



STR Global

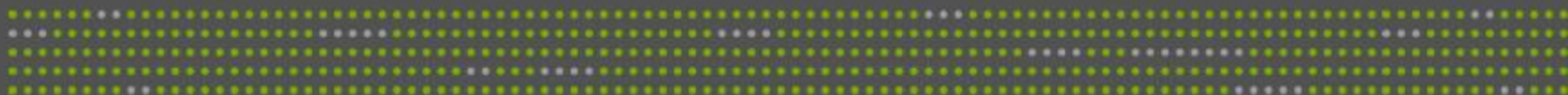
A new era in hotel benchmarking

Thomas Emanuel
Director of Sales

23rd March 2010 - Reykjavik

Agenda

- STR Global: who are we and what we do?
- Value of benchmarking
- Offering to ITIA members
- Global hotel performance overview
- Focus on Europe
- Focus on Reykjavik
- Summary



STR Global Limited



- Combines expertise of HotelBenchmark by Deloitte, The Bench and STR (outside NA)
- Currently we track over **39,000 hotels and 5m rooms** worldwide
- Monthly, weekly, daily
- Demand, supply
- Past, present and future

Tailored products to suit your needs

STR & STR Global Regional Offices



Benchmarking data

- hotel owners
 - management companies
 - general managers
 - revenue managers
 - sales and marketing
- **STAR Reports**
Your hotel's performance compared to your selection of competitor hotels and your local market
 - **Corporate Reports**
Details for each hotel in your portfolio compared to its competitive set, in one convenient package
 - **Hotel Survey**
Your hotel's performance compared to your local market



Industry data

- suppliers
- investors
- destination organizations
- media
- educational institutions

•Global Hotel Reviews

High level overviews on global markets

•Historical Trends

Detailed historical performance data on customized samples

•Destination Reports

Hotel performance data for regions, markets, sub-markets

•Market Forecasts

Forecasted performance data for 42 global markets

•Annual Profitability Reports

Hotel industry revenues and expenses

•Hotel Census Database

Database of hotel supply: over 100,000 records

•Pipeline Reports

Database of upcoming hotels supply

Twelve Month Moving Average

01213_SADNN Staff: KK Created: May 08, 2009 Currency: NZD - New Zealand (Tokotai) Dollar

Month	January	February	March	April	May	June	July	August	September	October	November	December
71.6	71.6	71.6	72.6	74.1	75.6	76.6	77.2	77.9	78.1	78.2	78.5	78.3
71.4	71.4	71.4	72.4	73.9	75.4	76.4	77.0	77.7	77.9	78.0	78.3	78.1
72.3	72.3	72.3	73.3	74.8	75.8	76.4	77.0	77.7	77.9	78.0	78.3	78.1
72.3	72.3	72.3	73.3	74.8	75.8	76.4	77.0	77.7	77.9	78.0	78.3	78.1
72.0	72.0	72.0	73.0	74.5	75.5	76.1	76.7	77.4	77.6	77.7	78.0	77.8

Month	January	February	March	April	May	June	July	August	September	October	November	December
120.26	120.26	120.26	121.33	121.27	120.87	120.51	120.51	120.51	120.51	120.51	120.51	120.51
122.63	122.63	122.63	123.24	123.27	122.87	122.51	122.51	122.51	122.51	122.51	122.51	122.51
122.3	122.3	122.3	123.24	123.27	122.87	122.51	122.51	122.51	122.51	122.51	122.51	122.51
122.0	122.0	122.0	123.24	123.27	122.87	122.51	122.51	122.51	122.51	122.51	122.51	122.51

Month	January	February	March	April	May	June	July	August	September	October	November	December
100.20	100.20	100.20	100.37	100.37	100.37	100.37	100.37	100.37	100.37	100.37	100.37	100.37
101.79	101.79	101.79	101.96	101.96	101.96	101.96	101.96	101.96	101.96	101.96	101.96	101.96
104.79	104.79	104.79	104.97	104.97	104.97	104.97	104.97	104.97	104.97	104.97	104.97	104.97
102.63	102.63	102.63	102.81	102.81	102.81	102.81	102.81	102.81	102.81	102.81	102.81	102.81

Month	January	February	March	April	May	June	July	August	September	October	November	December
3,540,136	3,540,136	3,547,871	3,554,961	3,562,494	3,569,384	3,576,524	3,583,914	3,591,554	3,599,444	3,607,584	3,615,974	3,624,614
3,681,260	3,681,260	3,689,000	3,696,740	3,704,480	3,712,220	3,719,960	3,727,700	3,735,440	3,743,180	3,750,920	3,758,660	3,766,400
3,702,449	3,702,449	3,710,189	3,717,929	3,725,669	3,733,409	3,741,149	3,748,889	3,756,629	3,764,369	3,772,109	3,779,849	3,787,589
3,740,616	3,740,616	3,748,356	3,756,096	3,763,836	3,771,576	3,779,316	3,787,056	3,794,796	3,802,536	3,810,276	3,818,016	3,825,756
3,843,815	3,843,815	3,851,555	3,859,295	3,867,035	3,874,775	3,882,515	3,890,255	3,897,995	3,905,735	3,913,475	3,921,215	3,928,955

