record 447,738 visitors over its five-day run.

However, in absolute terms, Amsterdam pipped Paris to the post as the third most profitable city in the survey with IBFC of Eu94.13 PAR compared to Eu93.48 in the French capital.

For more information contact:

Jonathan Langston, managing director

020 7486 5191

jonathan.langston@trihc.com

Ben Walker, research manager

020 7892 2240

ben.walker@trihc.com

Claire King, marketing manager

020 7892 2237

claire.king@trihc.com

HOTSTATS BRIEFING DATA

European Chain Hotels - Performance report

The month of November 2007

Occ %	ARR	RevPAR	Payroll %	IBFC PAR
84.8	176.83	150.02	27.5	94.13
74.1	145.05	107.48	29.0	72.63
70.0	96.63	67.60	30.1	39.05
75.1	116.26	87.30	27.1	57.22
86.7	219.11	189.98	21.7	154.68
68.0	234.62	159.64	17.1	167.89
79.2	120.84	95.67	28.4	62.82
83.8	205.79	172.42	38.2	93.48
77.8	102.03	79.42	24.3	58.03
76.7	143.73	110.29	41.8	49.84

The 11 months to November 2007

Occ %	ARR	RevPAR	Payroll %	IBFC PAR
84.1	169.9	142.81	28.9	85.34
72.5	141.62	102.62	30.4	56.99
71.3	107.47	76.59	30.9	38.42
71.5	106.97	76.47	30.6	42.02
84.9	197.85	168	24.5	118.61
68.4	204.09	139.5	19.6	141.35
77.8	124	96.43	29.6	55.25
81.7	216.74	177.13	35.9	97.98
73.9	125.73	92.96	22.6	67.19
75.5	152.87	115.42	40.2	53.43

The month of November 2006

Occ%	ARR	RevPAR	Payroll %	IBFC PAR
87.1	165.42	144.11	29.7	89.07
71.6	128.78	92.16	30.5	56.70
64.5	93.37	60.24	30.1	30.05
75.3	109.19	82.23	29.2	48.54
88.5	201.25	178.16	22.1	144.70
69.7	167.84	117.01	17.1	134.71
72.7	120.15	87.38	28.4	42.50
74.2	188.8	140.12	41.3	64.88
67.9	117.25	79.63	23.8	55.00
70.5	129.86	91.50	45.5	35.37

The 11 months to November 2006

Occ%	ARR	RevPAR	Payroll %	IBFC PAR
83.9	159.86	134.12	30.3	77.43
70.6	142.89	100.87	30.5	55.8
71.1	107.7	76.55	26.9	46.58
73.6	109.58	80.64	30.3	45.03
84.8	179.32	152.1	25.7	103.1
67.8	160.03	108.52	18.4	119.05
74.0	119.26	88.28	28.7	48.21
76.9	200.15	153.9	38.2	78.17
76.2	129.44	98.62	21.4	72.18
75.3	138.05	103.93	41.8	45.03

Movement for the month of November

Occ Change	ARR Change	RevPAR Change	Payroll Change	IBFC PAR Change
-2.3	6.9%	4.1%	-2.2	5.7%
2.5	12.6%	16.6%	-1.5	28.1%
5.4	3.5%	12.2%	0.0	30.0%
-0.2	6.5%	6.2%	-2.2	17.9%
-1.8	8.9%	6.6%	-0.4	6.9%
-1.7	39.8%	36.4%	0.0	24.6%
6.5	0.6%	9.5%	0.0	47.8%
9.6	9.0%	23.1%	-3.2	44.1%
9.9	-13.0%	-0.3%	0.5	5.5%
6.3	10.7%	20.5%	-3.7	40.9%

Movement for the 11 months to November

Occ Change	ARR Change	RevPAR Change	Payroll Change	IBFC PAR Change
0.2	6.3%	6.5%	-1.4	10.2%
1.9	-0.9%	1.7%	-0.1	2.1%
0.2	-0.2%	0.1%	4.1	-17.5%
-2.1	-2.4%	-5.2%	0.3	-6.7%
0.1	10.3%	10.5%	-1.3	15.0%
0.5	27.5%	28.5%	1.2	18.7%
3.7	4.0%	9.2%	0.9	14.6%
4.8	8.3%	15.1%	-2.4	25.3%
-2.3	-2.9%	-5.7%	1.2	-6.9%
0.2	10.7%	11.1%	-1.5	18.7%

EDITORS NOTES:

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

Hotels contained within these samples operate primarily in the three, 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.