

## PREFERRED HOTEL GROUP – EUROPE

Using data provided by STR Global (STR), HVS London evaluated the performance of 51 hotels affiliated with Preferred Hotel Group (PHG) in Europe. The study focused on the performance of the PHG hotels over the last five years, to assess their success in out-performing that of their peer group.

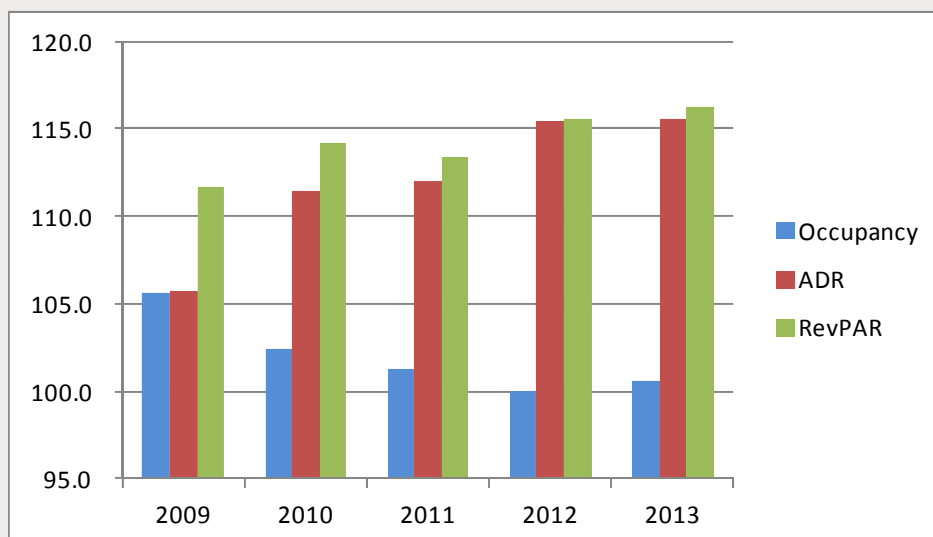
### Peer Properties

The performance of the PHG hotels was measured against the hotels identified as “Peer Properties”. For the purposes of this study, the peer properties comprise the competitive sets selected by each PHG hotel in their Monthly STR Report. In aggregate, 45% of these hotels – and nearly 60% of the rooms – are affiliated with an international hotel chain; roughly one-third of the hotels (42% of the room inventory) operate under Starwood, Hilton, InterContinental Hotel Group, Marriott, Accor or NH family of brands. A majority of the properties are classified as Luxury or Upper Upscale by STR, and the set also includes hotels affiliated with Four Seasons, Ritz Carlton, St. Regis, Jumeirah, Kempinski and Dorchester Collection hotels.

### Summary of Key Performance Indicators

The following table summarises the indices of key performance measures which compare the PHG hotels with their competitors (100 = equality).

### ANNUAL INDICES – PHG HOTELS VS. THEIR COMPETITORS



PHG hotels in Europe seem to have no difficulty in maintaining a strong premium over their competitors in terms of average rate and therefore RevPAR. The PHG hotels outperformed their competitors in terms of RevPAR throughout the five years, by an average of 14% overall and by 20% in the second half of 2013.