Month	January	February	March	April	May	June	July	August	September	October	November	December
2,574,616	2,574,616	2,582,356	2,590,096	2,597,836	2,605,576	2,613,316	2,621,056	2,628,796	2,636,536	2,644,276	2,652,016	2,659,756
2,691,881	2,691,881	2,700,121	2,708,361	2,716,601	2,724,841	2,733,081	2,741,321	2,749,561	2,757,801	2,766,041	2,774,281	2,782,521
2,721,626	2,721,626	2,730,366	2,739,106	2,747,846	2,756,586	2,765,326	2,774,066	2,782,806	2,791,546	2,800,286	2,809,026	2,817,766
2,732,508	2,732,508	2,741,248	2,750,008	2,758,768	2,767,528	2,776,288	2,785,048	2,793,808	2,802,568	2,811,328	2,820,088	2,828,848
2,790,474	2,790,474	2,800,214	2,810,004	2,819,794	2,829,584	2,839,374	2,849,164	2,858,954	2,868,744	2,878,534	2,888,324	2,898,114

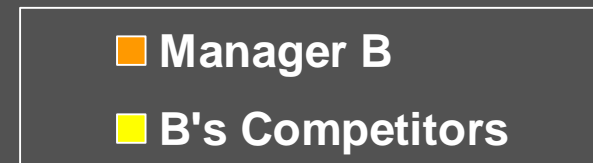
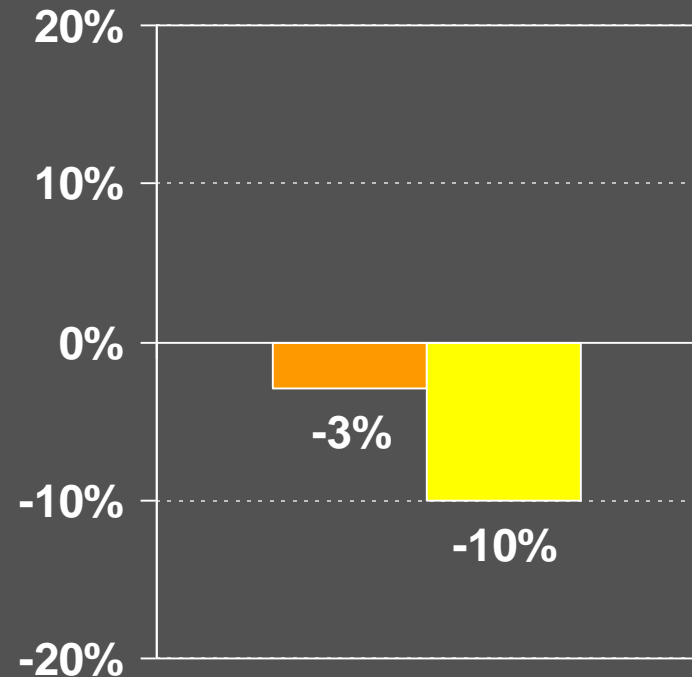
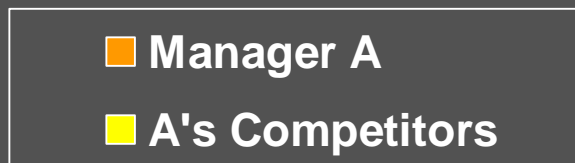
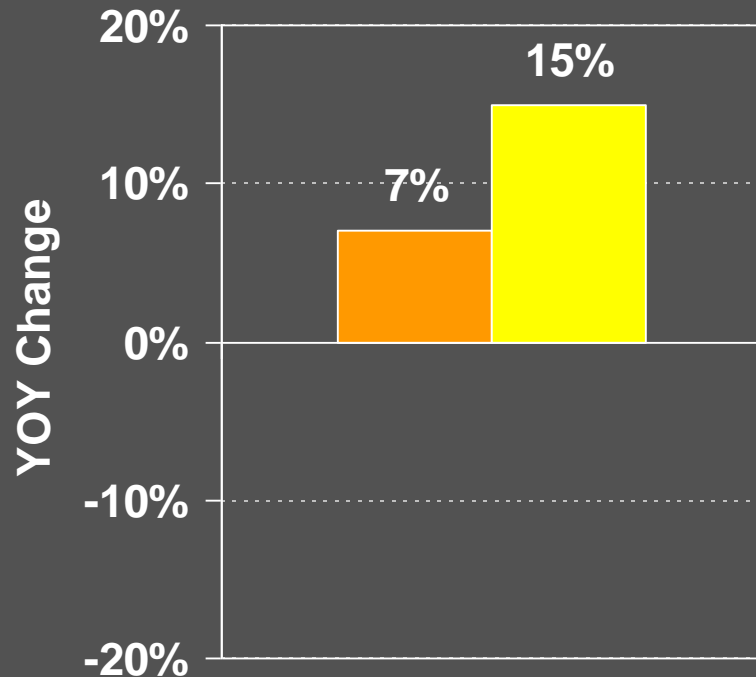
Value of benchmarking – Hotel level

- Are my occupancy levels any good?
- How do my average rates compare to my competitors?
- How is my week versus weekend business?
- Am I growing my share of the market?
- Is my revenue strategy right ?
- Does my Sales & Marketing effort need changing?



Who's performing better?

Benchmarking your hotel against the competition



What are your numbers telling you?

Star reports to reveal all your true profits

- Simply submit your available rooms, occupied Rooms and Rooms Revenue
- Your key performance (occupancy, ADR, RevPAR)
- Monthly, weekly and daily
- Comparisons between you and your chosen competitive set
- Additional comparison against your local market
- Allows you to keep an eye on your market and trend
- Lends perspective to good and bad performance
- Tool for revenue management
- Allows you to monitor the effect of your business strategies
- Available on www.strglobal.com

United Kingdom
Blue Fire Building
110 Southwark Street
London SE1 1QA
Phone: +44 (0)20 7522 1930
Fax: +44 (0)20 7522 1931
www.strglobal.com

United States
735 East Main Street
Hendersonville
TN 37075
Phone: +1 (615) 824 5654
Fax: +1 (615) 824 3848
www.smithtravelresearch.com

Monthly STAR Report – Sample

February 2008 STR #: 123456 Date Created: March 28, 2008

Table of Contents	Tab
Monthly Performance at a Glance	1
Competitive Set Report	2
Industry Report	3
Response Report	4
Day of Week & Weekday/Weekend	5
Day of Week & Weekday/Weekend - Industry	6
Daily Data for the Month	7
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Value of benchmarking - Corporate Office

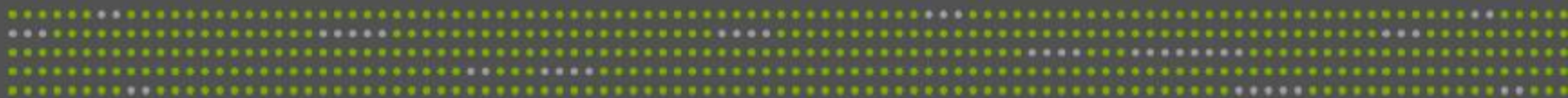
- Which hotels are outperforming their competitors?
- Where are there problems?
- How strong are our brands versus our competitors?
- Which regions are doing particularly well?
- Which markets should we be looking to invest in?
- And which brands would work best there?
- Are our GM's are on target to get their bonus?
- Are we going to make budget?
- Does the group's revenue strategy need refining?

Our offer to ITIA Member Hotels

- Hotel Survey
 - Complimentary to all ITIA Member Hotels
 - Simply submit your available rooms, occupied rooms, & room revenue online daily
 - Benchmark your performance against that of your market
- Daily, Weekly, and Monthly STAR Reports
 - Special annual price of £675 (130,000 ISK) per annum for all ITIA Member Hotels (if you sign up by 15th April)
 - Simply submit your available rooms, occupied rooms, & room revenue online daily
 - Benchmark your performance against that of your chosen competitor set
- Delivery of Reports
 - Both 'Push' & 'Pull' Report Options
 - Day STAR, Week STAR, & Month STAR sent directly into your inbox
 - Dynamic reports available on www.strglobal.com
 - Dedicated Account Manager

The Benefits of STR Global

- Assisting your revenue management and marketing
- Full knowledge about your market position
- Follow your position in your competitive set
- Follow your position in your market class
- ITIA Members will know exactly where the market is moving and can focus better on improving their performance





Where are we in the cycle?

Review of Global Hotel Performance

A cyclical industry...

Early recovery

Growth

Peak

Decline

- Improving lodging fundamentals and returns
- Valuation and earnings growth provide catalysts for stock appreciation

- Demand continues to outpace supply
- Increasing access to capital
- Rapid room supply growth
- Earnings growth continues but valuations stabilise

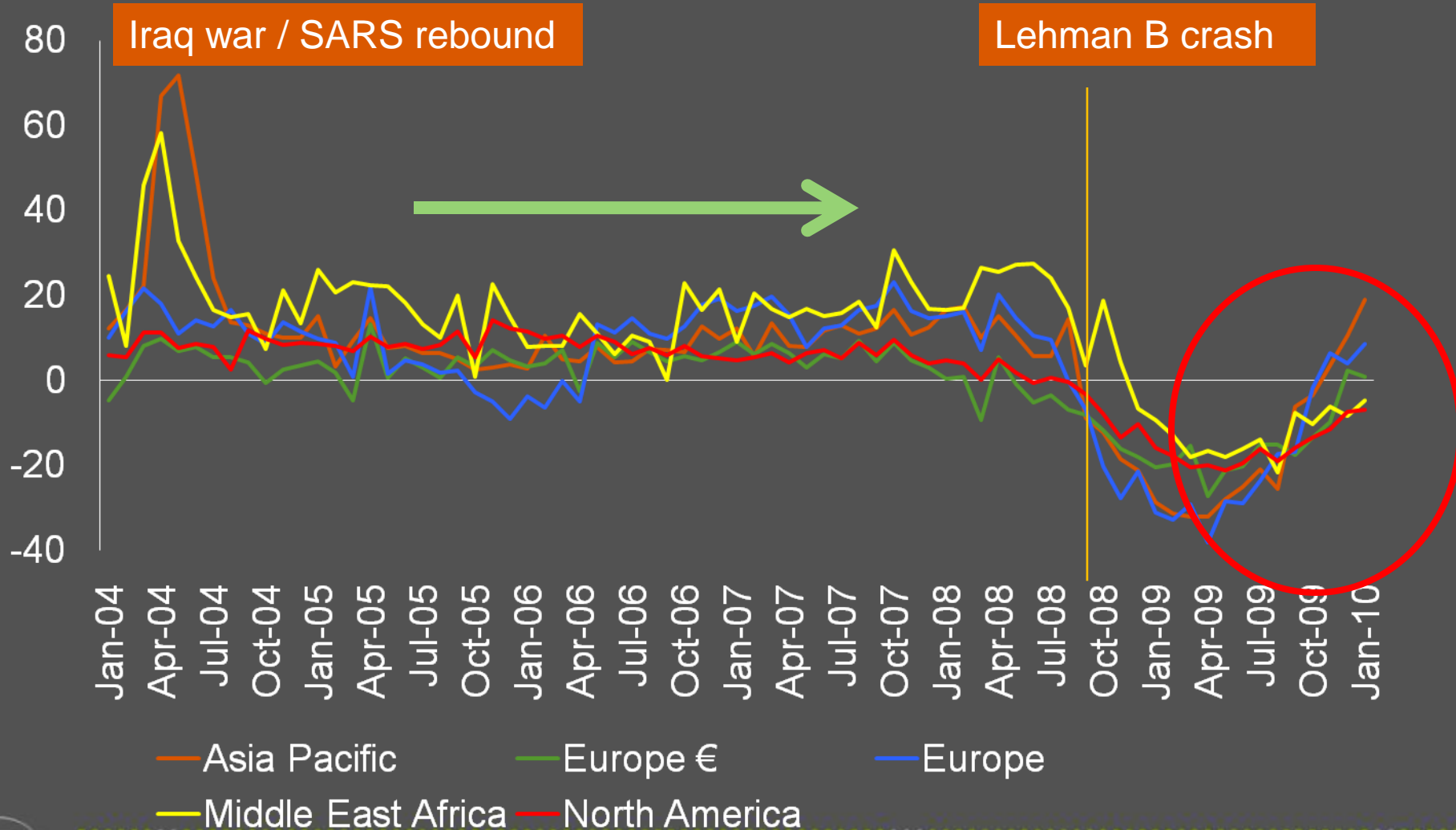
- Overbuilding occurs
- Supply equals and begins to outpace demand
- Sales growth decelerates and then stabilises

- Declining returns
- Reduced funding
- Supply growth slows
- Company margins contract

Source: Merrill Lynch

Tough going – after 4 years of growth

RevPAR % change YOY USD



Global Regions

RevPAR % change

Europe €

YE 08	YE09	4 Months end 1/10
-5.9%	-16.7%	-6.6%

North America \$

YE 08	YE09	4 Months end 1/10
-1.7%	-17.0%	-10.3%

Asia Pacific \$

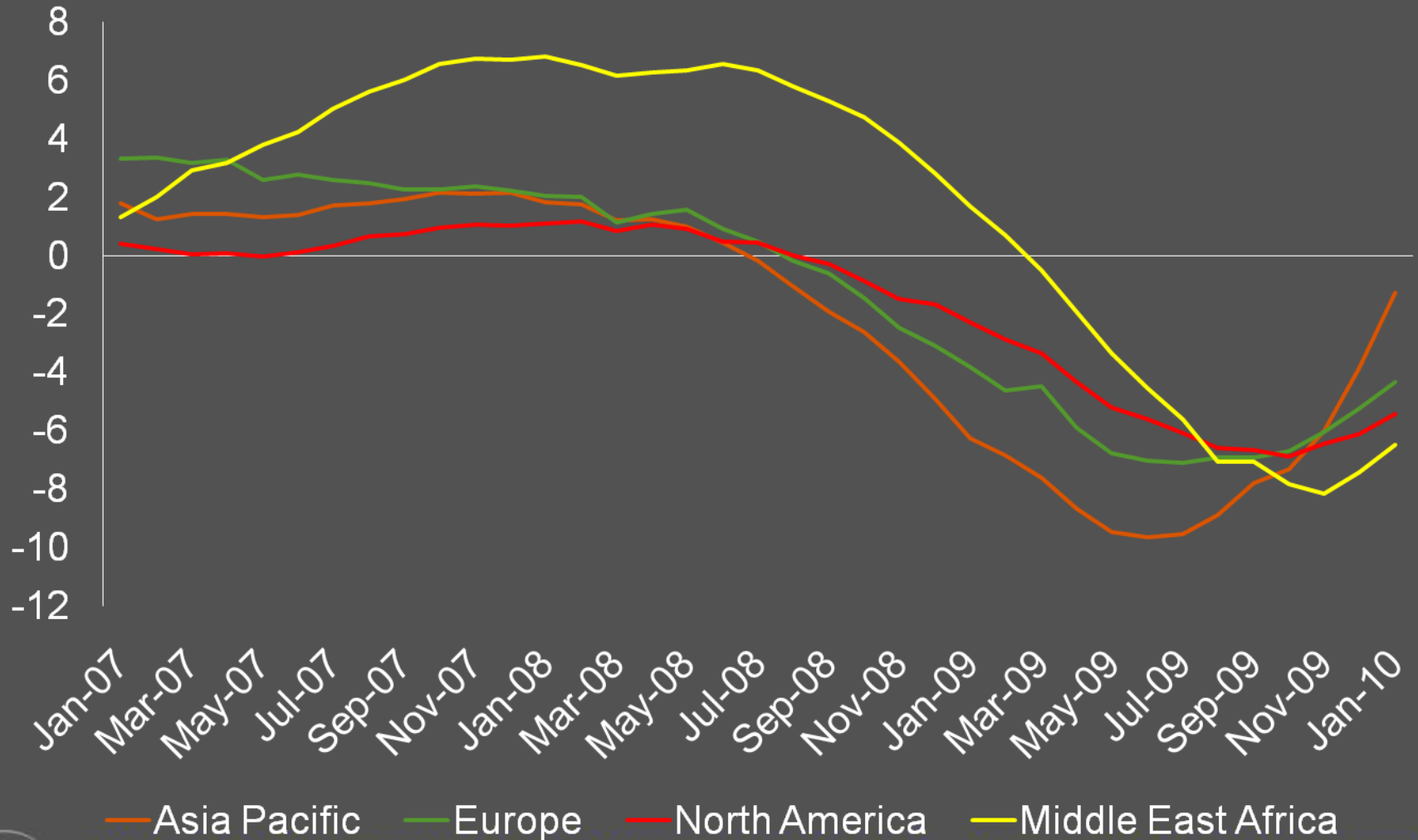
YE 08	YE09	4 Months end 1/10
1.2%	-19.4%	6.3%

Middle East & Africa \$

YE 08	YE09	4 Months end 1/10
16.2%	-13.3%	-8.5%

Demand Recovery...

Rolling-12 demand % change



— Asia Pacific — Europe — North America — Middle East Africa

European Hotel Trends



Focus on Europe: RevPAR – Local

RevPAR % change Year End 2009

ME & A \$

2009

-13.3%

Asia Pacific \$

2009

-19.4%

US \$

2009

-16.9%

Europe €

2009

-16.7%

Europe 2009 Local

Iceland	16.7%
Norway	-10.5%
Finland	-15.3%
Ireland	-21.2%
Sweden	-5.5%
UK	-8.3%
Denmark	-9.4%

Focus on Europe: RevPAR – Euro's

RevPAR % change Year End 2009

ME & A \$

2009

-13.3%

Asia Pacific \$

2009

-19.4%

US \$

2009

-16.9%

Europe €

2009

-16.7%

Europe 2009 €

Iceland **-15.8%**

Norway **-15.5%**

Finland **-15.3%**

Ireland **-21.2%**

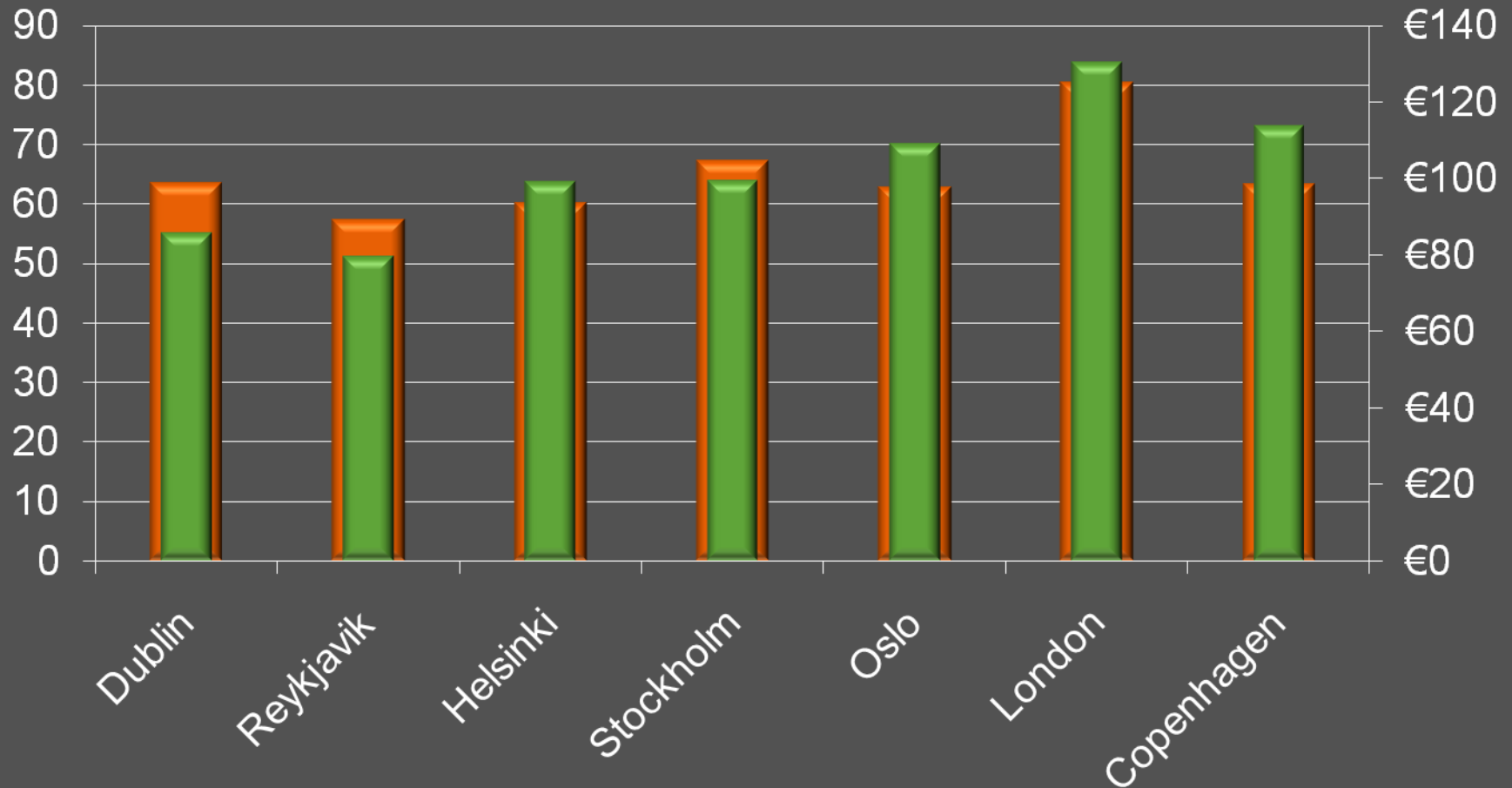
Sweden **-13.9%**

UK **-17.6%**

Denmark **-9.3%**

Performance put into perspective

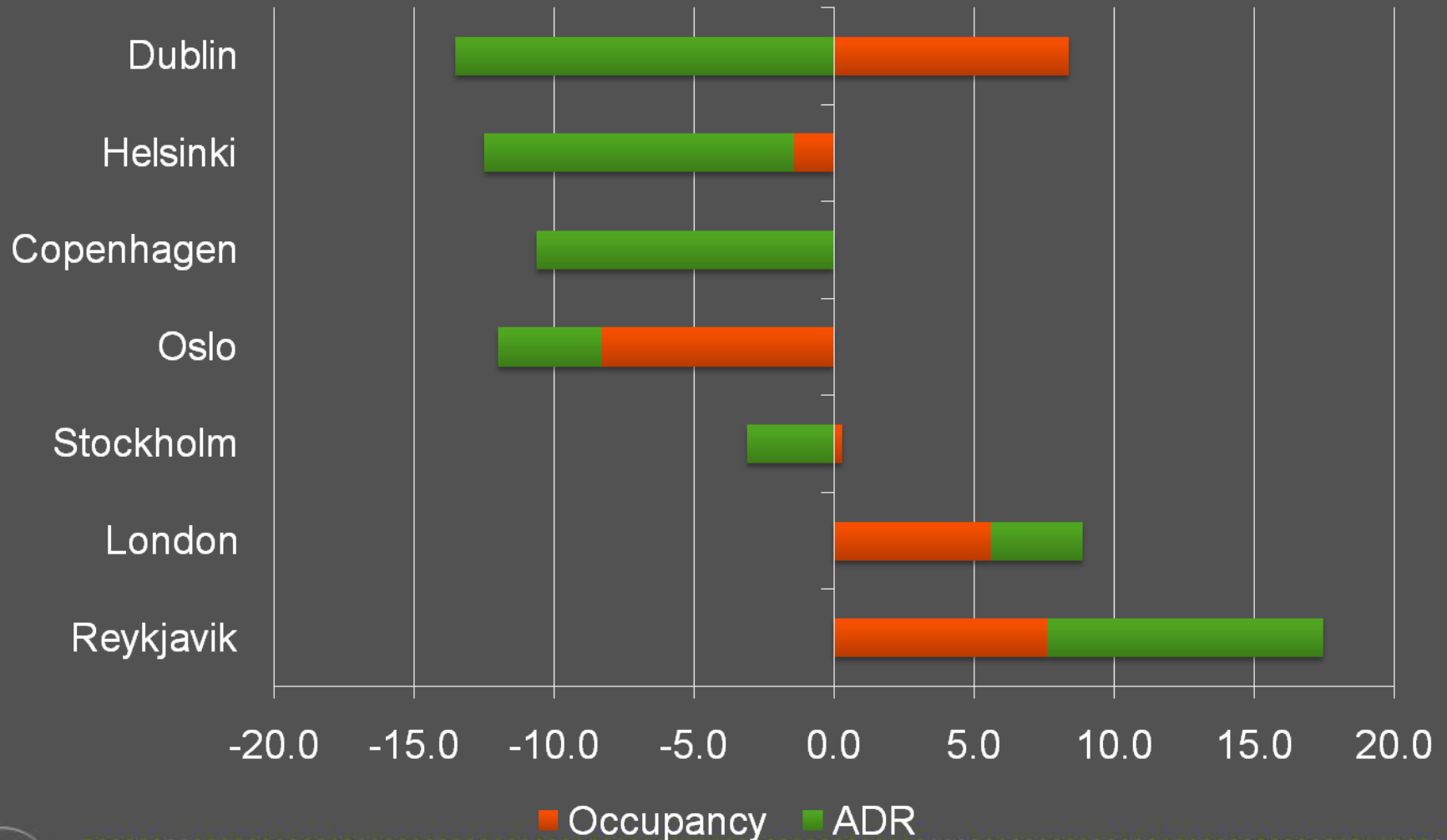
Year End 2009 Euros



Occupancy Average rate

European Cities – How has 2010 begun?

January 2010 % change in local currency

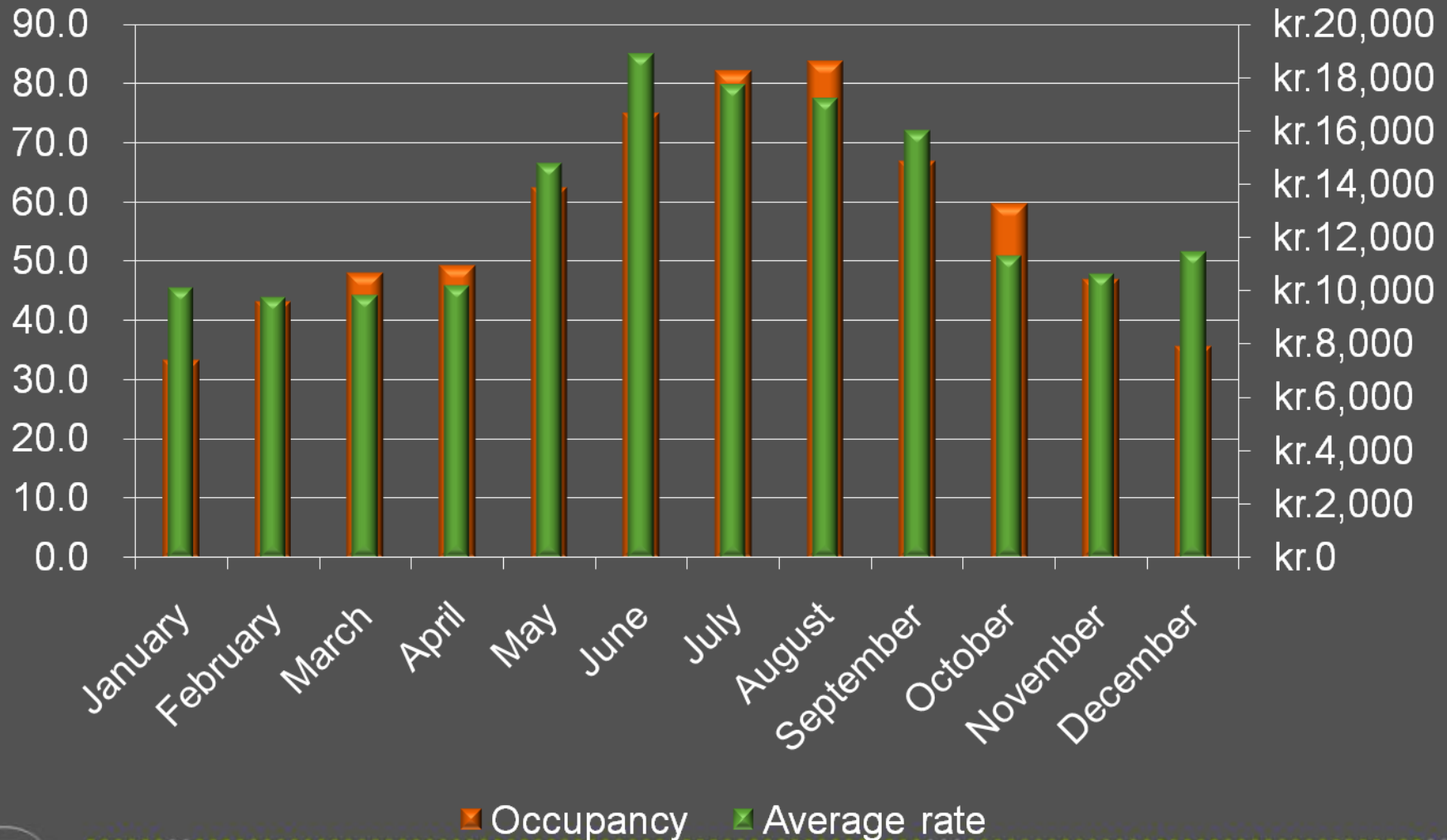


Focus on Reykjavik



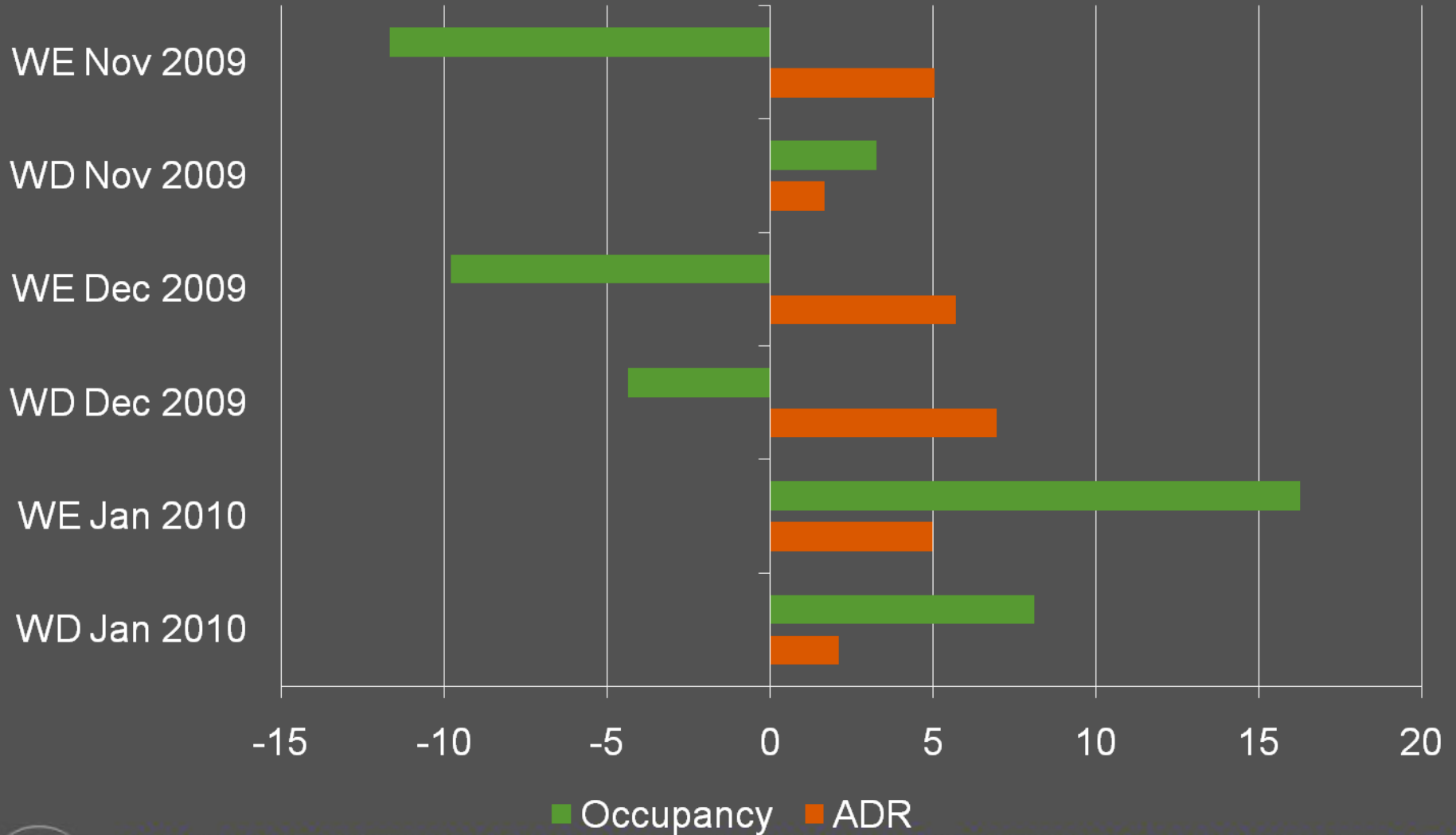
2009 Reykjavik Performance

Year-to-December 09 ISK



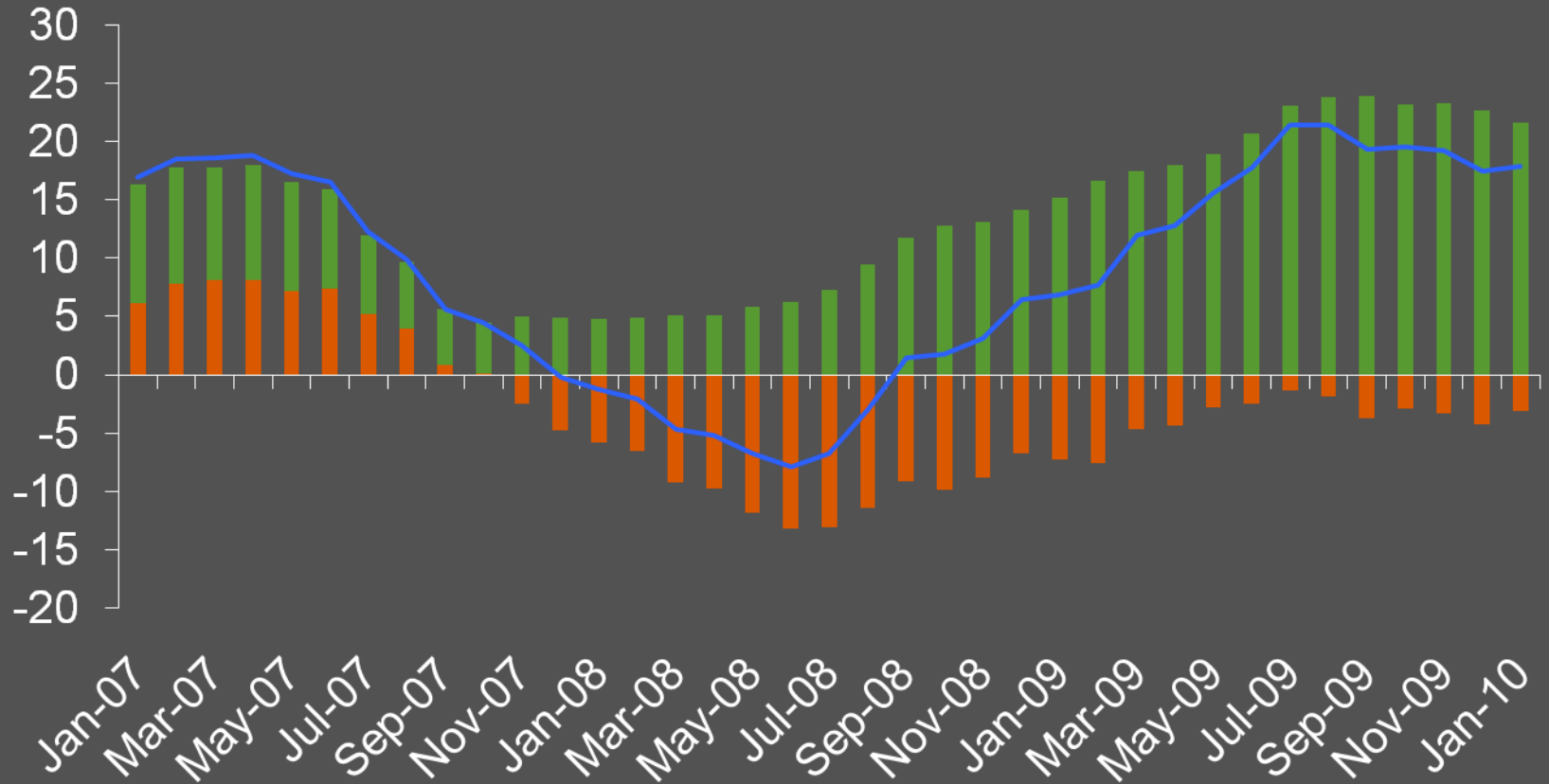
Reykjavik weekday vs weekend

Last 3 months, day-on-day % change



Market conditions

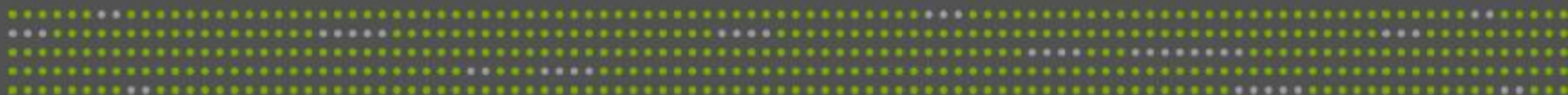
Seasonally adjusted % change



Occupancy Average room rate RevPAR

Summary

- Things globally are getting better
 - Icelandic Hotels ADR increases are down to inflation
 - Icelandic Occupancy remains steady
 - Non Eurozone countries are benefitting from weaker currencies – Iceland, UK, Sweden
-
- Discounted STAR Reports available for ITIA members
 - You need to understand your competitive performance more now than ever before – can you afford to be without this information?





Contact

Thomas Emanuel
temanuel@strglobal.com

STR Global
+44 207 922 1949

www.strglobal.com

